

The Estimates Committee convened at 8.01 am.

**Madam CHAIR:** Good morning, everyone. As Chair of the committee, I formally declare this public hearing of the Estimates Committee of the Legislative Assembly of the Northern Territory open. I extend a welcome to everybody present. I acknowledge that these hearings are being held on the land of the Larrakia people, and I pay my respects to Larrakia elders past and present.

This is the sixteenth year of the Estimates Committee process. Many procedures adopted throughout previous hearings have become accepted practice and will be continued this year. For the first time ever, Territorians, business and community groups have had the opportunity to directly participate in the estimates process through an open invitation to ask questions of ministers.

There has been a fantastic response with well over 100 questions being received, including some from members of the press, and they are still being received. I encourage anyone who wishes to submit questions to do so at the email address [budget.questions@nt.gov.au](mailto:budget.questions@nt.gov.au). Every attempt will be made to ask every question submitted.

To help facilitate this, questions submitted by members of the public will be asked first up after a minister's opening remarks. Some of these questions have been edited so as to fall within the standing orders and for reasons of brevity and decency. Every effort has been made to ensure any edited questions remain faithful to the information being sought. I want to thank those who have provided questions for the 2017 estimates hearings.

I will now outline how the committee will operate. In these hearings the role of the committee is to examine and report on the:

- a. estimates proposed expenditure contained in the Appropriation Bill 2017–18 and related budget documents
- b. activities, performance, practices and financial management of the Power and Water Corporation, Jacana Energy and Territory Generation with reference to those corporations' statements of corporate intent for 2017–18.

Membership of the committee was established by resolution of the Assembly on 11 May 2017. However, pursuant to Standing Order 193 part 2, other members of the Assembly may participate in the public hearings provided that at any time a quorum of three members of the Estimates Committee is maintained. Proxy members can also make up the quorum if previously nominated to the Chair in writing.

To assist Hansard I will advise the membership of the Committee at the commencement of every session and acknowledge for the record whenever there is a change of membership of the committee throughout the hearings. In the case of proxy members I will also advise for the record who the member is proxy for.

As in past years, ministers may make opening statements lasting up to five minutes. Members will be able to question the minister on issues raised within those opening remarks. However, where an issue can be directly related to a particular output within the budget that matter should be addressed when the committee considers that output.

The matter of relevance of questions has been raised a number of times throughout previous estimates hearings. I intend to follow the lead of the Senate, which adopted a report of their procedure committee in 1999 in which the following test of relevance was determined: any questions going to the operations or financial positions of the departments and agencies which seek funds in the estimates are relevant questions for the purpose of estimates hearings.

While this general relevance test is very broad, questions also need to be relevant to the outputs under consideration. For each agency I will first invite members to ask questions on the minister's opening statement. I will then invite questions on agency related whole-of-government questions on budget and fiscal strategies. I will then call for questions on each budget output as outlined in the committee schedule. Finally, I will invite non-output specific budget related questions. Once an agency or an output has been passed it will not be revisited. Members may wish to clarify with ministers at the beginning of the hearing the most appropriate output to raise an issue.

The schedule giving the order of outputs has been provided to all members and is also available at the back of the room and on the Assembly's website. We will work through this document as the agenda for the

committee. Where a minister will be available for questioning on outputs administered by agencies that sit within other portfolios these have been identified in the schedule in blue text. Those particular outputs need to be addressed at the time the responsible minister is appearing before the committee.

The previously accepted method of allocating questions throughout the hearings has worked well in the past, and the same process will be adopted during these hearings. I propose to invite shadow ministers to ask their questions first, followed by committee members. Finally, other participating members may ask questions. Subject to the Chair's discretion, within that order the committee has agreed to the flexible approach introduced previously to allow other members to join in with the line of questioning pursued by a shadow minister rather than wait for the end of the shadow minister's questioning on the output.

Procedures for dealing with questions that are taken on notice are contained in the Estimates Committee Information Manual 2017. When a question is taken on notice it is vital that its terms are clear for the record. When a minister or board chair indicates that they will provide an answer at a later time I will request the member who raised the matter to clearly and concisely restate the question. I will then ask the minister or board chair if he or she accepts the question. If it is accepted I will allocate a number which will identify that question.

Agency officers and ministerial staff should take note of the question number and ensure it is clearly identified in any response given by the minister or board chair during the public hearing process or at some later date.

Answers to questions on notice must be provided to the committee secretariat by 13 July 2017. The start and finish times of each minister's appearance is inflexible and will be adhered to. However, there is no fixed time for the duration of each agency's appearance. When questioning of an agency is concluded the committee will move on to the next agency within the minister's portfolio immediately. If a minister's time is exhausted before an agency is reached, that agency will not be questioned. Members will need to manage their questions to allow time for any agencies they wish to question.

Changes of minister and agency will be tweeted through the Legislative Assembly's Twitter account LegAssemblyNT to assist people knowing where proceedings are up to. Witnesses should be aware that evidence given to the committee is protected by parliamentary privilege. However, I would also remind witnesses that the giving of false or misleading evidence to the committee may constitute a contempt of the Legislative Assembly. Officers should also be aware that when they are requested by their minister to provide answers to question they are not required to comment on matters of policy.

I note that all the microphones on the tables are normally on, although they do have an off switch if required. The Speaker has approved accredited media filming of the hearings, and the cameras on the ceiling are providing a video feed that is being webcast and is available for broadcast. The rules for broadcasting are in the Estimates Committee Information Manual 2017; copies of which are available at the back of the room.

Hearings will commence at 8 am. Lunch is scheduled from 12.30 pm to 1 pm today, 12 pm to 12.30 pm tomorrow and from 1 pm to 1.30 pm on Wednesday. A half hour break has also been scheduled at 10 am today. Other breaks will be determined at the Chair's discretion. For all breaks I will indicate what time the committee will resume and ask for members and witnesses to strictly adhere to those times. Recommencement times will also be notified on Twitter.

For the purposes of the efficient recording of Hansard I request that ministers introduce those officials who are accompanying them, and when a minister refers a question to an officer that officer needs to clearly identify him or herself each time for the Hansard record.

## **MINISTER MANISON'S PORTFOLIOS**

### **TREASURY AND FINANCE**

**Madam CHAIR:** The committee will now proceed with consideration of the estimates of proposed expenditure in accordance with the schedule for the consideration of outputs, commencing with the Treasurer and outputs relating to the Department of Treasury and Finance.

Treasurer, I welcome you, and I invite you to introduce the officials accompanying you.

**Ms MANISON:** Thank you, Madam Chair. Firstly, on the point of breaks, I would like to thank the committee for taking into consideration that I have a four-week-old baby upstairs. We will try to adhere to the set break times. I would like to ensure there is some flexibility, so that I can attend to the baby. I appreciate the flexibility. I will be here for my full time at estimates, but thank you for the flexibility to attend to the needs of my child.

Before I introduce our officials and go into my opening statement, I thank the members of the committee for their hard work. Estimates is an important process to allow for the scrutiny of government expenditure and the performance of government. I welcome the questions I will receive today. We look forward to getting information to the public so they have as much information about the budget as possible. It would be remiss of me to not say that I am disappointed the opposition and the Independents are not here today to scrutinise the budget and the performance of the government, which is their job.

I will give my statement and note that we have provided written questions that have been asked by the opposition. They have been provided ahead of the hearings. I encourage the public to have a look at the questions. There is a lot of detailed information there across government.

I would like to make my opening remarks with regard to my responsibility as Treasurer. Firstly, joining me here today is the Under Treasurer, Craig Graham, the Deputy Under Treasurers, David Braines-Mead and Catherine Weber. We also have our Assistant Under Treasurers here, Sarah Rummery and Michael Butler.

The 2017 budget delivers swift and decisive action for Territorians when it is needed most. We have developed budget 2017 with clear principles, creating and sustaining jobs for Territorians, implementing our election commitments and providing services to Territorians in a smart and efficient way, reducing the cost to government.

In a challenging economic environment as the construction of the INPEX project comes to an end, private sector investment is declining and our economy is slowing, our government is restoring confidence in our business community and trust to Territorians. We have consulted through our economic summits, community cabinets and business roundtables, and we are putting in place the critical building blocks that will drive our economy forward, creating jobs and bringing economic growth.

When our government came to power in August 2016 we inherited the end of the construction phase of the Ichthys LNG project and a slowing economy. While the economic environment is challengingly enough the unprecedented \$2bn GST cut over the budget cycle has had a deep impact on the Territory budget.

This government has taken swift and decisive action and decided to invest in the future of the Northern Territory in budget 2017. This has included a record \$1.75bn infrastructure investment in 2017-18. This investment will support the transition of the Territory economy, keeping more Territorians here and attracting more people to the Northern Territory.

We were on track to deliver a budget surplus in 2019-20; however, the GST reductions mean it would have been irresponsible to continue with that strategy. It would have been at the expense of jobs, growth, business confidence and it would have sent our economy backwards. It would have meant massive cuts to jobs and services if we were to reduce the budget in line with the \$2bn GST cut.

Rather than that, we are targeting our investment to where the greatest need is to ensure we create and sustain jobs and that Territorians get the services they need.

The 2017-18 budget includes a number of measures to contain expenditure across government, including the introduction of a wages policy that limits wages growth to 2.5% across the forward estimates; budget improvement measures, including operational reforms; program rationalisation and productivity improvements; and a reduction in discretionary expenditure, such as advertising, communications, marketing and travel costs.

In conclusion, the 2017-18 budget highlights this government's plan to create and support jobs and grow our economy. Despite the challenging economic conditions ahead I am confident in the Territory's future. With the 2017-18 budget our government will create and support jobs, implement our election commitments and run a smart and efficient government that keeps costs down.

As Treasurer I will address the financial and economic issues from the whole-of-government perspective related to the 2017-18 budget including the Territory's consolidated financial statements and fiscal strategy; the whole-of-government debt management; Territory revenue including taxes, royalties and of

course, the GST; the Northern Territory economy; overall cash and program position of infrastructure budget. Details on individual agency budgetary matters including specific infrastructure projects will be addressed by ministers responsible for those portfolios as they appear throughout the estimates schedule.

In addition to the whole-of-government financial issues, I will answer any questions related to Treasury and Finance as an agency, the Central Holding Authority and the Northern Territory Treasury Corporation. As shareholding minister to the Power and Water Corporation, Territory Generation and Jacana Energy, I will also address issues in the budget that affect these government-owned corporations, including community service obligation dividends and tax equivalent payments. Operational and other policy questions relating to the corporations should be discussed with government owned corporations' committee hearing sessions later this week.

I am happy to answer questions from the committee relating to my responsibility as the Treasurer, the Appropriation Bill and budget papers, the Central Holding Authority and the Northern Territory Treasury Corporation.

Thank you, Madam Chair. I look forward to your questions.

**Madam CHAIR:** Thank you, Madam Treasurer. I will invite members to ask questions that have been provided by the public, then the shadow Treasurer to ask their questions, followed by committee members and other participating members. The committee has agreed that other members may join in on a line of questioning pursued by the shadow minister, rather than waiting for the end of the shadow minister's questioning on an output.

Are there any questions relating to the Treasurer's statement?

#### **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 for 2017–18 that relate to the Department of Treasury and Finance. Are there any agency-related whole-of-government questions on budget and fiscal strategies?

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

#### **OUTPUT GROUP 1.0—FINANCIAL MANAGEMENT Output 1.1—Financial Management**

**Madam CHAIR:** The committee will now proceed to Output Group 1.0, Financial Management, Output 1.1, Financial Management. Are there any questions?

**Ms NELSON:** Yes, Madam Chair. I have some questions that have been posed by members of the public.

The first question is from Neilia Humphries, who is with the Housing Industry Association. She has submitted several questions, so if you do not mind, I will ask one question at a time and have you respond to each one. Let us start with the first one.

A total of \$7.9m is allocated in Budget 2017-18 for the first homebuyer home renovations grant. The home renovations grant has influenced FHB towards purchasing existing properties and away from the new home building market. This is evidenced by ABS statistics on home lending and renovation activity. First homebuyers use this grant for minor renovations and improvements, which delivers only short-term minimal benefit to small contractors and sole traders.

Thirty-million dollars is allocated for the immediate works program grants, a program already concluded in early 2017. The nature of the works appears to be commercial in nature and the majority of approved projects are yet to commence. The budget appears to provide minimal, if any, incentive for private investment in any new residential construction, an industry that supports many Territorians. New home constructions benefit builders, suppliers, trades and related professions. The residential building industry is a major employer in the Northern Territory and stimulating this industry needs to be a budget priority.

How does this budget support or encourage private investment into the new homes market and in turn support local jobs and the residential building industry?

**Ms MANISON:** Thank you, Member for Katherine. I thank the HIA for submitting that question. It is a really important question because we see in the budget papers that one of our greatest concerns going forward with management of the economy and the Northern Territory is population growth.

We see in the budget papers that for the first time in 14 years the population is forecast at -0.3% in the next financial year, which is deeply concerning. We need to keep our population moving forward in order to grow the Northern Territory. One thing critical to that, which we feel can make a vast improvement to getting people to come to the Northern Territory and stay here and call it home, is the ability to buy their own piece of the Northern Territory—home ownership.

The HIA is always at the front, looking at good, sound housing policy and ways in which it can support its membership through construction jobs. We have a budget which is very much framed around job creation and supporting jobs in the Northern Territory.

One of the things we have honoured since coming to government is re-establishing the first home owner incentive, the stamp duty concession, for first home owners to buy an established home in the Northern Territory, which was something the previous government removed. The HIA has expressed concern with regard to first home owner grants. That was an incentive we kept in place, because we feel it is important to have diverse product to support construction jobs and the delivery of more housing.

The first home owner grant gives a first home owner \$26 000 to build their new home in the Northern Territory. It is a great incentive, and we have seen some fantastic new housing construction across the Northern Territory. With the reintroduction of the first home owner incentive, the stamp duty concession for established homes, we have seen that the first home owner grant has held up pretty well, and we have a lot of new housing being constructed.

In the 2015–16 year there were about 38 per month. That has reduced to about 32 per month in 2016–17, but we still have new housing construction going forward across the Northern Territory, plus opportunities for people to get into home ownership.

Another point that supports the housing industry is the fact we have the \$1.7bn infrastructure program. We have introduced stimulus measures to keep tradies in jobs and to keep people in the Northern Territory through the Immediate Works Package and the Home Improvement Scheme, and we have a record repairs and maintenance budget, which is all targeted at ensuring we keep those key workers in the Northern Territory as well as continuing to make sure we look at population growth and keeping people here the best we can.

We believe that one of the best incentives to keep people in the Northern Territory is to give them the ability to buy their own home. It is important that we have diverse product, which we do for established homes as well as new housing development.

**Ms NELSON:** People in Katherine have taken advantage of the first home owner grant. Nine people have participated in that stamp duty concession.

The second question I have is: the first home buyer stamp duty exemptions and first home buyer grants are limited in many states and not only to new homes. This is appropriate as the first home owner grant was introduced to offset the impact of GST on new homes. Given that existing homes are not subject to GST, should the first home owner grant be solely available to new homes?

**Ms MANISON:** It is important that we have diverse product. The previous government cut the first home owner stamp duty concession for established homes because it felt that having the first home owner grant available at a higher rate it would stimulate new housing construction. We heard that there was a real slowing of movement within the established housing market, and the Real Estate Institute was happy to see that we reintroduced the stamp duty concession. I believe we have the balance right to give people the opportunity to buy an established home as well as the opportunity to buy a new home.

We still have the first home owner grant for building a new home, and it is holding up very well with people building new homes in the Northern Territory—32 a month in the last financial year. We expect that to continue.

It is important to have that diverse product out there. For many people that foot into the housing market is not building a new three or four bedroom home; it is buying the one or two bedroom unit in an older suburb at a price point they can afford so as to get into the market, build their equity and make that first investment

in their life. Then they can move on to their second property, eventually, which is the bigger home or building their new home.

Building a new home is not for everyone. It is important we have diverse product in the housing market if we want to keep more people in the Northern Territory and get more people into the housing market. Many other jurisdictions are jealous of the incentives we have.

**Ms NELSON:** The second question I have from the public is from Climate Action Darwin. In fiscal year 2017–18, how much will the NT Government allocate toward increasing public transport use, bicycle friendly towns and greening, including solar government buildings?

**Ms MANISON:** With that question, it might be better directed at the Department of Infrastructure, Planning and Logistics since it is looking at building controls and so forth, Member for Katherine, if that is okay. Can I put that on notice and bring it back when we go to the Department of Infrastructure, Planning and Logistics?

**Ms NELSON:** Yes. I also have a question from Jimmy Cocking of ALEC, CEO, his question is: has the NT Government done any modelling of the impacts on power prices and associated costs of living as a result of the predicted trebling of gas prices resulting from the construction on the Northern Gas Pipeline?

**Mr GRAHAM:** We are not aware of any analysis which points to a trebling of gas prices as a result of the Northern Gas Pipeline. Currently, gas used for generation in the Northern Territory is sourced from the ENI or the Blacktip Field operated by ENI under a 30-year contract. Prices are locked in under that contract. There is currently excess gas available under that contract. The construction of the Northern Gas Pipeline should not have an impact on electricity prices in the Northern Territory.

**Ms NELSON:** Hopefully that satisfies Jimmy Cocking. The next question pertains to Territory Generation: have they considered the impacts on power prices and associated costs of living as a result of the predicted trebling of gas? I think you have just answered that one. Would Territory Generation be passing this cost onto customers or tax payers?

**Ms MANISON:** I think Mr Graham has answered that question with regard to the Northern Gas Pipeline and the fact that use there will not impact those Northern Territory gas prices to support the delivery and generation of electricity in the Northern Territory.

**Ms NELSON:** The final question from Jimmy Cocking is: how many jobs are going to be lost as a result of the closure of the Ron Goodin Power Station, and what are the transition plans for the workers who lose their jobs?

**Ms MANISON:** We are going through a phase of transition in Alice Springs. We know Ron Goodin Power Station is a very old power station. It is situated at Sadadeen Valley, close to residential homes. There has been significant investment under previous governments to the Owen Springs Power Station. That transition work is under way.

As shareholding minister my priority is to see that those staff at Ron Goodin Power Station, many who have been there for a long time when I was working at Sadadeen Valley at Power and Water, have new job opportunities at Owen Springs. They have some very highly specialised skills. They have served Power and Water, and now Territory Generation, for a very long time. It is our priority to see that they are the ones who ultimately end up working in the Owen Springs Power Station, working there and continuing to do their jobs. But this is a transition period. The Territory Generation management is working with those staff, the ETU and the representatives on the ground through the transition. Those discussions are ongoing.

We want to ensure staff who have the capacity and want to go to Owen Springs are given first priority for those jobs. There has been a lot of work happening there. Those conversations are ongoing and that work is ongoing. We have a power station there that we are looking to make fully operational at the start of next year. The transitional work is happening now; however, Ron Goodin will not be shutting down as of 1 January next year. We will transition to the new power station over a few years. It is very important that, through this process, we ensure safe, reliable and affordable power for everybody, making sure the transition work is done correctly.

There is work ongoing, and I encourage Mr Cocking to also put those questions to the Territory Generation board, which will be here later in the week. I am sure Mr De Silva and Mr Duignan would be happy to give further detail on that work as well.

**Ms NELSON:** The next question I have from the public is from Ms Naomi Hogan from NT Lock the Gate.

What percentage of NT Government revenue comes from gas royalties?

**Ms MANISON:** It is a very small number. Offshore is federal, but onshore gas and petroleum can come to the Northern Territory Government. That figure is around 1%, a very small figure.

### **Output 1.1—Financial Management**

**Madam CHAIR:** That concludes the public questions. Are there any questions on Output 1.1, Financial Management?

**Ms NELSON:** I certainly have some. I thank all the public service employees who have put a lot of time and effort into these estimates hearings. It takes quite a bit of team work and a lot of time to put these things together, so thank you very much for doing that and for being here today.

The first question I have is: what factors did you take into account when framing this budget?

**Ms MANISON:** It was a very challenging budget, particularly with the conditions we were facing when we came into government. As I said in my opening statement, when we came to government we knew that what we had ahead was the biggest project in town, the Ichthys project, moving from the construction phase to the operation phase. That has been a huge project which has had a huge impact on the Northern Territory economy. A project of \$34-odd billion has a large impact on the Northern Territory. We knew that would be transitioning from the construction phase to the operation phase and it would have quite an impact on local jobs.

We have also seen the slowing of the economy, with reduced private sector investment. As I have also spoken about before, there has been an issue with population growth. The forecast going forward is now at the lowest point in 14 years, which is a deep concern. You just need to speak to anyone out there. We go out doorknocking and speaking to our constituents, talking to business and our key industry sectors. Their number one concern is jobs. They have felt the pressures of the slowing economy. In framing the budget we took that into consideration.

One thing we did not anticipate the size of was the \$2bn GST reduction from the Commonwealth Government. We were anticipating a reduction in our relativity to the GST; however, we were not anticipating it to be of the magnitude of the drop we saw. To see it drop to 4.7 was a level we did not anticipate. We did not anticipate that the Northern Territory would see GST relativity impacted to the level it was because in other regional and remote parts of the country they have been able to deliver services such as education, health services and roads, cheaper than we have in the Northern Territory; therefore we have seen our relativity hit in the Northern Territory. We were not anticipating that.

We had a few choices of how to approach the budget. We could either cut into the budget to around the \$2bn loss of GST to the Northern Territory, which would have had a deep impact on jobs and services. I think it would have had a deep impact on business confidence and economic growth in the Northern Territory, and it would have sent us backwards. Otherwise, we could invest in jobs. That is why we have invested in a \$1.7bn infrastructure program in this budget to support jobs and create more jobs in the Northern Territory. One thing I have stressed is that the future is very bright here. We have some great projects on the horizon, and we believe we are driving some of the key infrastructure programs that will open up development opportunities in the Territory. That is the context in which we framed the budget.

**Ms NELSON:** Why have the forecasts in the 2017-18 budget changed so much?

**Ms MANISON:** The GST cut is the most profound, impacting development on what we saw in the previous budget and in the pre-election fiscal outlook from August of last year. The most dramatic impact has been the magnitude of that GST relativity change and that cut. If you were to look at that in the forward estimates over four years that has been a decline of \$2bn in revenue we were anticipating to come into the Northern Territory.

We had forecast a reduction in the relativity but not to that extent. We had also seen issues with population which has impacted our GST take. We have also seen an impact in the national take in the GST pool not growing at the rate the federal government had anticipated. That has impacted on the GST take coming into the Northern Territory. We know that 50% of the Territory's revenue comes from the GST. When you

see a cut of that magnitude it has a big impact on the Territory's budget. That is what has impacted the forecast the most from the previous budget and the pre-election fiscal outlook.

Is there anything you would like to add, Craig?

**Mr GRAHAM:** The largest impact has been GST revenue reductions, as the Treasurer said. We are seeing some contraction in payroll tax, largely as INPEX nears completion. Government's decision to maintain infrastructure spending at 2016-17 levels in order to support the economy and employment.

**Ms NELSON:** It makes sense to do that. You just talked about the reduction in the GST. Why could Budget 2017-18 not absorb the reductions in the GST?

**Ms MANISON:** A cut of that size would mean thousands of jobs if you were to try to make the savings within the Territory government budget in line with that GST cut. The GST is 50% of the Territory's revenue. It would have meant huge cuts to jobs in the public sector and huge cuts to services. That would have had a deep impact across the Northern Territory.

I cannot stress enough that at a time when we know there are issues with Northern Territory population growth it would have sent shock waves of uncertainty, and it would have been a kick in the guts to Northern Territory business confidence at a time when we need people to stay through the challenging 12 months ahead. I stress that the future is very bright.

That is why we have framed the budget in the way that we have and have decided to invest in jobs and infrastructure in the Northern Territory rather than make those cuts in line with the \$2bn drop in GST revenue. It would have sent the Territory economy backwards at a time when we need people to be confident, make a commitment to the Northern Territory and stay.

**Ms NELSON:** What alternative responses could the government have taken to address the GST shortfall and what were the consequences?

I am a bit of a budget nerd, so every time a budget is released I spend a significant amount of time looking through it. I have also paid attention to what is happening in other parts of the world where they have faced similar things and have gone the opposite way and taken their country or government into austerity, which does not work.

What alternative responses could this government have taken to address the GST shortfall?

**Ms MANISON:** As I said, it is a really fine balance. It is important at the moment that when we see those pressures on local businesses and hear of people with concerns about job certainty that we keep people here in the Territory.

We did not believe the answer was to drive deep cuts, which is what we would have had to do to make up for the shortfall of the GST. To clarify the impact of what that GST decline for the Northern Territory means by financial years, for the 2017-18 year coming ahead we saw that as a \$397m decline; in 2018-19, \$444m; in 2019-20, \$548m; and in 2020-21, a \$581m decline from what our forecasts and projections had been with the GST.

To make up for that type of loss, it would have meant thousands of jobs. As I said, to see thousands of people and their families leave the Northern Territory would have had a deep impact on the economy. This is not a time to see people leave the Northern Territory. It is a time to dig in, support jobs and make sure we have the Territory geared up and ready for the exciting opportunities that I believe are ahead for the Northern Territory after we get through this challenging transitional period, as we move out of the construction phase of the INPEX program.

**Ms NELSON:** Thank you for that. Why is the infrastructure investment such a big part of this budget?

**Ms MANISON:** Because it is about supporting jobs in the Northern Territory. It is a \$1.75bn infrastructure budget investment. We have targeted that money in infrastructure projects that support jobs growth and economic development in the Northern Territory. We have a fantastic roads program that should open up more opportunities for the pastoral sector, agribusiness, as well as mining and ensuring we have better roads for tourism and better access for Territorians. We know we have a huge network of unsealed roads in the Northern Territory. That has been a driving factor as well as making sure we support and create jobs in the Territory.

If you were to look at the historic investment of the Northern Territory infrastructure budgets when we have seen a decline in private sector investment or when we have seen tough times in the economy, that is when the Territory government steps up and invests in infrastructure to support Territorians, local business and the economy.

We would not expect, when you see that private investment sector investment grow in the Northern Territory, the infrastructure investment will stay at those record levels. But now we see the best decision for the Northern Territory is to invest in that infrastructure. It is not just about a strong capital works program. As we know, those big capital works projects take a bit more time to get off the ground and often take place over multiple financial years. So we have significant stimulus measures at the moment, particularly over the next 12 months of this budget cycle.

We have increased the repairs and maintenance budget to \$297m across the Northern Territory public sector. R&M work gets out the door quickly. It ensures that we have sound investment in government assets because that will mean better government infrastructure and better services to Territorians. It is a sound investment. It gets out the door swiftly and supports those smaller and medium-sized businesses across the Northern Territory.

We have also fast-tracked a range of major capital works programs we are committed to through our election commitments. Projects such as the netball stadium, Warren Park, the multi-storey car park, the children's centre in Tennant Creek, and we are looking at some of those types of major capital works projects. We have brought them forward to ensure we are supporting local jobs and businesses sooner rather than later as well as honouring our election commitments.

We have had the Immediate Works Stimulus Package which has been taken up by many community organisations, sporting groups and not-for-profit groups across the Northern Territory, which is investing in that important community infrastructure across the Territory as well.

There is a record infrastructure spend, but it is about making sure we keep Territorians in jobs at the moment.

**Ms NELSON:** Is that a bit like the circular economy concept?

**Ms MANISON:** Absolutely. We are making sure we keep people in jobs and continue to grow the economy because at the moment what we do not want to see is people leave the Northern Territory and economic decline that we cannot recover from.

**Ms NELSON:** What does this 2017-18 budget do to improve the budget and its fine savings?

**Ms MANISON:** As we know within this budget we have had to make some very tough decisions in lieu of that \$2bn GST reduction. For example, we have a budget that has gone to \$1.3bn deficit, and that was not an easy decision. But in order to invest in infrastructure going forward and to invest in jobs and economic growth that was a decision that we had to make. We have got that going forward. We have had to find savings within the budget. One thing we have done within this budget, and this is certainly going to present some real challenges to our government agencies, is that we have constrained government expenditure and growth.

We have now forecast the recurrent government expenditure down to 0.1% per annum. That is the average over the forward years. That compares to generally about, over the last 10 years, an annual growth rate of about 7%. Yes, it will be tough on government agencies. They will have to show ongoing discipline in managing their budgets. It is going to take some considerable discipline and tough decisions. Given those challenges we have with the loss of that revenue, it was important to ensure that the things we could control with government expenditure, we absolutely did.

Some of those measures have included things such as reducing CPI for government agencies. We know CPI is flat in the Northern Territory at the moment, and so in line with that we have let our agency heads know that we would be reducing—they had budgeted a 1.5% increase of their budgets in line with what had been CPI for the 2017–18 financial year, and the next financial year they had forecast about a 2.5% increase. We have reduced that to zero for 2017–18 and 1.5% for 2018–19. They are going to have to make some tough decisions and constantly keep an eye on those budgets.

We have also, going forward into the EBA negotiations with ...

**Ms NELSON:** Are there several EBA negotiations coming up?

**Ms MANISON:** Yes, there are. We cannot stress enough how much we absolutely respect and thank our public service for the hard work they do, but given how tough the economic situation is out there and our revenue challenges at the moment, we have reduced our wages policy from 3% to 2.5% going forward. Some tough discussions and negotiations will happen around those EBAs as a result, but given the challenges we have ahead and the fact that we have worked very hard to try to keep people in jobs has meant that we have had to pull back in those wages discussions and the wages policy that we have going forward.

We have also asked departments to look at things like their travel budgets, communications and marketing, ensuring they keep a very tight budget in those types of areas as well as where they have any duplication. If they have programs which simply are not serving their purpose any more, to look at what they maintain and what they do not maintain. Our chief executives are certainly all working on their different agencies and their budgets and looking at what they are doing going forward.

We have had to make some tough government decisions around government expenditure and growth. We have also had to go out there and make some decisions around revenue, which are never popular when you say you are going to increase the price of things.

In this budget we have increased car registration. For a small vehicle it could be an extra \$22 a year and for a medium vehicle about \$33. However, if you have a large four-wheel drive vehicle it is about an extra \$60 a year on the bill. That was not an easy decision at all, because that impacts people across the Northern Territory, but we have had to make those tough decisions.

We have also made decisions regarding stamp duty on properties valued over \$3m and regarding gaming machines in pubs and clubs. Again, they are not easy decisions, and we have received a bit of criticism on those decisions. But when you look at the budget we are facing and where our priorities are—and our priorities could not be any clearer as they involve infrastructure investment, job creation and supporting business—you have to make tough decisions to offset that so you can invest in areas that are your priorities. For us that is infrastructure.

**Ms NELSON:** I agree.

This goes back to the GST: what efforts are being made to call back some of that lost GST revenue?

**Ms MANISON:** When we became aware of the GST relativity and the decline that was forecast, I met with the federal Treasurer in Canberra and could not have made much clearer the impacts of those GST declines on the Northern Territory.

We have lobbied Canberra at all levels. Our hard-working Treasury staff have been working with the federal Treasury staff, looking at ways in which to look at the GST situation going forward and looking at ways we can ensure the Territory is better protected in the future when it comes to areas we were very unfairly impacted by in the Territory.

We have funding coming from the Commonwealth in areas where we have the greatest deficits: remote housing; education; health infrastructure. And then we see that in other, bigger jurisdictions with vaster and higher populations and do not have the challenges we do—they are able to drive their costs down, and that had an impact on the funding to the Northern Territory and our relativity.

We made it very clear that we were being unfairly penalised there, and that it was not very productive for the intention of the Commonwealth funding to the Northern Territory to support reducing those deficits. To see better housing, see better educational outcomes and health outcomes, particularly in the bush—and then to see our GST relativity impacted in those areas. The Chief Minister has been working hard and having conversations with the Prime Minister, and we will continue to lobby Canberra about this issue.

We have a Productivity Commission review into the GST coming up. As I have said before, I have mixed feelings about that because on one hand I see it as an opportunity to ensure we are never placed in this boat again where we see a massive drop in relativity in those areas, but I am also concerned regarding what the other jurisdictions would like to see the outcomes of. When you sit at the Treasurer's table in Canberra—the biggest states would like even more GST. If they get their hands on it that means an even further drop in the Northern Territory.

We will do everything we can to ensure we continue to receive our fair share but also avoid this situation in the future where we see such a steep and rapid decline that has largely been created by things that are simply out of our control.

**Ms NELSON:** Thank you, Treasurer. That is it from me in regard to financial management.

**Madam CHAIR:** Are there any further questions?

That concludes consideration of Output Group 1.0.

## **OUTPUT 2.0—ECONOMIC** **Output 2.1—Economic Services**

**Madam CHAIR:** The committee will now move to Output Group 2.0, Economic, Output 2.1, Economic Services. Are there any questions?

**Ms NELSON:** Yes, Madam Chair, I have several.

What are the major economic issues facing the Territory moving forward?

**Ms MANISON:** Coming to government we knew we would have some challenges. Everybody at the time had seen the previous government had to move to introduce some significant stimulus measures because they had heard what we had heard, which was the biggest concern was jobs and a slowing economy. We had also seen quite a change in their budget position in the last budget they delivered in their forecast where they went into greater deficit than anticipated. The feeling in the economy was already there about the challenges.

In coming to government we faced similar challenges of the slowing economy and the move from the INPEX project. We have made those investments, as I have outlined, with regard to ensuring we are investing in the areas to support Territorians, jobs and business.

**Ms NELSON:** The population is expected to decline by 0.3% next year; what major factors contributed to that decline?

**Ms MANISON:** There is a raft of issues there. I will hand over to Treasury to talk about more technical detail. We are anticipating the census coming out soon. We are eager to see the data through the last census conducted last year. This government recognises population is one of our greatest challenges. We have plans to do more work in this space to attract more people to move to the Northern Territory. This is a wonderful place. We want to see more people move to the Territory and build their lives here, but we know we are competing with everyone else in that space.

We realise we have the challenges of attracting more people from interstate and overseas. We have seen declines in our net interstate migration and overseas migration numbers. I will hand over to Treasury to talk more about the technical details around those challenges of population. We will actively and aggressively promote the Northern Territory as a place to move to, but if you do not have the jobs here then you will not be successful in doing that, hence why we are investing in infrastructure and creating jobs.

**Mr GRAHAM:** The Territory has a very transient population. We see that people tend to move here when there are major projects and employment opportunities then leave when the projects come to an end. What we are seeing at the moment and what we expect to see next year is that as the construction phase of INPEX is completed and they move to the production phase, a large number of the workers will leave because they cannot be readily absorbed in other areas of the economy. That will be the large driver. We are expecting 3,500-odd workers...

**Ms NELSON:** Is that because of their skill set that they cannot be readily absorbed?

**Mr GRAHAM:** And the fact that there are significant employment opportunities in other states at the moment. Victoria and New South Wales are seeing large population inflows. That will be the main driver. We are also seeing large losses to other states and a significant falloff in migration from overseas. In the lead up to INPEX we saw a large inflow of people from overseas, and that growth has dropped off as INPEX nears completion.

Traditionally we tend to see outflows of people to other states. We have large population flows in and out of the Territory, but the net of that is usually negative. What we see now is the people leaving the Territory each year to travel interstate is at historical levels, but the people moving to the Territory are falling away. People who are moving to the Territory tend to be single, working-aged males who are not bringing family members with them. Those are the movements we are seeing in the composition of our population.

**Ms NELSON:** There are some recent changes to the immigration laws, in particular skilled migrant workers, through the federal government. Have we done any work with them? That would have had an impact on the immigration flow through the NT, wouldn't it?

**Ms MANISON:** Certainly, it was quite concerning. I have gone out to multicultural groups—I am sure you have as well—throughout our wonderful multicultural community in the Northern Territory. The messages from the federal government have raised alarm within those communities. We are dependent on overseas workers in the Northern Territory, particularly in some of our key sectors, for example, in agribusiness. It has rung some alarm bells.

We will continue to work with our multicultural communities and groups, and the federal government to advocate strongly to ensure we get the workers we need to support our key sectors and industries in the Northern Territory. We have always had good numbers. You can see we have issues with migration at the moment. People are not coming to the Northern Territory in the numbers they used to. We have more work to do there.

**Ms NELSON:** There are mixed signals coming from the federal government about the Northern Territory. First we get a significant cut to the GST, and then we have changes to skilled migrant laws that will have a direct impact on the Northern Territory sectors, like the agriculture sectors you mentioned. It is hard to get that warm and fuzzy feeling that they are looking out for the Northern Territory.

**Ms MANISON:** We will continue to do everything we can with our colleagues in Canberra to ensure they see the Northern Territory as a place they should be making investments and working with. We have got huge potential to offer this nation. The federal government have made a clear commitment to developing the north and to closing the gap on Indigenous disadvantage. They have strong plans in the Defence White Paper.

We will continue our conversations with them about ensuring they are serious about their investment in the Northern Territory and that they see us as a place they should be working with because we have great potential to offer this nation. We all know that if we were to overcome some of our issues, particularly in the remote parts of the Northern Territory, that we have a great deal to offer this nation. We will continue to knock on Canberra's door and lobbying all our federal counterparts as hard as we can to claw back some of that investment to the Northern Territory.

**Ms NELSON:** What long-term planning is the government doing to break this 'boom and bust' cycle we are in?

**Ms MANISON:** We came to government saying we would work with our key sectors and industries to form economic summits so we can hear directly from industry and Territorians about where they see priorities for investment and opportunities for the Northern Territory.

The economic summits process is being completed. We have had extensive consultation across the Northern Territory and formulated our economic development framework from that. Importantly, we have our 10-year infrastructure plan that we are finalising. That will give people more certainty about where the infrastructure investments will be.

We are continuing work with several major projects that have potential in the Northern Territory—there are a range of industries—to ensure we are supporting them where we can because we want to see many of the major projects get off the ground. Many of them are in the resources sectors, for example. A lot of people are talking about Project Sea Dragon and the potential it has. We are continuing the work of the previous government around the Darwin luxury hotel, for example, and the ship lift facility. It would open up a marine industry in the Northern Territory which means opportunities to get more businesses here. We are ensuring that sensible and good work continues because ultimately it creates more jobs and more industry here.

We have also been working with the Commonwealth government and the City of Darwin around the city and have been having similar conversations in Alice Springs. We will be committing \$100m to the

revitalisation of the Darwin CBD. We will commit \$20m to look at the revitalisation opportunities there. This is about ensuring we make Darwin the capital of northern Australia, attracting more business and people here, creating more tourism opportunities here as well. We have had some very productive discussions with the Commonwealth and those cities and are very optimistic about the future.

We also see some great opportunities for ongoing sustained Defence assessment. We know the Defence White Paper highlighted some opportunities of about \$8bn potentially coming into the Northern Territory over the next 10 years and about \$20bn over the next two decades. As I say to people, we are competing with every other jurisdiction that is trying to get that Defence expenditure prioritised in their jurisdiction first. We will be lobbying Canberra very strongly about why the Northern Territory should be a priority, but most importantly, that we have the capacity on the ground here to deliver those projects.

One thing business constantly tells us is they get frustrated by seeing very large procurement packages being bundled up between the Northern Territory and other cities and towns across the nation when local business has the capacity. Master Builders Association, for example, has done some strong lobbying work in Canberra about the potential of local business to deliver some of those Defence projects. We are investing in this budget in a Defence advocate based in Canberra to ensure we have someone constantly knocking on the door and putting the Territory's case for investment forward.

**Ms NELSON:** Thank you. You have answered this question in part previously when you described the first home owner grants and the Immediate Works Stimulus Package. What further work is the government doing to try to keep tradies in the Northern Territory?

**Ms MANISON:** It is important that we keep people here in the Northern Territory. With the first home owner stamp duty concession, we also have a \$10 000 grant targeted at small business tradies. It is there for two reasons: Firstly, to help people make that commitment of plunging into the housing market to make their investment in the Northern Territory; and secondly, to support local business. We have our Immediate Works Stimulus Package that is targeting not-for-profit community groups. Again, you have to be a local business to do that work.

I know people are very disappointed that we had to close the Home Improvement Scheme sooner than we anticipated, but the uptake was very rapid. We have had great uptake across the Northern Territory and most of those vouchers have not been expended yet. That money will keep flowing through to local tradies for some time.

I have spoken about the repairs and maintenance budget again. We know we have our big capital works projects and often they will flow down to tradies here on the ground through those big businesses with large capital works projects. But, of course, they get subbies on and they benefit from that. We also have our repairs and maintenance budget at record levels, as I discussed. Again, that targets those small to medium-size businesses here.

Probably one of the biggest benefits to local business and tradies have been the changes we have made to the Buy Local procurement policy in the Northern Territory, where we now have some of the strongest procurement incentives and policy settings to make sure we have a greater focus on the value to the Northern Territory, rather than the value simply on money. It is about the real value that goes out there to support the Northern Territory in the short, medium and long term. We have made some significant changes to the Buy Local procurement policy which will flow through to that infrastructure spend that government makes, ultimately keeping more tradies here and more people in jobs in the Northern Territory.

It is important to also recognise that when you support those jobs in construction and trades, that flows through to the other parts of the economy and keeps families here in the Northern Territory.

**Ms NELSON:** Yes, absolutely. What is the government doing to address the population decline? We touched on that a little, but could you ...

**Ms MANISON:** As we have spoken about, we are focusing on keeping people here in jobs. We have released a population plan through the budget process. We will be looking at ways to get more people to the Northern Territory. We will actively market the Northern Territory through TEAM NT down south. We will also work with, not just construction and key sectors, but areas such as university education to look at getting more international students here to the Northern Territory through CDU. If you look down south at how successful some of the big cities have been at attracting international students to education, and keeping them there has been an important factor to some of those economies. We see some opportunities in the Northern Territory. CDU do a wonderful job and offer wonderful opportunities.

Job creation is very important. We are investing more in Alice Springs and in Darwin to revitalise them and make our cities even more liveable and to get more people here.

**Ms NELSON:** I want to touch on the GST revenue shortfalls. Why is there a difference between the Territory government and the Australian Government about the GST revenue shortfall? It is a significant difference.

**Ms MANISON:** There was commentary at the time when the GST relativity came through. There was a fair bit of coverage around it. I stand by the figure. This is a \$2bn cut to the Northern Territory's GST revenue over four years. I absolutely stand by that.

I spoke before about the actual numbers and what they were in relation to the GST shortfall. When you add it up, it is \$2bn over four years from the pre-election fiscal outlook and what we had forecast to come in through the GST. The decline in 2017-18 was \$397m. When you look at the changes to the revisions, we saw \$66m less due to population, \$46m less due to the GST pool, and \$298m less due to GST relativity.

If you look at 2018-19, that \$444m figure had a \$92m decline for population. For the GST pool, the national growth of the pool, there was a \$55m decline, and the major drop in relativity from the Commonwealth Grants Commission was a \$313m decline.

In 2019-20, the \$548m figure—population was \$114m, GST pool was \$126, the relativity was \$333m. In 2020-21 the \$581m was \$115m population, \$172 in the GST pool, and the GST relativity was \$325m. We did have the federal budget come out the week after the Territory budget. We did see within that a further decline in the GST coming into the Northern Territory in the revenue forecast. I will get Treasury to talk through the decline and the reason around it.

**Mr GRAHAM:** We did see a further downward revision to the pool estimates in the Commonwealth budget. That was offset by some of their population estimates which were a bit more optimistic than ours. The net effect of that was their estimated loss over the forward estimates was pretty much in line with ours. Ours was a forecast of \$2bn over the forward estimates and their forecast was about \$2.2bn. We did see after their budget that their forecast was close to ours.

**Ms MANISON:** Member for Katherine, at the time there were some people speaking to the media saying that it was not a \$2bn cut and that it was absolute rubbish. I saw an argument saying that GST is not forecast over forward years, but I have a Commonwealth budget paper here showing GST forecasts over four years. You can see that they are projected forward. Treasury is very conservative in its estimates going forward here. We had seen this decline after the pre-election fiscal outlook and, yes, it is \$2bn over four years. There has been another slight reduction since the Commonwealth budget.

We will continue to do everything we can to lobby Canberra and look at ways in which we can further generate more revenue within the Northern Territory. The best way to do that is to make sure you grow your economy and jobs, and see more economic activity happening. We have some challenges, but we will do everything we can to protect our GST revenue. This is an unprecedented cut and is of the size and magnitude we have never seen in the Northern Territory before. We need to do everything we can to protect our slice of the GST pie, particularly with this upcoming Productivity Commission review.

**Ms NELSON:** Our budget is very fair and it makes sense. It is a logical, fair budget. This government has shown its intention to work with the federal government and meet the shortfalls. It has introduced a number of initiatives and programs to keep the economy turning and generate revenue. Is the government confident that we will not be dealt the same thing in the next financial year, with the GST shortfall?

**Ms MANISON:** We will do everything we can to protect our slice of the GST. The Grants Commission's process in which they calculate relativity is an independent one. Ultimately, when we found out what the relativity was looking like, and that steep decline, we raised the alarm bells with the federal Treasurer. We made very clear the impact this would have on the Northern Territory.

We will work closely with the Productivity Commission on this review of the Grants Commission process to do what we can to avoid this situation again.

Make no mistake; other jurisdictions sit at that table and they will try to take GST off us because they think we get more than our fair share. As we know, that is absolute rubbish. We have a small population and some of the largest challenges with remote health, education and infrastructure, which the other jurisdictions could not contemplate. Our people in remote areas deserve access to good education, health,

housing and infrastructure. Given that we have limited opportunities to raise revenues here in the Northern Territory, I cannot stress enough how important it is that we get our fair share of the GST.

I might hand this over to Mr Graham to further add to that and talk about some of the work we are doing regarding GST reduction and trying to avoid such a vast relativity drop, even though it was a CGC process, so it was difficult to avoid.

**Mr GRAHAM:** As the Treasurer has mentioned, it is an independent statutory authority that makes recommendations on the distribution of the GST. It is currently undertaking a major review of the methodology used to recommend that distribution.

It undertakes that review in consultation with states and territories. We are in a process of preparing submissions to the review which sets out the Territory's case for the share of GST we receive, which is primarily a function of our large expenditure needs. We have a national average capacity to raise revenue from our own sources, that is, things like payroll taxes, gambling taxes and mining royalties, but where we differ markedly from other states is on the expenditure side.

We have to provide services to a small population spread over a large geographical area. We have 30% of the population identifying as Aboriginal, compared to 3% nationally. By far the largest share of our population living in remote and very remote areas tend to use government services more than the national average, which tend to cost more to provide services to. It stays relative disadvantages which set out the reasons why we need 5% of the GST pool to provide services that Australians elsewhere can enjoy. The main focus of that methodology is around equity and ensuring people can access a similar level of service regardless of where they live.

It is important we set out those arguments and the Commonwealth Grants Commission recognises those factors and, doubly important, to demonstrate that case to the Productivity Commission also. We are in the process of preparing submissions for the Productivity Commission. We met with them last week and will be submitting our first submissions in the next couple of weeks.

**Ms NELSON:** Our gross state product is expected to rise next year but the state final demand is going to contract. Which is a better guide to our economic future out of the two here?

**Ms MANISON:** With our growth state product of GSP, the numbers going forward, a lot is based on looking at our export of gas. We saw within the budget papers that there was a decline in state final demand which was concerning. We have since seen some state final demand numbers, they were more positive than we anticipated which was a good sign. Treasury were doing more work to breakdown the driving factors. We expected some of the downturn in INPEX not happening at the pace we anticipated; that was one of the pointing factors we saw to those more positive state final demand numbers.

I will pass over to Treasury to go into more detail about the figures. When we look to local growth and how it impacts day-to-day jobs we talk to people about, we tend to look at those SFD figures more closely. I will hand over to Mr Graham and Treasury to go into more detail.

**Ms NELSON:** I am an optimist so I like to think our state product is a better measure.

**Mr GRAHAM:** Gross state product is the traditional measure of the size of our economy. Changes in the value of gross state product represents whether our economy is growing or contracting. State final demand is a more narrow measure in that it excludes transactions with the rest of the world and other states. It is a more reflective measure of activity in the domestic or onshore economy.

The reason why we think SFD will contract is primarily because of the contraction in private investment. That is largely the INPEX story but also the construction industry more broadly. The reason we see GSP positive is the effect of net exports, particularly in 2019-20 where we will see a large jump in GSP with the commencement of exports from INPEX.

Since we released the budget we have had more up-to-date SFD figures released which were more positive than we thought. We are looking at drivers behind that, whether there is any sort of delay in INPEX or the completion is not happening as quickly as we thought it might, or whether there are other factors in the economy affecting that. The midyear report that comes out towards the end of this year will provide an opportunity for us to revisit those forecasts.

**Ms NELSON:** Is the Territory on par with the rest of the nation in regard to our gross state product and state final demand?

**Madam CHAIR:** Member for Katherine, I advise the committee that all questions must be addressed through the Treasurer.

**Ms NELSON:** Treasurer, are we on par with the rest of the nation in regard to where we are with the GSP and state final demand?

**Ms MANISON:** I am happy to pass that through to Mr Graham to go into.

**Mr GRAHAM:** We are seeing a similar transition in that. The national economy is transitioning away from the mining boom and the private investment largely associated with the resources sector towards investment in the non-mining sector of the economy and consumption. I guess the measures of GSP versus GDP, which is the measure of national economic activity, are not wildly out of alignment.

**Ms NELSON:** Thank you for that.

**Madam CHAIR:** Are there any other questions?

**Ms NELSON:** No, not on that output.

**Madam CHAIR:** That concludes consideration of Output 2.1.

### **Output 2.2—Payments on Behalf of Government**

**Madam CHAIR:** The committee will now consider Output 2.2, Payments on Behalf of Government. Are there any questions?

**Ms NELSON:** Yes, Madam Chair, I have a question. What are payments on behalf of government?

**Ms MANISON:** Government makes what we call community service obligation payments. One we well and truly know about is the cost to deliver power, water and sewerage services in the Northern Territory. The government makes CSO payments to ensure we have affordable power, water and sewerage services for Territorians. If we were to do a truly cost-effective scheme, it would be very difficult for Territorians to keep the lights on.

We have other CSOs which the government makes payments for, but I will hand over to Treasury to give a bit of detail about that.

**Mr BRAINES-MEAD:** As the Treasurer has outlined, Treasury, on behalf of government, makes payments to the government-owned corporations in relation to community service obligations. As the Treasurer mentioned, there are a couple of main categories. First, in regard to electricity, is what is called a uniform tariff which means it is the same tariff that applies to households and small residential customers, irrespective of where they live. In recognition of that, government provides a subsidy. There is also a similar uniform tariff for water and sewerage supply across the Territory.

There is also a gas supply agreement the Power and Water Corporation has in regard to its take or pay arrangement. Again, there is a community service obligation that is provided in that regard.

**Ms MANISON:** Did you want to go into amounts there?

**Mr BRAINES-MEAD:** On page 264 of Budget Paper No 3, there are details of the amount. For 2017-18, Treasury will be paying \$80m for regulated retail electricity tariffs. It is important to also note that that is not just for Jacana Energy. That is available for any retailer that comes into the market. There is another retailer that is currently in the market that is eligible to access that community service obligation.

There is \$6.7m provided for regulated retail water and sewerage tariffs, and there is \$18.7m for that gas supply agreement. They make up the payments on behalf of government that Treasury provides.

**Ms NELSON:** Okay, thank you.

**Madam CHAIR:** Are there any other questions? That concludes consideration of Output 2.2 and Output Group 2.0.

### **OUTPUT GROUP 3.0—TERRITORY REVENUE** **Output 3.1—Territory Revenue**

**Madam CHAIR:** I now call for questions relating to Output Group 3.0, Territory Revenue, Output 3.1, Territory Revenue. Are there any questions?

**Ms NELSON:** Yes, Madam Chair, I have several. Can you please explain how you account for the fall in payroll tax revenue forecast for next year?

**Ms MANISON:** Yes, we have seen a decline in the payroll tax, but I will hand over to Treasury to go into the details of that to give you a bit more clarity about those numbers we have seen declines in.

**Mr BUTLER:** Again, it is largely an INPEX story. As discussed before, the expectation that the 3500 workers in the peak construction workforce, some of whom are fly-in fly-out workers—as INPEX moves towards production phase the bulk of those employees, particularly the FIFOs, will no longer be in the payroll tax base. That accounts for almost all the expected reduction in 2017-18 and 2018-19.

Subsequent to the budget papers coming out there has been some indication that the construction may be delayed for about six months, so we may see some upside in 2017-18 compared to the budget numbers, although that will flow through to later years, so there is a delay in that reduction.

**Ms NELSON:** What measures is the government taking to increase its own source revenue, Treasurer?

**Ms MANISON:** As discussed before, we have had to make some tough decisions in this budget with regard to own source revenue. People will know that these decisions are not without controversy. We made a decision to increase, for example, the cost of car registration. We looked at gaming machines in clubs and pubs, and at revenue around stamp duty conveyance for properties over the purchase price of \$3m.

In formulating the budget we were very careful to ensure we made decisions that we felt could be managed by Territorians and did not cut too deep or go too hard. The last thing we would want to do again would be to inflict the type of pain on Territorians that we saw under the last government, for example, the Power and Water price increases, which were very steep and hit Territorians quite hard. At a time when we want people to be confident and to stay in the Northern Territory we felt it was important to get those measures right.

The decisions on car vehicle registration will see registration go up somewhere between 4% to 7% per year. The worst case scenario was if you had a large four-wheel drive vehicle that could be around an extra \$60 per year. For somebody with a motorbike it would be about a \$7 a year increase. For a small vehicle it would be \$22 and about \$33 for a medium-sized vehicle.

The community and gaming machine taxes—again, not an easy decision. We had basically seen that prior to 2009, when the smoking legislation was introduced, concessions were made on the machines and the revenues that were collected by the government at the time to account for a drop in revenue associated with the introduction of the smoking bans in clubs and pubs.

Since then we have seen the gross profits go back to the pre-2009 levels, so we felt that we could review the gaming machine numbers. Clearly it was not a popular initiative with the clubs and pubs, but you have to make some tough decisions in a budget. That was one we made to generate some additional revenue for the Northern Territory in this budget. That was an additional \$3.1m in 2017-18 going up to \$4.6 in 2018-19 onwards.

The stamp duty conveyance fee on properties valued over \$3m—we went to over \$3m because we wanted to ensure that residential purchases remained largely untouched and unaffected. That will generate an additional \$4.2m a year. That was about 50 to 60 large transactions a year where revenue would be collected for the Northern Territory.

They are some of the revenue decisions we made. There is a raft of ways in which a government can raise revenue, but it is important to ensure you look at the right levers and what Territorians can afford. We have made some changes to some of the minor fees in the Northern Territory government as well. For example, at the MVR we have changed some fees. We have tried to keep them as modest as possible to ensure

they do not have too high an impact. From the fees and charges we have raised across government there is an extra \$2.2m in revenue generated. There is a raft of areas where you can go to raise some revenue, but it is important to make sure you get the balance right so that you do not impact negatively on jobs and economic growth, particularly at the moment, We felt that, although not easy decisions, these were the type of revenue decisions that could be made that would not hurt Territorians too hard.

**Ms NELSON:** Thank you, Treasurer. I certainly do not envy your portfolio. It is the hardest one in government to have to manage. You cannot make everybody happy.

**Ms MANISON:** That is government in general, Member for Katherine.

**Ms NELSON:** We are certainly learning from the previous four years as well. People are not happy if you sell public assets to generate revenue but then looking for other ways to generate revenue and sometimes that means that you are going to have to raise some taxes.

**Ms MANISON:** There are no easy decisions in when it comes to raising revenue, but I think it is something where we do need to have a broader discussion with the community about where are the opportunities to look as sustainable revenue sources. When we have capacity where in the Northern Territory 50% of our income comes from the GST and another 20% comes from tied payments with the Commonwealth government, that means 70% of the money coming into the Northern Territory is from the Commonwealth; 30% is own source revenue.

We have limited capacity to raise that revenue due to the size of our population and the capacity that a lot of people have to afford some of those revenue charges. It is a fine balance but, realistically, we want to get to a point where we are far less dependent on Commonwealth payments and far more capable of sustaining our own revenue sources. That will take more work but, ultimately, growing more jobs, getting more people to the Northern Territory and growing the economy is the best answer to that.

We do need to have a more in-depth discussion with the community about revenue going forward and the areas where there may be opportunities and where raising additional revenue would stifle growth or opportunities.

**Ms NELSON:** I agree. There are two parts to this question. The government has provided \$13.2m on first home buyer incentives. Could you explain what they include, how people can apply and what evidence is there that this works?

**Ms MANISON:** We do have a considerable amount going into first home owner incentives, but I think the numbers speak for themselves really. It is a great significant investment of \$13.2m per year. A significant proportion of that is going towards the stamp duty concessions, which means the government is effectively on these first home buyer purchases, sacrificing up to about \$24 000 per purchase in revenue for those properties. That is certainly something we feel, however, is a good investment, because ultimately we are keeping people here for the long term in the Northern Territory.

We also have \$10 000 per property purchase of that going towards the home renovation grant for established homes, and we also have the first home owner grant of \$26 000 plus a \$2000 incentive for some white goods purchases with local businesses. I think the numbers have been extremely positive in that sense.

Since we have come to government as of early May we have had 460 purchases through the Stamp Duty Concession Scheme. That is for the established homes across the Northern Territory, which is a great result.

**Ms NELSON:** That is a great result.

**Ms MANISON:** It is. We have had 351 in Darwin and the Palmerston rural areas. We have had 208 in Darwin alone, 112 in Palmerston and 31 in the rural area. We have had 95 properties able to be purchased in Alice Springs, another very important place to get more people moving to. We have also had success in the Tiwi Islands, Tennant Creek and Katherine, as you know. That has worked out quite well. Again, as I have discussed, we would have on average about 32 per month when it comes to the first home owner grant for new construction of first home owners.

**Ms NELSON:** That is a great result. Are there any signs on the horizon which indicate that our own source revenue may be larger than was predicted at the time this budget was delivered?

**Ms MANISON:** I will hand over to Treasury to answer that. We have seen some promising signals when it comes to minerals and the mining sector, but I will hand over to Treasury to answer that.

**Mr BUTLER:** As I mentioned before, there is likely to be an increase in payroll tax compared to the forecast for 2017–18 as a flow-on effect from INPEX construction continuing. In terms of our mineral royalties regime, we largely have a profit-based regime. Treasury is reliant on the forecasts of producers to let us know their estimations of the royalties they will pay. The forecast we have for 2017–18 is based on those, but we engage in ongoing conversation with them.

Some of our larger producers have indicated an expectation that they may be delivering higher income in 2017–18 than was previously forecast, so we see a possible upside in mineral royalty forecasts.

**Madam CHAIR:** Are there any further questions? That concludes consideration of Output 3.1, Territory Revenue.

### **Output 3.2—Tax-Related Subsidies**

**Madam CHAIR:** The committee will now consider Output 3.2, Tax-Related Subsidies. Are there any questions?

**Ms NELSON:** Yes, Madam Chair. I have two questions.

Treasurer, the government has provided large incentives for first home buyers purchasing established homes. We have talked about this this morning already, but can you please go into further detail on any assistance for first home buyers purchasing or building their own homes?

**Ms MANISON:** We felt that it was important for the first home owner grant to continue and have diverse product to encourage people to buy a home, whether that be established or brand-new. The \$26 000 grant was continued from the previous government to ensure that we continue to support Territorians with the opportunity to build a new home. We see further addition to new housing across the Northern Territory, which is very important in Darwin, Palmerston, the rural area and Alice Springs.

In Katherine East there is movement, and there is the ability for home owners to access the \$2000 whitegoods grant. They can use a local business and buy some whitegoods to fit out their new home.

**Madam CHAIR:** Are there any further questions?

That concludes consideration of Output 3.2, Tax-Related Subsidies, and Output Group 3.0, Territory Revenue.

## **OUTPUT GROUP 4.0—SUPERANNUATION**

### **Output 4.1—Superannuation**

**Madam CHAIR:** The committee will now proceed to consider Output Group 4.0, Superannuation, Output 4.1, Superannuation. Are there any questions?

**Ms NELSON:** Yes, Madam Chair. I have two questions.

Treasurer, can you explain how many superannuation schemes are managed by the Northern Territory's Superannuation Office?

**Ms MANISON:** I will hand over to Treasury to talk through the details with regard to superannuation. I will get Ms Rummery to answer the question.

**Ms RUMMERY:** The Superannuation Office manages five closed schemes and two open schemes. The closed schemes are Northern Territory Government and Public Authorities' Superannuation Scheme, the Northern Territory Supplementary Superannuation Scheme, the Legislative Assembly Members' Superannuation Fund, the administrators' pension scheme, and the Northern Territory Police Supplementary Benefit Scheme. They are all closed.

There are open schemes: the Northern Territory Government Death and Invalidity Scheme; and the Judges' Pension Scheme. They are open.

**Ms NELSON:** Can you please explain the difference between closed and open schemes?

**Ms RUMMERY:** The closed schemes are all defined benefit schemes that closed. In 1999 the NTGPASS and NTSSS closed. The police supplementary benefit scheme closed in 1986. The Legislative Assembly members' scheme closed in 2005. The administrators' scheme closed in 2004. It means they closed to new members, so no new members could join the schemes at that point. From those dates new employees in the government became choice of fund superannuation members, of which the default fund is Australian Super.

That is where the majority of Northern Territory Government employees are. The super office has the five schemes which are closed to new members and the open Northern Territory Government Death and Invalidity Scheme, which covers all Northern Territory Government employees. The Judges' Pension Scheme is also still open for new judges.

**Ms NELSON:** How is the government superannuation liability valued?

**Ms MANISON:** I will hand that over to Mr Braines-Mead.

**Mr BRAINES-MEAD:** They are valued based on an independent actuary. An independent actuary does a valuation of those schemes the former Commissioner of Superannuation just outlined. A major review occurs every three years, a triennial review, that takes into account changes in demographics, mortality rates, benefit rates, contributions, a range of factors the actuary takes into account based on industry best standard and accounting standards. It is conducted every three years. In between those years there is an annual update that does not look at all the indicators that are done on a three yearly basis, but it looks at their veracity and anything in between the three-year periods that may require updating for specific purposes.

The actuary reports are incorporated within the whole-of-government numbers and recorded in the Central Holding Authority. On 30 June 2016 triennial reviews were undertaken for NTGPASS, NTSSS, the judges' scheme, the administrators' pension scheme and the Legislative Assembly scheme. There were annual updates for the police and Commonwealth super schemes.

The liability fluctuates based on the actuary reviews on a yearly basis. It is also very sensitive—it is technical accounting—to the value of the bond rate used in discounting the liabilities. To give you an idea of the liability, it is around \$3.8bn recorded on the Territory's books. The largest component of that is the Commonwealth super scheme, which is around \$2.2bn. NTGPASS is about \$1bn, and about \$250m is for the Northern Territory supplementary scheme. There is around \$200m for some of the other schemes.

It is also important to note that these are—one of the reasons government, between 1999 and 2004, closed the schemes is that they are unfunded schemes. They are paid out on a merging basis, and currently around \$200m to \$220m is paid out as part of the annual budgetary process for superannuants as part of those schemes. The liability probably will not be discharged until around 2060 on current estimations.

**Ms NELSON:** Treasurer, how are you managing that liability?

**Ms MANISON:** I will hand over to Mr Braines-Mead.

**Mr BRAINES-MEAD:** The liability sits on the Central Holding Authority's books and on the balance sheet at a whole-of-government level. The amount is paid out as superannuants achieve pensionable age, either on a lump sum basis or over a longer period. Those amounts are around \$200 to \$220m. They are allocated out of the Central Holding Authority each year, and they are just part of the normal budgetary allocation process.

The peak of the liability is likely to be in the next five years, so we are likely to see that liability and the annual payments peak in about five years' time, then start to tail off. The Territory government has what is called the conditions of service reserve which is a pool of money that sits on the balance sheet of the Central Holding Authority which has, notionally, been set aside to fund that superannuation liability going forward. That currently sets at around \$640m at the moment.

**Madam CHAIR:** Are there any further questions? That concludes consideration of Output Group 4.

**OUTPUT GROUP 5.0—ECONOMIC REGULATION**  
**Output 5.1—Utilities Commission**

**Madam CHAIR:** The committee will now consider Output Group 5.0, Economic Regulation, Output 5.1, Utilities Commission. Are there any questions?

**Ms NELSON:** How will the role of the Utilities Commission change as the Territory transitions to the national electricity regulatory framework?

**Ms MANISON:** I will hand this over to Treasury to answer, but we are continuing the work of the previous government with the move over to the Australian Energy Regulator. One thing that is distinct about the Northern Territory electricity market is we still ultimately have the final say through the shareholding minister.

It is important that we do our best to ensure we are running an efficient electricity market and it is comparable to how things run efficiently down south to ensure we are putting as much pressure on the price of electricity for Territorians as possible. Ultimately, we want to keep prices down. Generally, those network tariffs have been determined previously through the utilities commissioner, but they will be moving over to the Australian Energy Regulator in the future.

I will hand over to Mr Graham to talk about the various roles with the Utilities Commission because they still have a significant role in the Northern Territory; it is just not the same as what it used to be.

**Ms NELSON:** Treasurer, before you hand over can you clarify—I pick up on a point you made that we are different from other jurisdictions because we still have the final decision because we still own Power and Water; that is still a government asset?

**Ms MANISON:** Yes, we have government owned corporations. What we saw in the last network price determination was that we had a network price determination made in which the previous Treasurer was able to look at that advice but ultimately set what they felt was the right price for the Northern Territory. It did not hit the hip pocket harder than it could have for Territorians. It is very important that we continue keeping downward pressure on electricity pricing for Territorians. It is a significant cost of living factor for people in the Northern Territory.

If I can hand over to Mr Graham to talk about the role of the Utilities Commission and the work they do.

**Mr GRAHAM:** The Utilities Commission is the Northern Territory's independent economic regulator, all states and territories have regulators to regulate various industries within their jurisdictions. The main role of the commission is to ensure suppliers in the market operate competitively and compete on a fair and open basis. Where competition cannot exist because of the nature of the service, good or market, then they regulate the market to ensure prices charges and conduct of the market participants are competitive.

The main role of the commission at the moment is to regulate Power and Water Corporation's electricity networks business. Electricity networks are a natural monopoly. It does not make sense to have more than one electricity network supplying customers, having two sets of poles and wires running down the street does not make sense. It is more economically efficient to have one supplier, and that, effectively, sets up a monopoly.

The role of the commission is to regulate the networks to ensure that the prices the network provides for the transport of electricity is efficient. We also regulate access to the network, so generators and electricity retailers can use Power and Water's networks to sell electricity to their customers and can access the networks on fair and reasonable terms. It is not only the price that is regulated, but also the terms and conditions under which other people can use that network.

The Utilities Commission fulfils that role in the Northern Territory at the moment. But as part of the electricity market reforms that are currently under way the former government made the decision to transition that responsibility to the national economic regulator known as the Australian Energy Regulator. That is primarily aimed at aligning our network regulation laws and rules with those that apply in the national electricity market. The main reason is that if other electricity and retailers that operate in the national market want to come and set up in the Territory and provide to customers in the Territory, then they are operating under the same laws and rules under which they operate elsewhere.

Also, the Australian Energy Regulator is much larger and more resourced than the Utilities Commission, so that provides capacity for greater scrutiny over the Power and Water Corporation and closer and tighter regulation. The idea is that it drives better outcomes for consumers in the reliability of network services and the prices that are charged.

Network services represent about 30% of total price of electricity paid by customers, so having efficient network services is an important determinant of the final price that consumers pay.

Whilst that function will transition to the Australian Energy Regulator between now and 2019, there is still a range of residual functions the Utilities Commissions fulfils that will not transfer to the national market because it makes sense to keep them subject to the Northern Territory's laws and rules. That is mainly around electricity system planning, so working out when new investment needs to happen in our networks to make sure electricity service is reliable, service standards that customers should expect to receive from their electricity suppliers and licensing electricity suppliers in the Northern Territory. For example, any new generator or retailer that wants to set up in the Territory has to be licensed and demonstrate that they have the right technical and financial resources to operate electricity supply businesses in the Northern Territory. So the Utilities Commission will keep that function.

It also has a role, since the long-term lease of the Darwin port, to regulate the port, because the port also has monopoly characteristics. The port operator has to comply with certain rules in providing access to the port facilities by stevedores, shipping companies and people who use the port facilities. So the Utilities Commission will have a role in determining what appropriate access principles apply to the port.

Similarly, as it licences electricity suppliers, it is also required to licence water and sewerage providers in the Northern Territory. So it still has a significant role.

**Madam CHAIR:** Ladies and gentlemen, I note that the time is 10 am. We will now take a 30 minute break before the committee returns to continue questions relating to Treasury and Finance.

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The committee suspended.

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**Madam CHAIR:** Thank you everyone for starting back promptly. We will recommence the estimates hearings now.

## **OUTPUT GROUP 6.0—CORPORATE AND GOVERNANCE**

### **Output 6.1 Corporate and Governance**

**Madam CHAIR:** The Committee will now proceed to Output Group 6.0, Corporate and Governance, Output 6.1 Corporate and Governance. Are there any questions?

**Ms NELSON:** I have a question on that. Governance is one of my passions. Treasurer, could you explain what shared services the Treasury provides?

**Ms MANISON:** I will hand that over to Treasury.

**Ms WEBER:** The shared service arrangement is Treasury as an agency provides shared services to the Treasury Corporation; corporate services, financial, HR, management, those sorts of things. It is an agreement between Treasury and Treasury Corporation, which is its government business division nested within Treasury.

**Mr GRAHAM:** To elaborate, given that Treasury Corporation is a relatively small part of Treasury it does not make sense to duplicate back office-type functions so Treasury provides those services through an arm's length agreement.

**Ms NELSON:** Thank you for that clarification. It is what I needed.

**Madam CHAIR:** Are there any further questions? That concludes consideration of Output 6.1.

The committee will now consider Output 6.2, Shared Services Provided. Are there any questions?

**Ms NELSON:** I do have a couple of questions that I wanted to go back to in Output 5.0, Economic Regulation.

**Madam CHAIR:** Treasurer, are you happy to accept questions from the previous Output 5.0, Economic Regulation?

**Ms MANISON:** Yes, I am. I would also like to acknowledge and say it is wonderful to see the Member for Nhulunbuy at the table here to scrutinise me, the performance of government and the budget. It is fantastic to see that he is participating in this process and making sure he holds the government to account. It is good to see you here, Member for Nhulunbuy. Thank you for taking the time to do this.

**Madam CHAIR:** My apologies, Member for Nhulunbuy. Welcome.

Member for Katherine, you have a question from a previous output?

**Ms NELSON:** The previous output is 5.0, Economic Regulation, and I have a few questions on this one. How is the government managing the transition to the national energy regulator? Could you please explain the steps that are being undertaken?

**Ms MANISON:** We are continuing the pathway to handover to the regulator there. I might hand over to Treasury to go through some of the details.

**Mr GRAHAM:** The move to the national framework for electricity regulation is quite a large process being done over several years. The national laws and rules are thousands of pages and are designed to govern a market many times larger than the Northern Territory's market, so we need to make sure that the parts of the national framework that we adopt operate effectively in the Northern Territory and reflect the Northern Territory's circumstances. We need to do it in quite a measured and staged way.

We are starting with economic regulation of electricity networks. The way we have done that is the first part involved handing over responsibly to the Australian Energy Regulator, but they are administering the existing network price determination made by the Utilities Commission. They work with the Utilities Commission in administering that price setting arrangement, doing annual updates, managing annual network tariff determinations and service standards, things like that.

We are then calling up or turning on parts of the national framework as they become applicable over the next three years, with the view that when we come to do the next network price determination, which are done every five years, the Australian Energy Regulator will make that determination for the Northern Territory under the national laws and rules. By that point, 1 July 2019, the idea is that we will have fully transitioned to the national arrangements for electricity regulation.

**Ms MANISON:** Thank you, Mr Graham. It is important to acknowledge that we have an island-type system. Our networks are not connected to the national grid. That presents a lot of opportunities for us in the Northern Territory. We are looking closely at the lessons from down south that are to be learned. I believe we have a good level of control in the Northern Territory. We can see what has happened, where there have been failures in electricity delivery and the pricing pressures they have had.

With our moves to these national systems there are allowances for derogations to ensure that the circumstances and situation in the Northern Territory are always accounted for to make sure where there are applications of these systems, rules or regulations that cannot work in the situation of the Northern Territory are catered to.

**Mr GRAHAM:** To elaborate, for example, one of the main differences is between transmission and networks. Transmission systems that transport electricity over large distances and in large volumes—in the Northern Territory we only have one transmission line, which runs between Darwin and Katherine. It does not make sense to have two different regulatory regimes, one for transmission and one for distribution, because our electricity networks are primarily distribution networks.

We are only calling up the part of the national laws that apply to distribution networks and having them operate in the Northern Territory. There are other changes around metering, customer protections and things like that which do not necessarily make sense for us to apply the full national laws. We are looking at derogations, or exemptions, to those so they operate effectively in the Northern Territory.

**Ms NELSON:** Treasurer, just to touch on that and to clarify, the Territory is not adopting the national electricity rules as a whole? Is that what I have just heard?

**Ms MANISON:** We are moving to the system, but we are making sure that with legislative changes we are making and continuing work commenced under the previous government—this is all part of previous legislative changes made in 2015—the rules and regulation that will not work to the situation of the Northern Territory are not adopted. We are making sure we have the right conditions in place for the Northern Territory. There is flexibility and that was the intention from the outset. The physical infrastructure is very different to the electricity networks down south connected to the national grid.

**Ms NELSON:** Territorians are proud that we are unique in a lot of things but, Treasurer, could clarify and explain the benefits from adopting this national regulation of our energy market?

**Ms MANISON:** Consistency of ensuring that if we get more people in the Northern Territory we can put a bit of downward pressure on proprietors and so forth. It is about understanding the rules people are playing to and ensuring that they are consistent with elsewhere, making the market more attractive here.

I will hand over to Mr Graham to go into further detail.

**Mr GRAHAM:** As the Treasurer said, it is about making sure our rules are consistent with what applies elsewhere in Australia, because most energy companies in Australia operate in the national market, which encompasses two-thirds of Australia.

It is making sure that if national energy companies come to the Northern Territory then they will be familiar with the laws and rules they will operate under. The national energy market arrangements are considered to be best practice. They are subject to national governance and rule-making processes, and they are constantly evolving to take into account changes in technology, market practice and best practice that occur overseas. By tapping into that process we can take advantage of that.

The laws and rules we have in place at the moment were introduced in 1999/2000 and have not really changed since then. When we introduced those laws they were based on the national rules that applied at the time. The national rules have evolved and changed quite a bit, whereas ours have not.

**Ms MANISON:** The reality is that we have a rapidly changing electricity sector across Australia, particularly with the advancement of renewable technology. It is very timely and ensuring that we still make sure the unique circumstances of the Northern Territory are accounted for.

**Ms NELSON:** We are fortunate, Treasurer, that we still own the asset—it is a government-owned asset—so we are a little different from the states down south. What are the special conditions for the Territory in regard to adopting the national rules?

**Ms MANISON:** I will hand over to Mr Graham for the technical details.

**Mr GRAHAM:** Where we are looking for adjustments to suit the Northern Territory's circumstances is around the distribution and transmission because our electricity networks are much smaller. Associated with that is metering, the way meters connect to the networks. Our meters are not consistent with national standards because they are not handling the volumes of electricity that flow in the national market.

We are looking at our own wholesale market arrangements, whereby electricity is traded between retailers and generators. In the national market there is a large energy spot market that operates. Because we are not connected to the National Electricity Market it does not make sense for us to adopt those laws and rules since they are designed for a much larger market. We will be looking at our own wholesale market arrangements, which suit the Northern Territory's much smaller market and would only operate in the Darwin/Katherine system.

There is a lot of development in the national market at the moment regarding renewables and energy security, such as what has happened in South Australia with the very high penetration of wind, which has created some problems around energy reliability. A number of reviews are under way, the most recent being the review undertaken by Alan Finkel, the Chief Scientist, which provides the Northern Territory with an opportunity to learn from what is happening nationally and then putting in place rules here to avoid some of the problems which have emerged with the national market.

**Ms NELSON:** You have touched briefly of this, Treasurer, but can you elaborate a little on the benefits of us adopting the national regulation of our energy market, particularly for consumers?

**Ms MANISON:** It is about ensuring we have some real advantages. We have government owned corporations with our electricity networks and our key generator, which ensures we have the generation supply Territorians need.

I see opportunities here, particularly with the fast and rapidly changing energy sector. We are adopting more renewables in the Northern Territory. As a government, we have gone to a policy of looking at 50% renewables in the future. I believe that presents more opportunities for generators that specialise in renewable technology and want to come into the Northern Territory. It is important that they know the rules that are applicable in the Northern Territory and they are familiar with them. Ultimately, it is about ensuring that we can continue putting pressure on the price of power so we are able to reduce it for people across the Northern Territory. It is an important factor in this.

I will hand over to Mr Graham to go into more detail.

**Mr GRAHAM:** Providing regulatory certainty for other electricity suppliers is aimed at encouraging competition between generators and providing choice for consumers to choose between different retailers that may provide offerings that are specific to a customer's particular needs around things like renewables. If we are looking to attract renewable generation capacity into the Northern Territory, it is about doing so in a way that promotes choice and take-up of technologies in a way which protects consumers.

**Ms NELSON:** Thank you. We have the advantage of learning from the mistakes that have occurred in other states, so we are starting from the ground up, which is what this is basically doing, which is fantastic.

I have one last question on this, Madam Chair. You touched base on this briefly, but can you please provide the time line and the steps that have been undertaken already to transition to the national energy regulator?

**Ms MANISON:** This has gone across two governments now, so I will hand over to Mr Graham to go through the time line. But as a previous shadow minister, I have been involved in much debate in opposition as well as now in government.

**Mr GRAHAM:** The process commenced with the first set of legislative amendments in 2015. There is a third set of amendments that are currently being introduced. Again, it is primarily around electricity network regulation, with the end date being the full handover on 1 July 2019.

Within that time frame, we will also be looking at arrangements for our wholesale electricity market. That needs to take into account the work done by the expert panel for transition to the 50% renewable energy target, as well as national developments. 2019 is the end date we are working towards.

**Ms NELSON:** It is reassuring to hear that we are doing this to set up and lead into the 50% renewable goal.

**Ms MANISON:** It is important to recognise we also have the report to come with regard to the 50% renewable target. We will be looking very closely at those recommendations as well.

**Ms NELSON:** Thank you, Treasurer and Madam Chair.

**Madam CHAIR:** Thank you, Member for Katherine. Committee, I need to double check and clarify that in Output 6.1, Corporate and Governance, there are no further question; we have closed that off.

### **Output 6.2 – Shared Services Provided**

**Madam CHAIR:** Output 6.2, Shared Services Provided, there are no further questions?

That concludes consideration of Output Group 6.0 and Department of Treasury and Finance outputs.

### **CENTRAL HOLDING AUTHORITY**

**Madam CHAIR:** The committee will now consider the income and expenses of the Central Holding Authority. Are there any questions?

**Ms NELSON:** Yes, I have a couple of question on the Central Holding Authority. Treasurer, can you explain why there has been a reduction in income and taxation revenue?

**Ms MANISON:** I will hand over to Mr Braines-Mead to go through the detail. You will see under the Commonwealth revenue line of the outputs and the GST revenue that it goes back to what we have been speaking about with regard to the \$2bn cut. But I will hand over to Mr Braines-Mead.

**Mr BRAINS-MEAD:** By way of context, the Central Holding Authority collects all of the main revenue streams from the Territory, including all of the Commonwealth revenue of which the largest item is the GST. As the Treasurer has outlined, the major reason why there has been a reduction year on year in the revenue to the Central Holding Authority is to relate to that GST issue and the \$2bn over the forward estimates.

There has been a year on year drop of around \$275m between 2016–17 and 2017–18. The majority of the drop in that total income is from the CHA. As far as taxation revenue, there has been a drop in taxation revenue which is largely related to payroll tax, and that is the INPEX effect.

**Ms NELSON:** Which we talked about earlier.

**Mr BRAINS-MEAD:** As it transitions from the construction phase to the operational phase there are less employees and therefore less payroll tax coming into the Territory, so you are seeing that effect starting to wash through the Territory's books on 2017–18. That accounts for the drop in those total revenues in the CHA.

**Ms NELSON:** Treasurer, can you also explain why the expenses have gone up?

**Ms MANISON:** I will hand over to Mr Brains-Mead to go through that detail.

**Mr BRAINS-MEAD:** As mentioned previously, the Central Holding Authority is, as the name suggests, the holding entity or Crown entity of the Territory. It receipts all of the revenues and also, as the holding entity, pays out appropriation to agencies and government departments for them to conduct government business and to deliver services. Of the \$4.7bn worth of expenditure in the CHA, the bulk of the expenses, around \$4.5bn to \$4.6bn, is that appropriation that is handed out to agencies to conduct business on behalf of government.

The increase year on year between 2016–17 and 2017–18 relates again to those appropriation payments, and that increase largely relates to the delivery of government's election commitments partially being offset by some of those efficiency measures that the Treasurer outlined earlier that have been introduced to start taking effect in 2017–18.

**Madam CHAIR:** Are there any other questions?

**Mr PAECH:** I wanted to ask a question in relation to the national partnership agreements. Monies are unspent; is there an arrangement with the Commonwealth on whether those monies will be rolled over for those projects or whether they will be required to be sent back to the Commonwealth?

**Ms MANISON:** National partnership agreements are very important parts of funding coming into the Northern Territory, and I note that in the next financial year one of our major national partnership agreements on remote Indigenous housing is set to expire. That is certainly a very important one, and we have had several other ones set to expire this year. They are important contributing factors when it comes to funding. With regard to the rollover of funding I will hand over to Treasury to go into that detail.

**Mr GRAHAM:** It depends on the agreement itself what terms and conditions apply, but generally the funds do roll over, so it can be made available in the next year.

**Mr PAECH:** It is safe to say that all ministers who have a relevant national partnership agreement are working with the federal government on the possibility of securing another agreement when those expire?

**Ms MANISON:** Absolutely, and I think one of the most frustrating things about negotiations with the Commonwealth government when it comes to NPAs is the fact that so often they are left to the very last minutes to finalise, to give jurisdictions certainty about going forward and what is happening with those national partnership agreements. We have been doing our very best to put pressure on the Commonwealth to look at securing some of those sooner rather than later.

I keep coming back to NPARIH as a classic example of a very important funding arrangement for the Northern Territory and one that ensures we really need to say to the Commonwealth come to the table sooner so we have more certainty around our infrastructure delivery going forward.

We are fortunate, however, in that area that the Northern Territory Government has stepped up and put \$1.1bn into 10 years of funding around remote and Indigenous housing. If the Commonwealth were not to step up after the expiration of NPARIH we still have certainty about the delivery of remote Indigenous housing. We have seen the expiry of the national partnership agreement into homelessness, early childhood and a whole raft of others. It seems that the Commonwealth have more of an appetite for having bilateral agreements than going across with national partnership agreements. We are working with them to secure as much funding for the Northern Territory as possible.

### **Non-Output Specific Budget-Related Questions**

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

That concludes consideration of the Central Holding Authority business line.

### **OUTPUT GROUP 8.0 – NORTHERN TERRITORY TREASURY CORPORATION**

**Madam CHAIR:** The committee will now proceed to Output Group 8.0, the Northern Territory Treasury Corporation. The committee will now consider the income and expenses of the Northern Territory Treasury Corporation. Are there any questions?

**Ms NELSON:** Just looking at the numbers, can you explain why there is a \$17m increase in the income of the NT Treasury Corporation?

**Ms MANISON:** I will hand that question over to Mr Braines-Mead to go through that detail.

**Mr BRAINES-MEAD:** Just by way of context, the Northern Territory Treasury Corporation is the Territory's central financing authority, the Territory's banker. It is a marginal business. It borrows on behalf of government centrally and on-lends those funds to either the Central Holding Authority or to the government-owned corporations.

The reason there is a variation and an increase in the revenue in 2017-18 is because—and I might link this to expenditure, being a marginal business—there are increased borrowings of around \$1bn that are being undertaken by the corporation in 2017-18, largely on the back of the budget going into a \$1.3bn deficit, and also there is a small amount of additional borrowing by the Power and Water Corporation. The corporation has gone out and borrowed, which is why its interest expenses are going up. It then on-lends those at a margin to either the Power and Water Corporation or the Central Holding Authority which is why you are seeing the revenues going up by around \$17m dollars.

It is really around the additional borrowings that the corporation is having to go out and borrow on behalf of government and then on-lend to the Central Holding Authority.

**Ms MANISON:** This comes back again to the GST issue we faced and the decisions government made to deliver a budget that invests in infrastructure and jobs locally. In order to do that with a GST cut of the magnitude of \$2bn has meant that the Territory has had to go out and take additional borrowings. That has led to the additional debt we have discussed thoroughly through the budget process. Those are the realities of the hard decisions we have had to make in lieu of that huge GST cut that the Territory has experienced.

**Ms NELSON:** Can you explain why there is an increase in expenses? We have seen an increase in income and we are seeing a \$12m increase in expenses.

**Mr BRAINES-MEAD:** As mentioned earlier, the increase in expenditure is where the Corporation has had to go out and borrow around an extra \$1bn and that, obviously, will incur interest costs on those borrowings. However, from the corporation's perspective, that is then on-lent predominantly to the Central Holding Authority at a margin. That will mean that the corporation will receive additional revenues to offset those increased borrowing costs.

**Madam CHAIR:** Are there any non-output specific budget-related questions? That concludes consideration of this business line. This now also concludes consideration of Output Groups relating to the Treasurer.

On behalf of the committee I would like to thank the Treasurer and departmental officers for attending today. I would also like to acknowledge and thank all of the public servants who assisted in the Treasurer's attendance and briefings.

The committee will now move on to consider outputs relating to the Department of Infrastructure, Planning and Logistics. We will allow a short break to allow for the changeover.

**Ms MANISON:** Madam Chair, I also place my thanks on the public record to the very hard-working staff of the Northern Territory Treasury. They give very thorough, fantastic advice and they are very professional in their work. They have put in a lot of work in preparation of the budget and this estimates process.

I thank the Under Treasurer, Craig Graham, and the staff here today, as well as all the public servants behind the scenes who have put a lot of work in.

It has been very disappointing that I have not had the Independents or opposition here to ask me questions directly. The Member for Katherine has done a great job putting forward questions. I welcome the public questions we have had. It is very important to have the most thorough scrutiny of government performance and expenditure as possible. We have another two-and-a-half days of this estimates process, and I encourage the Independents and opposition to partake.

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The committee suspended.

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### INFRASTRUCTURE, PLANNING AND LOGISTICS

**Madam CHAIR:** Welcome back everyone, we will recommence. I welcome you, Treasurer, as Minister for Infrastructure, Planning and Logistics and invite you to introduce the officials accompanying you and, if you wish, to make an opening statement regarding the Department of Infrastructure, Planning and Logistics.

**Ms MANISON:** Thank you, Madam Chair. I would like to introduce the officials from the Department of Infrastructure, Planning and Logistics who are with me today. Mr Andrew Kirkman, Chief Executive of the department; the Chief Financial Officer, Fotis Papadakis; Brett Brogan, General Manager of Infrastructure, Investment and Contracts; Ms Leah Clifford, General Manager of Lands and Planning; Nicholas Papandonakis, Executive Director of Strategy, Policy and Legislation; Simon Saunders, Executive Director of Transport Safety and Services; and Ms Louise McCormick, General Manager of Transport and Civil Services.

The Department of Infrastructure, Planning and Logistics was formed to bring together many of the key functions that drive infrastructure, land use, planning and transport in the Northern Territory. The infrastructure investment and contracts division plays a lead role in constructing and maintaining government infrastructure across the Territory and in the delivery of the \$1.7bn infrastructure program of the government.

By the end of this financial year the department will have delivered a record infrastructure spend, delivering critical infrastructure to the Territory and supporting local businesses. In addition to the record investment the division continues to ensure that infrastructure works are packaged to support a broad spectrum of local businesses that make up the construction industry in the Northern Territory.

In support of local businesses the division has heavily invested in procurement reforms to redefine the value for the Territory and reduce red tape. The division has developed the 10-year infrastructure plan that will be launched soon.

The division has worked hard to bring forward key projects from future years to deliver on this government's election commitments and help stimulate economic activity and construction work across the Northern Territory, including the \$26m Palmerston police station, \$12m multistorey carpark at Royal Darwin Hospital, delivery of the PET scanner and cyclotron at Royal Darwin Hospital, 12 chemotherapy chairs at the Alan Walker Cancer Care Centre, \$25m Warren Park rugby league development, \$18m netball courts in Darwin and the \$6.5m Tennant Creek integrated school for early learning development.

These projects were put forward into the 2017–18 financial year, to name a few projects being delivered across the Northern Territory.

The lands and planning division facilitates sustainable development in the Territory. Some of division's projects achieved and the progress to date include works on the flood mitigation program in the Northern Territory, work towards the Katherine logistics and agribusiness hub, and work to commence there to develop a project plan and facilitate the government's election commitment.

They have continued to receive and progress development applications in a timely manner consistent with performance indicators. An area plan for the Howard Springs Rural Activity Centre is currently being drafted, and significant community and stakeholder consultation is in progress. The finalisation of the Berrimah Farm Area Plan has been developed and is progressing. There is a facilitated grant of \$250 000 to support a community facility in Katherine. We have seen an EOI go out for the Katherine sport and recreation site for the development to support economic growth in Katherine.

We continue to see the combination of electronic document lodgement by building certifiers, an in-house digitisation program, which now means that 14 000 building file records across the Northern Territory are digital. This is a huge task that the department continues embarking on. We are looking forward to releasing two important documents for discussion with Territorians with regard to the future vision for our major towns, cities and regions to support future planning and growth. We are also looking at ways to reform our planning system to make it more accessible for Territorians and deliver more certainty for the Northern Territory.

The transport and civil services division is a vital section of revising important transport and infrastructure across the Northern Territory. Significant projects delivered or under way include the driverless bus trial we are seeing at the Waterfront. We have implemented the removal of the open speed limits on our roads. We have the road safety action plan, Towards Zero, currently out for community consultation to help reduce fatalities and injuries on Territory roads.

There is a large body of work happening with roads funding across the Northern Territory, with projects such as the Outback Way looking at upgrading the \$40m program that has been developed, jointly funded by the Northern Territory and Australian Governments. The northern Australian Roads Program, which has a co-contribution of the Australian and Northern Territory Governments, is investing \$192m in upgrading the Adelaide River floodplain, the Plenty Highway, the Keep River Plains Road and the Buntine Highway. Much of that construction work will commence in 2017–18.

The Beef Roads Program for 2017–18 will be \$289m and will include works on the Plenty Highway, Tablelands Highway, Barkly Stock Route, the Buntine Highway, Roper Highway, Arnhem Highway and Lajamanu Road.

The MVR continues to deliver important services to people across the Northern Territory and has delivered a range of reforms, including increased public access, and provided more innovative and flexible ways for people to deal with licensing and registration in the Northern Territory.

We have also had the delivery of the DriveSafe NT program, which since its conception in 2012, 4276 learner licences, 1511 provisional licences and 1425 birth certificates have been issued, as well as 1556 MVR transactions have been carried out. It is a great program and one which this government has chosen to fund further in remote communities to ensure that more people have the appropriate licensing they require and assistance to get there, importantly, in our remote areas.

As a matter of process, we have been working on the city still, which has been a very important part of this budget that we see coming up, with the \$100m for the Darwin city and the \$20m for the revitalisation of the Alice Springs CBD. The department has also been working with the Department of Trade, Business and Innovation looking at the ship lift facility.

Madam Chair, it is a very large department and it is critical in the delivery of infrastructure, transport services and the future development of the Northern Territory. I welcome questions from the committee with regard to the Department of Infrastructure, Planning and Logistics.

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

**Mr PAECH:** Treasurer, you have outlined a very busy department and agency. Could you take the opportunity to outline the overall infrastructure spend for 2017-18?

**Ms MANISON:** Thank you, Member for Namatjira. As we have discussed in the Treasury outputs, this government has made a decision to invest \$1.7bn in the budget to infrastructure across the Northern

Territory. Part of that, and one of the areas this department will have a key role in delivering, will be the record investment in the repairs and maintenance budget, increasing that to \$297m. Again, it is about improving important government infrastructure but also supporting jobs and local business.

This department has played a critical role, as I said in the opening statement, with regard to the implementation of the Buy Local changes, given that they are one of the largest procurers of major infrastructure contracts and working with local business. We have a very significant remote roads program. We are investing significant dollars into construction across the Northern Territory for our roads, which will open more opportunities for business development and better transport services for Territorians.

It is a large department which plays a very vital role in working with most government agencies in the delivery of their infrastructure and ensuring that infrastructure is delivered to the benefit of the Northern Territory.

**Madam CHAIR:** Are there any further questions in relation to the statement?

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

**Madam CHAIR:** The committee will now proceed to consider the estimates and proposed expenditure contained in the Appropriation Bill 2017–18 that relate to the Department of Infrastructure, Planning and Logistics. Are there any agency-related whole-of-government questions on budget and fiscal strategy?

**Mr PAECH:** Treasurer, I want to follow on from the statement you made. There are lots of exciting opportunities there, but can you talk to us a little more on the repairs and maintenance schedule in the budget? Was it \$287m?

**Ms MANISON:** It was \$297m.

**Mr PAECH:** Thank you. Can you help me to further understand how much is being spent on civil construction across Territory roads and infrastructure?

**Ms MANISON:** That is a very good question. Our civil construction sector is a vital part of the Northern Territory. It was very important that in this budget we ensured we had strong expenditure on infrastructure that would deliver more jobs in the Northern Territory and, most importantly, long-term infrastructure to benefit Territorians.

We have significant funds going into the roads budget, for example. If you look at the 2017–18 program, you will see the roads expenditure in our capital works is \$575m. If you were to look at the minor new works program for roads, it is \$15m. The repairs and maintenance budget is sitting at \$91m for roads alone. We have significant expenditure going into that across the Northern Territory. We have also made the Buy Local procurement changes as well, which stand to benefit local industry.

One thing that has been made very clear to me by the civil construction sector is that when times are not so good in other jurisdictions it is frustrating to see companies jump overboard and come to the Northern Territory because they often take work away from locals. So it is important that we support long-term businesses that have been building the Northern Territory and supporting local jobs.

**Mr PAECH:** Can you give us more of an indication of the overview of the infrastructure spends in the areas of education and health across the Territory?

**Ms MANISON:** Yes, we have some significant expenditure going into those areas. We continue to invest in every school in the Northern Territory, with \$300 000 each to deliver important school upgrades and infrastructure investments. It is always a good investment because we need the right school facilities to educate our kids.

There has been more work happening, which you will see in the budget, at Ludmilla school to ensure we are developing the early childhood sector there. The school celebrated 50 years on the weekend, so it is aged infrastructure and needs some work. Work has continued at Acacia special school, and the Bellamack school recently opened. There is work happening on shared facilities in Zuccoli to go toward the new Catholic school and, ultimately, a new public school in the future. The new STEM facility at Taminmin High School is being built. There is also significant investment going into Darwin High and Middle School precincts. That school has stood for over 50 years and has the highest school population in the Territory.

It is important to have the right facilities to ensure our students attend to the very best of their ability.

**Mr PAECH:** That is great. You made mention in your statement of the infrastructure program and the key areas it will deliver in. I am interested in community safety and the infrastructure program in that area. What makes that a priority?

**Ms MANISON:** Community safety is an important part that we have significant investment in. One of the most notable items in the budget coming forward is the Palmerston police station. We were going to do that in two stages, but we have fast-tracked that program and brought it into one stage to deliver a \$26m police station. That will include a watch house, a community facility and, most importantly, it will be a state-of-the-art 24-hour police station to service the people of Palmerston and help with the rural area.

We have significant investments there. I will hand over to the department to clarify some of the investments we have going into community safety.

**Mr KIRKMAN:** There are a significant number of works under way. What is important for industry as well, given the work that is required now, is repairs and maintenance. That is an item we have been very keen to expand upon. Our advice is that those dollars that you put out for repairs and maintenance will probably bring twice the number of jobs that big capital works do. We have been really excited to see the amount of R&M stimulus money that is going out next year.

I will identify what is being spent on community safety areas for repairs and maintenance given the size of that budget. For next year there is a total approved for Police, Fire and Emergency Services of \$16.5m, which is considerable. In the areas of Attorney-General and Justice there is a further \$6.5m for repairs and maintenance. Whilst not always directly around community safety but a very important element of the broader work around our communities is that work undertaken by Territory Families, and that is \$4.1m in repairs and maintenance for next year. They are quite considerable repair and maintenance budgets for those community safety and support areas.

**Mr PAECH:** There have been significant announcements from the Northern Territory Government on the infrastructure program around the Territory lifestyle. I am picking up that on areas such as Warren Park that the government's agenda is to deliver on. Can I get an overview in that particular area?

**Ms MANISON:** We are honouring our election commitments around investments in fishing, for example. We have made a \$50m commitment there. We are seeing a significant roll-out of priorities that have been consulted, for example, with AFANT. That is under the carriage of Minister Vowles. There is a significant range of exciting fishing programs that are happening. It will be great for those who enjoy going out fishing.

The last lot of projects that were announced as priority projects of that \$50m were projects voted to the vicinity of \$6m: the upgrading of Corroboree Billabong; looking at the sealing of the car park at the Middle Arm boat ramp; an ablution block and CCTV at Dinah Beach boat ramp; upgrading the Channel Island boat ramp car park; looking at the Shady Camp boat ramp; Manton Dam and the containment area; and the Nightcliff boat ramp channel, just to name a few. There are a range of projects there.

We have already spoken about Warren Park and that \$25m investment. We have investment going into motor sports to upgrade facilities. Some of the 2017-18 projects include the upgrading of the drag lighting and timing system at Hidden Valley; the Top End motocross complex; works to the lighting of the track at the Katherine Sports Club; upgrading water mains and toilets at the Central Australian Drag Racing Association and looking at upgrading the race control tower, the clubhouse and the canteen; and in Tennant Creek, upgrading safety walls, fencing and lighting.

It is fabulous to see \$18m going into an indoor netball stadium in Darwin. I thank the Commonwealth government for honouring their commitment of \$8m, which went into the last federal election campaign, going in line with the Northern Territory commitment of \$10m. There will finally be appropriate indoor netball facilities in Darwin which has been sorely lacking for a very long time and will finally bring netball in line with all the other jurisdictions who have those facilities. I commend the previous government for building a stadium in Alice Springs as well. That was a very good project.

We have also invested in Alice Springs sporting infrastructure. We have put out about \$6.2m in the budget where further consultation will happen with sporting communities and the Alice Springs Town Council in regard to looking at where those sound investments need to be made in upgrading sports infrastructure.

It is very important in our community to have good solid infrastructure to support lifestyle because, as I have said in the previous estimates hearing for Treasury, we have some issues with population growth. We have to make sure we have some really fantastic sales points. We all love the Territory, but it is important that other people see what wonderful opportunities they have when they come up here to enhance their lifestyle and enjoy a good lifestyle. They are just a few of the projects.

**Mr PAECH:** Is there a particular formula that is used when the Department of Infrastructure put out a tender to look at the return on investment that comes back to the Northern Territory for building such projects?

**Ms MANISON:** There is a raft of ways in which you can look at these things. Sometimes it is not necessarily a dollar for dollar economic return, as you have just highlighted. Sometimes it is very hard to put a dollar figure on the return of making the Northern Territory a more attractive place to live because it has some fantastic lifestyle assets.

To look at the flow on effects, for example, when you invest in some tourism infrastructure there might be a dollar figure on the actual project, but then there is a flow on effects of people taking flights, the accommodation nights they book, the coffee they go and buy, the meal they have in a restaurant and the tours they take. Sometimes it can be a bit difficult to put those dollar figures in check. Different types of infrastructure have different types of analysis in which they undergo. I will hand over to the department to give further clarification on that.

**Mr KIRKMAN:** The minister is absolutely correct. A lot of the assets that we deliver on are social assets that are difficult to put quantification to, for example, remote housing. But within each tender we make sure that we look at the value of that tender to the Territory so the recent initiatives around value for the Territory have been really important in making sure for that particular item that has been delivered Territorians get the best value for money. Within in each individual item that work is definitely undertaken.

To look at business cases for facilitated projects where the government put in money for facilitating other investment—the ship lift for example. Certainly there is quite a lengthy analysis in respect to those major projects and that is absolutely vital when there is an economic end to those. There is quite a lot of analysis done obviously when we are going through that process of working out which tenderer or which type of delivery method is best for each asset that we need to build. Often that is a need basis that over ranks anything else.

**Madam CHAIR:** That now concludes questions on agency-related whole-of-government questions on budget and fiscal strategies. Are there any questions from members of the public?

**Mr PAECH:** I have questions from members of the public, and I offer an apology in advance if I get the pronunciation wrong of some of the names of the people who are asking questions.

I have a question from Sharelle Tideman. Are there any incentives to support infrastructure tenders being awarded to Territorians?

**Ms MANISON:** I thank the member from the public for that question. As I have stated, we have made some huge changes to our Buy Local procurement policy. We are making sure we look at the true value to the Territory when assessing those tenders. It is not necessarily a race to the lowest figure of tender value. It looks at a tender more holistically to ensure we look at the real value to the Northern Territory.

We are looking to introduce an industry advocate. One thing we have constantly heard from industry and business when I have talked to people about the budget is the frustration businesses feel when someone says they are local, but they really just have a post box down the road to say they are local. They are not fulfilling their obligations of how they won that job by saying they would utilise local companies.

We will have an industry advocate in place, charged with making sure there is a greater level of scrutiny over businesses that win government work to ensure that when they say they are buying local they truly are. I will hand over to the department to talk about the changes to the Buy Local policy and how that impacts Territory business.

The Department of Infrastructure, Planning and Logistics has almost 100% of business going through to local businesses. I will let Mr Brogan talk about those percentages. The awarding of tenders is high from this department to local business.

**Mr BROGAN:** Member for Namatjira, our current statistics on year to date spend invested and total spend is 99% on local Territory businesses. As part of the buy local campaign the Territory government increased the weighting we give to local development value-add to 30%. They have also driven down the price weighting for tenders.

About 12 months ago between 40% and 65% was the weighting put on price. That has now been capped at a maximum of 30% which is helping Territory businesses secure more work.

Another thing we are doing is if a contractor nominates an interstate subcontractor to perform a component of the works they must specify a Territory company and have a price from a Territory company to go with their tender response. They can nominate a subbie from interstate, but they have to come back with another offer for us from a local firm as well. That is helping us do two things: have a proper look at who the sub-consulting teams are, as part of a tender response; it also gives us the choice internally to see if we have enough capacity to help a local contractor to become a sub-contractor to a local principal contractor.

**Mr PAECH:** Minister, in the area of local weighting, what is it we look at when we are looking at local weighting?

**Ms MANISON:** I might let Mr Brogan go into those details there since his section look at this day to day.

**Mr BROGAN:** As part of any tender response the tenderer fills in something called a response schedule. As part of that response schedule they have to detail, explicitly, who they are, their relationship to the Territory, how they play a role in our community and specify their range of sub-consultants whether they are designers, builders or tradies.

All those things form part of our tender assessment weight for local development value-add, LDVA. That is weighted at 30% of tenders. It is an important part of the tender assessment process.

**Madam CHAIR:** Member for Namatjira, I just want to intervene and acknowledge the Member for Blain for his attendance this morning. Please continue.

**Ms MANISON:** Madam Chair, it is wonderful to have the Member for Blain here. I stress again, by all means if you have any questions during this process you are most welcome to fire them at me and join in the process at any moment. I would love to have questions from you.

**Mr PAECH:** I have another question from Ms Sharon Scruff. She notes a number of concerns relating to the Barneson Boulevard project including the fact the proposed project will cut through the middle of Frog Hollow Art Project. Ms Scruff asks, why is the Northern Territory Government spending \$39.5m of taxpayer dollars on Barneson Boulevard?

**Ms MANISON:** I thank the lady for her question. Barneson Boulevard will be a \$40m project for the Northern Territory. It is a \$30m contribution from the federal government, \$5m from the City of Darwin and \$5m from the Northern Territory Government.

It will create an important third entry point into the Darwin CBD, and the department has commenced an extensive body of work in consultation with the delivery of Barneson Boulevard.

I will hand over to the department to go over a bit more detail. I invite Louise McCormick to the table, who is managing that project, to talk about the process of consultation, the time lines and the consultation regarding how the boulevard will be built into the city and any implications for Frog Hollow.

**Ms McCORMICK:** Thank you, minister. Barneson Boulevard has been in planning since 1996, so it has been on the books for some time. The land it is going through is a proposed main road, so it does not affect the heritage value of Frog Hollow. The arts building is on the other side of the road, and the only infrastructure being impacted is a toilet block and the car park.

We have consulted extensively with the tenants of the arts centre. They have specifically asked us to hold off on construction until the end of Darwin Festival, which we have agreed to, and after that time we will move the toilets and the car park, which has been agreed to by the tenants of those buildings. Some of the consultation since December last year through to just recently found that the connection between the arts centre and Frog Hollow—there is pedestrian access. Through the consultation and in the concept design we have incorporated the community's ideas about pedestrian access and it being a boulevard connecting Frog Hollow to the greater CBD area.

The reason for Barneson Boulevard coming on now is that we have done a lot of traffic modelling with the City of Darwin in terms of the CBD streets and arterial connections into the CBD. The traffic modelling is showing that the Stuart Highway and Tiger Brennan Drive are both congested. The third arterial link is needed to relieve pressure on those links as well as the CBD streets.

**Mr PAECH:** The third question I have relates to Territory Generation and Jacana. It is from Gadian Hoosan of Borroloola in the Northern Territory. Minister, could you or Territory Generation please provide the hourly load dataset for the full year period from the power stations at Borroloola and Robertson River?

I am not sure if that can be taken now.

**Ms MANISON:** It is not relevant to the Department of Infrastructure, Planning and Logistics, but I will ensure we get that brought forward to Territory Generation, Power and Water Corporation and Jacana in readiness for their appearance on Wednesday to ensure they have an answer.

## **OUTPUT GROUP 9.0 – INFRASTRUCTURE INVESTMENT PROGRAM, SUPPORT AND DELIVERY**

### **Output 9.1 – Infrastructure Investment Delivery**

**Madam CHAIR:** The committee will now proceed to consider Output Group 9.0, Infrastructure Investment Program, Support and Delivery, Output 9.1, Infrastructure Investment Delivery. Are there any questions?

**Mr PAECH:** Yes, Madam Chair, I have a number of questions.

Minister, I want to gain an understanding of the process at the STEM building at Taminmin College. Are you able to provide an update of the progress that has been made there, and the overall budget for that project?

**Ms MANISON:** We have continued that project; it was announced under the previous government. Taminmin is a fabulous school and delivers some wonderful programs. It is a good commitment for the students at the school, delivering a science, technology, engineering and mathematics building.

That program has been budgeted at around \$12m, but I will get the department to go into the details of how the tendering and time lines around that project and its delivery are going.

**Mr BROGAN:** We completed the design approximately six months ago. It was done by local architect, Ross Tonkin and Associates. We subsequently attended that facility run by local contractor, Probuild NT, which has commenced works on-site. We issued an early works contract to try to get it started ahead of time late last year but, unfortunately, we had a rather severe Wet Season which impacted on that quite substantially.

So we had some initial delays but we are very confident that having a very competent contractor and a really good design set means we will finish that building towards the end of this year, and the school will be up and running with six new labs and six new GLA areas early next year.

**Mr PAECH:** Minister, while we are talking about schools and education facilities, I make note that there has been some work announced for Tennant Creek's preschool. Can you give me an update of where we are at with that at the moment?

**Ms MANISON:** That is a very important program. I will speak about this as the Minister for Children as well. We are ensuring we have even better early childhood investment happening in Tennant Creek. We know that if we have a child ready for day one, Term 1, Year 1 and they are hitting the developmental milestones, they will do so much better through their formal schooling and we will get more kids through the school.

We have committed \$6.5m to this project. It has been fast-tracked and is something we are looking to deliver. We are looking at delivering the construction of a new preschool catering for about 88 enrolments. Integrated with that will be a family centre which will include the capacity to deliver the Families as First Teachers program and look at early intervention and support. It will have meeting rooms for visiting specialists, amenities for food preparation and associated storage and so forth.

On 10 May, a contract to design the new school facility was awarded to Zone A Pty Ltd and the construction of the new facility is expected to commence in December of this year, with completion for the middle of next year. This will be a wonderful project for the people of Tennant Creek.

I saw a fantastic example of one of these centres at Larapinta school. The work was done under the previous government, but I have to say that if you want to see a fantastic project targeting early learning and childhood development, that is a fine example. All who were involved in that project should be congratulated. Tennant Creek will greatly benefit from this project for the kids coming through now and for generations to come.

**Mr PAECH:** Minister, while we are in that part of the Northern Territory, are you able to give me an update on how we are progressing with the Alice Springs palliative care facility?

**Ms MANISON:** Yes, I will hand that over to the department, but it is an important project. The people of Alice Springs deserve a fully dedicated palliative care facility. The Member for Araluen asked plenty of questions about this in the past. It will be dedicated fully to palliative care and is a much-needed facility to be built at the Alice Springs Hospital. I will hand over to Mr Kirkman.

**Mr KIRKMAN:** A contract has been awarded to Scope Building NT for \$6.2m to construct the 10-bed palliative care facility, which is located in the Alice Springs Hospital precinct. The facility aims to provide a home-like environment with bedrooms that lead to outdoor courtyards and a large communal lounge area. That is looking at getting the best care for those individuals who find themselves in palliative care. That construction commenced on-site in March this year, and we are expecting it to be complete by October of this year.

**Mr PAECH:** While we are talking about health and infrastructure, can we get an update of the time frame for the PET scanner, cyclotron and cancer beds at Royal Darwin Hospital?

**Ms MANISON:** Again, a very important project happening in the Northern Territory. We have ensured that we will be delivering the PET scanner and the cyclotron as part of the one project. We are also expanding the capacity to deliver services to people attending the Alan Walker Cancer Care Centre.

Effectively, with the combined Northern Territory and federal government funding, we now have an \$18m project for the PET scanner and cyclotron project. Tenders for the construction of the facilities to accommodate the PET scanner and a second CT scanner adjoining the medical imaging department in the main ward of RDH were advertised in May, and those tenders will close in June. We anticipate the contract will be awarded in July, with construction to commence in August of this year and the completion date to be in the middle of 2018.

There will be a second stage of the PET scanner project that will occur. We have had architects engaged to prepare a detailed design plan for documentation of facilities for the cyclotron and the 12-chair chemotherapy expansion. The construction contract for the cyclotron and the chemotherapy chair expansion is expected to be released in October this year.

Much work is progressing on this very important project.

**Mr PAECH:** There are probably a number of Territorians who would be chasing after me if I did not ask about the car parking at the Royal Darwin Hospital and where we are at with the current works there.

**Ms MANISON:** That is another project that has been fast tracked. I will handover to Mr Brogan to answer the question on the progress of that important multistorey car park. .

**Mr BROGAN:** The government has put in \$12m to build a multistorey car park at Royal Darwin Hospital. We completed a design consultancy and went to tender approximately a month ago. Tenders have now closed. We hope to be able to award that contract in the next fortnight.

Based on who wins the design we anticipate a net increase in total car parks at RDH by about 270 new car parks. We are taking up a few car parks with the foot print of the design but we are going up four storeys which allows for a lot more car parks than currently in situ.

**Mr PAECH:** While we are talking about health, could you give an indication on whether there are any new or upgraded remote clinics in this budget.

**Ms MANISON:** Again, a very important question to ensure that we have good remote health clinic facilities and strong investment in those areas. There has been much work happening, a raft of programs, over the years. I might hand over to the department to talk about some of those works. I am glad to say that we have seen recent works completed in many community health clinics that have been ongoing for some

time, some had even secured funding under the previous Labor government. So a lot of work has been happening there.

**Mr KIRKMAN:** There has been quite a bit of work done in remote community health area. There have been programs across 11 communities. To run through some of those that have been completed this year: Ntaria Hermannsburg was completed. That was a budget of about \$7.5m. Canteen Creek is also complete at \$5.1m; Eliot was complete at \$5.6m; Galiwinku at \$6.4m; Ngkurr is complete at \$5.9m; as is Numbulwar at \$6.2m; and Robinson River, which is still in progress but programmed for completion in June, at a cost of about \$5.3m.

There are also a number of other works that have been co-funded. There is a \$6m health centre at Umbakumba which has been a great project co-funded by this government, the Australian Government and GEBIE, the Groote Eylandt and Bickerton Island Enterprises. That was a great project that involved tiers of government and the local community.

There have also been a number of upgrades to existing facilities. Just to run through those: Maningrida had an upgrade of around \$2m; Papunya \$2.6m; Titjikala \$2.8m; and Kaltukatjara had about \$2.8m of upgrades. You would be able to pronounce that better than me, I am sure.

**Mr PAECH:** You can say Docker River. That is fine.

**Ms MANISON:** But, importantly, in the immediate works grants we have facilitated \$2m for upgrades for remote health clinics, and we are looking at our program of investment in repairs and maintenance with the \$297m that is rolling out across the Northern Territory. Remote health does stand to benefit from that and the provision of health services.

In other programs we are looking at work on the Sandover, as you would know, between making sure access to health clinics is improved. That will greatly benefit people in your electorate as well.

**Mr PAECH:** Finally, while we are still talking about the infrastructure for remote health, what progress is being made to look at building or refurbishment or repairs on remote morgues. I take note that myself and a few of my bush colleagues on this committee are very interested to hear what investment is being made.

**Ms MANISON:** I was just about to point that out in the previous question. There has been significant work happening across our remote morgues' program. It has been jointly funded through the Australian and Northern Territory governments of about \$6.2m to build or repair some of those morgues.

**Mr PAECH:** Can I get you to repeat that figure?

**Ms MANISON:** \$6.2m. I think the best way to look at it is the status of work and where everything is at the moment.

For the new morgues, Galiwinku is in progress at the moment and expected to be completed shortly. It is the same with Numbulwar. Docker River is in progress and expected to be completed shortly—Alpururulam in September 2017, Kalkarinji about September 2017 as well. In Maningrida, tenders have closed and work is expected to happen soon.

Those assessments are happening at the moment. In Ngkurr tenders closed earlier this month and they will be under assessment with construction set to happen soon. At Wurrumiyanga, the contract was awarded this month and work is expected to happen soon.

There have also been upgrades in Ali Curung, Alyangula, Borroloola, Jabiru, Nyirripi, Papunya, Yuendumu, Eliot, Wadeye, Kintore, Gunbalanya and Lajamanu. There has been an extensive body of work happening. It has been an extensive program, but one that people in the bush have called for, for a very long time.

I can remember when I first came into the chair as minister for this department I said to the department earlier on in the piece that it is something we need to keep a close eye on to make sure the delivery of this program is rolled out. It is a very important issue for people in the bush.

**Mr PAECH:** You mentioned Wadeye and it prompted something in my mind. I just wanted to confirm that the Wadeye police station has been finished.

**Ms MANISON:** I might hand that over to the department to look at the progress. There have been significant works. There has been an opening, but there were still some works to be completed.

**Mr BROGAN:** The police station itself has been completed. It was a much broader project than just the police station. There was a lot of additional police accommodation and visiting officer quarters under way. We got an update a couple of weeks ago from contractor, and I think we are finishing the remaining houses by August this year.

**Mr PAECH:** I was saving this question from your statement earlier when you were talking about netball. I know that you are an avid netballer yourself. Alice Springs has a fantastic facility and Darwin will soon. I wanted to ask a question around how soon the work on the netball facilities in Darwin will start.

**Ms MANISON:** There was some further community consultation that was done on that tender. Again, I have to thank the department for the work they have done to fast track this project. A fantastic design has been done. This is going to be an exciting project for the netball community. I also thank the federal government for standing by their commitment and bringing that \$8m into the Northern Territory. That is another \$8m to ensure that we get a state-of-the-art netball centre, and it is also another \$8m going in to support local jobs, local construction and local industry. We are going to have a fantastic stadium. Thank you, Mr Brogan.

**Mr BROGAN:** The minister has made it very clear to me, Member for Namatjira, that in the initial design phase I did not get the number of car parks correct, so the design consultancy we put out includes an additional 134 car parks below grade, below the new four court stadium we are proposing.

We have gone to tender in the middle of last week, and it will close at the end of July. We hope to turn that tender around really quickly and have a contractor in situ in August of this year and works to commence later this year.

**Mr PAECH:** Happy to hear that, and happy to hear about the car parks. That is all I have on Output 9.1.

**Madam CHAIR:** Are there any other questions?

**Mr GUYULA:** Yes, Madam Chair. Firstly I want to say, I support the action of the members who have chosen not to be here today because I agree that 30 hours is not enough. As a first time member of this parliament I made the decision to be part of the estimates hearing because I want to learn the process. As an ESL speaker it is easier for me to be part of the spoken process that will be transcribed rather than simply a written process. Also, I acknowledge the hard work of the public servants.

Minister, could you advise what output to ask questions about road works?

**Ms MANISON:** Thank you, Member for Nhulunbuy. Are we still in whole-of-government at the moment?

**Madam CHAIR:** No, we are in 9.1, Infrastructure Investment Delivery.

**Ms MANISON:** Number 11 is the output for roads questions. We look forward to taking those question from you to answer.

**Mr GUYULA:** There is another question. I am not sure whether this is the right time. I will take this opportunity to support the government for investing in the Milingimbi airstrip and the Galiwinku shelter. Could you advise of any other major infrastructure works in East Arnhem Land, who are the contractors and where are they based?

**Ms MANISON:** Member for Nhulunbuy, a good question, and I applaud the fact you are at the table asking these questions. It is important for you to be able to ask questions on behalf of your constituents. You are doing the right thing to scrutinise the government and the expenditure. It highlights to me that we should really have the opposition and other Independents here doing the same as you.

With regards to the investment in infrastructure across East Arnhem Land there is \$2m going into the Milingimbi airstrip, which is very important for your constituents and ensuring better access to air services. I met members of the board of ALPA when I was at Oenpelli last year. The gentlemen made it clear to me that was a big priority for the community of Milingimbi.

The department has done a great deal of work since that issue appeared with CASA, air services and plane manufacturers to see what could be done. In the end we felt the \$2m investment is a wise to support the people of Milingimbi to have better access to services and honour our commitment around the Galiwinku safe house investment, ensuring more protection for those dealing with family violence.

We have further investment going into the region. I will go to Mr Kirkman, who looks to have a list of works happening. The repairs and maintenance program will flow through to invest in more government infrastructure in your electorate and support local jobs. Additionally the remote Indigenous housing program and our \$1.1bn program investment in remote housing will benefit many of your constituents.

I will hand over to Mr Kirkman to go into further detail.

**Mr KIRKMAN:** To explain more about what is happening in East Arnhem next financial year, the budget year—as you have mentioned, the Milingimbi aerodrome is an important one for us. We are keen to see that service reinstated for the larger aircraft in Milingimbi. There is some money put aside for that. We recently wrote to the Australian Government and received the great news that it is supporting us with \$1m on that project, so that is great.

There is \$1m for Galiwinku for safe houses. We also have quite a sum for upgrading fire safety at the Gove hospital; that is \$3.6m. There is a considerable repairs and maintenance budget for next year; that is about \$8.7m spread across the various agencies, the big one being the Top End Health Service. There is also a considerable amount for roads repairs and maintenance.

We also have a considerable minor new works budget. These are works that are at a higher value than repairs and maintenance but less than capital works. That is over the 500 mark now, so that is considerable. There is \$6.7m worth of minor new works spread across the agencies. Those are considerable sums in transport and road works. There is \$1.2m of that going into education.

**Ms MANISON:** The school upgrades, with \$300 000 for every school—every school in the region will benefit from that.

**Mr KIRKMAN:** There is considerable work for roads. I am happy to answer more of those questions under Output 11, if you would like to answer them then, but there is a considerable sum for road infrastructure for East Arnhem as well.

**Mr GUYULA:** Can you please advise when work is scheduled to begin to implement the revoted \$4.96m that has been budgeted to lift and seal the section of road between Ramingining and the Central Arnhem Road?

**Ms MANISON:** I will hand over to Louise McCormick to answer that question.

**Ms McCORMICK:** Thank you, minister. Member for Nhulunbuy, that work is still in consultation with the Northern Land Council. The lifting and sealing of that was requested by traditional owners in the area because there are sacred sites located beneath the road. We identified that with them about 12 months ago, so we are now consulting with them on the actual scope of work.

That is very close to being finalised. The Northern Land Council's anthropologists have had issues gaining access to traditional owners during the Wet Season, but hopefully we get a report back from the Northern Land Council in the coming weeks and are able to undertake that work.

**Mr GUYULA:** Can you advise what contractors have been used for this work and where they are based? This follows on regarding that same road.

**Ms MANISON:** We are still undertaking consultation there. Have there been any other roads tenders in that region that we can discuss?

**Mr KIRKMAN:** Member for Nhulunbuy, the projects I have just discussed are for the next financial year, the budget year, so they have not been awarded to contractors, but our preference is to go to locally-based contractors. There are some very capable contractors in the East Arnhem region, so that is our preference.

Some of the major contracts that have been released in recent times, particularly the road projects on the Central Arnhem—some significant bridge works have been built. I will get Louise McCormick to talk specifically about those contractors and the work they have done over the last 12 to 18 months.

**Ms McCORMICK:** Projects that have just been finished on the Central Arnhem include Rocky Bottom Creek; that was one of the last bridge crossings to occur on the Central Arnhem Road, and we have now finished all those major crossings. The contractor on that project was Sitzler, who are a well-known Territory local contractor, but some of the local employment opportunities there were for the gravel pusher, which was done through local people. Some of the accommodation for construction camp was also part of the local content. Water and some other services—which I cannot think of off the top of my head—as part of that contract were actually encouraged to employ local Indigenous people in particular because of the region that it is in.

**Mr GUYULA:** You have answered part of my question but I will ask the rest of the question. The Central Arnhem Road is very important as a connecting road between the hub service town Nhulunbuy and homelands as well as its importance of connecting the entire region to Darwin. I know that I have mentioned this road before—I am interested to know scheduled works for the 10-year plan as well as the current financial year. Could you please advise of these plans?

**Ms MANISON:** I acknowledge that it is a very important road, particularly for your region. Otherwise people have very limited options to get in and out of the region. Only air services are there and that can be quite costly, particularly for a large family. There has been a great deal of work done over the years at looking at some of the particular crossings that have been prone to flooding over time. There is always a regular schedule for upgrading and basically ensuring that maintenance work is conducted.

The next big level of work that we need to do is continue sealing parts of that road. It will take significant investment. I am going to be handing it over for a bit more detail to the department, but certainly over the years it is going to be one of those roads that we look at sealing, making it more accessible to more people from the region and clearly opening up the area to more people as well. I will hand it over to the department to go into a bit more about the works that are done and what we have got on the books for the next financial year.

**Ms McCORMICK:** We have had a long term strategic plan for Central Arnhem Road, and we acknowledge it is very important for Arnhem Land and all the communities as it is a major connection for them back to services. Over the years we have targeted the major river crossings first because they are generally what closes the road, so if one crossing went out, for example, on (inaudible) or Goyder it would close the whole road. We have been targeting bridge crossings first. We have now finished all those major crossings and our next target for rolling out upgrades on the road is the sealing contract, particularly Bulman. We have had a lot of feedback about past Bulman that the road is quite bumpy there.

**Mr GUYULA:** I know it is very bad there.

**Ms McCORMICK:** I can speak from experience. I drove it late last year and we did actually note that it is probably one to prioritise.

Other sections that have been brought to us from the community and I have also looked at myself is the jump up sections that go up through the hilly areas. There are some quite blind corners that would benefit from a seal and widening project. Our next stage is to look at what priority sections are on the road. The whole road is very long and it is still going to take us some time. I think it is estimated \$600m to seal all the way to Nhulunbuy, so we have to prioritise on the worse sections first.

**Mr GUYULA:** Some roads have suffered greatly after this Wet Season. Could you advise whether there is any extra funding that has been made available due to the extent of damage to roads after so much rain?

**Ms MANISON:** We have had significant rainfalls right across the Northern Territory. It has not just been the Top End but we have certainly seen in Central Australia record falls in areas like the Tanami and so forth, so the department has had to do significant work at looking at road rectifications works and work around there. I will hand over to the department to go into the detail about some of that post-wet weather work and work that has occurred and is scheduled to happen.

**Mr KIRKMAN:** Yes, there was considerable work that was required, particularly in the centre, as the minister mentioned. The Tanami was taken out for a number of weeks. Millions of dollars' worth of work has been done to that road over the last few months since it has been able to be worked on. That caused quite a disruption to the services along that road, particularly for the mining companies that work along the Tanami and for those communities that rely on that road for access.

Given the extension of the Wet Season this year, a number of roads across the Territory were taken out of action. We are applying for specific funding for some of that where there might have been a flooding emergency, but effectively we have had to rely on the funding that is available to us to deal with those works. Something we are looking forward to next year is our considerable repairs and maintenance budget. We have an extra, I think, \$14m, Louise?

**Ms McCormick:** It is \$11.5m.

**Mr KIRKMAN:** There is \$11.5m for roads alone. That money can go towards targeting some of those washout areas that have made it difficult for people to get access through some of those roads over the Wet Season. That will be a real boon for us next financial year to deal with some of the future Wet Seasons.

**Madam CHAIR:** Thank you, Member for Nhulunbuy. Are there any other questions?

That concludes consideration of Output 9.1.

### **Output 9.2 – Program Support**

**Madam CHAIR:** The committee will now consider Output 9.2, Program Support. Are there any questions?

**Mr PAECH:** Minister, I want to have a quick chat about the repairs and maintenance budget. I understand it has been substantially increased. I want to get an indication why that area of the infrastructure budget was targeted.

**Ms MANISON:** Simply because we see it as a good investment in good government infrastructure to ensure we extend its life. If you attend to things sooner rather than later it tends to save you a bit of money in the long term. It also means better services for Territorians, but importantly, it gets money out the door to support local jobs and businesses at this time. This is money that is targeted.

If you were to ask any government agency Chief Executive or Asset Manager how far their repairs and maintenance budget goes, you would find they go through it each and every financial year quite quickly and there is never quite enough money in it. This gives us the opportunity to do some very good work across the Northern Territory in all the regions to ensure we are supporting better government infrastructure. The investment we make up front will ultimately save us money as well.

**Mr PAECH:** Following on from that, I speak to a lot of tradies in the role of local member. I understand they have been doing it tough for some time. What percentage of government works is going to locals?

**Ms MANISON:** I will get that figure, but it is extremely high with the Department of Infrastructure, Planning and Logistics. As you can see, I have two very large folders with many numbers. It is almost at 100%, as I alluded to before. Looking at the data with regard to the Department of Infrastructure, Planning and Logistics, 98% of the total number and 99% of award values of tiers 2, 3, 4 and 5 construction contracts go to locals. That is a significant number when it comes to supporting local business.

**Mr PAECH:** Talking about those types of areas, can you give us an update on the Boosting Our Economy stimulus package that was introduced?

**Ms MANISON:** This is following on from the previous government and continuing their works that were happening, but it is important that you see continuation across governments. Good projects are good projects and they must be continued and supported.

There has been a range of work. There has been a very high emphasis on investing in education infrastructure. There were 65 education projects throughout the Northern Territory; 65 contracts encompassing 65 projects had been awarded to 38 principal contractors, and significant work has occurred.

**Mr BROGAN:** We have awarded those contracts like the minister said. Most of the works are substantially completed. We expect to complete the full spend of the \$55m by the end of this year. Some of the projects have made up the Boosting our Economy packages including basketball courts, extensions to administration buildings, multi-purpose rooms, general learning areas and upgrades. Most of those works were done in consultation with school councils and school principals. We would go to the school and talk to

them about what asset would best fit the needs and local demands of their school. We would go design it up and release it. Most of those projects are complete and we will finish by the end of this year.

**Ms MANISON:** Following on from that, there was recognition that there was a slowing economy happening in the previous financial year. Stimulus measures were introduced by the previous government to address some of those issues including the Boosting Our Economy package and the home improvement scheme. Coming into government we had to make further decisions around infrastructure investment and stimulus works.

As we have said, we have the \$1.7bn infrastructure program in this year's budget. We have delivered the \$22m Immediate Works Stimulus Package, which was, for example, \$5m for repairs and maintenance in urban public housing; \$2m into remote health clinics, as I discussed; \$10m, which has increased further in this budget, going into community organisations; and \$5m to go into the steel sector to support good projects in our parks and bus shelters.

We have seen a range of work because when we have heard all the concerns about jobs, and as we go through this transitional period with the move towards the operational phase of the INPEX project, it is important that we are keeping as many people in the Northern Territory as possible. Infrastructure investment, and the infrastructure investment this government is making, is playing a very important role there.

**Madam CHAIR:** Are there any further questions?

**Mr GUYULA:** Can I go back to 9.1?

**Madam CHAIR:** Do you have another question for Output 9.1?

**Mr GUYULA:** Yes, please.

**Ms MANISON:** I am happy to take that.

**Madam CHAIR:** Member for Nhulunbuy, please ask your question.

**Mr GUYULA.** Can you tell me, does the \$300 000 for schools infrastructure extend to all homeland schools?

**Ms MANISON:** With regard to that program, we do have specific funding going into homeland schools. I will take that on notice and come back to you, Member for Nhulunbuy, with that exact amount, if that is okay with you?

**Mr GUYULA:** Okay.

**Ms MANISON:** We will get that information. I am happy to take that on notice now and report back.

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#### Question on Notice No 1.1

**Madam CHAIR:** Member for Nhulunbuy, can I get you to restate the question for the record please?

**Mr GUYULA:** Sure. Can you tell me, does the \$300 000 for schools infrastructure extend to all homeland schools?

**Ms MANISON:** Thank you, Member for Nhulunbuy. We will get an answer by the end of this.

**Madam CHAIR:** Do you accept the question?

**Ms MANISON:** Yes.

**Madam CHAIR:** The question asked by the Member for Nhulunbuy of the minister has been allocated the number 1.1.

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**Madam CHAIR:** Are there any further questions on Output 9.2, Program Support?

That concludes consideration of Output 9.2, Program Support.

### **Output 9.3 – Asset Management**

**Madam CHAIR:** The committee will now consider Output 9.3, Asset Management. Are there any questions?

**Ms UIBO:** Minister Manison, there has been a significant change from the current financial year into the upcoming financial year in regard to funding \$18.5m in the current financial year, and the expectation of just over \$3m. Can you please explain the difference in asset management?

**Ms MANISON:** I believe it is in relation to some of the accounting treatment of that, but I will hand over to our Chief Financial Officer, Mr Papadakis, to answer that question.

**Mr PAPADAKIS:** It is not funding for any purpose; it is just treatment for accounting purposes. This relates to, for example, when we complete capital works projects, we assess if those projects on completion will stay on our books as our own assets or if we have to expend some off our books. This is the expensing of them off our books purely because of accounting standards.

**Mr KIRKMAN:** Just to clarify further, those works we largely expensed were in relation to cyclone works that were non-capitalised. They were related to cyclones Lam and Nathan.

**Madam CHAIR:** Are there any further questions?

That concludes consideration of Output 9.3, Asset Management, and Output Group 9.0, Infrastructure Investment Program, Support and Delivery.

## **OUTPUT GROUP 10. – LANDS AND PLANNING**

### **Output 10.1 – Land Development**

**Madam CHAIR:** The committee will now move on to consider Output Group 10.0, Lands and Planning, Output 10.1, Land Development. Are there any questions?

**Mr PAECH:** Minister, can you tell us where the flood mitigation strategies are at, taking into account that the Darwin and Katherine regions have had a financial commitment made. Where are we at in terms of the Central Australia or Alice Springs flood mitigation? I am happy to break that question into two: the Katherine and Darwin regions, and the process for Alice Springs.

**Ms MANISON:** Member for Namatjira, work continues on the flood mitigation projects right across the Northern Territory. There has been extensive work happening in Darwin. We have some tenders soon to be let, particularly around the retention basin in Rapid Creek, and in Katherine we have seen the successful completion of moving the ambulance service.

When we came to government we had the Alice Springs Flood Mitigation Advisory Committee. They have gone out and done an extensive body of work. We did not have dollars allocated to infrastructure projects around that, however.

The last time I was in Alice Springs, which was last month, I met with the committee. We have made sure that report is now public. One commitment I gave to that committee was that there needed to be additional work on data collection around some of those flooding issues in Alice Springs and some mapping. I said I would get the Department of Infrastructure, Planning and Logistics and the Department of Environment and Natural Resources working together over the next financial year to get that data so it can best advise government—as well as getting feedback from the community—on what would be the priorities of infrastructure investments going forward.

If you were to look at the report as a whole, we are talking about well in excess of \$130m of infrastructure projects identified. It is important we prioritise and get the right ones done, but we need the data in order to make sure we make the right investments.

I thank Damien Ryan, Rod, Michael and the other members of the advisory committee for the work they have done, and we will continue working with them. But, most importantly, over the next financial year, to

get the data we need so we can make some informed choices about the infrastructure investments going forward in Alice Springs.

I will hand over to Leah Clifford to talk about the process around Darwin, the rural area and Katherine with the flood mitigation works.

**Ms CLIFFORD:** In the Darwin region, as the minister has mentioned, there has been a significant amount of work that has been done in relation to flood mitigation measures over the last 12 months. In the Darwin region, we have the Rapid Creek catchment works which have recently been tendered and are currently going through an assessment process. We have had works commence in Ludmilla as part of an overall approach to dealing with drainage throughout this catchment area.

In (inaudible) we also have tendered for some culverts and works. Those works are scheduled to commence in the school holidays, about 21 June. There is some work being done in the Yarrowonga catchment areas as well.

In the Katherine region, there has been the construction of the new ambulance station and headworks associated with that. There have been some preliminary investigations that have been done, which have resulted in some measures being put in place such as CCTV on the bridge, monitoring and early warnings.

As the minister mentioned, the Alice Springs Flood Committee has recently finalised its report. That is now available online. The report has a number of recommendations regarding preliminary investigation, structural mitigation and flood resilience measures. As the minister has mentioned, our key focus is really similar to the other regions, focusing on preliminary investigations and getting information on topography.

**Mr PAECH:** Minister, may I get some further information? In Alice Springs there will be a flood map that will be revised. Am I correct in understanding that?

**Ms MANISON:** The committee has requested that there was more modelling done on the data. There were things such as a bit of aerial surveying they had spoken to me about and getting more updated data. Yes, they will effectively getting more information that will update the data sets they have already, and to ensure they have a good understanding of the water flows and where we will have the greatest impacts of flood mitigation infrastructure works.

**Mr PAECH:** Minister, if I may follow up from Ms Clifford talking about the CCTV in Katherine. When the water level rises, to what level does it get to before the CCTV would trigger an alarm, and who does the alarm notification go to in the event of a catastrophic flood hitting Katherine?

**Ms MANISON:** I am not sure if that question is for us or Emergency Services? Is that one we should take on notice? Member for Namatjira, we will take that question on notice, please.

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#### Question on Notice No 1.2

**Madam CHAIR:** Member for Namatjira, can you please restate the question for the record?

**Mr PAECH:** Minister, picking up on the comments made by Ms Clifford in relation to the CCTV in Katherine, what level does the water need to rise to before the CCTV triggers or notification is sent? In the event of a catastrophe who does the notification go to?

**Madam CHAIR:** Minister, are you happy to accept that question?

**Ms MANISON:** Yes, happy to accept that and put it on notice, thank you.

**Madam CHAIR:** The Member for Namatjira's question is allocated the number 1.2.

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**Madam CHAIR:** I am conscious of the time. I might call our lunch break now and we will come back and continue at Output 10.1. The time is 12.30. We will adjourn for a 30 minute lunch break and reconvene at 1 pm this afternoon with Output 10.1, Land Development.

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The committee suspended.

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**Madam CHAIR:** Welcome back everyone, thank you for being on time. We will recommence and continue on with Output Group 10.0, Lands and Planning, Output 10.1, Land Development.

Member for Namatjira, I understand you have another question.

**Mr PAECH:** I have no further questions for 10.1.

**Madam CHAIR:** That concludes consideration of Output 10.1.

### **Output 10.2 – Development Assessment Services**

**Madam CHAIR:** I will now call for questions relating to Output 10.2, Development Assessment Services. Are there any questions?

**Mr PAECH:** Minister, could you inform the committee how many applications were processed under the *Planning Act* this year and whether or not that is expected to change heading into next year?

**Ms MANISON:** Thank you, Member for Namatjira, I will pass that question to Leah Clifford to answer and provide detail.

**Ms CLIFFORD:** The Development Assessment Services provides development in control under the act. In the budget papers we have forecast about 800 development applications to be processed. As at the end of March this year we are sitting on about 628 development applications.

**Madam CHAIR:** Are there any further question?

That concludes consideration of Output 10.2.

### **Output 10.3 – Crown Land Estate**

**Madam CHAIR:** The committee will now move on to Output 10.3, Crown Land Estate. Are there any questions?

**Mr PAECH:** Minister, I am aware that recently an exceptional development permit in Alice Springs was rejected on the grounds that industrial uses are not permitted in the rural area of Alice Springs unless otherwise approved. Are you able to help me gain an understanding of the government's position towards developing industrial land in Alice Springs and the Northern Territory?

**Ms MANISON:** It is certainly not a situation that is unique to Alice Springs. It is a situation you see time to time, these questions come up particularly in rural areas with regards to what has been, in some cases, historic use of people who have moved their businesses to their rural sites. As we know, planning can be a very sensitive area. It can be very controversial as well and full of a lot of emotion. It has a deep impact on people's lives, particularly if it is where they have made their investment for their home or for their business.

I acknowledge that you have continued to knock on the door of my office and tell us that you feel industrial land development in Alice Springs is a priority. There has been work within the Darwin region to look at those opportunities there. I do acknowledge it is an area that will require some more work. I might hand over to Ms Clifford to go over in more detail the work we are doing around industrial land development in the Northern Territory.

**Ms CLIFFORD:** In the Alice Springs Land Use Plan, the work that the Planning Commission has done from the highest level of land use looks at industrial-type uses and, in particular, the future of industrial release in Alice Springs. In terms of Crown land estate, there are two particular areas of industrial land use identified in the Planning Commission's work. One is related to Brewer Estate; that is existing at the moment. The second one is in relation to Arumbera. The department is currently looking at what is required to turn off land in that particular area. Land development can take a period of time and requires a lot of investigative studies to inform future development. It has been identified by the Planning Commission and there is some work that the department will need to do in relation to that particular area.

**Madam CHAIR:** Are there any further questions? That concludes consideration of Output 10.3.

#### **Output 10.4 – Aboriginal Land**

**Madam CHAIR:** We will now consider Output 10.4, Aboriginal Land. Are there any questions?

That concludes consideration of Output 10.4.

#### **Output 10.5 – Lands Planning**

**Madam CHAIR:** The committee will now consider Output 10.5, Lands Planning. Are there any questions?

**Mr PAECH:** Could you please give us an update on the progress that has been made on the central Darwin area plan and the central Palmerston plan?

**Ms MANISON:** The Planning Commission has looked at these bodies. They have been working with a range of stakeholders to start those discussions.

I will hand over to Ms Clifford to go over the detail of where we are with those area plans. I have to say that Darwin and Palmerston are very important parts of the Northern Territory. The area plans will be focused on looking at the previous master plans that have been done by the City of Darwin and the Palmerston Council. We need to ensure we have the best information and make the most of the consultation that has been done with the community. It is important to get the area plans right to ensure certainly around planning and ensure we have the latest community feedback involved in that process.

I will hand over to Ms Clifford to go over the progress of where they are. We will be going out with further consultation documents around those areas so the public, the people who live in those areas and the people with interest in those areas—business and service sectors—all get to have their say on the future direction of those areas.

**Ms CLIFFORD:** In terms of the central Darwin area plan, the Northern Territory Planning Commission has been doing some preliminary work on this to inform the basis of a discussion paper which as the minister mentioned will be used as part of consultation with the broader community in relation to land use in the study area.

With the project itself, we anticipate the discussion paper will be finished in the near future to inform the consultations moving forward. Of particular importance, the study area under discussion with the community takes into account a boundary down to Frances Bay, across the tank farm and behind Cullen Bay. We anticipate that will go out in the near future.

In relation to the central Palmerston area plan, there has been some consultation by the Planning Commission to date. The next phase of the project is to take into consideration the feedback we have had from the community and the council, who we met with recently, to prepare a draft area plan that takes into account the comments that have been provided, and we will inform release of that for further consultation.

**Mr PAECH:** While we are on Lands and Planning, are you able to give us an update on where the department is at the moment with dual occupancy?

**Ms MANISON:** Member for Namatjira, we have the interim development control order out there, with regard to the issue of dual occupancy. There has been community consultation undertaken. We have engaged Elton Consulting to do that. That commenced late last year. There has been a significant body of work happening around April and May across that, as well as the community having the ability to make submissions and have their say.

We are waiting for those reports on the feedback from that consultation to come back to government so then we can make a decision around the future of dual occupancy. There are mixed views on this issue across the Territory. That interim development control order is in place until October, and government will make a decision by then. We have broadly consulted across the Northern Territory to get feedback.

It is important to get this process right, particularly because at the moment we do not have those pressures with regard to that population growth that was forecast. We would love to have the problems of population pressure on our forecast, but we are looking at that and further consulting with the Territory, and we will have made a decision on that by the end of the interim development control order expiring.

**Mr PAECH:** I have no further questions, Madam Chair.

**Madam CHAIR:** Are there any further questions?

That concludes consideration of Output 10.5, Lands Planning.

#### **Output 10.6 – Building Advisory Services**

**Madam CHAIR:** The committee will now proceed to consider Output 10.6, Building Advisory Services. Are there any questions?

**Mr PAECH:** Minister, can you provide an update on the building practitioner audit and any other audits undertaken by the Building Advisory Services?

**Ms MANISON:** I will hand that over to Ms Clifford to answer.

**Ms CLIFFORD:** Thank you, minister. Each year the Director of Building Control undertakes audits in relation to the registered building practitioners. This year on our key deliverables was for the audit of 50 practitioners to be undertaken. As at the end of March we are sitting at about 32 of the audits having been completed.

**Mr PAECH:** Was that 32 have not?

**Ms CLIFFORD:** Thirty-two have been completed.

**Madam CHAIR:** Are there any further questions?

That concludes consideration of Output 10.6, Building Advisory Services.

#### **Output 10.7 – Land Information**

**Madam CHAIR:** The committee will now proceed to consider Output 10.7, Land Information. Are there any questions?

That concludes consideration of Output 10, Land Information, and Output Group 10.0, Lands and Planning.

### **OUTPUT GROUP 11.0 – LOGISTICS, INFRASTRUCTURE AND SERVICES**

#### **Output 11.1 – Passenger Transport**

**Madam CHAIR:** The committee will now proceed to consider Output 11.1, Passenger Transport. Are there any questions?

**Mr PAECH:** Minister, can you tell us where we are at with Uber and when we can expect that to start in the Northern Territory?

**Ms MANISON:** We have made a commitment to ensure that there are ridesharing regulations in the Northern Territory to allow for ridesharing services to commence here. It is not just about Uber, there are other ridesharing companies aside from Uber.

The department has worked incredibly hard with a range of stakeholders—the taxi industry, Uber, the disability sector, seniors, business, tourism—to go through an extensive process of consultation to formulate the ridesharing conditions and regulations in the Northern Territory. It was an extensive body of work which is completed.

We have made decisions, as a government, after taking on board that consultation and looking at other jurisdictions and what they have done because we are the last jurisdiction in this country to introduce regulations to allow for ridesharing.

We put those regulations in place. We looked at them to try to ensure we created the most even and fair playing field as possible, because this will mean great changes, particularly for those who have invested significantly into taxis and the taxi business. We want to ensure we had a fair and level playing field. We had asked that ridesharing drivers would pay, for example, a \$300 licence fee—which I think is very reasonable—to do things like get a criminal history check and a medical check done.

After we announced some of those changes, I was very disappointed in the response from Uber, which basically said it felt there was too much regulation for them to come to the Northern Territory. But I stand by the regulations we put in place. It was deeply consultative.

Unfortunately, not everyone got what they wanted through this process. The taxi industry certainly did not. We tried to put in the fairest system possible. If you look at the charges we have put in place, you will see they are still lower than what is charged in the ACT, Western Australia and New South Wales, when you package it all up, and what you see overall in other jurisdictions.

Again, we had our officials meet with Uber. I am quite open to meeting with Uber when they would like to. But I stand firmly by the regulations we put in place. They were fair and created more of a level playing field to allow for these services. We hope that in the future we see ridesharing services look at them and see what they do.

We are still working towards putting those regulations in place, so by the end of the year, if a service would like to come to the Northern Territory they have every opportunity to. But I do not think it is unreasonable to ask them to pay a licence fee of \$300 and to ask them to get criminal history and medical checks. Passenger and driver safety are very important and I do not think what we have asked with those standards is unreasonable.

Watch this space; we will see what happens.

**Mr PAECH:** Following on from that, minister, with the ridesharing and looking at those programs, I want to confirm if we would be looking at that for the whole of the Northern Territory? In Alice Springs, I may one day like to Uber. Is that something we are looking at?

**Ms MANISON:** We put the regulations in place so they are open to the entire Northern Territory.

If we have ridesharing services step into those markets, that is when we have made provision to see that there will be drops in licence fees for the taxi industry at those times. At the moment, we have a market where taxi drivers effectively lease their plates from the government. They pay a significant annual fee. If ridesharing operators are to enter those markets then we will see a reduction in those fees in order to—it is about making ways we can create a more level playing field for our commercial passenger industry in the Northern Territory.

**Mr PAECH:** Thank you, minister. No further questions.

**Madam CHAIR:** Are there any further questions?

**Ms UIBO:** Minister, I am pleased to see that \$760 000 in the budget is being provided for the regional bus program and new passenger services, which will be trialled in priority regional and remote areas. Where and when will we see these trials commence?

**Ms MANISON:** I might hand that over to the department for a bit more detail.

**Mr KIRKMAN:** The remote bus services has been well received, it is heavily subscribed. We would love to see it expand more. We have recently expanded the service to the Tiwi Islands over the last 12 months to two years. We look to see this service extend further in other regional and remote areas of the Territory.

It is largely a commercial model. Many of the runs operate fairly well on their own. Some need more subsidy than others. There are some extremely long journeys for some trips. Numbulwar, for example, is a long trip. We would love to see how we can support that further.

It goes to our road safety strategy. Remote people find it hard to get into services. We find that is when there are overcrowded vehicles traveling on the roads when we would prefer people using remote bus or air services.

We are looking holistically at how we can improve accessibility whether through remote bus or air services. We are trialling regional air services between Darwin, Katherine, Tennant Creek and Alice Springs, and anything else we can do in terms of potential water transport. It is a holistic approach.

**Madam CHAIR:** Are there any further questions?

**Ms NELSON:** I have a quick question on the transportation output. I make good use of the milk run, Katherine to Darwin. Could you elaborate on the challenges we face with public transportation, particularly road public transportation, in remote and regional areas.

**Ms MANISON:** I will hand over to the department to go into finer details. From my perspective, it is important we have good access to transport services for people so they can access critical services they need in and out of town. One thing that really concerned me—we are working towards a zero road safety action plan as well. When you see incidents of overcrowded vehicles in remote areas it highlights why it is so important to get remote transport options for people to safely get in and out of their communities, access to services, see people and do business.

I will get Mr Kirkman to talk about some of the challenges with the delivery of those services. When you have small populations in very remote areas it presents challenges in making things economically viable.

**Mr KIRKMAN:** The state of our infrastructure is the key challenge. Over 70% of our roads are unsealed; they are cut off for enormous amounts of the year during some Wet Seasons. This year was an example of that. That is a real challenge. Affordability is a challenge for remote community people to get into those services. These airflights are not cheap. We would like to see our bus services come down as well but they are expensive if you are moving a whole family. These are key challenges.

We are leading a piece of work nationally around looking at remote access around bus trialling and the like. We are doing that through our work with the transport and infrastructure council. That will help us work with other jurisdictions to see how we can deliver better outcomes for people living in the bush. It is an important piece of work for us.

**Madam CHAIR:** Are there any further questions?

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#### Answer to Question on Notice No 1.1

**Ms MANISON:** I have answers to questions we have taken on notice.

**Madam CHAIR:** Could you start by clarifying the number of the question you wish to answer?

**Ms MANISON:** Question 1.1, a question from the Member for Nhulunbuy with regard to homelands schools. You can ask further questions when the education output has come through as well, but the government has committed \$5m to upgrade homeland schools across the Northern Territory. In 2017–18 seven Yirrkala homelands communities will share \$1m for repairs and upgrades of their schools to improve the learning facilities for their students, and the master plan for the Yirrkala homeland schools will guide this work to improve facilities and homeland learning centres out there.

This additional \$1m is on top of the regular school repairs and maintenance programs. If the Member for Nhulunbuy would like further clarifications around that investment I would certainly recommend that he ask the education minister as well when she is up for estimates later on this week.

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#### Answer to Question on Notice No 1.2

**Ms MANISON:** We also have an answer to question 1.2.

**Mr KIRKMAN:** The question from the Member for Namatjira was, what level does the water have to rise to trigger the alarm and who does the alarm go to in respect to flooding in the Katherine region? To provide a bit of context, the decision by the Bureau for Meteorology and the Emergency Services in terms of when to trigger a flood warning is based on a number of factors. One is obviously the water levels at gauges also looking at water levels through the cameras that are now available at Nitmiluk and Katherine, and importantly also the forecast of rainfall.

There are a number of factors that the bureau takes a leading role in to advise us and Emergency Services about when they expect flooding to occur. In regard to the actual flood levels, at the Nitmiluk Centre a minor flood is considered when it reaches five-and-a-half metres at the centre, a moderate flood is six and a half metres and a major flood is eight metres.

Flooding at the Katherine River Bridge is considered minor at 16 metres, moderate at 16-and-a-half metres and major at 17-and-a-half-metres.

Member for Namatjira, you had a discussion around the cameras that are now in operation. Obviously they are a tool; they are not the actual trigger; they are certainly a great tool that Emergency Services and the Bureau of Meteorology and others can use to gauge the possibility or likelihood of a flood event.

We are certainly looking at the Katherine River camera to be open to the public so people can see that in real time which will be a fantastic opportunity for us to utilise. I understand the Katherine council will be happy to hold that on their system available through their web links.

**Mr PAECH:** It will potentially be hosted by the Katherine Town Council?

**Mr KIRKMAN:** Hosted by the Katherine Town Council and available to everyone.

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**Madam CHAIR:** Are there any other questions in regard to that output?

Member for Katherine, I believe you asked a question earlier in regard to something that fell into this portfolio area. Is there another question that you needed to ask at this time?

**Ms MANISON:** Was that the public question that I deferred to DIPL about climate change?

**Ms NELSON:** Yes, the climate change question. The question earlier was from Climate Action Darwin. In fiscal year 2017-18, how much will the Northern Territory Government allocate towards increasing public transport use, bicycle-friendly towns and greening, including solar, government buildings?

**Ms MANISON:** I thank them for their question. I am going to hand it over to Mr Kirkman to provide an answer. We are committed to good public transport options to give people the capacity to leave the car at home and get on a bus or get on another form of transport.

Bike paths are always very topical. We want to see the extension of our bike network for people across the Territory. Historically we have worked closely with local government to ensure we have those plans in place and our priorities right for investment. Bicycle groups are a very strong lobby group in the Northern Territory.

As we work towards our fifty-fifty renewable policy, ensuring that we have more capacity for solar where appropriate in government buildings is something we will consider. These are looked at project by project. We are looking forward to getting feedback from our renewables action group that is putting together their recommendations to government now.

**Mr KIRKMAN:** This is a multifaceted question, but it is an important one in respect to healthier and greener lifestyles in the Territory.

In terms of public transport, we are expecting there will be an increase in public transport costs over the next budget period of close to \$1m. There are a number of works to assist there around new bus shelters and lighting upgrades for existing bus shelters. There is \$200 000 and several hundred thousand more for other infrastructure works.

We will be introducing, when the new Palmerston Regional Hospital opens, a new bus service there. That will be a very important link that will cost a few hundred thousand dollars per annum. We are continuing with various other services which will mean there is a continuous focus on public transport.

Active transport is also a big part of our work. Cycle paths will continue to expand in 2017-18 through provision of budgets. We are looking forward to extending the bike path out to Coolalinga, the bike path in Alice Springs from Larapinta linking the CBD to Flynn's Grave, Desert Park, and the north Stuart Highway. There are various other shared paths we are either building or local councils are building.

As the minister mentioned we would prefer wherever we can, particularly in remote areas, to use solar energy. It does come down to a business case analysis. If there is a value-for-money opportunity for us over time, and there is quite a bit of solar attached to bus shelters, and other buildings, particularly in remote areas. It is probably worth putting this question to Power and Water Corporation, who I know are

doing extensive work in their remote power stations. They are very keen to replace large quantities of diesel being used every year with solar energy. It is very much worth also investigating that with them.

**Madam CHAIR:** I just wanted to remind everybody that we have 25 minutes remaining, so keep answers concise and questions as well. Are there any other questions on this Output? That concludes consideration of Output 11.1.

### **Output 11.2 – Registration and Licensing**

We will now consider Output 11.2, Registration and Licensing. Are there any questions?

**Mr PAECH:** How successful has the DriveSafe NT initiative been, and will we see a continuation of that initiative?

**Ms MANISON:** The DriveSafe NT remote program is something we have invested in in this budget. It will continue because this is a nationally award-winning program that has had great success in helping people.

I will hand over to Andrew to clarify a bit on the success of the program, but we see it as a very smart investment to help people in remote communities get the correct licences and training to drive vehicles.

**Mr KIRKMAN:** We have received a number of awards over recent years with the program. It is making a real difference. We recently won a national award for the program.

Since its inception there have been 4276 learner licences, 1511 provisional licences, 2191 driving lessons and 1425 birth certificates issued under the program. What people do not realise is that to get a learner's permit or driver's licence in a remote community can be a tough gig, including proving that you exist. A lot of the work we do is with the Department of Justice and others to make sure people have the right documentation to get their licence.

We also work with the Attorney-General's Fines Recovery Unit if there are outstanding fines which might preclude someone getting their licence. We need to work with the individual and the Fines Recovery Unit to make sure there is a plan in place so that fine does not get in the way of them getting their driver's licence.

It is clear to us, particularly when we look at the serious accidents that have occurred around the Territory, a huge number of fatalities involve people who do not even have a licence. They have not gotten to the point of entering into a formal program, whether it is DriveSafe NT or not.

This program is about engaging remote communities. There is also a large educational element to it. We are very pleased this government has continued our funding for this program because we believe it is making a real difference.

**Madam CHAIR:** Are there any further questions?

That concludes consideration of Output 11.2, Registration and Licensing.

### **Output 11.3 – Road Safety and Compliance**

**Madam CHAIR:** The committee will now consider Output 11.3, Road Safety and Compliance. Are there any questions?

**Mr PAECH:** Minister, historically the Northern Territory has had a substantially high number of road fatalities per population. Are you able to advise if that is still the case and, if so, who is most at risk?

**Ms MANISON:** Thank you, Member for Namatjira. The story of road safety in the Northern Territory is still a devastating one. You are at least two-and-a-half times more likely to die on Territory roads than any others in this nation. Indigenous Territorians are disproportionately represented in our road fatalities and serious injuries.

Too many people die or are injured because of drink-driving, not wearing a seatbelt and speed. We should be appalled by this and we need to do more work on it. I commend our department because they are very passionate about this issue, as is the government and you all are I am sure. We have now released the Towards Zero road safety action plan consultation document, and I think we have all seen the adverts on TV, which are incredibly powerful, showing the impacts of road trauma on Territory roads.

All I can really stress to people is to have their say on the road safety action plan; this will form our road safety actions for the next five years.

Far too many people die on our roads every year. About 50 people die on the roads each year. We know about 542 people are seriously injured each year as well. It is not just fatalities; it is those injuries that people suffer from for the rest of their lives.

I have to stress to people to please have their say on the Towards Zero action plan because ultimately if Territorians do not buy into this then we will not see a reduction in those road fatalities and serious injuries that we all so desperately want to see. I commend the department on its work. But too many people lose their lives on Territory roads for reasons which are avoidable—alcohol, not wearing seat belts and speed. We need to do more.

**Ms NELSON:** Minister, I have to support you. I participated in the public consultation the department has held throughout the communities. I joined the one in Katherine and they did an amazing job. Well done.

**Ms MANISON:** They are doing a wonderful job. Most importantly, it is not just about the main centres and regions. They are getting out bush and talking to as many people as possible to form this road safety action plan. It asks some hard questions about some actions that could be taken. I encourage people to have their say. We will formulate the next action plan based on that consultation and feedback, but most importantly the evidence and research.

**Mr PAECH:** No further questions, Madam Chair.

**Madam CHAIR:** Are there any further questions from the committee? That concludes consideration of Output 11.3.

#### **Output 11.4 – Transport Planning and Delivery**

**Madam CHAIR:** The committee will now proceed to Output 11.4, Transport Planning and Delivery. Are there any questions?

**Mr PAECH:** Yes, Madam Chair. I have four question for the minister. I will be brief because I know a number of committee members are also passionate about roads in the Northern Territory.

Minister, can you give us a brief outline on what is happening with the Coolalinga intersection and the long-term work around that area?

**Ms MANISON:** I will hand over to Louise McCormick to answer the question. There have been measures put in place at a dangerous intersection at Coolalinga. The very wet Wet Season has meant that, unfortunately, we did not get that completed as quickly as we liked, but there was a great deal of consultation. With Coolalinga Central now open further roadworks are anticipated there to find a longer-term solution to the growth of traffic in that area which comes with a major shopping centre.

I will hand over to Ms McCormick to answer on the works we have planned and what we have done.

**Ms McCORMICK:** Thank you, minister. There are several phases of work occurring at Coolalinga at the present time. We have done the intersection works the minister just spoke about, which stopped people from crossing over the highway, although we have had some incidents recently where people are still attempting to do that, which we are looking into.

We are doing resurfacing works throughout the whole of Coolalinga. That pavement there needs maintenance badly, so we have a project that is about to kick off.

We are also undertaking community consultation at this point in time about the longer-term solution for Coolalinga. With the opening of the new shopping centre there needs to be a safe connection for the business centre. We are consulting with landowners and the community about what a longer-term solution might look like. That includes things like lengthening service roads and having traffic signals at Virginia Road. Overpasses are another thing the community has raised as well as a combination of those things.

**Mr PAECH:** Minister, the cattle industry is one of our most important economic drivers in the Northern Territory. Will the beef roads be able to support that growth?

**Ms MANISON:** It is a vital industry to the Northern Territory. The Northern Territory has been successful in securing some significant funds through the Beef Roads and northern Australia Roads Program. But I will hand over to Louise McCormick to go over the details, given the time limits we are faced against right now.

**Ms McCORMICK:** Thank you, minister. This year we have \$289m for beef roads. It is a key industry for us and we have worked pretty closely with the NT Cattlemen's Association about what roads are strategic to them. With 70% of our network unsealed we cannot do everything at once so we work closely with them about what the priorities are.

In this year's budget we have a significant number of projects. There is \$31m on the Plenty Highway. That is funded through the northern Australia Roads Program. We have \$25m going towards Tablelands Highway, which is a Beef Roads program; \$12.5m to Barkly Stock Route, which is another Beef Roads program; \$40m under the northern Australia Roads Program for the Buntine Highway, which is important for beef and a number of other factors, including communities in that area; \$2m worth of pavement strengthening and widening on secondary and local roads which is a key connection for cattle; \$5m for strengthening and widening on rural arterial roads, including the Arnhem Highway; \$2.5m to continue the seal of Lajamanu Road; as well as \$1.5m for truck parking bays at South Alligator River.

**Ms MANISON:** Importantly, those applications and the lobbying with the federal government is done in consultation with the Cattlemen's Association, the pastoral sector, to make sure we are prioritising the areas we will see the greatest return, potential future development and need.

**Mr PAECH:** What are the major roads projects in Katherine?

**Ms MANISON:** I will hand over to Ms McCormick to go through the details of work there.

**Ms McCORMICK:** For Katherine roads we have a few different projects. Some of them are around the beef roads project, Buntine Highway, which we consider part of the Katherine region. We are also working with Katherine Town Council in terms of Leight Creek Bridge on Emungalan Road, and we have done concept planning for that work. It possibly needs a road realignment, which has native title issues. We are looking at what ways we might be able to deliver that quicker.

There are other works in the Katherine region. There is a lot of work happening on the Roper Highway. Sitzler is undertaking a managing contractor contract there. It will hopefully be finished by December this year. That means new bridges across the Roper and Wilton Rivers. There are also sealing works happening on the Roper Highway from Fizzer Creek towards Ngukurr, as well as strengthening and widening projects and truck parking bays.

**Mr PAECH:** What has been done to improve roads in and around Alice Springs?

**Ms MANISON:** I know this is an area you are passionate about. There is significant roads investment in Central Australia. There are important investment opportunities for pastoral, mining, tourism and better access for people living in Central Australia. I will hand over to Ms McCormick to go over details of those projects. There is significant investment happening in roads in remote areas of the Northern Territory.

**Ms McCORMICK:** We have lots going on in Central Australia in terms of investment. Maryvale Road is receiving \$5m, and we are extending the seal from the current seal towards Titjikala. We are doing \$3.5m worth of strengthening and widening on the Lasseter Highway that will improve safety on that stretch of road. The Outback Way has significant funding; we are almost at the end of the \$40m project under way. We now have the next stage of the project which is \$31m under the northern Australia Roads Program.

Another road on the Outback Way is Tjukaruru Road, or Docker River Road. We have sealed between the community and the aerodrome so that in emergency situations you can evacuate from the aerodrome safely. We are doing further sealing along the length of that route as well as five major floodway upgrades.

Further investment in Central Australia includes \$100m we are working with the Australian Government on, with Queensland and Western Australia. We are leading an investment strategy on that \$100m. It was a commitment by the Australian Government. We have been successful in getting \$5m worth of early works from that \$100m, but the investment strategy we are leading will lead to further investment in Central Australia.

**Mr KIRKMAN:** Just as clarification on the Outback Way—that was \$100m for the Outback Way.

**Ms UIBO:** I have a few questions but I am mindful of time so I will just pick the one in particular I would like to know about. This \$35m for the six priority projects, how much will be spent on the Roper Highway and how much of that \$35m will be spent on the Arnhem Highway, because they are both in my electorate?

**Ms MANISON:** Again, I will hand over to Ms McCormick to go through some of that detail.

**Ms McCORMICK:** The regional roads productivity package has been going on for a number of years and there were six projects part of that. Some of them have already been completed including \$10m on Santa Teresa Road; \$6.75m on Central Arnhem Road, which is Rocky Bottom Creek; \$9.9m on the Buntine Highway, which will be completed by this August; and the Roper and Wilton bridges, which I spoke about before, is \$50.9m. That is quite a large project.

There is \$11m left to spend on Arnhem Link Road, but the Arnhem Highway is funded separately under northern Australia Roads Program. There is \$77m there to upgrade the Adelaide River Floodplain.

**Ms UIBO:** Just to clarify, the \$6.1m for the Central Arnhem Road has already been allocated. That is the Rocky Bottom Creek Bridge, which has been completed because I have driven on it. So there is no further funding on the Central Arnhem Road out of that \$35m?

**Ms MANISON:** I will get Ms McCormick to go over that. We do have ongoing programs of work, particularly around maintenance, that do occur there, and as we are speaking to the member for Nhulunbuy, we understand the importance, but I will let Ms McCormick go into more of the detail.

**Ms McCORMICK:** Central Arnhem Road—the Rocky Bottom Creek project does finish the major crossings. Maintenance work, which is resheeting gravel and grading of the road will continue this year, but we are still in consultations with traditional owners about the next capital project. Maintenance is still under way but capital works are concluded in that particular program.

**Ms MANISON:** As we said, it is about prioritising the next areas to make that investment given that sealing the whole lot—what was the figure you said before—\$600m is quite a significant amount of money. We know we have a huge unsealed road network in the Northern Territory. It is important that we work with key industry, traditional owners and people from communities to look at how we prioritise the investment.

The bucket of money only goes so far. Where are we going to get not only the best bang for the buck for better access for people in the bush and communities, but also what are the investments that will open up more potential jobs and economic growth as well through tourism, mining, the pastoral industry, agribusiness and so forth? We are well aware that more work needs to be done there. As we were saying before, it is about prioritising where are the next priority areas for sealing to continue work on roads over the years.

**Madam CHAIR:** Any further questions? That concludes consideration of Output 11.5, and Output Group 11.

## **OUTPUT GROUP 12.0 – STRATEGY, POLICY AND LEGISLATION**

### **Output 12.1 Strategy, Policy and Legislation**

**Madam CHAIR:** We will now consider Output Group 12.1—Strategy, Policy and Legislation. Are there any questions?

That concludes consideration of Output Group 12.0.

## **OUTPUT GROUP 13 – STATUTORY BODIES**

### **Output 13.1 – NT Planning Commission**

The committee will now proceed to Output Group 13—Statutory Bodies, Output 13.1 Northern Territory Planning Commission. Are there any questions?

**Mr PAECH:** The Planning Commission undertook an extensive body of work over the past 12 months. What are its priorities for the next year?

**Ms MANISON:** We have a Planning Commission that is at work. We anticipate we will be announcing a new Planning Commissioner very soon. In the meantime a great deal of work has been happening with the Planning Commission. We have already discussed the work on the Darwin area periphery plan and work in

Palmerston. At my last briefing I was speaking to them about work they are looking at undertaking in Tennant Creek and Alice Springs CBD. We also have ongoing work occurring at Coolalinga and Howard Springs.

I will hand over to Ms Clifford to clarify those areas of work. I think I have touched on most of those.

**Ms CLIFFORD:** Yes, all of those, I think. There are none missing from that list. The central Darwin area plan, as I mentioned before; the central Palmerston area plan; the central Alice Springs area plan, which the minister mentioned, is on the work program for the coming financial year; there is also work on the activity centres; Coolalinga, which the minister mentioned; Howard Springs; and, of course, Tennant Creek land use plan. Also on the Planning Commission work program, it is also earmarked to look at the development assessment criteria related to mixed use developments.

**Madam CHAIR:** That concludes consideration of Output Group 13.0.

#### **OUTPUT GROUP 14.0 – CORPORATE AND GOVERNANCE** **Output 14.1 – Corporate and Governance**

**Madam CHAIR:** I will now call for questions relating to Output Group 14.0, Corporate and Governance, Output 14.1, Corporate and Governance. Are there any questions?

That concludes consideration of Output Group 14.0.

#### **Non-Output-Specific Budget-Related Questions**

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

No. That concludes consideration of outputs relating to the Department of Infrastructure, Planning and Logistics. On behalf of the committee, I thank the officials who provided advice to the minister today.

**Ms MANISON:** Madam Chair, I thank the Department of Infrastructure, Planning and Logistics for all the work and preparation they have put in for the estimates process. It is a very large department. It has been assigned an even larger body of work over the next 12 months through the budget cycle, particularly with the \$1.7bn infrastructure investment of this government.

We have some very dedicated professionals in that department. We have now seen the three departments merge into the one, which creates greater synergies, but creates significant change as well as people transition to the new arrangements. I thank them for their ongoing dedication, professionalism and standard of work. We have many experienced public servants working very hard across the Northern Territory, and they do an outstanding job every day. Thank you everyone. Thank you for the time you have put into this process and your continued ongoing work.

**Mr PAECH:** Madam Chair, I am mindful we have finished with planning and infrastructure. I have one question in relation to children. Is that relevant for now or for the Chief Minister?

**Ms MANISON:** No, I would be happy to answer.

**Mr PAECH:** Minister, you say it is important to place children at the centre of government. I note there is a range of reforms happening. Can I get an answer to why we think it is important?

**Ms MANISON:** Madam Chair, are we okay to go over to the Children's output?

#### **OUTPUT GROUP 15.0 – LAND DEVELOPMENT CORPORATION**

**Madam CHAIR:** The next output area, Output Group 15.0, is the Land Development Corporation. I am mindful of the time. We have one minute. If someone has a very quick question and a very quick answer for the Land Development Corporation then we must proceed with that.

**Ms NELSON:** Madam Chair, I have one quick question. It is to ask about the differences from the previous budget to this year's budget on the dollar amount. There is a significant difference—50% almost. I was wondering if you could clarify that for me.

**Ms MANISON:** Thank you for the question. I will get Mr Stubbin to come to the table. I will get you to repeat the question. I will not make an opening statement; we will just cut to the chase.

**Ms NELSON:** Thank you.

**Mr PAECH:** Madam Chair, while the gentleman is coming over, I will save that question for the Chief Minister.

**Madam CHAIR:** Fantastic. Thank you, Member for Namatjira.

**Mr STUBBIN:** The major difference between the previous year and current financial year is the multi-user barge ramp facility that concluded construction last year at East Arm. It was a substantial project of about \$16m. It also carried with it a similar contribution by the Commonwealth government for its construction. Both our expenditure and our revenue are down by that similar amount. That was the biggest contributor to our change between last year and this year.

**Ms MANISON:** With completion of that wonderful project, I commend the work the LDC has done, working closely with the Department of Defence as well as local contractor, Ostojevic, to deliver the project which gives Defence even better access into Darwin, especially when we see operations coming up, such as Talisman Saber. It will also open up more opportunity for the private sector to have another important barge access point in Darwin. That was the main difference with that expenditure.

**Ms NELSON:** That is a great difference. Thank you.

**Madam CHAIR:** That concludes your time allocation, Treasurer. On behalf of the committee, I thank you for your attendance today, all your officials who provided information, and all the public servants who helped prepare you for your appearance today.

We will move on to the Auditor-General's Office next with the Chief Minister, so we will take a five minute break.

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The committee suspended.

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## CHIEF MINISTER'S PORTFOLIOS

### AUDITOR-GENERAL'S OFFICE

**Madam CHAIR:** Welcome back, ladies and gentlemen. I welcome you, Chief Minister, and invite you to introduce the officers accompanying you.

**Mr GUNNER:** Thank you, Madam Chair. At the moment I am sitting with the Auditor-General. I think it is important—and I know Chief Minister Martin established this at the very first Estimates Committee—that while the budget appropriation for the Auditor-General and the other independent statutory offices might be through the Department of the Chief Minister and me, they are independent statutory offices and I am happy for the committee to ask the Auditor-General, Julie Crisp, any questions they like.

While I am here I am happy to take questions directed to me, but the Auditor-General is yours for the asking. I am here to observe as much as possible. I recognise and respect her independence.

**Madam CHAIR:** Chief Minister, I invite you to make a brief opening statement—I guess that was it.

**Mr GUNNER:** My opening statement is that the Auditor-General is yours for the asking.

**Madam CHAIR:** Thank you very much for that. I will call for questions relating to the Chief Minister's 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 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 a shadow minister rather than waiting for the end of the shadow's questioning on the output.

Thank you, Chief Minister, for your opening statement. Are there any questions relating to the statement?

**Mr PAECH:** I have some questions from the public.

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

**Madam CHAIR:** The committee will now consider the estimates of proposed expenditure contained in the Appropriation Bill 2017–18 as they relate to the Auditor-General's Office.

Are there any agency-related whole-of-government questions on budget and fiscal strategy?

**Mr PAECH:** No.

**Madam CHAIR:** Are there any questions from members of the public?

**Mr PAECH:** Thank you, Madam Chair.

I have quite a few questions, Chief Minister. I apologise to your officers. Sit back while I give you a list of questions.

The first question is from Phil Walcott of Alice Springs: what was the total amount the former Chief Minister spent on airfares, accommodation, meals et cetera on travelling between Alice Springs and Darwin and other destinations during the 2015–16 and 2016–17 financial years?

**Mr GUNNER:** If it will help the committee, I will answer that question with my Department of the Chief Minister officials. They will have that information. The Auditor-General is free to comment further—can make decisions to audit the expenditure of government either thinly or, as Mr McGuinness used to say, go to one thing and then go deeper.

I am not sure if the Auditor-General is looking at this activity or not, but that is for her to comment on. From a budgetary point of view, where that expenditure occurs is in the Department of the Chief Minister and we can comment on it.

**Mr PAECH:** Madam Chair, it may be prudent to check with the secretariat of the committee that there are a number of questions here which may be best placed to be responded to when the Chief Minister is with the department. Many of the questions from the public relate to questions best placed once the Chief Minister is with his department.

**Madam CHAIR:** I will take that as your call, Member for Namatjira, and we will keep those questions for later when the Chief Minister reappears.

That concludes consideration of agency-related whole-of-government questions on budget and fiscal strategy.

### **OUTPUT GROUP 1.0 – AUDITS AND REVIEWS** **Output 1.1 – Audits and Reviews**

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

**Mr PAECH:** Budget Paper 3 elects five key strategic issues that will inform the activities of your office. Would you elaborate on those strategic objectives and inform the committee how they relate to the audits you undertake? Could you also provide examples of concrete outcomes around those strategic objectives?

**Ms CRISP:** The strategic issues as outlined in Budget Paper No 3 for the Auditor-General's Office relate to sustaining effective and efficient audit activity to support decisions relating to the allocation of resources and investment; sustaining whole-of-government audit activity to improve the Legislative Assembly's oversight of public sector programs and financial management; enhancing public sector finance and performance reporting by audited entities; contributing to increased compliance with relevant legislation

through the provision of audit findings and recommendations; and our internal strategic issue around promoting and maintaining a paperless office environment, outside of the Estimates process that is.

Over the past 12 months we have schedule 150-odd audits to be conducted across the public sector. There were 158 audits, reviews and other related tasks conducted last year as a result of the machinery of government changes. We saw a reduction in the number of agencies, which affected the number of audits although not the breadth of the work required.

In the current year, or by year end, we would have delivered 141 audits. Of those and directly relevant to sustaining whole-of-government audit activity, two of those audit tasks were directed across the entire government. Every agency was subjected to a data-analytic exercise on leave review, and every agency was subjected to an overview of their fraud controls in place. Both of those things have contributed to improved governance practices within agencies and at a whole-of-government level.

I have a mandate for auditing the financial statements of statutory entities which includes the government-owned corporations as well as the education sector and a number of other elements.

As far as findings and relating to findings, I report to the Legislative Assembly, as has been the case over quite some years now. It is general for me to report twice to the Legislative Assembly during the year although this past year we have seen a report in November, a report in March and we will be looking to report again in August. It depends a little on sittings as well.

In terms of those audits, all but grant acquittals are reported to the Legislative Assembly. The findings and the recommendations are summarised in those reports quite comprehensively.

We have seen an improvement in compliance. We have seen that in several areas. We conduct agency compliance audits at all agencies. We conducted 22 agency compliance audits at the beginning of the year, and we conduct a further end-of-year compliance review in July on each agency. What we are seeing is decreased levels of non-compliance, particularly with the Treasury's directions and the *Financial Management Act*.

Because it is compliance you either did comply or you did not. So a lot of the findings that are picked up are not considered material by any stretch of the imagination. They would not affect my opinion on the whole-of-government accounts.

**Mr PAECH:** You were talking about the November 2016 report. It made a number of findings and recommendations in relation to an up-front payment of \$1m by the Land Development Corporation. Would you advise the committee of the current status of that up-front payment, and have any assets been registered in relation to that payment?

**Ms CRISP:** That resulted in a payment relating to the lease of land or looking to the lease of land on the Tiwi Islands. The audit for the Land Development Corporation will not kick off until August this year, which will be the time we follow up. At the time of conducting the last financial statements audit there had not been an asset recognised for that because the \$1m was not held over anything in that context.

**Mr PAECH:** The payment was not held?

**Ms CRISP:** There is no underlying asset that sits with the \$1m. If it is timely that the Land Development Corporation recognises an asset it will bring that back on the books.

**Mr PAECH:** Are there any lessons, from a whole-of-government perspective, that can be learned from the LDC audit in terms of strategic risk assessments and the cost-benefit analysis before payments are made up front?

**Ms CRISP:** My view on that is generally pretty clear. When you are looking to invest in an initiative, whatever it might be, whether it is a major project or a long-term program, there would usually been a cost-benefit analysis done up front, bearing in mind that not everything comes down to dollars. It also needs to take into consideration social aspects. As the Auditor-General I focus on the dollars fairly heavily, but I do recognise there are other benefits that are not as easily managed.

However, it is certainly my view that every significant investment and spend of funds should be accompanied by an assessment of the risks and a comprehensive cost-benefit analysis.

**Madam CHAIR:** Are there any further questions?

That concludes consideration of Output Group 1.0.

**OUTPUT GROUP 2.0 – CORPORATE AND GOVERNANCE**  
**Output 2.1 – Corporate and Governance**

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

That concludes consideration of Output Group 2.0.

**Non-Output Specific Budget-Related Questions**

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

On behalf of the committee I thank the Auditor-General for attending today.

**NORTHERN TERRITORY ELECTORAL COMMISSION**

**Madam CHAIR:** I invite you, Chief Minister, to introduce the official accompanying you and, if you wish, to make an opening statement regarding the Northern Territory Electoral Commission.

**Mr GUNNER:** Thank you, Madam Chair. A little like my previous accompanying officer, the Auditor-General, I am very respectful of the role the Electoral Commissioner plays in the NT, as I think we all are. Lately he has been giving me good news. I am not sure what answers he will give at estimates. It will depend on the questions you ask.

The Electoral Commissioner has a very large role to play not just for us as Members of the Legislative Assembly, but for other elections too. Following Chief Minister Martin's lead from the very first Estimates Committee we had, I am very respectful of the role the Electoral Commissioner plays, like the Auditor-General. He is accompanying me but I am not here as a bodyguard or anything. Please feel free to direct questions to the Electoral Commissioner.

**Madam CHAIR:** Are there any questions related to the Chief Minister's statement?

**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 2017-18 as they relate to the Northern Territory Electoral Commission.

Are there any agency-related whole-of-government questions on budget and fiscal strategies?

That concludes consideration of agency-related whole-of-government questions on budget and fiscal strategies. Are there any questions from members of the public?

**OUTPUT GROUP 3.0 – ELECTORAL SERVICES**  
**Output Group 3.1 – Electoral Services**

**Madam CHAIR:** The committee will now proceed to Output Group 3.0, Electoral Services, Output 3.1, Electoral Services.

I note that while the Chief Minister is responsible for the NT Electoral Commission responsibilities under the *Electoral Act* the Minister for Housing and Community Development is responsible of NT Electoral Commission responsibilities under Chapter eight of the *Local Government Act*. However, the Electoral Commissioner has asked that any questions for him regarding local government be asked during his appearance with the Chief Minister, and the committee has agreed to the Electoral Commissioner not reappearing before the committee with the Minister for Housing and Community Development.

Are there any questions?

**Mr PAECH:** The major expenditure in 2016–17 was the Territory general election. I would like an indication of how much the election cost, and what was the difference in real terms when we are comparing the 2016 to the 2012 general election?

**Mr LOGANATHAN:** The election report for the 2016 election was tabled in May and it provides an overview in regard to the cost of the election. The total cost of the election was \$3.46m that was funded over two financial years. The Northern Territory Electoral Commission was funded \$1.5m to its appropriation towards the election. As you can see we refunded an additional \$2m for the cost of the election through a Treasurer's advance in 2016–17. That accounts for the difference between 2016–17 and 2017–18 in stating that the 2017–18 figure of \$2.31m does not take into account the local government election. That election is in August this year and that is conducted on a fee for service basis with those 17 councils.

**Mr PAECH:** Your 2016–17 annual report made a range of findings and recommendations in relation to the conduct of the Legislative Assembly elections. How does your voter turnout compare in the 2016 elections to the 2012 elections? I want to see the difference there and what strategies does the Northern Territory Electoral Commission have in place to increase voter turnout?

**Mr LOGANATHAN:** The report is very clear in regard to turnout that it was disappointing. We had a voter participation of 74%. In absolute terms there are 164 000 legible Territorians to be on the electoral roll. We had 135 000 on the electoral roll for the election, and just over 100 000 voted. That means on average five out of eight legible Territorians vote at the election. This is a compulsory system and that is disappointing.

In regard to your question, in comparison to 2012 it was a decrease of about 2%; it was about 76%. Voter participation in the Territory has been an ongoing issue. What we have seen in the last election is a continual decline. You will see in the election report there is a case study on Maningrida in particular. We picked that community because it is a community that has very low enrolment participation and voter participation. We will be working with the Australian Electoral Commission, who maintains the electoral roll, in regard to improving enrolment participation.

In regard to the election report we have made a couple of recommendations. One of the recommendations is in relation to looking into internet voting. Whether it is a reality in 2020 that aspects—we have seen this in some other jurisdictions such as New South Wales and in Western Australia. A certain portion of voters, whether they be disabled, remote, overseas or interstate electors, have used an internet voting system that the New South Wales Electoral Commission developed. We are keen to pursue that potentially for a 2020 election. There are other more basic things.

One thing we saw this election was the use of modern technology to improve electoral services. Members will be aware that at every polling place there were netbook computers. The roll was electronic which improved the integrity of the ballot. We also saw over 2500 people go to the polling place to vote and they were not on the roll. Because they were not on the roll those votes were not admitted.

What we suggested in this report is an amendment to the act to allow enrolment on the day. If people go to the polling place and think they are on the roll but are not because they have moved or have been removed from the roll, they would be able to vote by declaration. It would go in an envelope, we can check to see if it is a valid vote and if it is then the view of the Electoral Commission is that those votes should be admitted to the count rather than excluded, which is the current practice.

**Mr PAECH:** Mr Loganathan, you touched on substantial recommendations in your report. Are there budget implications of those substantial recommendations over the forward estimates if they are adopted by the government?

**Mr LOGANATHAN:** The answer is yes. There has been a recent announcement that the Australian Electoral Commission will be moving a lot of its resources from the Northern Territory to Queensland. We have a joint role in the Northern Territory and under the Self-Government Act which is managed by the Commonwealth. I have provided a briefing to the Chief Minister about this matter, and the Australian Electoral Commission are going to advise us on how this new arrangement is going to work.

One thing we have in this jurisdiction is fixed term elections. There are certain points in time that we know the roll needs to be accurate. That includes the relevant redistributions for local government and Legislative Assembly. It would seem likely the Northern Territory Electoral Commission would have a more prominent role in relation to enrolment and, in particular, remote area enrolment where a lot of national programs, such as enrolling online or the Commonwealth program, have a federal direct update enrolment so you

automatically enrol. However, it does not apply to areas where there is no reliable mail delivery, so that excludes most of the remote areas in the Northern Territory.

The answer is yes, but we do not know what the Commonwealth is doing at this stage. Once we get some clarification we will put forward options for the government to consider.

**Mr PAECH:** Mr Loganathan, you touched on the joint role agreement with the Australian Electoral Commission; do you anticipate staff reduction as a consequence of those services moving to Queensland?

**Mr LOGANATHAN:** Are you talking about for the Australian Electoral Commission?

**Mr PAECH:** Because the Australian Electoral Commission maintains the Territory role, do you believe there will be staff reduction within your office or announced by the AEC that will impact on the services they provide to you?

**Mr LOGANATHAN:** The AEC have not told us exactly what they are going to do. In relation to reductions for the AEC my understanding is their current office has 15 staff members and that will be reduced to three. They will not have a shop front in the Northern Territory. In terms of processing enrolment it will no longer be conducted in the Northern Territory; they will be conducted via Brisbane.

**Madam CHAIR:** Are there any further questions?

**Mr PAECH:** Was there any revenue generated from the Northern Territory elections from breaches of the 100 metre perimeter?

**Mr LOGANATHAN:** No. We had two formal complaints. We had a lot of informal complaints. We looked at those two and there was not substantive evidence to pursue it.

**Ms UIBO:** Commissioner, in terms of the electoral services provided here in the Northern Territory, what type of access does the NTEC have with Aboriginal interpreters going into communities to help enrol Indigenous Territorians?

**Mr LOGANATHAN:** In regard to the Aboriginal Interpreter Service, we have used the services in the past, and at times it has been problematic. We actually went to a court case at the end of the 2012 election where there was an interpreter employed through the services and, for many reasons—these are small communities with family relations—the Aboriginal Interpreter Service said to us that their preference would be rather than to provide staff, to provide the interpreter services for the products we use.

That is what we have been doing with the Aboriginal Interpreter Services. You would have seen at the election last year that we had how-to-vote messages translated into 13 Indigenous languages, and they were done by the Aboriginal Interpreter Services. We are using their services again for the local government election to provide equivalent services.

The relevant minister has made the determination that those services will be provided at no cost to the Electoral Commission, which is of benefit to us and the councils.

**Ms UIBO:** In regard to the lead-up to the local government election, what is the anticipated cost of holding that election?

**Mr LOGANATHAN:** The cost of local government elections are on a fee-for-service basis. There are 17 different agreements with the councils. Councils are trying to conduct the election as cheaply as they can. What we have done is reused the products, services and technology we used at the election last year. We will reuse them and councils only pay the marginal cost.

In answer to your question, the estimated cost is \$1.72m. There are 17 service level agreements with those councils that break down those costs. Part of that is for councils to provide services, such as staff, vehicles and premises, as a way of lowering the election cost. That has generated savings for those councils. This particularly applies to regional councils providing these services.

**Mr PAECH:** What is the process upon the election of a new local government for members of the public who are on the roll who do not turn out to vote? People are often told they will receive a fine in the mail; does the NTEC issue notices after the election regarding people's breaches?

**Mr GUNNER:** I can confirm that at a previous election, when I was much younger, I was with my parents. My father shares the same name as me. The Electoral Commission fined my father for voting twice, and they fined me for not voting. I can confirm that they do send notices.

**Mr LOGANATHAN:** We sent 15 074 first infringement notices on 18 November. Having said that, we do cull areas where there is no reliable mail delivery because there is no point sending a letter that will not get to the person. We sent 8526 reminder notices on 13 February, and we collected about \$35 000 in fines.

**Mr PAECH:** Does the 100 metre rule apply to local government elections?

**Mr LOGANATHAN:** No.

**Mr PAECH:** No. Just the Northern Territory general elections?

**Mr LOGANATHAN:** That is correct. You will note that in our election report we have made extensive commentary regarding the 100 metre rule. That was not a suggestion that came from the Electoral Commission, and when the suggestion was put forward we highlighted that this would be problematic, particularly in the remote division. That has certainly proved the case.

We are supportive of having polling places apolitical. We received a lot of feedback from voters that they appreciate not being harassed when they attempt to vote.

But that was problematic in remote divisions. It was very hard to administer and very difficult for our polling staff to try to know where 100 metres was in a number of remote polling locations. We proposed some recommendations to try to keep the apolitical nature of voting centres but still allow a minimal presence of campaign workers to hand out how-to-vote cards, so the voting public has a choice as to whether they want to interact or not.

**Mr PAECH:** I am curious about the reports about the general election we saw in August had obviously moved to optional preferential voting. Did we see much of a change in the participation rates of members of the community for filling all of the preferences, or was the optional mechanism more supported?

**Mr LOGANATHAN:** This is detailed in the report. In summary, people who only marked one was 37.7%; people who marked all was 53.5%; and partial preferences, marked one but did not complete the full ballot paper, was 8.8%.

**Ms UIBO:** Minister, for clarification, the feedback you talked about for apolitical space for voters, was that urban areas?

**Mr LOGANATHAN:** Predominantly, yes.

**Madam CHAIR:** Are there any further questions relating to Local Government Electoral Services?

That concludes consideration of Output Group 3.0.

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

**Madam CHAIR:** We will now consider Output Group 4.0, Corporate and Governance, Output 4.1, Corporate and Governance. Are there any questions?

No questions. That concludes consideration of Output Group 4.0.

#### **Non-Output-Specific Budget-Related Questions**

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

On behalf of the committee, I thank the Electoral Commissioner for attending today.

#### **OMBUDSMAN'S OFFICE**

**Madam CHAIR:** The committee will now move on to consider the Ombudsman's Office.

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

**Mr GUNNER:** Thank you, Madam Chair. We have Mr Peter Shoyer, the Ombudsman, with us and similar to the two previous officers who have joined the committee, I very much respect the Ombudsman's independence. While the money might flow through me, I am very happy for questions to go directly to the Ombudsman and for the Ombudsman to answer the questions. Obviously, I am happy to take questions if there are questions for me.

**Madam CHAIR:** Thank you very much. Are there any questions in relation to the Chief Minister's statement? No.

The committee will now proceed to consider the estimates of proposed expenditure contained in the Appropriation Bill 2017-18 as they relate to the Ombudsman's Office.

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

**Madam CHAIR:** Are there any agency-related whole-of-government questions on budget and fiscal strategy?

That concludes consideration of agency-related whole-of-government questions on budget and fiscal strategy.

Are there any questions from members of the public?

### **OUTPUT GROUP 5.0 – OMBUDSMAN'S OFFICE Output 5.1 – Ombudsman Operations**

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

**Mr PAECH:** How has the strategic issue, empowering the bush, informed your activities in 2016-17, and how will it do so in 2017-18?

**Mr SHOYER:** The office at the moment has a focus on increasing exposure in the bush. Our office is limited to one in Darwin at the moment. There are a number of ways in which we are seeking to get a broader presence in the bush. One of those is by engaging in a series of community engagement visits which we have been undertaking since 2015-16.

In the current financial year we have been to a number of different communities. To date, in 2016-17 we have been to Acacia, Kulaluk, Minmarama Park, Bagot Community, Palmerston Indigenous Village, Belyuen, Yirrkala, Gapuwiyak, Barunga, Binjari, Minyerri, Jilkminggan, Mataranka, Kalano, Pine Creek and various areas in Tennant Creek and Minjilang.

The Ombudsman's Office is not one where you necessarily call on a day-to-day basis. It is the sort of thing we want to have in the back of people's minds so that if they ever have an issue with public administration they know they can go there. We remember they came around a while ago. We obviously run complaints clinics while we are out there in case someone has a particular issue at the time, but it is more a matter of planting the seed in their mind that there is someone around who can help with a problem with government or police conduct.

In addition to that we work fairly closely with legal aid agencies and we rely on them to a large extent to provide information about complaints that are arising, and they are a very valuable source of information for us.

In addition to that where we have undertaken a number of own motion investigations, major investigations, over the past few years to show people from communities and Indigenous people generally that we do have a focus on community issues. Most recently there was one into utility costs at Bagot Community. We have also looked at electricity supply in another remote community.

What we try to do is provide that focus so that we show people that we are serious about dealing with remote community issues as well as getting out there when we can.

We are a small office. We have a limited ability to undertake investigations of that nature and community engagement, but essentially we will be pursuing the same course in the next financial year.

**Mr PAECH:** What outcomes were achieved in 2016-17 in terms of service delivery to regional areas of the Territory?

**Mr SHOYER:** It follows along a similar line. We have been producing those community engagement events. We have been getting out into the community. A number of our major investigations in recent times have been along those lines, to look at things that are happening in the regions and in the community. We have pursued that to the extent that the resources available to our office allow.

**Mr PAECH:** Did you conduct any investigations yourself in 2016-17?

**Mr SHOYER:** I am involved in all the significant investigations in the office, and I was certainly involved in a major investigation in relation to Corrections, which has been finalised. We also have a number that are ongoing. One is in relation to Indigenous interpreters and the use of Indigenous interpreters by a number of government agencies, which I have been involved in. In addition to that, I have been involved in a number of matters relating to police complaints. If anything is more than a fairly simple situation I will jump in and see what I think about the situation and help out.

**Mr PAECH:** Following on from that, are you able to give us the number of investigations and inquiries that your office undertook in 2016–17?

**Mr SHOYER:** In 2016–17 we will have had over 2000 inquiries and complaints that we have dealt with. A number of those, about 35%, are inquiries we cannot assist with directly, but we try to pass those on to people who can assist. That may be the Commonwealth Ombudsman or the Children's Commissioner; there are a variety of complaints bodies. About 65% of the matters that come before our office—in figures, about 1300 or 1400 complaints and inquiries—are within jurisdiction and we deal with those.

**Mr PAECH:** Of those, did you discover any whole-of-government systematic issues that required remedial action?

**Mr SHOYER:** In a lot of cases we find situations where agencies can improve their systems and processes, and we will pass those on. In the more major ones, particularly where we are doing a major investigation, we will make formal recommendations to agencies and perhaps government in appropriate circumstances.

There is a broad range of recommendations, from the formal ones down to the 'you need to look at this and think about how you are doing what you are doing, and perhaps you can improve things' ones.

**Ms UIBO:** How many staff are operating currently in the Ombudsman's Office?

**Mr SHOYER:** We have 12 staff at the moment. We will probably get another person on board in the next few months.

**Ms UIBO:** Will they be based in Darwin as well?

**Mr SHOYER:** Yes, they are all based in Darwin now.

**Madam CHAIR:** Are there any other questions?

That concludes consideration of Output Group 5.0, Ombudsman's Office.

## **OUTPUT GROUP 6.0 – CORPORATE AND GOVERNANCE**

### **Output 6.1 – Corporate and Governance**

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

That concludes consideration of Output Group 6.0, Corporate and Governance.

Are there any other non-output specific budget-related questions?

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

The committee will now proceed to consider outputs relating to the Department of the Chief Minister.

**Mr PAECH:** Madam Chair, I seek clarification—I want to take this opportunity in this process to ask a bulk of the questions that have come through from the public.

**Madam CHAIR:** That is not a problem.

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The committee suspended.

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## DEPARTMENT OF THE CHIEF MINISTER

**Madam CHAIR:** Chief Minister, I invite you to introduce the officials accompanying you and, if you wish, to make an opening statement regarding the Department of the Chief Minister.

**Mr GUNNER:** Thank you, Madam Chair. Today I have Jodie Ryan to my right. She is the Chief Executive Officer of the Department of the Chief Minister. Her experience is in another role, Under Treasurer, so I welcome her to her first estimates as CE. To my left is Dr Rachel Bacon, the Deputy Chief Executive Officer. It is her last estimates, unfortunately. Thank you for coming along today (inaudible) in your last week in the Territory and estimates session. Andrew Cowan, Deputy Chief Executive Officer of the Department of the Chief Minister as well; and Robert Csar, Acting Executive Director of Corporate Services are the officers with me, and I have a few words to say up front.

In September 2016 Territorians elected a new NT Government, and that resulted in a series of machinery of government changes (inaudible) priorities. You probably got sick of me saying this during the election campaign and since, but priorities for the NT, to sum up, are kids, jobs, trust and the bush. We are investing in our kids by creating those pathways for quality of opportunity in the early years, especially the first thousand days. We are also creating and supporting jobs in the Northern Territory; developing the north; providing for meaningful change in remote parts of the Territory through local decision-making; providing people with control of their lives in ways that matter; and restoring trust in the Territory government.

I thank everyone within DCM for supporting these priorities and continuing to work hard as public servants. This year DCM's total expenditure increases by \$21.5m from \$69.7m in 2016–17 to \$91.2m for 2017–18. This increase is primarily due to \$27m of one-off funding to meet the Territory's contribution to the Royal Commission into protection and detention of children in the NT.

Other budget increases for 2017–18 include \$3m to establish the Independent Commission against corruption; \$2.9m capacity to provide social, economic and environmental policy advice and support to emergency and security recovery; \$1.5m for NT aboriginal land and sea strategy; \$1.5m support for the Alice Springs centre for solar energy; \$1.3m to support local decision-making; and \$1.3m support to non-government organisations and peak bodies.

Major savings measures for the year include the \$1m of savings from changes to the communications marketing bureau and \$0.64m in other agency savings. In addition the following funding has ceased due to the program ending: \$4.5m for the cyclone recover fund cyclone redevelopment; and \$1.8m in one-off marketing funding. Further, \$3.1m was allocated for the hydraulic fracturing task force in 2016–17; however, the balance of any funding remaining at the end of this month will be carried over into the 2017–18 year.

To develop our communities this year and in the future we will reform the relationship between the NT Government and non-government organisation sector. DCM is currently undertaking four projects to strengthen our relationship with this sector: the introduction of five-year funding agreements; the development of an outcomes framework, outcomes approach to funding; an expiration of social bonds; and a review of the current good practice funding guidelines.

This year we have started our plan to bring the Darwin CBD to life and focus on securing a city deal for Darwin which could include Commonwealth investment; obviously we have the memorandum of understanding that has been signed.

The Commonwealth's City Deal policy provides an opportunity for a coordinated approach to build a unique and vibrant capital city which works hand-in-hand with government's commitment to investing \$100m into substantial capital works program to overhaul the Darwin CBD. I will touch upon some of the other regional areas in a second.

On 12 September 2016, as promised, government established a Minister for Children, helping place the welfare of children at the heart of government. The early childhood development strategic plan, which stems from our commitment to create opportunities and pathways for our children, will articulate the overall strategic direction for the NT and the government's objectives and priorities for developing a robust early childhood development system. I note the committee has already had the Minister for Children appear before you.

Creating jobs is high on the government agenda, with the economic development framework developed in collaboration across multiple government agencies. It highlights projects and initiatives that will continue to sustain the Territory economy over the next 20 years. I want to thank all those organisations, people and groups who contributed to that through the economic summits process. It was a very extensive process, and I thank them for doing that.

Government is continuing to focus on the NT bush and regional areas by establishing a local decision-making policy which responds to the desire of Aboriginal communities to exercise power in how government works in their communities. Essentially, they have meaningful control of the things that really matter in their lives day-to-day.

Local decision-making creates opportunities for interested individuals and communities to increase their involvement with the delivery of government services. DCM is providing local decision-making workshops in Katherine, Ngukurr, Borroloola and Timber Creek next month. There is a whole program after that.

DCM recognises that a vibrant Alice Springs CBD will be the heart of the outback and Aboriginal Australia as we continue to work with the Alice Springs Town Council, traditional owners, NT Government agencies and the Commonwealth government to create a significant vision for Alice Springs. We see it as the capital of Central Australia and it is important for it to be a destination in its own right. It will be the home of the national Indigenous art gallery—\$50m towards that—and a cultural centre—\$20m towards that. We will be bringing the CBD to life. We will be attracting people to Alice Springs. This is very much a big agenda item for us, and it came out of the economic summit EDF process I mentioned earlier.

The Tennant Creek and Barkly regional strategic plan is currently being implemented, ensuring a more coordinated and collaborative approach towards early intervention prevention. DCM, Department of Trade, Business and Innovation, and Jemena have continued to ensure opportunities for employment, training and local businesses are maximised during construction of the northern gas pipeline between Tennant Creek and Mount Isa. The heritage of Tennant Creek, mining and cattle, is very much its future, but it also has a vibrant cultural side to it. We are going to be having a very strong focus on Tennant Creek.

We obviously support the Katherine regional development committee and their work to identify support and pursue economic, social and infrastructure priorities. Projects currently being pursued in the area include the Katherine heavy vehicle alternate route, the proposed Katherine business park and upgraded infrastructure of the Katherine arts trail. We have the inland port or, as others prefer to say, the logistics and commodities agricultural hub, which I think is not anywhere near as catchy as inland port. There is a lot of work in Katherine. It is a very exciting area at the moment with Defence and tourism and a whole lot of other things happening.

At Wadeye we appointed the position of a regional director for Wadeye to facilitate accelerated socio-economic development and local decision-making in Wadeye and the surrounding region. Success of the arrangement include the establishment of the Wadeye community activity grant program; completion of stage 1 of the police precinct and partnership with the Commonwealth government; and commencement of the first 25 home refurbishments, led by a local Aboriginal organisation achieving a current local participation rate of over 53%.

Obviously they have picked up some of the really good work that has been done by the previous government that we want to continue. I think Wadeye does provide a very good example of how things are working in the bush.

East Arnhem, Nhulunbuy and the Gove Peninsula continue to be important regional economic and service hubs for the East Arnhem region through the economic summit forums. NT agencies have worked closely

with the Regional Economic Development Committee to establish clear priority support, regional jobs growth and industry development. DCM is also leading whole-of-government service provider efforts to address volatile substance abuse and youth disengagement across a number of communities to support a range of measures to strengthen these communities.

In the Tiwis the Territory government is committed to working closely with Tiwi people and their drive for job-creation and decreased welfare dependency. This year we have prioritised tourism industry development, progressing local decision-making agenda and finalising a number of economic infrastructure projects.

In Palmerston we are looking very much at how we can continue to develop Palmerston as a family focused area and a family focused centre of living. It remains a priority for government. In addition to the approaching opening of the hospital, which we are all very excited about, we have also appointed a regional director for the emerging city, recognising that Palmerston needs to be seen and invested in in its own right. To date often it is seen as an adjunct to Darwin, which it is not. It is a city in its own right and needs to be serviced in its own right. Priority projects in the region include coordination of school holiday activities and exploring options to increase the number and quality of events for locals.

The Commonwealth and Territory governments have agreed to contribute 50% of the cost of the Royal Commission, which is estimated at \$53.5m at the moment. Currently the Royal Commission has handed down the interim report which documents its work and acknowledges the efforts of the NT Government. No recommendations or findings were made in this report. Three-million dollars for 2017–18 has been set aside to establish an Independent Commission against corruption. A bill has been prepared for public consultation in June 2017, with the Independent Commission against corruption due to be formally established in early 2018.

Finally—this is a big one—14 September is one of our key election commitments. We announced the moratorium and hydraulic fracturing of onshore unconventional reservoirs in the Northern Territory. We are also releasing a consultation draft terms of reference for an independent scientific inquiry into hydraulic fracturing. I thank everyone who contributed to the draft terms of reference to establish a final terms of reference. It was very much appreciated.

This moratorium will remain in place until this inquiry is completed. The government will then consider the inquiry's report and either ban fracking or allow fracking under highly-regulated conditions in tightly prescribed areas.

I thank everyone who was involved, past and current, for supporting, progressing and developing all these vital priority areas for the NT. We are very much happy to take questions from the committee.

**Madam CHAIR:** Are there any questions from the committee on the Chief Minister's opening statement?

**Mr PAECH:** I have a question following on from the Chief Minister mentioning children. Why is it important to ensure that a collaborative approach between agencies like Health, Housing and Education are involved in the development plans?

**Mr GUNNER:** It goes beyond that collaboratively to the NGO sector, parents and beyond not just government. If you look at day one, Term 1, Year 1 of the school system, it is a universal system that everyone understands and accesses and it works. I want to make sure that before day one, Term 1, Year 1, there is this universal access or approach to how we look after and invest in our children, and that it is collaborative. It is not as neat as day one, Term 1, Year 1 of the education system being there. It involves Health, Education and these other parts of government.

To make that work effectively, from government's point of view, we thought it was critical to put children at the centre of government, have the Minister for Children lead it, have a Cabinet subcommittee of children with those agencies on it to make sure we did not have the silo effect, it is collaborative and we are all working together. To go one step further we then have that expert reference group because there has been much research and evidence about what works to make sure it applies to the Territory context. There are significant Territory members on that committee and it is co-chaired by two very impressive Territorians.

We are working in with the non-government, private sector with a full collaborative approach, with our best attempt to make this universal. We are also working on the early childhood development plan. This is a very big passion of ours. We have to get this right and make sure all those generational problems we see

time after time are finally conquered and we do not have those incarceration rates, chronic illness, unskilled workforces and so on—the list can go on forever. We have to get it right about those first 1000 days.

We have to collaborate with parents, the non-government sector and government. It will only work if it is collaborative. I thank the Minister for Children for the work she is doing, the subcommittee for its work, the reference group and, particularly, the parents in the Territory who have been very—well, everyone loves their kids, don't they? It is good to see them being involved as well.

**Mr PAECH:** Following on from that, how important is the work the Northern Territory Government is doing with the subcommittee? I am happy to be advised otherwise, but is there engagement happening with the federal government about this area?

**Mr GUNNER:** Absolutely. The Commonwealth government, to give an example with the Nurse-Family Partnership program, held a trial of five—which will roll out to another five other destinations and we will pick five ourselves, so there will be 15 places that have that Nurse-Family Partnership model. It is from about 22 weeks, covering the first two years with personal visits at home from the nurse, which is a very significant program that has led to incredible outcomes already with child mortality—there are kids actually living, which is really important, we can all agree—health outcomes and reduction in family violence because you remove the point of tension in the household. There are significant outcomes.

The Commonwealth is very much part of what we are doing. There is more we would like to do with the Commonwealth, as always. But the Commonwealth is part of that.

Rachel is the one who has had carriage of this from the department point of view and she might be able to comment further. She obviously has significant experience in working with the Commonwealth too.

**Dr BACON:** As the Chief Minister said, the Northern Territory Government recognises the importance of working closely with the Commonwealth as well as with NGO sector and all layers of government across different agencies.

Early childhood education and care is also a key priority on the agenda for the Council of Australian Governments. The Chief Minister raised this at the last COAG meeting that was held on 9 June in Hobart. As a result of the Chief Minister raising that, you will see in the COAG communique from the meeting on 9 June is that leaders have agreed that COAG will look at the issue of early childhood at its next meeting. There is a commitment by all leaders nationally to look at early childhood as part of its strategic forward agenda.

**Mr GUNNER:** The more we can coordinate nationally around this, across all states, the greater the recognition from the Commonwealth and the greater the investment that will flow from the Commonwealth. I very much want it considered at not just COAG with that specific agenda item, but through how we refresh the Closing the Gap agenda. That is also very important. To date, the Commonwealth has been supportive. That was very much with the Prime Minister's support, which is very welcomed by all of us.

**Madam CHAIR:** Are there any further questions on the Chief Minister's opening statement?

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

**Madam CHAIR:** The committee will now proceed to consider the estimates of proposed expenditure contained in the Appropriation Bill 2017-18 as they relate to the Department of the Chief Minister. Are there any agency-related whole-of-government questions on budget and fiscal strategies?

That concludes consideration of agency-related whole-of-government questions on budget and fiscal strategy. Are there any questions from members of the public?

**Mr PAECH:** I have a question here from Phil Walcott of Alice Springs. What was the total amount the former Chief Minister spent on airfares, accommodation and meals, as well as travelling between Alice Springs and Darwin and other destinations during the 2015-16 and 2016-17 financial years?

**Mr GUNNER:** That is information the department keeps. For the 2016-17, we should note that it is from 1 July to 14 August 2016 (inaudible) election dates (inaudible).

**Ms RYAN:** For 2015-16, Chief Minister Giles' travelling allowance was \$61 600, airfares were \$64 088 and 'other' was \$2026, for a total of \$127 724. For 2016-17, as the Chief Minister mentioned it is from July to

the end of August, a travel allowance of \$14 350, airfares of \$16 579, 'other' was \$6712, with a total of \$37 641.

**Mr PAECH:** The next series of questions are from Mr Neil Martin. Is the government going to announce its own renewable energy strategy or implement other reports like the Finkel review?

**Mr GUNNER:** We are very much working on our roadmap to renewable, so (inaudible) baseline of what we do in this space in the Territory already. Experts in the Territory understand the economic conditions of the Territory and the circumstances of the Territory for preparing a roadmap for the Territory. There will be informed by things like the Finkel review. The Finkel review has just been handed down; we got a briefing on that at COAG. There is a lot we can look at here, but I think it is very important that we have a very clear direction (inaudible) out of that Roadmap to Renewables about how we do it right in the Territory for the Territory.

We can be informed by other reports—the Finkel report is very informative—and what the Commonwealth (inaudible) the national energy market (inaudible). But we are actually separate from the NEN here in the Northern Territory, so that is essentially what we are doing. We have our own. That is probably the shortest answer I can give.

**Mr PAECH:** Following on are further questions from Mr Neil Martin. What contribution have key agencies made to the formation of whatever the government's strategy will be?

**Mr GUNNER:** I can confirm we will have a strategy to start with. I can confirm we will do it in collaboration with the other agencies and they will definitely play a significant role. We have interagency groups working with the committee that is creating the Roadmap to Renewables.

The formation of that interagency working group was based on the advice from the expert reference group. Who do you need to work with? How can we help? That is very important. There will be a whole-of-government response around the Roadmap to Renewables. From my own point of view I am working very closely on this with the Treasurer who is the shareholding minister, the Ministers for Essential Services and the Environment will have a very direct interest in getting this right and making sure we get a coordinated view. I do stay informed with the work of the committee.

We are collaborating across government. I can confirm for Mr Martin that this is an interagency working group and that we are working with other parts of government to make sure they have a direct say in what our strategy and plans look like.

**Mr PAECH:** What steps are you—specifically, the generators of power—taking into the future move to renewable energy?

**Mr GUNNER:** While I am Chief Minister, essentially having oversight of the Roadmap to Renewables, the generation of power does not actually sit with me. There may be reasonable questions to direct to the GOC scrutiny committee stage or the Minister for Essential Services.

I do not want to pre-empt the recommendations of the Roadmap to Renewables but Power and Water, TGen and the Department of Treasury and Finance are all in the process of developing the plans and initiatives around existing electricity generation.

We will be discussing additional generation or alternative generation to meet that 2030 deadline. We cannot rely on what we already have. We need to look at renewable generation. There will be differences there, and there will be opportunities for the existing generators, but we have to get the balance right between competition and regulation. The guidance on how we do that will come through the Roadmap to Renewables. I am sure the government-owned corporations will have a policy they are happy to share at their session as well.

**Mr PAECH:** I have a further two questions from Mr Martin. What steps are you taking to ensure we do not end up with two fossil fuel carbon-emitting power stations operating in sunny, solar city Alice Springs?

**Mr GUNNER:** As I understand it we are in a transition at the moment, so there will be one; that is the first guarantee I can give. There is a transition going on.

Member for Namatjira, you would be aware of the ageing nature of the Ron Goodin Power Station. That was decommissioned with the upgrade of Owen Springs Power Station. That will all happen towards the

end of this year. So, essentially, there will be one. That is the first bit of good news for Mr Martin; there will be one power station there.

The Roadmap to Renewables will provide further advice for the generation within that region. I do not want to pre-empt the report. Obviously, Alice Springs has significant advantages. It gets something like 330 sunny days a year, so there is an extraordinary capacity for solar in Alice Springs, which is fantastic.

The Roadmap to Renewables will provide a guideline on how to manage the base load, storage and renewables, and how the three work together. It sounds simple but it is very complicated. It involved a lot of engineers and economists as well. There is a lot of work happening in that space to get it right, regarding base load, storage, generation and how the interplay between them works. The target is fifty-fifty by 2030. We need to get that balance right.

Other jurisdictions are going through challenges in achieving that. We are in a fortunate position in the Northern Territory where we own our public assets, and that gives us significant advantage in how we leverage and control them.

We are not part of the National Energy Market, but we are in a good spot and in control of our future. Other states do not have that same level of control. We can get this right and work through it. We are heading in a good direction.

**Mr PAECH:** The last question from Mr Martin is, what guarantees will you give me that my power bill will not go through the roof?

**Mr GUNNER:** Or my power bill or anyone's power bill. Last year there was much controversy about this and lots of politics played, but we saw early in the last term of the CLP government power prices went up by 30%. That put a lot of pressure on businesses and families as they tried to adjust without much notice. Our response to that this term, to provide certainty to Territorians about power prices—we said we would set the power price and inflation, so you could look ahead over the next four years and know what we would be doing when it comes to power prices over a four-year period.

The current inflation rate in the Territorians is zero, which I was not necessarily expecting when I made that promise, so zero is the current price rise for Territorians. I think that is fantastic news, and it recognises the current state in the Territory.

We have said certainty is important, and we have set certainty at CPI for four years for this term. That was in response to the pressure that was placed on people with a massive increase without notice.

For the benefit of Mr Martin and anyone else listening, the guarantee for this term is CPI, and CPI is currently zero.

**Mr PAECH:** Another member of the public, Mr Chris Walsh, has submitted a series of questions, which I will now provide to you.

Question one is, could you please provide the total expenditure and itemised details of travel including, but not limited to, travel-related costs such as itinerary, accommodation, travel allowance, entertainment, hospitality, car rental, meals and incidentals for all Chief Executives in each agency from July 1 2016 to March 31 2017 for international, interstate and intrastate travel.

**Mr GUNNER:** Just confirming that was for all Chief Executives?

**Mr PAECH:** Yes.

**Mr GUNNER:** I can answer for Jodie. We can answer on behalf of DCM but each chief needs to—we would not collect (inaudible), if that helps. I think, for the written questions, we provided an answer from 1 September to 31 March. We are obviously missing a two month period, July and August. We are happy to do work around the July/August figures for Ms Ryan. The ones from September to 31 March have been provided through the Written Question process. To clarify, we are taking on notice the July/August answer.

**Mr PAECH:** I just want to confirm: you are taking that on notice for the Chief Executives.

**Mr GUNNER:** No, my current chief executive. DCM would not have that information for other CEOs, so what we are happy to do is—we can take the whole question if you like; it is just that a significant portion of

the question has already been answered. The bit missing is July and August 2016. We are happy to take it on notice for Ms Ryan. I want to clarify again for Ms Ryan for DCM.

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**Question on Notice No 2.1**

**Madam CHAIR:** Member for Namatjira, can you please restate the question that will be taken on notice as already approved by the Chief Minister.

**Mr PAECH:** This question is from a member from the public named Christopher Walsh. Please provide the total expenditure and itemised details of travel including, but not limited to, travel-related costs such as itinerary, accommodation, travel allowance, entertainment, hospitality, car rental, meals and incidentals for all chief executives in each agency from July 1 2016 to March 31 2017 for international, intrastate and interstate travel.

**Madam CHAIR:** Thank you, Member for Namatjira. Chief Minister, you have already indicated that you accept the question.

**Mr GUNNER:** For DCM only.

**Madam CHAIR:** For DCM only. The number that has been allocated is Question on Notice No 2.1.

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**Madam CHAIR:** Member for Namatjira, do you have any further questions from the public?

**Mr PAECH:** Yes, I still have three remaining questions from Mr Walsh. Could you please provide a list of all international cities or towns visited by chief executives from July 1 2016 to March 31 2017? Please list the name and number of times the chief executive visited that location over the last five years.

**Mr GUNNER:** Ms Ryan has not travelled overseas in that period of time so the answer is none, essentially. Therefore it is also impossible to go back to five years.

**Mr PAECH:** It does make mention 'visited by chief executives'.

**Mr GUNNER:** DCM does not keep the data, so each chief executive officer would keep the data, so it is a question for each chief. For me, we have Mr Tennant and Mr Kershaw coming forward; if you want to ask those questions to them at that stage we can answer on their behalf at those stages. It would be for each minister.

**Mr PAECH:** We can relay that information back to the individual.

**Mr GUNNER:** They are probably listening and taking notes, knowing that question is now coming to each of them.

**Mr PAECH:** In the case of international travel, please provide the purpose, itinerary, persons and costs involved in each trip and the written report into what taxpayers gained from the trip. If no report given to the department minister exists, please explain why.

**Mr GUNNER:** In this instance it would be none, because of the none to the previous ...

**Mr PAECH:** Please provide the total expenditure and itemised detail of travel including, but not limited to, travel-related costs such as itinerary, accommodation, travel allowance, entertainment, hospitality, car rental, meals and incidentals for public servants in each agency from July 1 2016 to March 31 2017 for international, interstate and intrastate travel.

**Mr GUNNER:** That is very similar to that first question where essentially we have already answered it, but there is a missing period from July and August. We would be happy to take the July to August period on notice for DCM.

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**Question on Notice No 2.2**

**Madam CHAIR:** Member for Namatjira, as it is a question on notice, could you please restate the question for the record.

**Mr PAECH:** My question is from Chris Walsh, a member of the public. Please provide the total expenditure and itemised detail of travel including, but not limited, to travel-related costs such as itinerary, accommodation, travel allowance, entertainment, hospitality, car rental, meals and incidentals for public servants in each agency from July 1 2016 to March 31 2017 for international, interstate and intrastate travel.

**Madam CHAIR:** I note that the Chief Minister has accepted the question. The question has been allocated the number 2.2

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**Madam CHAIR:** Are there any more questions?

**Mr PAECH:** I have two remaining questions from that particular member of the community. In the case of international travel, please provide the purpose, itinerary, persons and costs involved in each trip and the written report into what taxpayers gained from the trip. If no report was given to the department Chief Executive exists, please explain why?

**Mr GUNNER:** I am going to assume we will ask that question of every minister. I want to pre-empt one thing, which is that reports are done internally of overseas travel. Sometimes reports will be straightforward. A number of police ones will be quite straightforward about certain training activity done overseas. Other reports might be more frank in nature, which is what you want. Each minister and each department will provide their own guidance to that, but I can provide assurance that reports are done. Some of them are quite easy to release; some might be more complicated because you do want a certain level of commercial-in-confidence or frankness or openness in an overseas report back to the CE or the minister.

I flag in advance the level to which they can be released I am not sure of, but I can assure that there is always a report done. We are essentially happy to take that question on notice.

Apparently, we did not travel in that period.

**Madam CHAIR:** Can I just clarify: that was a completed response to the question, so it does not need to be taken on notice?

**Mr GUNNER:** The department as it stands did not travel overseas in that period. For that July to August section I imagine—before the machinery of government changes, before the Northern Territory election, the Department of the Chief Minister had a different structure. Part of the department has moved across to the Department of Trade, Business and Innovation, so the major projects section. When DTBI is up we can answer that bit then. For DCM, no

**Madam CHAIR:** You are happy to re-raise that question under Trade, Business and Innovation?

**Mr PAECH:** Yes.

The last question from that member of the community is: Chief Minister, could you please provide a list of all international cities or towns visited by public servants from July 1 2016 to March 31 2017? Please list the number of times the public servant has visited that location over the period of the last five years.

**Mr GUNNER:** That is none for the previous. That question can be directed to the Department of Trade, Business and Innovation. It is now responsible for that portion of DCM that would have done overseas travel in that period.

**Madam CHAIR:** Are there any further questions from members of the public?

**Ms NELSON:** This question is from Alicia Shuey from Climate Action Darwin. There are several questions here, so I will start with the first one. How much will the NTG spend in fiscal year 2017-18 to promote the

renewable energy industries—solar, tidal, wind, biothermal—including advertising, networking events, provision of baseline data incentives and administration of renewable energy development?

**Mr GUNNER:** Some of that will depend on the outcomes of the Roadmap to Renewables about exactly what we are promoting and how we promote it. We have made some commitment; for example, the \$5m we are putting into Alice Springs for the Centre of Excellence for Solar Energy. There are a number of things we are doing, as a government, for renewables prior to that Roadmap to Renewables results happening.

In advertising, some of that will already be happening through government-owned corporations like Power and Water. They might be able to answer where they are. The Department of Chief Minister is doing that Roadmap to Renewables, but there is some funding, which we should celebrate, around the Centre for Excellence for Solar Energy in Alice Springs.

**Ms NELSON:** How much will be committed in the fiscal year 2017–18 towards implementing the whole-of-NTG climate change policy, including implementation of the 50% reduction in carbon emissions by 2030 renewable energy target?

**Mr GUNNER:** We will be developing that climate change framework during the 2017-18 year. In terms of resources in DCM, it is about the provision of staff towards making that framework happen. Obviously, the Roadmap to Renewables will be a huge part of how we achieve carbon reduction in the Territory over the journey between now and 2030.

Some of this is work in progress, and we will resource the carbon framework. We are looking at a staffer there. It is an estimated cost of about \$80 000 we will be putting in towards staff for that framework.

**Ms NELSON:** In fiscal year 2017-18, how much money will the NTG allocate towards an energy efficiency program in the NT targeting householders, small business and industry?

**Mr GUNNER:** When you talk about small business and industry, it would be better for me to answer as Department of Trade, Business and Innovation. We have an ecoBiz program and other things we can talk to.

For that householder section, the Minister for Essential Services and also the government-owned corporations scrutiny committee stage could probably answer those questions. But for businesses and industry, that is with my DTBI cap.

**Ms NELSON:** In 2017-18, how much will be allocated to support remote communities to shift from dependence on diesel power generation to solar generation?

**Mr GUNNER:** We do have a program. I have had the good fortune of travelling out to communities and seeing the shift in action—the reduction of the use of diesel and the increase in the use of solar with the construction of some solar farms. That sits formally with the Minister for Essential Services. He will be able to answer in much greater detail about that program, which is a good one.

I have seen it in action. It reduces around the 15%, 20% mark reliance on use of diesel, which means less wear and tear of the roads too. It is not just the diesel used but less wear and tear. It is a good program but the minister will be able to give more detail about it.

**Ms NELSON:** The last question I have for you, Chief Minister: in fiscal year 2017–18, how much will the NT Government allocate toward educating Territorians on the benefits of installing rooftop solar and how this works in the NT?

**Mr GUNNER:** Not from me or the Department of the Chief Minister—it may be that there is some funding from Jacana. It may be something we can consider post Roadmap to Renewables on how we get the engineering right for a distributed network, which is complicated for how you get the solar cells working on the grid. At the moment there is none from DCM, but I would be surprised if Jacana was not spending some money or doing some work in that space.

**Ms NELSON:** Thank you, Chief Minister. That question was from Alicia Shuey from Climate Action Darwin.

**Mr GUNNER:** Thank you, Climate Action Darwin.

**Madam CHAIR:** Are there any further questions from members of the public?

**OUTPUT GROUP 7.0 – ADVICE AND COORDINATION**  
**Output 7.1 – Strategic Policy Coordination and Engagement**

**Madam CHAIR:** The committee will now proceed to Output Group 7.0, Advice and Coordination, Output 7.1, Strategic Policy Coordination and Engagement. Are there any questions?

**Mr PAECH:** I have some questions in relation to the Royal Commission. Do you think the Northern Territory will provide more than \$27m in funding for the Royal Commission into the protection and detention of children in the Northern Territory, and does that \$27m take things into account such as in-kind contributions being made?

**Mr GUNNER:** (Inaudible – microphone off). We have budgeted that \$27m; it is in the DCM budget. We were (inaudible). It has always gone a little bit over what we estimated the spend to be, and it has gone a bit longer in its role than what was originally planned. They have been given some writing time for the report.

The expectation is still around the \$27m mark. I would be surprised if we went past that mark. We have been looking at what we might be able to do in-kind as well. We have been provided significant resource toward the Royal Commission to make sure it works. It is an important role. We have heard stories and (inaudible).

The Royal Commission has taken on in its interim report the issue of—50 inquiries have been done in this space before. What they have called an inquiry mentality—inquiries for the sake of inquiries. I can provide assurance—and the Royal Commission has already seen this because it is a living issue—that we have been undertaking a significant number of reforms parallel to the Royal Commission hearings.

The Royal Commission is aware of this risk, as are we. This will not be an inquiry for the sake of an inquiry; we are already taking action and making a significant investment in how to break the cycle. I commend the Minister for Territory Families, who has been leading a lot of that work.

That is where that \$27m is at. That is where we want it to stay and where I expect it to stay.

**Mr PAECH:** The Martin review recommended about \$5m per annum to establish an ICAC for the Northern Territory. The budget papers allocate \$3m, so why have you decided on this figure?

**Mr GUNNER:** From memory, the Independent Commissioner suggested it would be around the \$3m to \$5m mark for establishing and running the commission. We made an election promise of around that \$3m mark, which I think it can be done for, but we will also take advice from the Commissioner when we have one. I think you need to work closely with the Independent Commissioner.

The Attorney-General has been doing a lot of work in this space, with me, on getting the ICAC established. The other thing I want to be mindful of, and I talked about this before the election, is that we had a town hall meeting across the road about trust. I discussed it there and other places.

The Territory is a very small jurisdiction. There will be money that we need to spend in establishing and running the ICAC, but the extent to which we need a full standing ICAC for years to come can be tested.

Initially I will say with a political hat on that it may be busier in its first few years; I do not know. There was a bit of activity during the last term that may be referred to it. But, by and large, I think the ICAC needs to form when there is a trigger, if that makes sense, and at that point in time have the ability to second people in to do the work necessary for the investigation. To second people to do the work necessary for the investigation we need to look outside our jurisdiction.

We have seen, in the handling of recent issues, the fact that—it is just because we are a small place—people know each other. Investigating officers know other investigating officers, or people involved know other people involved, lawyers know lawyers. We are a small, tightly-connected community. That is often our strength, but when it comes to independent investigations it can be a weakness.

The ICAC needs the ability to form up for investigations and to second people for investigations. The question of how much it would cost to run year to year would depend on the demand for it. There needs to be an element of the ICAC that is demand driven—the ability to draw upon funds as necessary for

investigations and to draw upon people as necessary to conduct the investigations. But money needs to be spent up front in establishing it. There are some common sense expenses you need to fund early, such as an independent computer network and things like that which are essential to an ICAC running. We understand that and the money is there for that. The extent to which the ICAC will need to stand and the extent to which it will need to be triggered for investigations needs to be tested through the exposure draft and implementation processes, and the advice from the Independent Commissioner when it is established.

There are things we need to acknowledge. We are a small place compared to other jurisdictions, and the extent to which we will have permanent ongoing parallel investigations, or whatever those other demands are, needs to be tested. We do not know the answers to that. The Independent Commission will provide advice on that.

I think \$3m is reasonable for the establishment of it. You then get the Commissioner and work through these issues with them, but we have to be aware of the context of the Territory—250 000 people. Being a small jurisdiction, how many issues will crop up regularly over the years to come? I am talking over years and decades; this is a permanent thing we are establishing. And we also have to consider the extent to which we all know each other.

**Ms UIBO:** Chief Minister, can you provide a specific breakdown of what the \$3m will entail for the establishment of the ICAC?

**Mr GUNNER:** Some of the things we need to look at will be the remuneration for the Commissioner, salaries, investigative functions, specialised equipment, the fit-out for the premises and other operating expenses. The things we need to allow for—and this is where that figure will be tested. A really important one is an independent computer network. It has to be separate. They are some of the costs we are looking at with where that \$3m will go and how we will establish it.

**Ms UIBO:** Does that also include rental of buildings?

**Mr GUNNER:** Yes. Operating expenses—I do not think we will be building a brand-new building, but those sort of expenses will be covered in the \$3m. There will need to be some thought put into where those premises are, how they are located and the independence of the premises.

**Mr PAECH:** Are you able to give me an indication of how much funding, and for what organisations, has been provided through the Department of the Chief Minister for non-government and peak bodies in 2017-18?

**Mr GUNNER:** In my opening remarks I touched upon this. It is \$1.3m for non-government and peak bodies in 2017-18. We will be providing funding to APONT, the Aboriginal Peoples Organisation of the Northern Territory. That is a first time thing we have done as a government; no one has done that before. It will be \$250 000 a year and will be a five-year funding arrangement to provide support for the Aboriginal peaks. I commend them, because in the past they have been trying to go on their own. They have not had regular funding. They have also been chipping in over and beyond what they would normally do.

We want to make it as easy as possible to consult with the Aboriginal peak organisations and for them to provide advice to government. We saw the importance of that through things like the early days of establishing the NT Royal Commission. There is \$750 000 for NT costs and \$250 000 for Unions NT; so three different peak groups are being funded through the Department of the Chief Minister.

**Mr PAECH:** Just following on from that, have there been any conversations with organisations like ALSEDA?

**Mr GUNNER:** I am supportive of the ALSEDA model. I have had conversations around how we can support ALSEDA. It is not out of that \$1.3m. My conversation is around how we can support how ALSEDA have been through DTBI. Ministers Moss and Vowles may have also—there is more than one place where funding can come from. From my point of view as minister I have been considering it through DTBI.

You know what ALSEDA is, Chansey, I am trying to decide whether I should break down the acronym for the public.

**Mr PAECH:** It is the Aboriginal Strategic Land and Environment—I would have to take that on notice, I am not even going to try. I have been in here a little while.

**Mr COWAN:** Aboriginal Land Strategic Economic Development Agency.

**Mr PAECH:** Thank you, Mr Cowan.

**Mr GUNNER:** It is between the different land councils to facilitate economic development on Aboriginal land, which is a fantastic idea. We will see good outcomes if we keep working together collaboratively in that space.

**Mr PAECH:** Chief Minister, are you able to update the committee on the implementation of your review into water licences, particularly why it is so important to restore public confidence in the process in which we go about awarding water licences.

**Mr GUNNER:** This came up a lot during the last term, the question of water allocation and whether we were doing it against science. There are changes to the methodology. There was a loss of confidence against the methodology used, and there were also some concerns that there may be over allocation and underutilisation. There were a couple issues that went into this. It is important that we look at it to provide clarity and certainty.

We do not want anyone to have concerns about water running out, from either a household point of view or person trying to use the water for economic opportunities. You want to create certainty that we are being mindful of the water we have. The nature of it as a resource, which you can think of as constantly replenishing itself—but if you are not using it properly you are not.

It is about creating certainty more than anything. We have a panel; Ms Megan Dyson is the Chair and Dr Annette Davidson. They started in February. We have a water scientist who engages as a consultant to the review panel. You could describe it as a panel of three but there are two formal panel members and someone who engages as a consultant to work with the panel.

We are expecting that report to be due soon: mid to late 2017, more mid than late. It is about creating certainty and clarity about water allocation and water licences. We look forward to the review coming forward.

**Mr PAECH:** When can we expect the inquiry into political donations to begin?

**Mr GUNNER:** We have taken a similar approach to that which was taken for the appointment of a chair for the review, or inquiry, into the establishment of independent commission against corruption in the Northern Territory. It was quite important considering the nature of this inquiry. We took the same approach one would take to appointing a judge or judicial official.

The panel is the Solicitor-General; the CEO of the Attorney-General's department; and Trevor Riley, as ex-Chief Justice of the Supreme Court. They have been gathered to provide a recommendation for who would be a qualified person for that role. We are at the end of that and will have an appointment soon. The important thing was going through the process of appointing an independent person to make sure the political donation inquiry was conducted in a way in which all participants could see was independent and thorough.

**Mr PAECH:** Chief Minister, picking up on comments about a series of questions from members of the public which were asked by the Member for Katherine, can you advise how the work of the expert panel is progressing on the Roadmap to Renewables and when that roadmap will be complete?

**Mr GUNNER:** It is progressing well. There are significant issues they have to provide guidance on. It is a substantial body of work they are doing. The panel was established in December last year, and they are on track to provide a report soon—mid to late this year. They have completed a stakeholder engagement program, and there are good Territory experts on that panel.

Is there anything else you would like to know at this stage?

**Mr PAECH:** No I am satisfied.

**Mr GUNNER:** Essentially, it is on track and they are doing substantial work. I have met with the chair a few times and they know what they are talking about. There are some big policy issues for us to work through to get that Roadmap to Renewables completed, released and implemented.

**Mr PAECH:** Are you able to provide the committee with an idea of the community response to the independent inquiry into hydraulic fracturing to date?

**Mr GUNNER:** If you look at the beginning at the response to the draft terms of reference, people are being involved and active and contributing, and I thank them. They contributed to the draft terms of reference, and we saw a greatly improved set of terms for the independent inquiry to follow. We have had a significant number of public submissions and contributions to the independent inquiry process.

I commend Justice Pepper for the work she and her team are doing to keep people informed on the work of the committee. They undertake a series of regular communications.

They have received more than 200 public submissions, which is excellent, and 37 individuals and organisations have presented at the different hearings of the inquiry around the Territory. More than 600 people have attended the five community meetings so far. That is an excellent contribution from a range of people and groups, and I thank them.

The destinations the inquiry has travelled to for regional consultations include Gapuwiyak, Nhulunbuy, Ngukurr, Borroloola, Daly Waters, Mataranka, Timber Creek, Wadeye, Hermannsburg, Yuendumu and Maningrida. It is a fantastic body of work from the inquiry, making sure people and organisations get to have their say—an excellent community response. I thank them all for taking the time to do that. I thank the inquiry for being so available and recognising the importance of extensive consultation on what is a big issue for the future of the Territory.

**Mr PAECH:** I know the revitalisation of Northern Territory cities is a priority of yours. Are you able to outline the outcomes of your recent trip to Singapore and the cities deal with the Commonwealth government? Following on from that, do you expect funding will be received from the Commonwealth government in the next financial year? I am hoping it is a positive answer.

**Mr GUNNER:** That is a good question. I will start with the agenda to revitalise the CBD. Post economic summits process and developing the economic development framework—a series of opportunities and directions for the Territory were recognised.

We elevated five things that could help shape our last budget. One of those was an investment in the Darwin CBD and recognition of the Darwin CBD as an economic driver in and of itself. We are the capital of northern Australia and we always need to take a moment to recognise our place in the region.

It is not just me as Chief Minister saying Darwin is the capital of northern Australia. The Australian Government has recognised that. We are the only capital city on the developing the north map, and they have signed the memorandum of understanding for us to have our cities deal. So the Territory has recognised it; the Australian Government has recognised it. Then look at our place in the region.

We have a natural and special relationship with Indonesia. We are the largest live export port for cattle. Indonesia has recognised their relationship with Darwin. Japan has picked Darwin for their largest ever private sector investment outside of Japan. We have recognition from China. They have the long-term lease of our port. And, obviously, we have a very long-term strategic relationship with the Americans and the marines training here. I could go on.

A series of other countries have also recognised Darwin as the capital of northern Australia. We have a very unique position. I do believe it is important for us to keep investing in Darwin, both from a sense of infrastructure and a sense of events and experiences, as the capital of northern Australia.

The cities deal is very much about that investment in our infrastructure. Things like our promises around the Darwin Festival, the Arafura Games, and other things are about recognising our place in the region as well. We have a fantastic set of plans for Darwin. It is a big agenda that we have set the Department of the Chief Minister to coordinate because there are lots of threads that go into that, as you can imagine. There are lots of agencies and departments and people outside of government that we are working with to have very coordinated plans around the Darwin city.

One of the reasons the Singapore trip was important is because we have done a computational fluid dynamic study of Darwin around heat and air movement. We have a baseline set of data about how our CBD actually functions for heat.

We know Darwin can be a hot place. But when we think of Darwin as 32 we are often experiencing 42 or 44 if not higher. Our association with 30 degrees is actually a false association. We have this research about where our heat is and how it moves. What is important then is taking other data and plugging it in about how we actually fix this. What Singapore has done is a whole series of buildings and other public investments where they know the information from that building about the coolness of the building, for want of a better phrase or expression—coolth rather than warmth—and the impact that it has.

**Mr PAECH:** I am glad you clarified it was the temperature that we were talking about.

**Mr GUNNER:** Darwin is way cooler. They have done a series of significant things with a range of different buildings about reducing the temperature of that building, and it has an impact beyond that building to an extent. We can take that data and plug it into what we have done with the computational fluid dynamic study, which is actually world-leading. What we have done around Darwin CBD is what others want to do, so we actually took knowledge to Singapore as much as we took knowledge back from Singapore.

We can take that data and plug it in. That data is showing a few things: one, you cannot just build shade structures. There is a theory you can just whack up a whole bunch of shade structures. If you look at Darwin Mall—and this is no offence to Darwin Council because we have the data now but they did not know this when they built it—the shade structures that the council has built in the mall add three degrees of heat. They are actually heat structures, not shade structures. They are contributing heat to the mall.

We know car parks can get up to 66 degrees. You think it is a 32 degree day; you come into town; you get out of your car into the car park; and your first thought is, 'Jeez, this is a hot day'. It is because you are standing in 66 degrees; you are not experiencing 32 degrees.

In Singapore we had this fantastic experience at the hospital, which is a hospital in a garden and a garden in a hospital. We are standing in the lobby and they said it was 32 degrees, and they apologised for the heat. I am standing there going, this is 32 degrees? This is really cool. That was a proper 32 degrees. I was experiencing a genuine 32 degrees.

The way you design things and the way you do things are very important. Singapore has done that on an individual basis; we are trying to do it to a city. We can take those learnings and apply it now properly in Darwin. When we go to do something we will know for a fact the impact it will have because of that baseline data that has been done by DCM, the government architect and the University of New South Wales. It is fantastic work.

Those are some of the learnings from Singapore, some of the things we have done, some of the impacts that we want to have. We have a big agenda with the Commonwealth that is embracing all that; it is also cultural. We are talking about the museum, the old hospital site. I think it is critical we have critical mass at both ends of the CBD. At this end where we are sitting now, State Square, Liberty Square at the front; we have the Waterfront down there.

We are looking at the lifestyle precinct, the potential for a water park. We do not build the water park—I want to clear up some confusion out there—people think that government is building a water park. We are using land that we have to leverage a private sector investment into a water park, based on advice from the economic summits committee and the Darwin Major Business Group.

You have that end, the town end and the improvements we want to make at the State Square end. We know this is where a lot of the heat comes from that gets channelled through the CBD. Cavenagh Street is literally a river of fire when you look at the work the government architect has done. To make it work and balance it out from a transport point of view to make sure our CBD is connected, you need to have some investment at the Cullen Bay end as well.

You have Cullen Bay and the Waterfront; how do we make it work? We are looking at developing on the old hospital site with a great deal of respect for the heritage and history of that site. I think we need a social licence to build on that site because it has been vacant for so long. We are looking at doing a new museum there, paying full respect to the Kahlin Compound and the heritage and history of the stolen generation. I think it is a significant investment. So you have Cullen Bay, the old hospital site, the natural connection is up Smith Street to the mall, Stokes Square and the waterfront.

It is a massive agenda. We are talking it all out with the Commonwealth. The \$100m we put in and the significant amount of work we have done, and I have only touched on a little of it, has seen us—we are well advanced with the Commonwealth. We have an understanding and have done really good work.

They have not put a dollar value next to it yet, so we are still waiting on that; I do not want to pre-empt that, but we are expecting a significant investment from the Commonwealth in light of our significant investment in Darwin. We know we are in a good place with the Commonwealth and that they support the policy work we have done because they have signed that memorandum of understanding. It is all around Darwin being the capital of northern Australia.

**Mr PAECH:** I am looking forward to, hopefully, a positive announcement by the federal government. I just want to clarify for my own record that the work that you and your department are doing is in consultation with the Deputy Chief Minister, who holds the portfolio of Infrastructure and Planning, around connectivity within the Darwin CBD.

**Mr GUNNER:** From a government point of view, there are obviously others who are contributing. The Department of Infrastructure, Planning and Logistics, so the Deputy Chief Minister—but the Minister for Tourism and Culture is also having a massive input when you consider a lot of the investments being done are through museums and art galleries.

Our assistant minister, Paul Kirby, is also having a significant contribution as well and being involved in the task forces. There is a Vibrant CBD Subcommittee to the Capital Cities Committee which has Tourism Top End, the Darwin Major Business Group, the Chamber of Commerce, Property Council, Darwin City Council and a few others; I will not get them all, so apologies that I have not named everybody that is on that committee. The Waterfront is also on there.

It is a significant body of work and amount of collaboration and consultation we are doing to try and get this shaped up, recognising that there are a lot of players in the CBD. The NT Government is trying to lead it with that \$100m to get all those parties at the table all working together and going in a common direction. Others have tried in the past, and I think the key to this being successful is a shared vision and a significant contribution, which we have done.

We now have the Memorandum of Understanding with the federal government that is also helping. We are getting all layers and the Lord Mayor and Darwin City Council have been very cooperative. All three layers of government are really working in one direction at the moment. That has dragged along—sorry, I should mention Charles Darwin University has been an excellent contributor too.

Everyone is working in the same direction at the moment which is excellent. As each party has joined—council, Commonwealth government, us, Charles Darwin University—it creates more momentum and more people buying in to see this work. It has to come from us and also the private sector and landlords as well.

**Mr PAECH:** Chief Minister, you made a commitment to non-government organisation reforms, including five-year funding agreements moving towards outcome-based funding. What progress has been made? How many NGOs are currently on five-year agreements, and how many do you expect in the 2017–18 budget year?

**Mr GUNNER:** The bulk of this work will actually happen in this financial year as grants come up to be renewed. We have done seven; that is APONT, NTCOSS, Arid Lands, off the top of my head. The environment centre ones that we renewed from Alice Springs, for example, the environment centre. As those new ones came up, we made them five years.

As this next lot come up for renewal—I think there are 250 expected in 2017-18—we will be able to move those 250 across to five years. That requires a lot of negotiation between us and that organisation because they have got to agree to an outcomes-based funding arrangement, that is, evidence-based, which they are comfortable with. That is what they will need to provide for certainty of five years of funding, which is really important.

There will be 80-odd in 2018-19 and 70-odd in 2019-20. We should get all those agreements and scope across to the five years.

There are some things that have a natural time limit to them. Where it is possible for us to have a five-year funding agreement we will have that five-year funding agreement. We are coordinating that through the Department of the Chief Minister, and a lot of this will sit with line agencies.

**Madam CHAIR:** That concludes consideration of Output 7.1.

## OUTPUT 7.2—REGIONAL COORDINATION AND ABORIGINAL AFFAIRS

**Madam CHAIR:** We will now move on to Output 7.2, Regional Coordination and Aboriginal Affairs. Are there any questions?

**Mr PAECH:** Chief Minister, what arrangements have been put in place to support the Department of the Chief Minister leading coordination of your local decision-making policies across government? I note that \$1.3m has been allocated in this financial year.

**Mr GUNNER:** We are leading it as the Department of the Chief Minister. That is our role. The \$1.3m is additional funding. There are other things that we are doing in DCM already that support this agenda. We are trying to sharpen the focus of the work of DCM against the agenda of local decision-making. It is led from the top; as Chief Minister I want to take on the portfolio of Aboriginal affairs to get this established to create a sense of importance around it.

We have also got the Aboriginal affairs subcommittee of Cabinet. I would like to thank yourself and the Member for Arnhem for being co-chairs of that committee. We aim to make it at the centre of government as part of a subcommittee of Cabinet to provide that direction and a sense of importance. We are going to have, very soon, the independent adviser to go onto that subcommittee of Cabinet to create that direction.

In terms of supporting local decision-making it is myself, as Chief Minister, then that subcommittee of Cabinet providing a sense of importance in the way the public service rolls it out. Then we will have a CEO coordination committee whose key focus is Aboriginal affairs—Chaired by Jodie, CEO of DCM. Then there is a senior officer working group under that for Aboriginal affairs to establish a coordination across government for local decision-making.

This is the baseline work to ensure that we are getting to decision-making locally. We have got our own show right; we have to get government's affairs sorted, and that will lead to the regional directors network and the placement of people in communities.

I want to use a good example that started under the CLP so we can show the importance of this being bipartisan, which it has to be for it to be long-term and successful. In Wadeye we have a Regional Director whose term has been continued, so that is part of the \$1.3m that was the continuation of funding for the position. We have some work around the processes that lead to full local decision-making which I am happy to table for the committee about the steps that we will take.

At the moment, what we have done is placed the Regional Director into a community so we have better coordination of what government does on the ground and what opportunities exist on the ground, as well as how to ensure locals actually have a say, get the work and are contributing. This is an early stage.

With the Wadeye example, the Cardu Alliance formed around that, is a series of locals who had the capacity and capabilities improved, strengthened, backed and believed in, and they have taken up the body of work. Eventually we will see them take over; that is natural evolution. You will see the evolution of inform, consult and involve. We are probably at the involvement stage at Wadeye and we will move on to collaborate and empower the Cardu Alliance to take over in Wadeye so they are running the show.

**Mr PAECH:** I understand the budget also provides \$1m for new funding to support governance and organisational capacity. I think you have just given us a demonstration of where that can be implemented; am I correct?

**Mr GUNNER:** One of the things we have learned in this and getting the (inaudible) alliance, which they formed themselves—everyone will be doing different governance training, as an example. Everyone will be speaking different governance languages about how to be a board member and what your responsibilities are.

That \$1m for governance training and capability building is there to make sure local organisations are ready to pick up this work, but it is also important that we all speak the same language and have the same understanding of what your roles and responsibilities are. The \$1m sits there to help get locals up and ready to take this work.

What we want to avoid is people falling over. We want to move in the manner and pace of the local community, make sure they take control at the right time and everything goes from there. I think health

clinics are a good example of getting the timing right for the handing over of responsibility for community control. You want to get that timing exactly right and have the locals ready to go.

There is a sense of timing to all this and we want to make sure we are not a reason for delay. We want that funding to be available so any training in capacity or governance that people need, the money is available for that to happen.

**Mr PAECH:** In the budget \$1.5m has been allocated to resolving outstanding Aboriginal land claims. What do you expect to be achieved over this financial year in that area?

**Mr GUNNER:** This is not all in our control. We are never a reason for things not being resolved.

We have allocated that money, and we have met with that area of the department a number of times. It is about making sure we are at the table ready to negotiate and collaborate in order to get results.

Those outcomes, in some respects, are dependent upon negotiations and participation, but we are concentrating on beds and banks, which is the outstanding bit. Not a lot of the easy jobs are left, if that makes sense. Some of the things we have to work through will be challenging and complex, but we want to make sure we are at the table and provide that funding.

I want to touch upon one thing that goes back to a previous question. I think it is important to note. I was using Wadeye as an example, and there is nothing wrong with that, but in terms of that new money it is important to flag that one of the positions we have created is in Jabiru, the Member for Arnhem's electorate. We are very aware of the ...

**Mr PAECH:** Now might be a good time, Chief Minister, to ask if you can provide advice to the committee on the future of Jabiru and what the government's position is on that matter.

**Mr GUNNER:** It has a future; I want to make that clear. I do not think you can say that often enough. I think the people of Jabiru need to hear it. One of the first things we did as a government was go to Jabiru as a team to send that message. We met with the local government there, had a public meeting and sent a strong message that we believe in Jabiru. It is a very important town in the Territory.

One of the very first things we did as a government was come back to the table. The previous government had advised the Northern Land Council and the Commonwealth government that they would not be involved in discussions regarding the future of Jabiru and were leaving it to others. I do not think that position is tenable. As a Territory government we believe in Jabiru; it has a future. We will be actively at the table, securing the future of Jabiru.

I see it as having huge potential as a service centre, and I want to make sure we get ahead of any issues. One reason it is important to have a regional director there is so we can work with the local community, making sure we address any issues with services or any other concerns. We can coordinate economic opportunities. We have seen through developing East Arnhem Land a very good model for encouraging and fostering economic opportunity.

We have had good conversation with the Gundjeihmi, for example, about how that can work. We are talking with the Commonwealth government about a significant investment in Kakadu; I hope they will come to the table on that.

After talking to Parks Australia I know they are actively discussing Jabiru. They are aware of it and looking at things they can do in Jabiru. It has a future, and we have recruited someone there to take the lead on this, the executive director, to make sure we are ahead of these issues and not late to the party.

We are actively talking to the mine there about their responsibility in getting variations where we can or need to, to keep assets for the future of the town. We have an active role as the Territory government in making sure Jabiru has a future. It will have a future; I guarantee it will have a future. It has a fantastic capacity to be a service centre, which I do not think has been fully explored to date. In these consultations, we might see a greater investment in Jabiru to have a greater ability to service the local area than previously.

A message to locals is that there could be, with good work and good consultation between us, the Australian Government, Gundjeihmi and others, an investment in Jabiru and a better, bigger, brighter future.

**Mr PAECH:** Thank you, that is very refreshing to hear. You were talking about a regional office in Wadeye. Is there scheduled to be a presence in Palmerston?

**Mr GUNNER:** Yes. It is something we identified early in our term. I should say we noticed the symptoms in opposition. In government and in doing work in Palmerston, it has become clear to us that Palmerston has too often been treated as a conglomerate of Darwin/Palmerston. That, in my opinion, has not led to the service delivery that Palmerston needs.

We have appointed a regional director to Palmerston so that Palmerston, in some respects—just like Alice Springs or other places—is getting direct, specific attention and identification of services. It has been too easy to just assume that Palmerston is alright because it is right next to Darwin. It needs to be supported and coordinated in its own right, which is what we are trying to do. That is why we have appointed the regional director for there.

It is an unusual thing in some respects. People might not think of Palmerston as a region, but it is a separate city in its own right and deserves its own attention and services specific to its demographic and needs. The best way to achieve that is the same way we achieve it everywhere else when we try to do these things, is with a regional director.

That is what we have done for Palmerston, recognising that there are some very significant issues there at the moment.

**Mr PEACH:** While we are talking about regional offices, it would be remiss of me not to ask about the regional offices in Central Australia and Katherine. If you are able, could you give us advise about DCM coordinating activities in those areas as well? What is happening in Central Australia in the Big Rivers region?

**Mr GUNNER:** For Central Australia there are probably two priorities. There is a lot of work but two priorities jump to mind immediately. One is the coordination of that social services side of Alice Springs, recognising there are a significant number of issues around youth and alcohol-driven problems—social services and delivery of those services led by the regional director in Alice Springs.

We are also working on a city deal for Alice Springs. We want Alice Springs to be seen as a destination in its own right, as the capital of Central Australia. We are working on a very specific cities deal for Alice Springs, which we not as advanced on as we are with Darwin. We are working with council in Alice Springs. Darwin City had the advantage of a master plan from council. Previous works have obviously been done in Alice Springs and we have the national Indigenous gallery we want to build in Alice—the cultural centre that will happen.

There are large projects that have been identified for Alice Springs. The coordination effort of that is being led by the regional director in Alice Springs as well. Those are two things off the top of my head that we are focusing on in Alice Springs through that regional director.

In the Big Rivers region of Katherine—it is a very exciting place and I love getting there. There is a real sense of vibrancy. There is massive potential in agribusiness through Katherine and the Big Rivers. I know I keep calling it the inland port, but essentially Katherine has a strategic competitive advantage. It is on two highways and it has a railway line. The ability to get goods to market north or south—north to the deep water port and south to market—from those rich areas is huge.

So I am very positive obviously. There is lots of talk about and development around the Ord, and it has access to water and lots of soil. But there is not as much talk about Katherine and Douglas Daly and the Big Rivers. There is huge potential there. It is already delivering more than the Ord. We need to celebrate it more, look at how we can invest in it and provide more certainty around how we can get that part of the Territory, which has so much potential, delivering and investing.

There is a big agenda there for the regional director in Katherine.

**Mr PAECH:** My fellow committee member is looking very happy next to me, Chief Minister.

**Ms NELSON:** It is a winner.

**Mr GUNNER:** Katherine is a winner. Tourism is going gangbusters in Katherine and Defence is a big player there, so there are lots of things happening and we are doing lots of work there.

The one thing I keep coming back to is that there is more we can do as a government around the agribusiness, commodities and logistics hub, recognising Katherine's strategic competitive advantages compared to other parts of Australia. Katherine, Douglas Daly and Big Rivers—I keep saying Katherine, but it is much bigger than that.

**Mr PAECH:** I have two further questions for you, and I am happy if you want to redirect them to another area within your outputs.

I believe there is a new remote Aboriginal economic development fund being developed, which will offer two grant programs. Are you able to help me understand what the programs are designed to deliver, as well as the social and economic benefits you anticipate to occur as an outcome of those programs?

**Mr GUNNER:** I have touched upon one already to an extent, and that is the \$1m in DCM for capacity and governance training. The Department of Trade, Business and Innovation has a \$1m fund for economic opportunity or investment in enterprise. We also have the \$5m fund for local government and the internal roads, the big issues that come up there, and \$5m for remote sports, which will be popular. They are the two main areas we could hit upon, that is the investment internal to a community such as roads, cemeteries and local sports facilities. We also have \$1m for governance and economic enterprise upon application.

**Mr COWAN:** I think the Chief Minister has covered it. It is \$2m for remote Aboriginal economic development and \$1m to DCM for governance and capability. That will be a grants-based process that will be available across remote areas. Similar to the Department of Trade, Business and Innovation, that funding will be for looking at remote Aboriginal economic development opportunities.

We are working closely with the Department of Trade, Business and Innovation to ensure we have consistency around our grant guidelines for both grant funds, and they will be commencing on 1 July.

**Mr PAECH:** I have a further question, which I am happy to be redirected on if Output 18.3 is not the right area, but can you assist me in gaining a better understanding of the Northern Territory Government's remote contracting policy and the current procurement policies and activities to support Aboriginal businesses?

I am looking at what support has been made available in Budget 2017–18 to grow and support Aboriginal business growth. Can Territorians expect an Indigenous economic development forum supported through this year's budget?

**Mr GUNNER:** That is probably better directed to the Department of Trade, Business and Innovation, who is doing most of that work, and I will be happy to take the question there.

**Mr COWAN:** Correct. It is being looked after by the Department of Trade, Business and Innovation, and I can confirm that there is an Indigenous economic development forum being led by that department later this year.

**Ms UIBO:** Chief Minister, can you please tell the committee how much funding for the Community Champions program has been used since its establishment under the previous government to its termination the other week?

**Mr GUNNER:** Thank you, Member for Arnhem. An amount of \$5.36m has been spent by the Community Champions program since its establishment to 31 March 2017.

**Ms UIBO:** Was an official review undertaken about the program to consider its termination?

**Mr GUNNER:** No. My concern about the Community Champions program has always been, is this a systemic fix or the best systemic approach we can take to working in remote parts of the Territory? I sort of flagged that before the election, and I flagged it after the election. I know that it had some success in some communities, other communities had not had success, and other communities were not getting any Community Champions at all. I was a bit worried about the patchy approach to it.

After our machinery of government change we reduced the number of CEOs we had, so the Community Champions program at its heart was a CEO being appointed to a community. We saw a greater reduction in the number of communities that had it and more communities who were missing out on having it.

For me, it was about how can we make sure we are servicing well all the remote parts of the Territory. We kept the Community Champions team. There has not been a loss of jobs through this. It was more about how can we make sure we are working to the agenda of local decision-making, land and sea, and treaty; so those are the three priorities we have as the Aboriginal Affairs subcommittee, for example.

**Mr PAECH:** So, Chief Minister, it was not terminated; the resources were redirected.

**Mr GUNNER:** Yes. There was no loss of staff, and they are working on the agenda we have set out at the election. I know CEOs have developed a very personal relationship with their communities, and so—we could probably ask Michael Tennant when he is here soon. I know Michael Tennant, the CEO of Department of Business, Trade and Innovation, has built the relationship with Ngukurr, for example, the Member for Arnhem's electorate. He has contacted the people in Ngukurr, who he normally talks to and works with, to make it very clear to them he is happy to continue in that champion role.

The initial point of the Community Champion role was the CEO working with the community. That will continue in that instance. I know Luke Bowen has made a similar approach, I believe, to Wadeye where he was a champion.

We have money set aside for grant programs for capacity building, enterprise, the local government internal roads and other issues internal to a community, and for the remote sports program. Most of the things that were being hit up for from the financial point of view are going to be covered in those grant programs. The staff are still present. All that has changed is the ...

**Ms UIBO:** So it is a bucket of money specific for the communities themselves, for the identified communities under the Community Champions program.

**Mr GUNNER:** We now have broader money available for all communities, and we are trying to do an all-community focus. Where those existing relationships have been established it has been indicated that they will essentially continue, if wanted by the community.

**Ms UIBO:** That was going to be my next question—unfunded partnerships to support the current communities and the relationships with the CEOs in those identified communities, if they choose to.

**Mr GUNNER:** The funding that is available is through those grant programs that exist; so the capacity building, the economic enterprise, the local government, the sports, and there are other grant programs as well. Those are the four that come to mind as being most applicable.

**Mr PAECH:** What was the formula used to identify the previous Community Champions communities?

**Mr GUNNER:** That is a very good question. I do not know. There was no formula; it was random. It was the identified growth towns. Growth towns is no longer a policy. Some were picked on economic potential but Utopia was not picked on economic potential. I cannot comment on how the previous government determined which communities got the allocation of CEOs.

**Mr COWAN:** I think it was based on, some on economic readiness but also some on need. So it tried to get a mix across a number of those 13 communities so it was not all around community readiness. For example, Jodie, as the CEO working with Utopia—the significant need across that area and government wanted to identify that as an area to support. It was a bit of a mix.

**Mr PAECH:** I was interested to know on what basis the 13 had been chosen. Chief Minister, the redirection of the funding for the previous program, would you say now is in a far more equitable process for all regional and remote communities across the Northern Territory?

**Mr GUNNER:** The approach we are taking is, how can we set up an agenda that remote Territorians can access at their manner and pace? Local decision-making will differ from place to place—how people want to access it. Land and sea will depend partly on what traditional owners want to do in their own country—your country your say. Treaty depends a little bit on where people are and what they want to do in those directions.

As an agenda that is where we are trying to work with the regional directors, Community Champions and officer of Aboriginal affairs. That is a focus for us. We have added, as a government, to make sure we are being accessible as possible, a community cabinet and Caucus approach. We are taking the team around

the Territory, as much as possible, from the top down. This is additional to what we are already doing. We have the grant funds available through those different buckets.

We are trying to take an open and accessible approach to all Territorians. We are trying to be equitable for all Territorians and recognise—this is the difficult bit because it is much easier to do one size fits all, and that is probably why governments fall into that habit all the time. We are trying to recognise that it needs to be a place by place policy solution for a lot of things. We are trying to work at community's pace through the local decision-making agenda.

If you look at how we are investing in kids, for example, it will differ from place to place depending on what people want, the needs of the community, and the people capable of delivering in that community. We are tailoring it. We are trying to be nimble as a government. There is often the habit for a government to fall into a one size fits all approach.

We are trying very hard to tailor it. When you look at the complexity of that you can see why it is so important to maximise our resources and the use of them, and that we are properly and genuinely listening to all communities and how they want that service or change to be delivered. The Community Champions team, the officer of Aboriginal Affairs, the land and sea management and the Aboriginal Interpreter Service are crucial to that; it is a different department but there is extra funding into Aboriginal interpreter services.

We are trying really hard to make sure we are doing what we do across the Territory in step with community and listening to them. That means taking the people we have, who do that job well, and tasking them to that agenda.

**Madam CHAIR:** Thank you, Chief Minister. Ladies and Gentlemen, I note the time is 4.30 pm, which puts us halfway through the Chief Minister's appearance. As such I will call a quick five minute break. We will convene in five minutes' time.

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The committee suspended.

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**Madam CHAIR:** We will now recommence with Output 7.2. Are there any further questions?

**Ms UIBO:** I am aware the Office of Aboriginal Affairs was producing some community business profiles. What is the status of those, and when might the profiles be available for reading?

**Mr COWAN:** The community business profiles were commenced under the remote contracting policy under the previous government. They are being progressed. They are not all completed, but we are looking at continuing to finalise those. We will be working with the Australian Government to ensure we have their data into those profiles as well, as local government, to ensure we have a clear picture going forward for infrastructure spend on remote communities.

We are also keen to look at the possibility of profiling the social services spend as a second step to look at how we can provide greater visibility for funding going into those communities, which will provide opportunities for Indigenous businesses. That could also be a further question for Trade, Business and Innovation.

**Mr GUYULA:** Can you provide a similar overview for Nhulunbuy's town hub as you have just provided for Katherine?

**Mr GUNNER:** I am very excited about some of the opportunities in Nhulunbuy. There are some I cannot talk about yet because they are in formative stages, or almost ready to discuss stages, but I know the work of developing East Arnhem Land is something that we want to take to Jabiru because of basis of success.

For those who are unaware, the use of that housing stock to encourage economic opportunities and providing a place for people to live is providing a revenue stream for investment into other activities in the area. Occupational therapy in Nhulunbuy is better than some of the services we can get in other parts of the Territory; it is excellent.

There are significant advantages in Nhulunbuy for fishing, both tourism and commercial. We have some competitive advantages in Nhulunbuy around the port that we need to explore.

There is some good work being done by traditional owners in the area investing in potential mining services.

One of the big things we can work on in Nhulunbuy and the region is the NDIS. It is crucial that we see social need as an economic opportunity. It is both, not one or the other. In delivering care for Territorians, the NDIS can deliver massive opportunities for locals.

I raised this at COAG recently, about needing to have a national workforce plan, but we are getting ahead of this with the work we are doing in Nhulunbuy. It will be place-based and will lead to a significant number of jobs in the area for the care of Territorians. It is an economic opportunity.

**Ms BACON:** As the Chief Minister indicated, following the Barkly trial, East Arnhem is the first region we are rolling out the National Disability Insurance Scheme. While I do not have the figures for the East Arnhem region, in terms of the scale of the opportunity we expect a doubling of investment in the disability service market in the Northern Territory, from \$160m in 2014 to \$320m per annum by 2020.

So there is significant investment going into disability services, including in the Nhulunbuy region and across the Northern Territory. There is a projected increase in full-time equivalent jobs of between 1175 currently to 1325 by 2020. We anticipate over a thousand additional jobs will need to be created to be able to meet the increased demands for services that will be available once the National Disability Insurance Scheme is rolled out.

**Mr GUNNER:** I might just have Andy touch on what is coming out of the Economic Development Committee in Nhulunbuy, and local traditional owners with mining and other stuff that is happening.

**Mr COWAN:** There has been significant work done with the local Economic Development Committee, and they provided strong representation throughout the economic development summit process that was led by the Department of Trade, Business and Innovation. I know that agency will provide more detail when they present, but as the Chief Minister mentioned, there are significant opportunities in North East Arnhem Land.

An economic study has been undertaken to support the work post-curtailed of the refinery, which will be finalised in the next couple of months. This study will look at opportunities for diversifying the economy post-mining for the future of the Nhulunbuy region. There are some exciting opportunities coming forward for the region.

**Madam CHAIR:** Are there any further questions?

**Mr GUYULA:** Madam Chair, I understand the government has budgeted \$1.3m to plan and commence implementation of government's local decision-making agenda. I am pleased to hear the government is supporting local Indigenous self-determination, but I am also concerned about how self-determination may be implemented.

Yolngu leaders have long been undermined by decision-making bodies who have been created by outsiders. We require Yolngu governance that is underpinned by Yolngu law; this means that a local decision-making agenda needs to utilise decision-making forums that already exist in Yolngu society and aim to engage with all clan leaders. Prior to the intervention and super shires, this existed. Now we are rebuilding.

Can you advise how the local decision-making agenda will be implemented?

**Mr GUNNER:** I touched on this a little earlier and you probably cannot see this from there but what you say you are worried about is really in that first column, which is 'inform'. The government has no formal potential mechanisms; they just tell you what they are doing, which is bad areas in a sense. If you go across to 'consult' there is an active conversation between government and local community before government makes a decision. Then there is 'involve' where there is, essentially, formal advisory mechanisms at the other end and genuine involvement in local decision-making, but that is only half way to where you want to get the genuine local decision-making, which is collaboration and then empowering.

We are sort of on this journey where we have to try to get away from 'inform' through to 'empower'. We have put money aside for governance and capacity for other training. If you look at the health clinic example I gave earlier, we have a policy position of saying we are happy to hand those health clinics over for local control, but we have to have a guarantee in handing it over that it will not fall over at the other end.

We have to work together to get to that point, and we are happy to do that at the manner and pace of the local community to the extent to which they are ready to take upon those responsibilities.

Gunbalanya has now gone through elections for their school board, and they are running their school. We are happy to work at the pace of the local community about how those different things hand over and at what time. DCM is leading it to make sure there is some coordination to it, that Health, Education et cetera are not all rocking up at the same time to have the same conversation; there is a degree of coordination to what is happening.

We are working very closely with Mr McCarthy's department of Community Development. Essentially what we are saying is that we are happy to get to the empower end, and we are happy to get there at the manner and pace of local communities. When you get to the empower end there is a significant degree to which that is in your control.

What I would like to be able to do is also bring local and federal government along with us. If we go at the right pace I think we can, so when we are doing local decision-making it is not just giving control of Territory government services but potentially local and Australian Government as well. It is a service level agreement, essentially, between the three tiers and the local community. That could be a natural springboard for treaty as well, once you have trust and agreement established about how services are delivered in a local area.

It can be the individual model, the health clinic, and then you get to the regional model and then a treaty model. Others are going down that path too and they have recently gone across to look at Torres Strait at the recommendation of Mick Goddard. I want to make sure we are learning lessons from other places that are going down similar paths; the Torres Strait is doing similar stuff.

**Mr GUYULA:** You probably answered this question already but who is responsible for implementing this agenda and who will they be consulting with?

**Mr GUNNER:** I would probably have to say I am responsible, but we have the Aboriginal Affairs subcommittee and there is a degree to which this will be done by line agencies. I think it is critical that it is coordinated by the Department of the Chief Minister because there are so many moving pieces to this. We have a set of principles around community consultation which we are happy to provide you with.

We have to make sure not every agency rocks up to communities on the same day to have the same conversation, so we are trying to make sure we are coordinating. Essentially, we are taking responsibility for it, and we are happy to provide briefings on how all that works too if that helps.

**Mr GUYULA:** I understand there is \$1m to develop and support strong governance, capability and capacity in Aboriginal organisations wanting to participate in the local decision-making agenda. My concern here, again, is that this money might be used to support non-Indigenous forms of governance and this undermines Indigenous communities. I and other Yolngu leaders have been working together to re-empower Indigenous forms of governance in Arnhem Land. Aboriginal organisations do not always use Indigenous governance models.

Can you advise of the governance model that the local decision-making agenda is implementing?

**Mr GUNNER:** I would not say it was a particular model, but there are consistent things we all have to abide by. If you look at ORIC and some of its requirements or the requirements of different acts we have, we want to make sure everyone is across what those requirements are. That is not necessarily a model; it is just a certain set of things that we all have to report to.

We want to make sure people are across what they are and know how to be accountable to them. It is important that everyone is consistent and we do not leave people vulnerable to an organisation falling over when we could have provided the training to make sure they were aware of their reporting requirements.

Solvency is an obvious one. We want an organisation to stay solvent. I do not think that is particularly Yolngu or Balanda; it is just important that the organisation has money and is fluid. It is just about how you report to that and are accountable to it. There are important consistencies around that. But it is upon application, so I am not ruling out training in other forms of governance. If you have something you want to bring forward that is accredited that we can work with, I am happy to do that. I am not ruling that out. I just think it is important to acknowledge a certain importance of consistency.

**Mr COWAN:** The importance on that one, Member for Nhulunbuy, is with that as a grant program, government would not be dictating who you use as a service provider as part of that process. There would be an element of choice there. As the Chief Minister said, we have considerations to comply with ORIC and the Incorporations Act in that sense.

When we are talking about governance training, as part of a grant process, for example, any individual organisation which is receiving that grant would have a choice about who they engage. So it will not be government dictating who should be used and you can only these guys.

**Mr GUYULA:** The issue of treaty is important to my electorate. As you know, I campaigned on this issue. I am very happy to be a part of a parliament that is working towards treaties.

The Victorian Government announced \$28.5m over four years to support treaty negotiations. The South Australian Government announced it would commit \$4.4m over five years to support a treaty process whereby they would appoint an Indigenous commissioner for treaty and support for Aboriginal nations to participate in treaty negotiations.

Could you advise what funds the NT has allocated to this issue and how will it be expended?

**Mr GUNNER:** We have taken a different approach. We have met with SA and Victoria, the two examples you have used, to be across what they are doing. But we have taken the approach of having a subcommittee of Cabinet, which they have not done, so it is a lot more senior. We have taken a different path.

It is important that we listen. I feel I am at the listening stage, as Chief Minister, to what form of treaty people want. People want different forms of treaty. We have an advantage, in some respects, to both SA and Victoria in that we have a significant representation in our parliament of Aboriginal people. We have the subcommittee.

Thirty percent of the Territory is Aboriginal, 50% of the land and 80% of the coastline. This is a crucial area for us to get right. There is lots of goodwill. I feel we are at the listening stage, when that subcommittee of Cabinet forms. It is a different approach. I am not sure in this instance if the monetary measure is the right one for progress on treaty.

**Mr COWAN:** There is more work that needs to be done. We have spoken at the subcommittee of Cabinet about this. As the Chief Minister indicated, it is a key priority for government. We will need to look at how we will structure our consultation to ensure Aboriginal people have a strong voice through this process. We will be going back around our implementation and consultation approach by the end of this calendar year and progressing the conversations at that stage. It may be that we need to look at our resourcing going forward, but I think it is a little early to address that.

**Mr GUYULA:** I am pleased to hear the Aboriginal Affairs agenda has focused on treaties. I do not think such an important item should be rushed. Can you advise of the government process to implement this issue and a time line? Could you also outline what key performance indicators will be used?

**Mr GUNNER:** We will be appointing, very soon, independent advisers to the Aboriginal Affairs subcommittee. This is something I want to do very much with them—then out to Aboriginal Territorians and back in again in regard to what the first discussion paper will look like. The point you made about not rushing this—I want to be very careful about getting this right early, recognising a mistake could put us right back. I want to sit with the independent advisers, form a pre-draft of what we might say and how we might approach this, test it, then come back to a more formalised approach to it to make sure we get it right early, recognising that the capacity to make a mistake in this space is high.

While I am a passionate Territorian and I am proud to say I have some Aboriginal family, I am not Aboriginal. I want to be very careful in making sure I get this approach right and do not make assumptions or mistakes. Aboriginal members of my team—we have some chats with you about the independent advisers, about getting the process right. But even in the early stages—I used the word ‘pre-draft’ before, but, essentially, being very careful about how we form that and doing that in consultation.

I want to be careful in this space. I do not have a time line I can show you. I think that could be a mistake. Those mistakes have been made in the past with statehood, for example. I do not think you give an arbitrary date. You have to go through a process and make sure you bring people with you. If you go in the

manner and at the pace of the community then you know you will get there in the way they want you to get there.

**Madam CHAIR:** That concludes consideration of Output 7.2 and Output Group 7.0.

**OUTPUT GROUP 8.0 – GOVERNMENT BUSINESS SUPPORT**  
**Output 8.1 – Support to Ministers and Leader of the Opposition.**

**Madam CHAIR:** The committee will now consider Output Group 8.0, Government Business Support, Output 8.1, Support to Ministers and Leader of the Opposition.

Are there any questions?

**Mr PAECH:** Chief Minister, there has been a decrease in funding for support to ministers and the Leader of the Opposition, but there has been an increase in staff. Can you explain how your office will meet its savings target?

**Mr GUNNER:** That is an important question. It applies to government, full stop, in many ways. We are setting a budget and holding people to it. How they work to that budget, in some respects, is up to them. The number of staff is not necessarily a correlation to expense. You can employ staff at different levels. There has been a flatlining of support for us in government—the Chief Minister, the ministers' offices and the Leader of the Opposition's offices—in recognition of the fact that we applied constraint to the whole public service. We are under the same savings pressures as everyone. We can manage within that budget.

The message to the Leader of the Opposition is the same: manage within your budget. The only people who have extra resources are those who are not here, apart from the Member for Nhulunbuy. We have provided additional resources to the Independents based on the advice from the Remuneration Tribunal.

Ourselves, as ministers and minister's officers, have been constrained, as has the Leader of the Opposition, and the Independents have received those two additional staff as recommended by the RTD. The only ones getting additional support are the Independents.

**Madam CHAIR:** That concludes consideration of Output 8.1

**Output 8.2 – Support to the Administrator**

**Madam CHAIR:** The committee will now proceed to Output 8.2, Support to the Administrator. Are there any questions?

That concludes consideration of Output 8.2.

**Output 8.3 – Government Services**

**Madam CHAIR:** We will now move on to Output 8.3, Government services. Are there any questions?

That concludes consideration of Output 8.3 and Output Group 8.

**OUTPUT GROUP 9.0 – CORPORATE AND GOVERNANCE**  
**Output 9.1 – Corporate and Governance**

**Madam CHAIR:** The committee will now consider Output Group 9, Corporate and Governance, Output 9.1, Corporate and Governance. Are there any questions?

That concludes consideration of Output 9.1.

**Output 9.2 – Shared Services Provided**

**Madam CHAIR:** I will now call for questions relating to Output 9.2, Shared Services Provided. Are there any questions?

That concludes consideration of Output 9.2 and Output Group 9.

I note that while the administrative arrangements order puts responsibility for the Department of the Legislative Assembly with the Chief Minister by convention the Speaker administers the department. As such, questions relating to Output Groups 10 and 11 will be answered by Madam Speaker tomorrow. Are there any non-output specific budget-related questions?

This now concludes consideration of all outputs relating to the Department of the Chief Minister. On behalf of the committee I would like to thank departmental officers for attending today.

### NT POLICE, FIRE AND EMERGENCY SERVICES

**Madam CHAIR:** The committee will now move on to consider the Northern Territory Police, Fire and Emergency Services.

**Mr GUNNER:** Can I just thank all the staff in the agency who have done a considerable amount of work for estimates, as they do every year. Thank you, Rachel, for your last estimates.

**Madam CHAIR:** We will take a two minute break for the transition over to Northern Territory Police, Fire and Emergency Services.

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The committee suspended.

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**Madam CHAIR:** I welcome you, Chief Minister, as Minister for Police, Fire and Emergency Services and invite you to introduce the officials accompanying you.

**Mr GUNNER:** I have been joined by the Commissioner for Police and CEO of Fire and Emergency Services, Reece Kershaw and Executive Director of Operational Support, Michael Willis.

As a government we take the safety of Territorians seriously, and we appreciate law and order as a concern within the Territory community. Every Territorian has the right to feel safe and expect their homes, businesses and property to be secure. Government shares the public frustration with crime and antisocial behaviour which is why we are acting to ensure the revolving door of crime, detention, release and reoffending is broken. I believe we are all sick of the cycle.

The 2017-18 Budget for NT Police, Fire and Emergency Services is \$418.2m, which is \$9.8m more than in 2016-17. We will support the efforts by the NT Police Force to improve community safety. I believe we all recognise the police force do a fantastic job looking after Territorians. I am pleased to say that the government is investing in a number of key initiatives which will enhance the capacity of the NTPFES to deliver services to Territorians.

These include a four-year recruitment strategy to provide certainty to police about increasing frontline numbers of the Northern Territory Police Force by 120 recruits, following the CLP government's failure to make good on its election promise to increase police numbers. This year \$5m will be directed to the recruitment program with this amount increasing to \$15m in 2019-20. The recruit squad of 120, which graduated earlier this month, represented the first group of new officers to join the force as part of our initiative to increase frontline police numbers by that 120.

The real time online management system for NT Police known as PROMIS will be replaced over the next four years, and I believe the new one will be called PROMIS II, knowing how Territorians work. The funding for this \$45m upgrade will be allocated to the Department of Corporate and Information Services. A total of \$26m will be spent on the new Palmerston police station; \$8m will be directed to the building of a new Katherine fire station; and \$2m will be invested in the further rollout of CCTV and related network equipment. We will move into the third year of the national partnership agreement on NT remote Aboriginal investment program with the Commonwealth. This will provide \$23.46m in 2017-18 for remote policing resources and infrastructure.

The program to fit frontline police officers with body-worn video systems moves into its second year and will be supported by \$0.5m in this year's budget. This year's NTPFES repairs and maintenance budget is \$16.5m. It includes an additional \$6m as part of our economic stimulus program. We are working to further build the capacity of Police, Fire and Emergency Services to work in partnership with the community to

ensure a safe and resilient Northern Territory. We are very happy to take questions about the excellent work that the Commissioner is doing and the whole of Police, Fire and Emergency Services.

**Madam CHAIR:** Are there any questions on the Chief Minister's opening statement?

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

**Madam CHAIR:** The committee will now proceed to consider the estimates of proposed expenditure contained in the Appropriation Bill 2017-18 as they relate to the NT Police, Fire and Emergency Services. Are there any agency-related whole-of-government questions on budget and fiscal strategies?

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

Are there any questions from members of the public?

**Ms UIBO:** I have some questions that have been fielded from the public for the Chief Minister. There are three questions from Making Justice Work.

The number of persons, especially Aboriginal persons, that have and continue to be, year by year, apprehended pursuant to the paperless arrest regime—Part VII Div 4AA of the PAA—further the costs associated with the high numbers locked up under this regime, including impact on police resources.

Are the number of persons, especially Aboriginal persons, being apprehended, rather than taken to sobering up shelters or alternative safe places, pursuant to section 128 PAA Protective Custody Laws, furthering the costs associated with these apprehensions, including impact on police resources?

**Mr GUNNER:** Essentially there are two parts to that question. The first is on paperless, or what has been known as paperless, and the other one is known as protective custody.

From the outset our intention is to scrap paperless arrests. That is a promise we made going into the last Territory election. It was based around a coronial and evidence we heard from police during that coronial and the decision by the coroner at the end was the recommendation that was made. I do want to be very careful about making sure we do not just scrap something but that we actually have a policy solution in place.

The way in which paperless is currently being used, we need to recognise that there are issues to work on such as providing assistance and services where we are making a difference. To use Darwin as an example, the majority of paperless arrests are probably being used in the CBD of Darwin. It does take someone off the streets for four hours and provides a cooling off period. It is also a cycle. They are released within four hours, but have we done anything to fix the problem? I think we have to recognise that we have not.

From my point of view, as a government, we must work on return to country, sobering-up shelters, wrap around services and other things that will help fix the problem. We are going to honour our election promise, but I want to make sure that we do it in a way in which there is an alternative.

A lot of this has been picked up through the bringing in of the Banned Drinker Register, those wrap around services and other things—working with Larrakia Nation around the return to country. We are doing a lot and it will lead us to say in good conscience that we are scrapping paperless arrests because we have got good solutions in place, recognising the significant workload that is being placed on police and pressure on the watch house.

I have been taking advice from the police on what we can do. Can we make reforms to trespass and (inaudible) legislation at the same time to provide police a tool they can use. I am very aware of the pressure on police, public and the people in need. I want to make sure that we provide a comprehensive solution and are not scrapping something for the sake of it. That is a long answer to say that is the paperless side of it.

On the protective custody side, we are taking intoxicated people into protective custody to reduce the risk of harm to the person and reduce the likelihood of that person committing an offence. When you take someone into protective custody or you pick somebody up there are a number of places you can take them, or where you prefer to take them rather than the watch house, which is a last resort.

In terms of the numbers you asked for on both of those: for paperless from 1 July 2016 to 31 March 2017 1955 offenders have been proceeded in that manner; for protective custody for 2016-17 there were 3453 in Darwin, 780 in Northern Command, 3233 in Southern Command, for a total of 7474 protective custody year to date, 1 July 2016 to 31 March 2017.

**Ms UIBO:** The third question from Making Justice Work: what monies have been allocated to repatriation of people to remote communities after exiting detention or prison?

**Mr GUNNER:** The person who is best placed to answer that would be Natasha Fyles, who is the Minister for Corrections under Attorney-General, about repatriation. I do think it is an issue I have discussed with her. She will be across it and will be happy to answer the question.

**Ms UIBO:** This question comes from Donna Mahoney. Can you please estimate how much work could be generated if you built cyclone shelters instead of wasting money on an art gallery in areas that have populations in need of this service, such as Dundee?

**Mr GUNNER:** Thank you, Ms Mahoney, for your question. There is always work in construction, but if you are looking at construction as a job generator, you want to look at not just the construction element but also what would happen with that building post-construction. You might be able to generate work for the construction of the cyclone shelter but it is not an economic driver post construction. I am not sure it is quite the right way of doing it, comparing a cyclone shelter as an economic generator to an art gallery.

There will be an ongoing purpose to the art gallery past construction, so I do not think it is a fair comparison about work generated.

In terms of populations that have need of this service, the Police Commissioner might be able to comment on what we do generally. The Territory is a big place; there are lots of people spread across the Territory. We have a building code that makes provision for shelter within dwellings and other things.

**Mr KERSHAW:** Through 2015 we had cyclones Lam and Nathan. As a result of those we identified that Waruwi, Goulburn Island required a cyclone shelter and we are pleased that funding was provided for a cyclone shelter there. It has caused us not to have to evacuate that island community.

We are constantly reviewing through the Territory Emergency Management Council, which is made up of a number of key agencies and includes the Australian Defence Force and the Bureau of Meteorology where these are tabled as part of a functional group report. The responsible department for shelters is the Department of Education, and we are often discussing those shelters, in particular what is required across the Territory.

**Ms UIBO:** The next set of questions, of which there are three, comes from Glen Macfie. How much have the NT Police spent on legal fees for investigations and judicial matters involving police officers and civilian employees over the past five years?

**Mr GUNNER:** We will take that on notice, Member for Arnhem.

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### Question on Notice No 2.3

**Madam CHAIR:** Member for Arnhem, can you please restate the question for the record.

**Ms UIBO:** The question to the Chief Minister comes from Glen Macfie. How much have the NT Police spent on legal fees for investigations and judicial matters involving police officers and civilian employees over the past five years?

**Madam CHAIR:** Chief Minister, are you happy to accept that question?

**Mr GUNNER:** Yes.

**Madam CHAIR:** The question asked by the Member for Arnhem of the Chief Minister has been allocated the number 2.3.

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**Madam CHAIR:** Are there any further questions?

**Ms UIBO:** The second question from Mr Macfie is, how many workers' compensation matters have been lodged over the past 12 months compared to the last five years?

**Mr GUNNER:** We will take that on notice as well.

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**Question on Notice No 2.4**

**Madam CHAIR:** Member for Arnhem, can you please restate the question for the record.

**Ms UIBO:** The question to the Chief Minister from Mr Macfie is, how many workers' compensation matters have been lodged over the past 12 months compared to the last five years?

**Madam CHAIR:** Chief Minister, are you happy to accept that question?

**Mr GUNNER:** Yes.

**Madam CHAIR:** The question asked by the Member for Arnhem of the Chief Minister has been allocated the number 2.4.

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**Ms UIBO:** The third question is also from Mr Macfie. What have been the workers' compensation payouts over the last five years, and what are the associated legal and investigation costs paid to any external parties?

**Mr GUNNER:** We will take that on notice too.

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**Question on Notice No 2.5**

**Madam CHAIR:** Member for Arnhem, can you please restate the question for the record.

**Ms UIBO:** The third question is also from Mr Macfie. What have been the workers' compensation payouts over the last five years, and what are the associated legal and investigation costs paid to any external parties?

**Madam CHAIR:** Chief Minister, are you happy to accept that question?

**Mr GUNNER:** Yes.

**Madam CHAIR:** The question asked by the Member for Arnhem of the Chief Minister has been allocated the number 2.5.

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**OUTPUT GROUP 12.0 – COMMUNITY SAFETY AND CRIME PREVENTION**  
**Output 12.1 – Community Safety and Crime Prevention**

**Madam CHAIR:** We will now move on to consider Output Group 12.0, Community Safety and Crime Prevention, Output 12.1, Community Safety and Crime Prevention.

I note that while the Minister for Territory Families has overall responsibility for youth justice under the *Youth Justice Act*, the Minister for Police, Fire and Emergency Services is responsible for Part 3 of the act, relating to the diversion of youth. Are there any questions?

**Ms UIBO:** Chief Minister, there was a significant spike in crime in Alice Springs in summer, or Wet Season, this year. What are the police doing to ensure we do not see a repeat of the same sorts of problems at the end of this year with our upcoming Wet Season, or summer?

**Mr GUNNER:** There was a spate of crime over the summer period, and as a result there was some significant community frustration with what was happening in Alice Springs. It was not only in Alice Springs, but the question relates to Alice Springs.

A number of things are happening, some of which are being done by police. We touched upon this in the area of my department regarding the work of the regional director in Alice Springs to coordinate service delivery there. Some of that relates to the summer holiday program.

My conversations with the Minister for Territory Families, a fierce advocate for Alice Springs, as are the Members for Namatjira and Stuart—the programs were not always addressing the kids that we needed to get through to. There can be a cohort of kids who are troublesome, and the programs were not necessarily providing the services to the kids we needed them to.

Police are doing a lot of work in trying to get ahead of this. There are police resources in Alice Springs dedicated to better identifying which kids and families we need to help to make sure we get ahead of this problem so we are not talking about crime after it has occurred.

Police are working with Youth Outreach Officers in Alice Springs and with DCM and others about that service to identify who needs to help and which services we need to provide so we are getting ahead of the problem and are not having the same issues where we are talking about the crimes after they have occurred.

Any crime is too much crime. I recognise that there is more we can do, but we want to get involved much earlier and do everything we can to stop crime before it occurs, so we are not talking about victims but are talking about helping families that need it. We have to get ahead of it.

**Mr KERSHAW:** We are undertaking forward planning to address some of the spikes and seasonal issues we experience in Alice Springs. That includes having holiday programs and activities for our youth. We are working closely with Territory Families, and we have a good relationship with the Youth Outreach Officer, who has already started down there. I spoke with the team recently about that.

We are working with various NGOs, and our Strike Force Winx is looking at where early intervention can prevent some of these kids from becoming repeat offenders. In addition, there is a youth case management area, and a lot of joint youth engagement patrols with Congress, Tangentyere and the Alice Springs Town Council. Our approach is far more joined-up and based on partnerships.

**Ms UIBO:** Based on the response by the Commissioner, are you confident we will not be looking at the same statistics this time next year?

**Mr GUNNER:** Yes. A lot of the things we have been bringing in from day one of government are coming together. We had to make a significant change to the policy settings of the CLP, and that is a large body of work. It takes time. We had to start getting ahead of this problem with the early intervention by employing and training the youth engagement officers and getting them on the ground.

I wanted to give the Police Commissioner certainty about the 120 new officers so he had more confidence in the tasking of his officers. He has those operations set up. We are getting better at getting ahead of the problem. There is a significant body of work going into that.

We also recognise the work the Commissioner has been leading on getting ahead of domestic and family violence in Alice Springs as well. There are more problems we have to fix than just kids. It is a whole-of-community issue we need to address. The work happening in Alice Springs is to make sure we do not see these problems.

**Mr KERSHAW:** The good work of our police officers working with the community is coming off the back of a four-year low of trending downwards. So they have been working hard for the last three or four years.

**Ms UIBO:** Chief Minister, earlier this year there were two meetings held in Palmerston in which residents expressed frustration about youth crime and offenders. Have the police gotten on top of youth crime in Palmerston?

**Mr GUNNER:** They were some important meetings and the government was represented at those meetings by two ministers. The Member for Brennan and the police were present at those meetings and they were an important forum for talking through the issues and frustrations.

Police are doing a significant body of work in Palmerston, but I want to make sure it is not all put on the shoulders of police.

We have identified that Palmerston was not receiving the attention it should have received. Our solution was to appoint a Regional Director for Palmerston to make sure it is getting attention and is not lumped in with Darwin. Palmerston is getting a specific focus on coordination of service delivery to families, kids and others in that area. Again, we are doing everything we can to get ahead of the problem.

We have youth engagement officers who have been employed and trained, starting in Palmerston as well. Police are working with them. It is a significant body of work being done not just by police but by a range of people to make sure we are getting ahead of these issues.

We are building a new police station in Palmerston and supporting resourcing of police there. The Minister for Education, and she might want to go into more detail about this later, is looking at a reengagement centre for Palmerston; Darwin has one in Malak. It is about making sure we are providing to Palmerston the services Palmerston deserves and needs and not just relying on overflow from Darwin or overlap of service provision from Darwin or people who live in Darwin who have been provided with the resources to go to Palmerston.

Palmerston needs its own dedicated services. There is a large body of work we are doing to get ahead of this problem in Palmerston. We share, recognise and hear the frustrations of people in Palmerston with this issue, and we are investing to get ahead of it. We want to do everything we can to break the cycle. I thank the police in Palmerston who are doing a significant body of work with Education, Territory Families, the non-government sector and others to make sure we are getting ahead of it.

**Mr KERSHAW:** The other thing is we have been working closely with the Palmerston community and undergoing a lot of community engagement through various means, including the new initiative of coffee with a cop; we actually pay for the coffee, for the record, and that has gone down very well with police officers making themselves available in shopping centres and other public places to just get a feel for how things are going and reassure people about what police are doing out in the Palmerston area.

It is also important that I mention that we have been undertaking a lot of crime prevention through environmental design, which is known as CPTED; so we have been talking to both business and education facilities and so on to move into that prevention space for ensuring that we are preventing crime before it occurs. Our youth engagement officers work very hard out that way and through our northern operations divisions we have 21 full-time staff angled in at youth engagement.

Recently we had a spate of unlawful entries, and all of those particular offenders were arrested. In the last two weeks 15 were arrested in the Palmerston area. I think it is probably a statistic that we undersell ourselves as a police force that in this country we are the fastest with clearing crime rates, in particular finalising matters within 30 days and also clearing them up through arrests as well. I am happy to share that with the committee should they wish to avail themselves of that information.

Within the last two weeks, for example, we have conducted 263 reassurance patrols throughout the community, 50 bail checks, and a number of breach of bail investigations were conducted. We have been meeting with a number of other members of the community and the council and so on, making sure we are constantly engaged with what those issues are and we are responding to the needs of the community.

**Ms UIBO:** How many breaches of bail have been recorded in the last 12 months in Darwin, Palmerston and Alice Springs?

**Mr GUNNER:** I have the information by Darwin Command, Southern Command and Northern Command.

At the moment I have it in a different format to what you are asking for, so I am happy to take that on notice, but I would say for Darwin, essentially, down for adult and youth from last year; slightly up for Northern for adults and down for youth; slightly down for Southern on adults and up on youth; but we are happy to get those figures by Darwin, Alice Springs and Palmerston.

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#### Question on Notice No 2.6

**Madam CHAIR:** Member for Arnhem, can you please restate the question for the record?

**Ms UIBO:** Chief Minister, how many cases of breach of bail have been recorded in Darwin, Palmerston and Alice Springs over the last 12 months?

**Madam CHAIR:** The Chief Minister is happy to accept that question on notice. The question asked by the Member for Arnhem of the Chief Minister has been allocated the number 2.6

**Ms UIBO:** Chief Minister, this year in April the Northern Territory Government passed the Bail Amendment Bill on urgency. This was to allow police to fit electronic monitoring devices to young offenders on police bail. Chief Minister, how many electronic devices have been fitted as part of this plan?

**Mr GUNNER:** None yet. We have gone through a significant period of training for police so post the legislation being passed police could then design and implement their training programs and their regulations of how they will do this—essentially, the decision-making matrix they are about to go through for when they decide how and when to apply the bracelet. They are also going through a procurement process to get additional bracelets. The ones that Community Corrections currently use are fairly old technology.

So, none to date, but we are doing a lot of work with police about getting officers trained. We are also seeking additional bracelets.

**Mr PAECH:** Is the training being provided in-house, or is that being engaged with an external provider?

**Mr KERSHAW:** My information, and I may have to clarify it, is that it is in-house at our college. Whether or not an external person is coming in to deliver that at our college I will have to clarify. But I believe it is in-house through our college.

**Mr WILLIS:** It is a mixture, as the Commissioner said, of in-house provided by our training unit using the expertise and alongside the provider. The contractor that provides the bracelet obviously is the technical expert on that. But our own police are training in how and when they will be used and what the conditions are. But we rely on the company to help us with that.

**Ms UIBO:** Chief Minister, antisocial behaviour has become a major problem across many of our urban centres in the Northern Territory. Antisocial behaviour, of course, affects the safety and the feeling of safety in a community, and unfortunately can lead to violent offending among individuals or groups. What sorts of efforts will the Northern Territory Police Force apply to antisocial behaviour across the next 12 months?

**Mr GUNNER:** The police do a lot of work around hot spot patrolling. With my Member for Fannie Bay hat on, I thank police for the work they have done for a significant number of years on hot spot patrolling and being flexible to need.

We have to support police with the Banned Drinker Register coming in on 1 September. Talking to the Commissioner, I know there will be significant focus on how we can tackle secondary supply. It is an issue at the moment anyway, but we are recognising the Banned Drinker Register is coming on and how we can further and better tackle secondary supply, recognising that alcohol and takeaway sales is the dominant factor by a country mile in antisocial behaviour.

We also have in support of police the liquor review that is occurring at the moment, led by Trevor Riley, which will provide more advice on how we can tackle alcohol, which we have to recognise is a significant contributor, by an overwhelming margin, to police workload and problems and safety issues we have in our community.

There is a lot of work happening: the Banned Drinker Register, starting on 1 September; the work police will do tackling secondary supply; and the liquor review that is coming forward with a whole set of other policy settings around alcohol.

I recognise this will take time to deliver benefits to all Territorians. As the Member for Fannie Bay, I have been talking for nine years about the same problems in the same hot spots. BDR will make a difference but will not solve the problem. I do not want there to be a Chief Minister in 20 years' time talking about the same issues. We have to break the cycle. We have to do it early. We have to do it with kids. We have to invest in our kids. It is the only way we will fix this generational difference in the Territory.

Police Commissioner, do you want to touch a little on some antisocial behaviour work your team does? You have a whole unit that is dedicated to it as well.

**Mr KERSHAW:** Over the period we used a number of preventative and reactive type tools. For example, whether it be liquor infringement, summary infringement or drug infringement notices in relation to antisocial behaviour, over the 2016-17 year we issued some 10 397 various infringements: liquor was 5618; summary infringements were 4125; and there were 654 drug infringement notices. In addition, we have issued 247 liquor banning notices, which are some of the tools we use to police public order.

In addition, protective custody, as the Chief Minister previously mentioned was 3453 in the Darwin Metro Command; the Northern Command, which includes Katherine and the like, was 780; and Southern Command was 3233; with a total of 7474.

There are evidence-based studies going back to the Australian Institute for Criminology to suggest that protective custody prevents homicides and serious assaults. It has been pleasing for us to see that over a number of years when they were in the 20 000s they are now down to 7500.

**Ms UIBO:** Chief Minister, the budget contained \$5m as part of a four-year plan to recruit an extra 120 police. Can you please inform the committee how this initiative is progressing?

**Mr GUNNER:** The \$5m is there and the planning has started and the police force has gone through part of that plan to ensure we have certainty for police.

**Mr KERSHAW:** We have been set a four-year target. It is the first time in our history that we have been able to forward plan for the next four years. The target the Chief Minister has set for us is at 1498 full-time equivalent rather than a head count. It is a dollar amount and your head count can change. Currently we are sitting at around 1404 full-time equivalent, so over the next four years we have to recruit some 94 to 98, depending on the day because it does change every day with people leaving the organisation.

We have a number of recruit squad planned. The next intake is on 16 October 2017 with 30 police officers. It was pleasing that recruit squad 131, which graduate 24 November 2017, are 50% female; it has been part of our active target. It includes some 20% Indigenous people who are from the Territory.

**Ms UIBO:** All on track to graduate?

**Mr KERSHAW:** Yes.

In addition, we have also got an Aboriginal Community Police Officer squad up to 20 which is one of our largest that we are planning. It is quite ambitious but I was briefed recently that we had over 65 applications, which is good for us; we are aiming for 20. That is due to start on 16 October 2017. We have also got an auxiliary squad starting around 10 July. There will be a number of squads planned over the period. We do have to be flexible because of our attrition, so we have to forward plan throughout those out years, but we are confident we will reach the 120 target of 1498.

**Mr GUNNER:** Essentially, we have a plan for the four years based on attrition to make sure police have those resources and the certainty of knowing that funding is going to be there to ensure they can do all the planning they need to around their college. We need to ensure we are delivering the police with consultation with the Police Association. This is the maximum number of police that we can recruit without reducing our standards, which we obviously do not want to do. We want to get the maximum number of police who are up to the job, and we are going to do that.

**Mr PAECH:** Is there a plan in place to look at growing the number of women in higher ranking areas of the police force?

**Mr KERSHAW:** The simple answer is yes. The challenge we have—and we are not alone if you go across this country and even across to New Zealand—is that every police force is currently struggling with their senior ranks and having proper representation that is more gender balanced or focused.

We are actively looking at that right now. Our board is only 33% female, which is good but we can do better, so I have set the target at 50% across the board. This will take a long time. For example, we brought up recently the former Commissioner for the New South Wales Fire Service. They started their program some 14 years ago, and they went from 0.5% to 14% in nearly 14 years. I am not saying that we are going to be like that but you can see it is quite a challenge.

Different strategies—we have to look at how we can better represent the community we serve. We are on that journey, and it has to be balanced with the merit-based principle, but merit itself is a whole other conversation which I am happy to have later on. It is changing our environment, as far as merit goes, because the playing field has not been level for a long time.

**Ms NELSON:** I will just put my assistant minister for women's policy hat on here and congratulate you on the fifty-fifty commitment you have made. I look forward to seeing the strategies you roll out and supporting you in that.

**Mr KERSHAW:** Thank you very much. I want to say we have also been lucky enough to hire one of Australia's eminent female leaders in this area, Di Foggo AM, who is the former Fair Work Commissioner. Di is working closely with us, and she recently delivered another report and addressed our senior executive as recently as last week. She has undertaken a number of facilitated workshops across the Territory dealing with our staff survey released last year addressing challenges we have as an agency.

There was a lot of positive feedback, but we have a long way to go to change some behaviours and attitudes across the board.

**Ms NELSON:** It is a cultural change; well done.

**Ms UIBO:** Madam Chair, I am mindful of time so I will just ask a few more questions on this output.

Chief Minister, this new financial budget includes \$25.8m for a new Palmerston police station; what will this mean for Palmerston and its neighbouring area?

**Mr GUNNER:** First of all, it is a genuine recognition of the service of the Palmerston needs. The Palmerston police station currently there is constrained. It has outgrown its scope. The demands for Palmerston have grown considerably. There are more police based in Palmerston now.

I want to commend the police and Police Commissioner on looking at the new police station and saying, how can we better involve ourselves with the community? It was reflected in those public meetings we had in Palmerston, the response the Commissioner has taken for things like coffee with a cop.

The police will be looking at building a community hall into that police station. We want to take a different approach to policing. It is not just about the bit immediately after the crime has occurred. Police have a role; they are members of the community and the Commissioner talks about that a lot.

This will be a very powerful and positive statement for Palmerston that goes beyond the fact we are giving Palmerston the police and services they need from a pure policing point of view. We are looking at how the police can better work with the community from much earlier in the piece.

**Mr KERSHAW:** We are extremely excited about the new Palmerston facility. We have done forward planning on predicted demographics and growth in the corridor, including roads—what is the fastest way we can respond, where does the station need to be placed, what does the future of the crime picture look like in Palmerston and what additional resources do we place down there? We would be putting extra resources from our Peter McAulay Centre down there.

Part of it is for the community to have ownership of that station and facility, be connected with us and helping solve and prevent crime in the Palmerston area.

**Ms UIBO:** Chief Minister, domestic violence is a huge problem in the Territory, as we know. This month Police Commissioner, Reece Kershaw, who is here today, announced the establishment of a new domestic violence command. What will this mean, and what level of resourcing will police direct towards dealing with domestic violence over the 2017–18 budget period?

**Mr GUNNER:** In many ways this goes towards coordination and focus because police have been spending a lot of time on family violence for a long time. In terms of extra resources—I will let the Police Commissioner talk about the specifics—police have been spending a lot of resources on this issue already. The question is, how can we better work in support of people experiencing family violence and making a difference in intervention?

**Mr KERSHAW:** We recently announced the establishment of the new command. There are only two that we know of in this country—one is Victoria police and the other is ours—in relation to being dedicated to

domestic and sexual violence. We announced that Commander Chris Evans was promoted into that area, who is a specialist in this field and is very highly regarded and well respected.

It will coalesce all of our specialist domestic violence units across the Territory and a number of other areas in relation to sex crimes, including our child sex offender registry unit, and a number of other areas we are working on.

I take my hat off to the NGO sector, which has played a role in talking to me and Deputy Commissioner Kate Vanderlaan about the need to look at a specialist command. We took on board the community and NGO sector's feedback. They should be commended for continually biting at our heels, saying we need to make this commitment.

It is a change for us in the sense that it will be a functional command which will go across the entire Territory. Our aim is to deliver a better and more standardised service. We know there are sometimes different ways of applying the Family Safety Framework depending on who is chairing it. There are ways we can get some consistency there, but it is also a central point of contact for all victims and the sectors supporting victims.

The focus will be victim centric and looking at protecting victims, while at the same time making sure our frontline response officers—we go to over 22 000 incidents per year, which is way above the national average—are equipped and well trained. We are thinking ahead about some innovative ways to start to prevent and reduce domestic violence across the Territory.

**Ms UIBO:** Residents in Katherine and Alice Springs say their towns have benefited from the initiative of police officers being stationed at the front of liquor outlets. The Labor government has committed to reintroducing the Banned Drinker Register on 1 September this year. What sort of exit strategy has been formulated with the police to ensure there is not a spike in alcohol-related antisocial behaviour when, or if, police choose to withdraw from the front of liquor outlets?

**Mr GUNNER:** The first thing that is important to note is that it is not an exit strategy. There were police out the front of bottle shops during the last term of the Labor government while the BDR was in place. They were run by police, managed by police and responsive to community concerns and police intelligence when things were going to get hot. It was done in support of the BDR.

We recognise that the day the BDR recommences on 1 September there will be, at a guess, around 1000 people on the register, so it will not be at the full (inaudible).

It will be providing police with a level of help they are currently not getting. If police walk away from bottle shops at the moment there is no assistance there. We recently had a situation in Alice Springs recently that related to the training police were doing. We have had incidents in the past where police had to respond to something and therefore were not out the front of bottle shops.

At the moment, if you are only relying on police out the front of bottle shops, there will be moments when they are not; that is a fact. They could be responding to something or undertaking training, or sometimes their services are physically required out of town. There can be rostering pressures around remote police stations. We live in a very large territory. We spread ourselves across that territory and we have to look after all Territorians.

Currently, there are times in Katherine, Tennant Creek and Alice Springs where police are not at the front of bottle shops. The BDR will be helping them. Police will be working on what they do, knowing the BDR is there and that we want police to be targeting secondary supply, which is an issue. It is occurring right now and police are trying to work out how they can target and identify secondary supply that occurs in Alice Springs when police are at the front of the bottle shop but cannot leave because there is nothing else in place.

It is not so much an exit strategy as it is recognising there will be a change in conditions and tools available to police so they can make better operational decisions in Katherine, Tennant Creek and Alice Springs about where their resources can go and what their resources can concentrate on. Secondary supply is an obvious one, knowing that there will be a Banned Drinker Register in place.

It is not about police no longer being at the front of a bottle shops. It is about police knowing there is a greater set of tools for them to use in tackling issues in these communities.

**Mr KERSHAW:** We need to be able to deploy adaptive, flexible strategies. The environment changes. We know that as we do certain interventions in reducing alcohol supply, takeaway alcohol supply, the market changes. That is why we have seen that secondary supply issue pop up regularly. We are talking to a number of communities about how we prevent some of the secondary supply reaching those communities.

We are constantly looking day-to-day at what our cause and effect is, but also longer-term. We have sent a lot of our data off to one of Australia's leading experts, Professor Lorraine Mazerolle of the University of Queensland, in relation to some evidence-based policing. She has access to all of our point-of-sale intervention data to see what the cause and effect is and put some evidence behind the whole strategy for now and over the horizon, given the fact that the market does change and people adapt to it.

We do not want people having to pay huge amounts of money and cause almost an organised crime type of alcohol secondary supply. We are looking at that as well as making sure that we engage the community and reassure the community that we are always going to be there, being responsive to the community. We will work together with the community as to what sort of strategies we are looking at over the next 12 months.

**Mr GUNNER:** Can I put this in perspective. I know there have been concerns for a long time about what BDR means. Police are members of the community in Alice Springs, Tennant Creek and Katherine and they will be making operational decisions about what happens there, mindful of the fact that they live in that community too. They understand that community, and they will not make decisions to the detriment of those communities. They are members of the community.

**Ms UIBO:** In the 2017-18 Budget funding has been allocated for the continued works to upgrade facilities at Alyangula and Angurugu on Groote Eylandt to the amount of \$9.5m. How much of the funding will be used for the upgrades individually on Alyangula Police Station and how much for the upgrades in Angurugu community itself?

**Mr GUNNER:** I will pass that over to the Police Commissioner in a second. First of all I want to touch upon Angurugu, recognising the importance of providing services to all communities. There are probably two good remote communities to raise in the context of the comments I have been making about Darwin and Palmerston and how Palmerston, to an extent, has not always gotten the attention it needs because of its proximity to Darwin. Angurugu and Alyangula probably fall into a similar situation. It is important we have attention on Angurugu in and of its own right, and that includes policing. There is money allocated for both, as well as other areas of the Territory.

**Mr WILLIS:** I will try to give an overview—I am conscious of the time—in the sense that the upgrade of Alyangula and Angurugu is a \$10m capital-funded program. Works of construction to the permanent police stations and upgrades to the current facilities have begun. What comes with that is not only the physical buildings we are doing there but the inclusion of dog operations and the accommodation and staffing that goes with those operations. That is an important point.

We understand that the project is not without its challenges. I can advise that we have secured the dogs and the staff, and we are just in the process of moving through with the actual builds for the capital expenditure.

**Madam CHAIR:** Are there any further questions on that output?

**Mr GUYULA:** What resources are being provided to local Aboriginal organisations, local leaders and elders to assist them with maintaining community safety and crime prevention?

**Mr GUNNER:** We can answer this to an extent, Member for Nhulunbuy, but I am also aware there is funding for night patrols from Attorney-Generals and the Commonwealth as well—we can answer it to an extent.

**Mr GUYULA:** I mean, apart from the local night patrol, there are leaders in the community who would like to use that with the law and order, working together with police.

**Mr KERSHAW:** Just so that I get this right, you said it is around fire services—community safety in relation to fire? Or are you talking police in general or Police, Fire and Emergency Services?

**Mr GUYULA:** I addressed you for that, and the question is, what resources are being provided to local Aboriginal organisations, local leaders and elders to assist them maintaining safety and crime prevention?

**Mr KERSHAW:** As an example, the Djelk Rangers, the sea rangers—we provided in the last reporting period some \$134 000 free of charge training for those rangers and we worked closely with a number of other organisations. In addition, we placed another liaison officer, a police liaison officer—it is the first time in our history that I know of—into the Northern Land Council to look at how we can keep Aboriginal land safer from poachers and illegal hunting and so on.

We have also expanded our Aboriginal liaison officer program throughout the Arnhem region, and we are touting for more business. If those communities have people who want a pathway to become an Aboriginal police officer or a police officer or auxiliary, then we really encourage them to take up the liaison officer role.

We are working with a number of corporations, as an example, in the Arnhem region. We recently co-hosted the Indigenous family domestic violence conference in Alice Springs with the Rirratjingu Aboriginal Corporation, who have indicated that they wish to host that perhaps next year in Nhulunbuy and Yirrkala. That is going to be a really good initiative. We work closely with that particular corporation around the No More campaign with Charlie and we have people like Rosie Batty out to the region of Ramingining and so on.

We do wish to expand our Aboriginal community police officer presence within the region, the Arnhem area. We are constantly trying to recruit more from Indigenous communities. Recently, for the first time in our history—and we are planning to do this both in Katherine and in Darwin for the region—we held our first Indigenous police officers' forum. We brought everyone together in Alice Springs in the southern area and then had all of those officers present to the board that is sitting here and behind me today; this occurred in the last two weeks.

It was quite profound for us in terms of some of the strategies brought forward by officers on behalf of their communities. Some suggested, for example, when we do go out to recruit in these communities, why are we not taking our Aboriginal police officers? We have taken that on board that we need to do more work with our own officers being involved in recruiting other Aboriginal police officers and Aboriginal liaison officers.

We have committed an ambitious target around our Indigenous numbers. Our last recruit course again demonstrates our commitment to working with Aboriginal elders and leaders across the Territory so we are more reflective of the community that we serve and protect.

**Madam CHAIR:** Any further questions? That concludes consideration of Output 13.1.

### **Output 13.2 – Investigations**

**Madam CHAIR:** The committee will now consider Output 13.2, Investigations. Are there any questions?

That concludes consideration of Output 13.2.

### **Output 13.3 – Services to Judicial Process**

**Madam CHAIR:** I now call for questions on Output 13.3, Services to Judicial Process. Are there any questions?

That concludes consideration of Output 13.3 and Output Group 13.0

## **OUTPUT GROUP 14.0 – ROAD SAFETY SERVICES**

### **Output 14.1 – Road Safety Services**

**Madam CHAIR:** We will now proceed to Output Group 14.0, Road Safety Services, Output 14.1, Road Safety Services. Are there any questions?

**Ms UIBO:** Chief Minister, in April this year I wrote to you outlining my concerns about the lack of highway patrols along the Stuart Highway, particularly between Darwin and Katherine, and I thank you for your reply.

My concerns were about the high level of dangerous speeding, which I have witnessed over the last few months during my travels to Darwin from Katherine for work. In fact, just on Saturday I was overtaken by a vehicle on a double lane stretch of road, which overtook two other cars and a road train, 300m from a

designated overtaking lane at an estimated 160km per hour. It was too fast for me to get the licence plate, but it was an interstate one.

My question is, what is our government doing with the \$28m funding allocated to road safety services, and will it include more highway patrols in areas that are serial hot spots, such as the Darwin to Katherine stretch of the Stuart Highway?

**Mr GUNNER:** I am happy to take on board those thoughts about hot spots on the highways.

Unfortunately, our long stretches of road attract people who drive dangerously on our highways. We want to stop people driving fatigued, drunk or dangerously. Police have a significant amount of work patrolling our roads and I will ask the Commissioner to break down a little of what we are doing in this space soon, but I also want to note that the transport minister is undertaking a community consultation process on how we can improve road safety.

There have been some suggestions about whether we should double demerits. I am happy to take on board this idea, which will be in the consultation paper. In some respects there are much harsher penalties that already exist. We will be linking drinking under the influence to the banned drinkers register, and if you are driving dangerously or drunk, you can automatically lose your licence or go to gaol. These are significant penalties.

**Mr KERSHAW:** We know that 70% of our fatal accidents occur in the regional area, so it is a significant area for us to concentrate on. Some 180 000 breath tests are conducted annually. We set a target of 150 000 and we regularly exceed that.

The use of automatic number plate recognition has enabled us to check 1.1 million vehicles annually, and we have 331 speed camera checks per day.

So there is a lot of activity conducted, not just from our traffic branch but from our general duties officers and other patrols as well. The use of technology has allowed us to detect a lot of different infringements and offences across the board.

We know that it costs approximately \$2m to \$2.5m per fatal accident when you factor in social services and other services. This year we are tracking almost 30% lower compared to last year. We have had 13 fatalities this year compared to 18 last year. Our target is zero.

But we know our regional areas are high risk and our traffic branch and others are looking at longer range patrols and at our fleet vehicles to see if they are fit for purpose for being able to do more traffic enforcement. Some of our vehicles are not able to go off-road, and a lot of vehicles go off-road to avoid detection. It is a constant challenge for us to not only educate but enforce and police those regional roads.

**Madam CHAIR:** Are there any further questions?

**Mr GUYULA:** Yes, I would like to clarify something. It is called Minister for Police, Fire and Emergency Services, but I see there are only police here. Am I correct?

**Mr GUNNER:** There is Fire and Emergency Services.

**Mr GUYULA:** Of course.

**Mr GUNNER:** The Police Commissioner is in charge of all three arms, and we have Fire and Emergency Services behind us.

**Mr GUYULA:** Yes. The other one was the question that I asked. What resources are being provided to local Aboriginal organisation, local leaders and elders to assist them in maintaining community safety and crime prevention? That was my question and I addressed it to you as the Chief Minister, Police, Fire and Emergency Services.

**Madam CHAIR:** Thank you, Member for Nhulunbuy, for clarifying that. Do you feel you were answered properly before, or do you want us talk more to the question?

**Mr GUYULA:** No, I think that is all.

**Mr GUNNER:** Thank you, Member for Nhulunbuy.

**Madam CHAIR:** That concludes consideration of Output Group 14.0.

**OUTPUT GROUP 15.0 – FIRE PREVENTION AND RESPONSE MANAGEMENT**  
**Output 15.1 – Fire Prevention and Response Management**

**Madam CHAIR:** The committee will now move to Output Group 15.0, Fire Prevention and Response Management, Output 15.1, Fire Prevention and Response Management.

Are there any questions?

That concludes consideration of Output Group 15.0.

**OUTPUT GROUP 16.0 – EMERGENCY SERVICES**  
**Output 16.1 – Emergency Services**

**Madam CHAIR:** The committee will now consider Output Group 16.0, Emergency Services, Output 16.1, Emergency Services.

Are there any questions?

That concludes consideration of Output Group 16.0.

**OUTPUT GROUP 17.0 – CORPORATE AND GOVERNANCE**  
**Output 17.1 – Corporate and Governance**

**Madam CHAIR:** I now call for questions on Output Group 17.0, Corporate and Governance, Output 17.1, Corporate and Governance.

Are there any questions?

That concludes consideration of Output Group 17.0.

**Non-Output-Specific Budget-Related Questions**

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

This now concludes consideration of output groups relating to the Northern Territory Police, Fire and Emergency Services. On behalf of the committee, I thank the officers who provided assistance to the Chief Minister today.

**Mr GUNNER:** Before we move on, Madam Chair, I thank the Police Commissioner, Michael Willis and all the other people within NTPFES who did a significant amount of work. I know there is a lot of work that goes into it. I thank them for doing it. It is an important part of the scrutiny process. They spent a lot of time and hours getting ready for today, and I thank them for that.

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The committee suspended.

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**DEPARTMENT OF TRADE, BUSINESS AND INNOVATION**

**Madam CHAIR:** The committee will now move on to consider outputs relating to the Department of Trade, Business and Innovation.

**Mr GUNNER:** Madam Chair, I will introduce the people with me today. I have Michael Tennant, Chief Executive Officer for the Department of Trade, Business and Innovation, and Sibylle Brautigam, Deputy Chief Executive Officer of the department.

We are doing a lot to create and support jobs in the Northern Territory and to engage with Asia. Some of what we are doing here I have actually touched upon in other questions through the committees. I will abbreviate my remarks as a result.

The department has done a significant amount of work in consultation with all sectors of the economy and Territorians up and down the track to help design and shape our jobs plan for the Territory. We came to the election with a jobs plan. We have now honed that. We shaped our budget. It has led to things like the cities deal with the Australian Government. We are progressing on the (inaudible). We are doing a significant body of work around Katherine and Tennant Creek and the remote parts of the Territory.

I would be very happy to take questions about all of them. They may be shorter remarks than normally, but I recognise that we have already touched upon (inaudible) with the Department of the Chief Minister questions.

**Madam CHAIR:** Are there any questions on the Chief Minister's statement?

#### **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 within the Appropriation Bill for 2017-18 as they relate to the Department of Trade, Business and Innovation.

Are there any agency-related whole-of-government questions on budget and fiscal strategies?

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

Are there any questions from members of the public?

**Ms NELSON:** This question is from the Chamber of Commerce of the Northern Territory, the Manufacturer's Council. The budget outlined a \$200 000 allocation for the newly appointed buy local advocate. Can you please outline how these funds will cover the costs of running and maintaining the position and office?

Please disclose how these costs, such as the following, will be covered: wages; superannuation statutory costs; overheads; rents; admin support; vehicle; and travel. Could you also please briefly outline the base wage that has been allocated for this position?

**Mr GUNNER:** There will be a wage for being the buy local advocate and there is an official way of remunerating, which I will get the CEO to go through. Essentially, there is a rate of pay for a member. We will be providing secretariat support from DTBI, from within. I also want to confirm that \$200 000 is not the operating budget. It is a bit like what the Auditor-General does when the buy local advocate goes out and does some work internally with an agency, they will be able to, essentially, send an invoice. It will be a demand driven situation which is perfectly normal, but in terms of remuneration, I will ask the CEO to touch upon that. I believe it is a Class C2 Chairperson rate.

**Mr TENNANT:** As a member of Procurement Review Board the buy local industry advocate will be remunerated under the framework for statutory bodies of the Class C2 Chairperson rate which currently is \$719 on a daily rate. As detailed in the Northern Territory Government Boards Handbook, members are entitled to be paid superannuation for each month where the total sitting fees earned reach \$450. Currently the superannuation guarantee rate is 9.5% and that guarantee is calculated on a monthly basis and payable to the employee on a quarterly basis.

So, if you assume 47 weeks full-time through the year, so 52 weeks with five weeks off for annual leave, the remuneration would be at \$168 965 plus \$16 051 superannuation payable through the year. We are also paying for all other support for the buy local advocate including office accommodation, administration support and travel, which will also be paid for the advocate in fulfilling the functions of their duties.

We are looking for the advocate to be posted out of the Northern Australia Development Office which, as you may be familiar, provides co-located office space for a range of industry associations.

**Mr GUNNER:** It is a natural co-location of business and government which I think may suit the buy local advocate well.

**Ms NELSON:** This question is from Practical Safety Australia, from Emma Martin. Specifically focusing on the contract of tennis centre, why is it that grant money generated by the taxpayers of the Northern Territory and donated to Northern Territory bodies can be spent without any form of scrutineering with

southern or overseas companies when there are NT-based owned and operated companies that are perfectly capable of doing the job and circulating the money in the NT?

**Mr GUNNER:** We have made significant change in this space to how the buy local policy works. If you receive money from government to build things, you are required to follow the same buy local policy as government. That was not the case before the last election, so that is a significant change.

We cannot guarantee the work goes to a Territory company, as there are Australia laws around competition, but we can make sure Territory companies get a better and fairer crack at it. That should not only involve direct Northern Territory Government expenditure, but those people who are lucky enough to receive government money should be mindful of Territorians.

We will enforce that through our strengthened buy local policy and they will now have to abide by that. I think we have all been frustrated by examples where people have received NT Government money as a grant, but then not spent it with Territorians. They now have to try; that is part of the buy local policy guidelines. The implementation and enforcement of that is through the buy local advocate.

A lot of the focus on the buy local advocate has been on how government conducts itself, but it will have the ability to follow government money and enforce buy local principles.

It is a good and important question. Now people who have received capital grants from government will have to comply with our buy local principles.

**Ms NELSON:** The next question is from Donna Mahoney. Can you please estimate how much money would have been saved if you had used the Internet and phone to find out about Singapore instead of having a junket at taxpayers' expense?

**Mr GUNNER:** I touched upon my Singapore trip a lot in the Chief Minister's department section, so I will not repeat my very passionate answer regarding the cities deal, Darwin being the capital of northern Australia and what we learned from Singapore. What I can say is the same reason I visited Singapore is the reason I did not Skype into COAG and Hobart two weeks ago. You get more done in person.

The Singapore trip was built into an Indonesia trip, which seems to have been forgotten about by some. I went through Singapore on the way to Indonesia and on the way out, so it made sense to build in my work in Singapore at the same time, especially when there is knowledge to take away from Singapore. We have established really good relationships now with people, institutions and universities in Singapore that will have learned lessons with us. You get more done by showing up.

We need to recognise Darwin's and the NT's place in the region; we have to travel. We have to get to Indonesia, Singapore, China, Japan and Vietnam, all the places that are important to us. We want them to do business with us, so we have to go there as well; it goes both ways.

I think it was a very good and important trip. In regard to some of the outcomes, I will refer Donna to the previous answer I gave, regarding why it is important to travel. You get more done in person and they take you more seriously.

To reference part of an answer in the DCM section, I stood in the lobby, for want of a better word—it was a garden in the hospital—and experienced 32 degrees. You cannot do that via Skype; you cannot be in that lobby and understand exactly what they mean when they say they have a modern, tropical design.

**Mr PAECH:** It is safe to say the practical components of that trip far outweigh Skype.

**Mr GUNNER:** You cannot do that via Skype.

**Ms NELSON:** I hope that response has satisfied Donna Mahoney.

I have a question from Ms Cherelle Tiedeman. Are there any incentives to support government tenders being awarded to Territorians? In what industries will the budget create jobs besides builders and construction workers?

**Mr GUNNER:** There are significant policy incentives to encourage Territorians to get to work. We have made a series of changes. In this instance the most important one is that we have changed it from value for money to value for the Territory.

In how you make a procurement decision you have to be thinking about what value will be generated for Territorians, not only who has put in the cheapest quote—recognising the whole return of investment you get when you spend that money. There are significant policy incentives in place to encourage the awarding of contracts to Territorians while being mindful of the fact there is Australian law around competition. We are being careful.

In that bit about what industries will the budget create besides builders and construction workers, it is important to note, especially if you get it right, construction drives jobs in other sectors. If you look at what we want in Katherine around the investment there, whether it is roads or the agribusiness hub, that is about driving jobs in the agribusiness sector, not the building sector. The builders are who get the jobs done so we can drive work in those other areas.

Tourism is an obvious example. A large part of our construction budget will drive jobs in tourism and agribusiness. The ship lift facility we are working on is about significantly strengthening the marine industries we have in the Territory and our capacity to service marine vessels. That is a big infrastructure project and will create jobs in construction, but the ongoing is not in construction. The ongoing will be in those marine industries.

Our infrastructure budget has been designed in full consultation with all economic sectors. That was the point of those economic summits and the economic development framework: how can we reliably spend Territory taxpayer money to unlock private sector investment and jobs in all sectors?

We have those five main drivers: international education; tourism; resources; agribusiness; and Defence.

Short answer: construction will drive jobs in a lot of other sectors.

**Ms NELSON:** My next question is from Mr Covy Sonyowee Christland: how does the budget provide assistance to refugees and migrants communities to operate their businesses and in what conditions, and how does the budget support innovative skills in refugees and migrant communities?

**Mr GUNNER:** We have, in the Department of Small Business Champions area, work to help tailor what they need. It will not be necessarily specific to refugees and migrants. It is about what you need. If you happen to be a refugee or migrant with a specific need then they can help work with you around that.

We have a few different grant programs. They are designed around, how can we help you do business? What is important is that being a refugee and migrant is not, in any way, a hindrance or obstacle to getting that help, getting business started and being entrepreneurial.

**Mr TENNANT:** The department offers a full suite of programs to help businesses to start, run and grow, including for refugee and migrant communities who want to set up a business or already have an established business. This includes access to a team of small business champions, who work directly with the new and established businesses across the Territory, and access to a range of free and low cost workshops.

Through those small business champions there is an ability to access tailored grants to engage experts to help the needs of the individual business people around tailored solutions for where they are up to in the start, run and grow process for the business.

Through our workforce division we offer equity training grants to improve training and employment outcomes for disadvantaged people in the NT, including long term unemployed migrants and refugees. The budget for that moving forward in 2017–18 is \$350 000.

That grants program allows incorporated and registered training organisations and schools to apply for grant funding for innovative programs to improve training and employment outcomes. The program uses links to existing services and establishes partnerships and arrangements with key stakeholders. It is training for jobs.

One of the projects we have supported is Learning Potential International, a microbusiness program that has been designed to provide accredited VET training and Certificate III in Micro-Business Operations. We also support skills for work through Born To Win Consulting, a pre-employment training and mentoring program for refugees and migrants. It provides accredited VET training, mentoring programs, work experience placements and a transitional pathway into further education and employment.

All of the programs we offer across the department through our workforce and business support programs are open to all refugees and migrants throughout the Territory. We are a very multicultural Territory. We are welcoming to refugees and migrants and the value they bring to our community, and the diversity that brings to our society and business community.

**Ms NELSON:** This question is from Mr Jason Hampton: can you please consider making effort to improve communication with One Mile Dam and a business project?

**Mr GUNNER:** Yes. I will go one step further and ask the CEO for the Department of Trade, Business and Innovation to follow up, so we will consider it an act. I cannot guarantee what the result will be. We have to talk to the other end.

**Mr TENNANT:** I have Jason's contact details. He and I have met previously and he has just emailed me recently, so I am happy to follow up with Jason Hampton directly.

**Ms NELSON:** This question is from Mr Chris Walsh: could you please provide the total expenditure and itemised details of travel including, but not limited to, travel-related costs such as itinerary, accommodation, travel allowance, entertainment, hospitality, car rental, meals and incidentals for public servants in each agency from July 1 2016 to March 31 2017 for international, interstate and intrastate travel.

**Mr GUNNER:** Michael was listening earlier and he has a rather lengthy answer that we are happy to table. I will not read it out. With the indulgence of the committee, it looks very lengthy.

**Mr TENNANT:** I understand from listening earlier today through the committee's proceedings that there were six questions related to travel. What I would like to table is answers in relation to the period from 1 September 2016 to 31 March 2017 in relation to international, interstate and intrastate travel. This was provided as a response to a written question on notice from the Leader of the Opposition in advance of estimates.

I am happy to take the other aspects of those six questions on notice as they relate to the period outside of that reporting period.

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#### Question on Notice No 2.7

**Madam CHAIR:** Member for Katherine, could you please restate the question for the record?

**Mr GUNNER:** Because the six were read out earlier we will take all six on notice as previously read out rather than making the Member for Katherine read it out again.

**Mr PAECH:** I am very pleased that you were listening earlier, Mr Tennant.

**Madam CHAIR:** The question asked by the Member for Katherine of the Chief Minister has been allocated the number 2.7.

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**Ms NELSON:** I am going back to a question that was asked previously. It was public question from Ms Alicia Shuey with Climate Action Darwin. In the fiscal year 2017-18 how much money will the Northern Territory Government allocate towards an energy efficiency program in the NT targeting small business and industry?

**Mr GUNNER:** I will ask Michael Tennant to answer that. We have got some programs around that.

**Mr TENNANT:** The Smarter Business Solutions Program is the program that offers free advice and grants to Northern Territory businesses, Indigenous enterprises and not-for-profit organisations to help reduce their day-to-day energy, water and material costs. It has a dual focus of both helping organisations to reduce their running costs and improve their competitiveness and productivity, but at the same time it is targeted at areas that have a benefit for the environment and our climate as well.

The program works by providing technical advice on contemporary efficient technologies, practices and processes that can be adopted within organisations. It provides a walk-through survey within the organisation to identify and assess potential cost saving opportunities and initiatives with a written report that is provided to the organisation with options and suggestions that they can adopt.

Grants of up to \$20 000 are available to assist eligible efficiency improvements within a business or organisation, and grants of up to \$20 000 are also available to adopt solar photovoltaic and remote power system projects within the business. There is assistance that allows the organisation to adopt and put in place some of the technologies and processes.

During the 2016-17 year it is a very popular program. Demand exceeded our grants budget allocation. Part of that was because of the demand and awareness of the program. Also, in an economy transitioning and a little more subdued environment we have had a range of businesses and not-for-profit organisations actively looking at how to reduce costs and improve their efficiency and competitiveness.

We continued the program throughout the 2016-17 year via internal re-prioritisation to ensure it was still available, and we topped it up throughout the year.

As at 31 March, the program has assisted 51 organisations to identify cost savings and efficiency initiatives, and provided \$647 208 in grant assistance. We have carried out 36 site surveys to Northern Territory organisations, and identified cost saving opportunities and initiatives to reduce costs and improve efficiency.

The grant investment of \$647 000 has leveraged a further \$2.2m investment directly from those Northern Territory organisations that participated, where they tapped into and funded additional technologies and processes themselves. The majority of that saw equipment purchased and installed by local Northern Territory businesses in line with the buy local grants policy objectives.

So where we helped a business or a not-for-profit organisation adopt new processes and technologies, they then supported our local businesses in supplying and adopting those processes. The accumulated cost savings to the business participants this financial year are expected to be at least \$532 000.

Importantly for the environment, we see an estimated reduction of more than 1500 tonnes of carbon dioxide emissions in the reporting period through to 31 March 2017.

We are continuing the program in the 2017-18 financial year.

**Ms NELSON:** That concludes the list of public questions I have.

**Madam CHAIR:** That concludes consideration of the lead questions.

## **OUTPUT GROUP 18.0 – BUSINESS AND INDUSTRY DEVELOPMENT AND SUPPORT**

### **Output 18.1 – Business and Innovation NT**

**Madam CHAIR:** We will now move on to consider Output Group 18.0, Business and Industry Development and Support, Output 18.1, Business and Innovation Northern Territory. Are there any questions?

**Ms NELSON:** Chief Minister, how is the government supporting businesses and not-for-profit organisations to develop the capacity and capability to deliver the requirements of the NDIS framework?

**Mr GUNNER:** That is a good question. The department is doing a significant amount of work here. It has helped us go to COAG and ask for a national workforce strategy, because we recognise that if we do not get this right, we will draw down upon our already strained workforce in aged care and early years.

There is a lot of work happening at the department's end to get people trained and prepared and able to do the work. The NDIS is going to change from block funding to the individual being able to identify who will provide the service, which will create market opportunity. We want to make sure Territorians benefit from that opportunity.

**Mr TENNANT:** The transition for NDIS service providers commenced in January this year and will continue in a staged approach across the Territory through to 2019-20.

It creates great opportunities and challenges for our disability services sector. With service providers transitioning from block government funding to individualised fee for service, person-centred care models, organisations need to re-shape their business models to ensure their viability in a new market-style disability service system.

It also provides opportunities for new businesses and existing organisations, particularly in the bush, and for jobs for Territorians throughout the Territory to provide services locally.

We are committed to maximising opportunities for Indigenous employment arising from implementation of the NDIS, including throughout the remote areas of the Territory, and we have commenced work in relation to the roll out in East Arnhem Land.

We have developed a series of initiatives to support existing service providers and others who want to establish a new organisation to provide local services.

Our Department of Health, with the Commonwealth government, has committed \$2.9m to sector development funding to address business sustainability and workforce needs, and have engaged the Department of Trade, Business and Innovation to administer program funding through two programs in relation to sector development.

That builds off our existing small business champions and models we use in relation to workforce development. It will work with existing providers to help them transition and adjust their current business models. We are also looking at how we support new organisations to step up. Importantly, it is how we train our workforce for the future to fulfil the job opportunities that are there. We are training Territorians for those jobs.

The committee heard earlier that the forecast is we will need an additional 1000 jobs in the Territory working in the disability space over the coming years. It is a great opportunity to train Territorians for those jobs and for as many of those jobs as possible to be out on the ground locally where people live throughout the Territory, including the one in four of us who live in the bush.

**Mr PAECH:** Do you anticipate that they are full-time jobs?

**Mr TENNANT:** Part of this will be a mix of jobs, depending on the environment. Part of this in the disability services space provides great flexibility for how people want to work and whether or not they would like a full-time job or part-time work around their choice, depending on where they live and what the local demand is of people who are disabled, and the business opportunity for that to be a full-time job. At the same time this nature of work also provides flexibility for those who may not want, for other family or lifestyle reasons, to work full-time but are interested in regular part-time work to provide those care and support services. It provides great flexibility for individuals to choose full-time or part-time work.

If I may clarify—those 1000 extra jobs is 1000 extra FTE jobs. So the head count, if part-time, may be a lot more than that.

**Madam CHAIR:** Are there any other questions for 18.1?

**Mr GUYULA:** The budget states there will be \$1m to support remote Aboriginal economic development initiatives. Could you provide a breakdown of how these funds will be allocated?

**Mr GUNNER:** It will be upon application. People will need to come forward with their ideas. It is a grant fund, essentially. I can break that down once the year is over and the money has been acquitted, but in advance—I need people to apply. If you can get the word out that there is \$1m there, we are happy to, upon application, consider those. I cannot give a breakdown in advance.

With the Chair's indulgence, I am happy to take all the member's questions for the department now, if you like. If you have any more questions I am happy to take them.

**Mr GUYULA:** Yes, I have a couple more. In remote areas business support is needed. Some homelands are operating small tourist businesses. I recently visited Nyinyikay which relies on tourism over the Dry Season. These businesses will struggle to operate over this Dry Season if resources are not allocated to roads to increase accessibility. Are there any funds available for infrastructure to assist remote businesses with accessibility?

**Mr GUNNER:** The two things you are after there are, when it comes to connection, both roads and broadband mobile phones?

**Mr GUYULA:** Yes.

**Mr GUNNER:** On the road section, I know Nicole has been—Gerry McCarthy has buckets of money for this. One of the reasons why we created that strategic fund I mentioned earlier for internal roads in community was to free up the other buckets of money that exist that were being tapped for internal roads, to free up essentially \$5m extra. It creates a greater freedom for the other \$5m strategic fund that was there. That is the road side. Minister McCarthy will be happy to take more questions on that. Minister Moss will be happy to take questions on the telecommunications side.

For the homeland tourism business you are talking about, probably the two most important things they need is being able to access the community by road and for them to be able to call in and out. Both Ministers Moss and McCarthy will be able to answer those. We see them as priorities.

**Mr GUYULA:** The last question also applies to business in all communities in Arnhem Land, including Nhulunbuy. But further to these businesses are all living expenses such as food, rent for offices and housing staff, rates for homes and businesses, high cost of flights and difficult access by road.

Could you advise what funds are available to support businesses running in remote areas that have extra costs, including the private mining town of Nhulunbuy?

**Mr GUNNER:** There is not a direct subsidy, if that makes sense. We do not have that capacity to directly subsidise business in remote areas. We are aware of the concerns, and it is one of the things that drives our roads budget—for example, a desire to improve barge landings or other things—but we do not have a direct cash bucket for subsidy. So, the direct question of what money do we have to directly help those businesses, would be zero. But there are a range of other things that we are trying to do to help those businesses. To be fair to your question, you are right that we do not have a direct cash subsidy.

**Madam CHAIR:** That concludes consideration of Output 18.1.

### **Output 18.2 – Strategic Policy**

**Madam CHAIR:** The committee will now proceed to Output 18.2, Strategic Policy.

**Ms NELSON:** Chief Minister, it is anticipated that the NT economy will decline in 2017-18. Can you briefly explain how you are positioning the NT for economic growth?

**Mr GUNNER:** I have touched upon this already. For me the important thing is confidence, and to get confidence we have to create certainty. Government is here; we are doing some heavy lifting. We have a big cash budget for infrastructure, for example. Perhaps the most important thing we are doing is providing certainty about where we are investing over the longer term. The department has done a significant body of work through their economic development framework and the 10-year infrastructure plan they are about to roll out.

We want to create the investment environment for businesses to have confidence to invest now, knowing where we are going to spend our money. I think this is the best way through the downturn. I made the same point to the Prime Minister at COAG the other day. It is not necessarily about asking the feds to spend more money; it is about getting business confidence about where they are going to spend their money over the next few years.

The example I gave at COAG, and I mentioned it at the press conference at COAG, was beef roads. Developing the North White Paper mentioned better beef roads; that is a principle we can all get behind. Essentially, we have 12 months' notice during an ordinary budget cycle about where the feds will put some of that money and we are matching that.

The point I made was they could give us two or three years, if not longer, of guidance on where that money is going to go. You will see a property owner invest now knowing the money is going to be there rather than to wait three years and invest then. We are not making this up; the NT Cattlemen's, Queensland and Western Australian counterparts are going to have a strategic plan. There is going to be an industry plan backing this up so let's get in behind industry and provide that certainty and confidence that will unlock that private sector investment.

That is the way through the current Territory economic situation's confidence and certainty. We have done all the hard work to provide that. We have done the economic summit's process. We have done a considerable body of work to ensure that our plans line up with industry plans and we create that confidence to invest.

I can talk a lot, as you already know. I have already mentioned things about cities deal, shiplift, inland port, mining commodities hub in Tennant Creek, Alice Springs cities deal and whole bunch of other things that we are doing. There is a lot that we are doing to help turn around the economy, but I think it all starts with providing certainty to restore confidence after four chaotic years.

**Ms NELSON:** I think it is important to highlight that. It is sustainable and sustainability is important.

**Madam CHAIR:** Are there any other questions on that output? That concludes consideration of Output 18.2.

### Output 18.3 – Procurement NT

**Madam CHAIR:** The committee will now consider Output 18.3, Procurement NT. Are there any questions?

**Ms NELSON:** Chief Minister, what investment has been made to support remote communities with regard to the government's procurement activities?

**Mr GUNNER:** There is a lot we are trying to do in this space. We have an independent review at the moment of how some of these policies work to make sure we are getting it right. There have been some concerns expressed as well as compliments. It goes both ways; there have been some rewards but there is also some risk. We want to try to get it right.

I am being careful with what I say here because I know we are getting towards the end of the review process. I want to make sure I say what we are doing in step with where we are at. I will get the CE to pick up on that.

**Mr TENNANT:** We have undertaken an independent evaluation of the two Indigenous procurement policies that were put in place by the former government. One is the remote contracting policy and the other is the Indigenous employment provisional sum that applies to the Department of Infrastructure, Planning and Logistics' capital spend.

As the Chief Minister said, that evaluation included Territory-wide consultation through KPMG with the business community and with Indigenous Territorians and organisations throughout the Territory. We are developing options on how we can address some of the concerns and areas of improvement for government to consider and make announcements on in the near future.

In the meantime, we provide a lot of support to communities through the Small Business Champions and regular visitor program; and through Boosting Business in the Bush, in relation to workshops and boot camps, as well as through workshops and grants to Aboriginal organisations—profit and non-profit—to improve their own capability and capacity to tender for government works.

**Mr PAECH:** So the short answer is that there is a range of programs targeted in budget 2017–18 to grow and support Aboriginal businesses. I am wondering, just quickly, in terms of reform—I know you are a little cautious to make comment on this—will there be provision for a weighting in the procurement guidelines for Aboriginal organisations and businesses? Or are you not at liberty to say at this moment?

**Mr GUNNER:** It is an option. The Commonwealth's approach is 3%, which in the Territory needs to be 27%. We want to consider that option correctly.

**Madam CHAIR:** Are there any other questions on this output?

That concludes consideration of Output 18.3.

### Output 18.4 – Northern Australia Development and Trade

**Madam CHAIR:** I now call for questions on Output 18.4, Northern Australia Development and Trade. Are there any questions?

**Ms NELSON:** Chief Minister, how does this budget help Northern Territory businesses to benefit from the Defence expenditure of \$8bn over the next 10 years? I understand it could be a bit obvious, but can you elaborate on that?

**Mr GUNNER:** We will appoint a Defence advocate. We are very close to announcing that Defence advocate and we have done a significant body of work getting ready for this to ensure we are present in Canberra. We have talked about the importance of travel. From my trips to Canberra it has become clear that it is important to be present in Canberra regularly. I can do as much as I can, but we need a permanent presence there, and this advocate will provide that.

We also have the Defence Advisory Board, which is very important, and we are doing a lot of work. I spoke with some people on Friday, who had been through the prep work for the US—businesses that were very grateful for the work we are doing to help prepare businesses for how they can work with Defence.

We do not want to be responsible, as the NT Government, for making sure people are not prepared. Let us do everything we can to help. The Defence advocate—lifting the capacity of business to tender and deliver on contracts. Defence have an expectation. We are doing a significant amount of work with federal ministers on how they shape and design their packages. There is still more work to do on how they do that to make sure Territory businesses get as fair a crack as possible. We are relying on seeing that Defence Advisory Board about how we approach and work with Defence in a lot of what we do.

The finance minister, in many ways, is the most important minister here. Attention goes to Pyne and Payne, as Defence and Defence Industry ministers, but Mathias Cormann as the Finance minister provides a lot of the directions on how Defence procures. We have spent a lot of time with Minister Cormann.

**Madam CHAIR:** Are there any further questions on this output?

That concludes consideration of Output 18.4, Northern Australia Development and Trade.

### **Output 18.5 – Strategic Infrastructure and Projects**

**Madam CHAIR:** The committee will now proceed to consider Output 18.5, Strategic Infrastructure and Projects. Are there any questions?

**Ms NELSON:** Chief Minister, how will your strategic infrastructure investment leverage private investment?

**Mr GUNNER:** There are a couple of good examples. I mentioned beef roads, providing certainty and helping to leverage that investment. One of the others I can touch upon is in Tennant Creek—we identified Tennant Creek as a priority and we have spoken about the common-user processing plant there.

We have lots of small allotments there, or tailings, and none of them in their own right can justify a processing plant. You can build a common-user processing plant—we are doing a feasibility study, so I should not jump too far ahead. If we get that right it will generate investment for, potentially, 15-plus years through those small allotments and tailings.

It is about doing the work and getting smart investment from government that will then leverage that private sector investment. That is one good example. I mentioned beef roads earlier. Is there another one we should mention?

**Mr TENNANT:** Some of the new initiatives around fiscal investment processes for the water theme park, the seniors lifestyle accommodation options, the new tourism accommodation facility—this is where we do the market testing and look at what would attract private sector investment in different investment opportunities throughout the Territory, and having an ongoing pipeline of those. There are lots of investors out there, but they like it when you are packaging things up and de-risking it for them to deliver that investment.

**Mr GUNNER:** The water park is a good example. We have some land; how can we leverage it? The idea of that came forward and we have already had three people put their hands up saying they are interested. It is a bit early; let us wait to get it right, but it is generating interest. It is a way of leveraging private sector investment.

**Ms NELSON:** I have one more question on this. The projected spend on strategic infrastructure and projects has more than doubled, so it has gone from almost \$8m in 2016–17 to \$19.3m in 2017–18. How is the government working with the Commonwealth government to expand Defence investment in the NT in that context?

**Mr GUNNER:** There has been a jump in spending from things like the \$10m for the luxury hotel, \$1m for the market-led process of the water theme park, and \$500 000 for extra funding for the department. We are putting a lot of work in, which is fantastic. For Defence we are doubling the team, which is huge, to make sure we work better with Defence from an NT public point of view to deliver that benefit to Territorians.

It is not just about creating jobs for Territorians or creating economic opportunity; it is a better result for Defence strategically if they can get the work done locally.

**Ms UIBO:** Does that include the placement of a position in Canberra?

**Mr GUNNER:** It is not for that line. We are putting a placement position in Defence, but not from the bucket that the Member for Katherine was talking about.

**Madam CHAIR:** Are there any other questions on this output?

That concludes consideration of Output 18.5.

### **Output 18.6 – Chief Scientist**

**Madam CHAIR:** The committee will now consider Output 18.6, Chief Scientist. Are there any questions?

**Ms NELSON:** Chief Minister, in relation to the funding of the Chief Scientist, can you briefly step me through the reprioritisation of this funding and how that contributes to new innovation initiatives?

**Mr GUNNER:** We have made the decision that in the science space we are doing a significant body of reform between the Department of the Environment and the department of mines. We are doing the hydraulic fracturing inquiry, the water review and the Roadmap to Renewables. While we are doing that—how that Chief Scientist would fit in with the Department of the Environment is not clear.

In some respects, how can we use that money alternatively? We want to look at the innovation space, so we are putting extra money into the innovation support scheme, investor work—how does that work and how can we help there—the hub we announced and where we are supporting the Commonwealth. The investment down the road—the Darwin Innovation Hub with Harley Paroulakis.

There is a body of work we are doing, but the reason we felt we could reprioritise this money is principally around the reform work we are doing in the Department of the Environment where we are working all our policy settings and how it works at a departmental level. Until you have done that you cannot say, 'This is how the Chief Scientist fits into the picture'. It made sense to reprioritise. Innovations is a huge agenda item for us, and that is why we focussed on it.

**Madam CHAIR:** Are there any other questions relating to this output? That concludes consideration of Output 18.6 and Output Group 18.0.

## **OUTPUT GROUP 19.0 – EMPLOYMENT AND SKILLING**

### **Output 19.1 – Employment and Skilling NT**

**Madam CHAIR:** The committee will now move to Output Group 19.0, Employment and Skilling, Output 19.1 Employment and Skilling NT. Are there any questions?

**Ms NELSON:** The projected budget for employment and skilling had a slight fall from \$106.6m 2016-17 to \$100.9m in 2017-18. Within that budget context, will the budget cut affect economic development activities in the bush?

**Mr GUNNER:** No. We are currently in negotiations with the federal government, the national partnership that is coming up. We are waiting on more advice from the Commonwealth government. We are essentially in active negotiation with them and that is the main reason for the variation. I might ask the CEO to touch on that a little further to provide some confidence about what we are doing.

**Mr TENNANT:** The majority of that budget cut is attributed to the fact that the current national partnership agreement on skills reform ends on 30 June, this month. As the Chief Minister mentioned, we are in active negotiations with the Commonwealth government around a new national partnership agreement for the new Skilling Australians fund. That is about how we can continue to leverage federal funding for apprenticeships and traineeships.

That is the majority of that funding. We have seen also, just as a reflection of softening of our economic conditions, a reduction in demands for apprenticeships and trainee numbers. When we can reverse that from creating more jobs in the economy we will increase our funding again into this space to be responsive.

In relation to the bush, there is no reduction. We have a range of programs that we are enhancing into the bush for workforce development for Territorians who live there.

**Ms NELSON:** In turn that will be supporting jobs for Aboriginal Territorians.

**Madam CHAIR:** As the time is very close to 7 pm, we will now close off. Ladies and gentlemen, this brings an end to the time allocated for the Chief Minister to appear before the Estimates Committee this year.

As such, on behalf of the Committee I would like to thank the Chief Minister for his attendance today, and also thank you to the officers who provided assistance to the Chief Minister and to the public servants who helped to prepare the Chief Minister for his appearance today.

That brings the estimates hearings for today to a close. Hearings will recommence tomorrow morning at 8 am with questions of the Attorney-General and Minister for Justice.

**Mr GUNNER:** I will echo your thanks for Michael as CEO, Sybille as Deputy CEO, Lisa as Chief Financial Officer and all the people in the department who have done a considerable amount of work to get ready for estimates. A lot of work goes into preparing, as you can see. They have extensive briefing folders in front of them. I recognise the work they have done to prepare for being here today, and I thank them for it.

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The committee suspended.

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