

The Estimates Committee convened at 8.30 am

**MINISTER WESTRA van HOLTE'S PORTFOLIOS**

**DEPARTMENT OF PRIMARY INDUSTRY AND FISHERIES**

**Madam CHAIR:** Good morning everyone; to everyone listening at home or at work, thank you for joining us. We are recommencing estimates for week two; today is the second last day. We are joined this morning by the Minister for Primary Industry and Fisheries. On the Estimates Committee we have Nathan Barrett, the member for Blain; Gary Higgins, the member for Daly; me, the member for Drysdale; Gerry McCarthy, the member for Barkly; Nicole Manison, the member for Wanguri; and Gerry Wood, the member for Nelson.

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

**Mr WESTRA van HOLTHE:** Thank you, Madam Chair. I would like to introduce the Chief Executive Officer of the Department of Primary Industry and Fisheries, Alister Trier, who is sitting to my left; Mr Ian Curnow, Executive Director of Fisheries sitting to my right; and Acting Chief Financial Officer of the Department of Primary Industry and Fisheries, Ms Desiree Ng.

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

I will invite the shadow minister to ask 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, rather than waiting for the end of the shadow's questioning on the output.

Minister, do you wish to make an opening statement regarding the Department of Primary Industry and Fisheries?

**Mr WESTRA van HOLTHE:** Yes, I do thank you, Madam Chair.

The Country Liberals government is capitalising on increasing food demands from overseas and within Australia in order to drive economic growth within our agricultural, horticultural, pastoral and fisheries sectors. This financial year primary industry and fisheries sectors within the Northern Territory are expected to contribute over \$589m to our economy. These sectors are forecast to contribute \$610m during the next financial year, predominantly due to predicted increases in the pastoral sector and general improvement in the horticultural sector.

The Department of Primary Industry and Fisheries is responsible for supporting and facilitating the development of our primary industry and fisheries sectors. For the 2014-15 season, the horticultural industry value is forecast to increase to \$167.5m, based on anticipated improvements in mangoes, melons and vegetables. Mixed farming, including fodder crops, is forecast to steadily increase to \$13.8m in 2014-15 on the strength of increasing live cattle exports.

The Country Liberals government, in conjunction with industry associations, has worked hard to rebuild the live cattle trade with Indonesia and establish new long-term markets for Territory cattle and buffalo in other Southeast Asian countries such as Vietnam. Increased live cattle exports, in conjunction with changes to the NT *Pastoral Land Act*, which now allows diversification, and anticipated interest in broadacre cropping is expected to improve mixed farming results over the next five years.

New in this year's budget is the establishment of a Food Industry Development Group, which is designed to reshape and drive economic development in the agricultural sector. The food industry group will have a market focus and will work with our primary industry and fisheries sectors to better understand where new markets are, how we can supply them and identify and overcome market challenges. The Food Industry Development Group will also work across northern Australian jurisdictions and with Commonwealth government international trade officers.

This government remains committed to the Ord Development Project as a major project and maintains a dedicated unit within the department to facilitate the extension of the Ord Irrigation Scheme into the Northern Territory. Once completed, this will open up new land and opportunities to significantly grow our agricultural and horticultural sectors.

Additionally, the department continues to work with the Department of Land Resource Management and pastoralists seeking to diversify their operations into new industries like poppy growing. The recent passing of legislation to allow pharmaceutical poppies to be commercially grown in the Territory will potentially add a new \$30m industry to our economy.

Although there have been very encouraging market signals and increased exports since July 2013, the Northern Territory cattle industry decreased in value by 6.3% to \$307.4m in the 2012-13 financial year, driven by falls in value for live exports of 6.6% and cattle moved interstate of 6%. However in 2013-14, certainly up to April 2014, the Northern Territory cattle industry entered a rebuilding phase. Thanks to the hard work of conservative governments across northern Australia and industry associations, the outlook for the northern cattle industry is now looking positive, with the development of new markets, live export increases and the construction of a local processing facility, which will help with growth and stabilisation for the industry.

AACo's beef processing facilities, 50 km south of Darwin, are due for completion in September 2014. It is anticipated that this facility will bring about more changes in the northern pastoral industry, providing a risk mitigation strategy and an alternate market for outer specification and cattle that do not meet live export requirements. The department projects the cattle industry will contribute \$310.1m to the Northern Territory economy in 2014-15.

In order to further increase market opportunities for Territory pastoralists, a Live Animals Export Market Development Unit was established in the department in 2013. This unit works closely with industry and industry organisations to investigate and develop new live export markets.

The Country Liberals government is determined that future generations of Territorians can experience the thrill of hooking a big catch by ensuring the sustainable management of our aquatic resources. In 2012-13 the estimated production value from commercial fishing in the Territory was \$59m, including an estimated value of aquaculture production of \$25m. In addition, the industry harvested a further \$19m of prawns in the Northern Territory zone of the northern prawn fishery, making a total sector contribution of \$78m in 2012-13. For 2013-14, the forecast is for a modest increase to the economic contribution by the commercial fishery of around \$81m.

Recreational fishing and fishing tours are estimated to return over \$80m to the Territory's economy this financial year. The Department of Primary Industry and Fisheries is also responsible for protecting the Territory's primary industry and fisheries sectors from biosecurity incursions of exotic animals, plant pests or diseases which could have serious, adverse impacts.

The department is currently leading the response to the fungal disease, banana freckle. The response aims to eradicate this disease and protect the Territory's expanding banana industry.

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

**Mr WOOD:** Just on a point of clarification, Madam Chair: can we combine one and two together, because resource industry development and management trip over one another a fair bit. I do not know what the shadow thinks, but I think we have done that in previous years, and included the two as one.

**Madam CHAIR:** They seem to be split to primary industry and fisheries for both outputs.

**Mr WOOD:** That is right, but I think management and development tend to integrate if you might ...

**Madam CHAIR:** It is completely up to you, minister.

**Mr WESTRA van HOLTHE:** Madam Chair, I will not die in a ditch over it, but they are two separate things, and there might be some points of crossover but ...

**Mr WOOD:** I am happy to leave it as it is. I am not dying in any ditches.

**Madam CHAIR:** Okay, I am sure if you ask a question and it is in the wrong output, the minister will tell you and you can then ask it at the appropriate time. Are there any questions on the statement?

**Mr McCARTHY:** Minister, you attended the Northern Territory Cattlemen's Association conference, a very inspiring day with inspirational speakers. A concept came up about the Northern Territory or northern Australia providing the food bowl or delicatessen for Asia. There were many statistics to show challenges around capacity in chasing the food bowl concept, but speakers highlighted opportunities in developing higher-end product, particularly with incorporating manufacturing and processing onshore in Australia, to chase this delicatessen concept.

I am interested in your ideas around that and whether you took that as real opportunity.

**Mr WESTRA van HOLTHE:** First of all, I do not think I mentioned anything about food bowls in my opening statement. That probably goes to the output group relating to development, but I am happy to canvass it now, if you want me to talk a bit about it, although it does not really relate to the statement. But, I am happy to do it. Is that a yes? Would you like me to continue and answer it?

**Mr McCARTHY:** I think it relates to the statement, and if you are interested in talking about it that would be great.

**Mr WESTRA van HOLTHE:** Yes, the Northern Territory government is keen to grow all areas and sectors of agriculture where we can. There has been a great deal of discussion over decades about the north being a food bowl for Asia.

That concept, I think, is still a reasonable one. You used the word delicatessen - I have used it before as well – and I think that is where we need to focus. When you look at the scope and scale of agricultural production in the Northern Territory and the scope and scale of what it might become, given our land and water resources, and then run that against the size of markets to our north in Asia, I do not know that we will ever be the food bowl.

I do not think the north will provide or be a predominant source of food for Asian countries. We may be able to contribute to some Asian staple diet commodities, but we will not be in a position to provide the lion's share of that. We should look at our broadacre opportunities to contribute to those staples, so we can be a part of a greater global food bowl, but we are particularly interested in those higher-end niche products, which is where there is a focus.

Mangoes, as you know, are a huge contributor to our agricultural sector across the Territory, and our mangoes are currently exported into some overseas markets. I believe that is an area we could further capitalise on. They are extremely high-quality products coming out of the Northern Territory, and by the time they hit the shores in some Asian countries they are quite expensive, therefore they sit more in a niche. There is work currently being done, and further work that will be done, particularly by the Food Industry Development Group, to build on some of those opportunities and markets for our higher end products.

We are also looking at, as you would have noticed in the media, opportunities for overseas investors to come to the Territory and grow some of the niche products that work for them, particularly thinking about recent announcements we have made around the possibility of large-scale dragon fruit operations in the Territory. They are the sort of opportunities we are certainly looking at. We will not rule any opportunities out; we will certainly give them due consideration, run some due diligence and see what we think might stack up.

Through the work that has been done for many decades by the department of Primary Industries in research and development we have a pretty good understanding of what we think will work and what will not in the Territory. We are prepared to work with proponents and share that research, knowledge and understanding to help them make informed decisions about what would work in the Territory, and that work will certainly continue.

**Mr McCARTHY:** Thank you, minister. I think it is reassuring to hear that you can qualify those big picture items in the possibility of real results, in terms of that higher end product and the relativities around that. I think the speakers and the statistical evidence they provided certainly gave us a big reality check in the room that day.

You did mention live exports in the statement. Another issue at that conference I found very challenging, but real in terms of the industry and the way forward, was to do with supply chain management, certainly and that relationship with the possibility of community outrage. Would you like to talk about what the department is doing in terms of that space and new concept, which I think really challenged some traditional pastoralists in the room that day? It is not simply about managing steers onto a truck; it is about being in control of that supply chain all the way through to eliminate any possible community outrage, which led to the live export ban.

**Mr WESTRA van HOLTHE:** I assume that you are talking about ESCAS, the Exporter Supply Chain Assurance Scheme. In this day and age, having a system in place that ensures the best possible outcomes for animal welfare is important. It is important not only because we want to manage the rage - because there is some outrage over these issues - but I do not think anybody really wants to see any adverse animal welfare outcomes at any time. Firstly, let me put on record that I do not think having a system such as this in place is done purely for political reasons and only to satisfy an outraged sector of the community. I think it is a real attempt to improve animal welfare outcomes for the animals we send across for live export.

It is certainly something that we strenuously support, and the department has been working pretty closely with a range of stakeholders across the whole supply chain. The management of ESCAS is predominantly undertaken by the federal government through the Department of Agriculture, but, of course, there is also much work done by industry stakeholder groups, such as Meat & Livestock Australia, and they are largely responsible for the on the ground management of ESCAS, including the supply and installation of equipment rated as suitable for use within that system. It provides lots of training for people using that stuff. There is work also being done around food safety, which is a whole other issue, but important nonetheless.

For decades, to be honest, the department of Primary Industry has been working on the ground in our live export markets to provide skills and expertise in animal management. I can think of a couple of notable people currently working with the department - I will not name them - who spend a lot of time in our Asian neighbour export market destinations working in a very practical way with parts of the supply chain, particularly around designing and building of facilities that assist with animal management.

A new \$US5m facility has recently been completed in Vietnam, for which the input for the design came largely from officers from the Department of Primary Industry and Fisheries in the Northern Territory. They were instrumental in getting the design right because, as we all know, you can build a set of yards, but if the design is not right they will not work. You do not have a good flow of cattle, you double up on handling and all sorts of problems can arise from that. That is the type of work that has been done in Vietnam, which has been emulated in Indonesia for decades, realising that we have been exporting to those countries for around 30 years. That is when the work started.

We take our responsibilities to our Asian trading partners seriously. We no longer see them as only markets for Northern Territory cattle. We want to help them establish their own capability and capacity, and if we get that right, that helps contribute to the overall welfare of animals going through our systems.

**Mr McCARTHY:** Thank you, minister, that is reassuring. I share your sentiment that the Northern Territory has much to offer, and you have identified time frames where we have been in the business. It is important to work with pastoralists and start to change the traditional ideology around production. That was highlighted at the conference; many people in that room would have taken that message away.

When we talk about the supply chain we are talking about transport, holding capacity, yards and then animal welfare in feedlots. What I saw in the media over the issue of live export community outrage, was to do with the kill floor.

You have travelled extensively as the minister. Have you started to see cattle handling technology as we see in Australian industry, or in Australian cattle handling in yards or on stations, in Indonesian abattoirs on the kill floor? Are we in that space to try to improve that part of the chain?

**Mr WESTRA van HOLTHE:** The very short answer to that is yes. I have travelled - I would not say extensively, others have travelled far more than I do. On all trips to Indonesia and Vietnam, I endeavoured to get through as much of the supply chain as I possibly could, particularly in those supply chains where Northern Territory cattle are going, because I wanted to be able to assure myself, and then through me, the people of the Northern Territory and the broader Australian population, that the work we say we are doing to improve animal welfare outcomes is, in fact, happening on the ground. What I have seen satisfies me that work is being done and being done well.

A part of this approach to animal welfare in neighbouring countries is collaboration between many different agencies. As I mentioned before, the federal department, Meat & Livestock Australia, the NT Cattlemen's Association, the NT live exporters and all of the exporters, in fact, are heavily involved. These days, under the new system of ESCAS, it is the exporter who is responsible. They maintain responsibility for the animals as they go through the supply chain. Of course, Livecorp is another partner in what we have been doing.

The Northern Territory government, obviously through the Department of Primary Industry and Fisheries, does the same thing in that collaborative effort. On the kill floor, without getting into too graphic a detail, I have seen that the system of using knocking boxes is working well. All the animals I saw slaughtered were stunned appropriately - bearing in mind all of the markets, depending on the religion, the processes are slightly different. For halal killing, which must be done in Indonesia, the animals are first stunned, not killed, and when they are stunned and unconscious their throats are cut.

Of all the slaughtering I have seen on visits to Indonesia, that process has occurred successfully and has been done well. It is managed well and, in fact, halal killing is intended to be a very peaceful process, as much as that possibly can be. It was a little touching on a couple of occasions when I was there; the animal is stunned, falls out of the knocking box, and the handlers then caress it and rub over its eyes and its head to impart a good feeling, I guess, as the animal is put to death. It is quite a peaceful process. My departmental people have been working with all our trading partners right through that supply chain, including down to the killing floor.

**Mr McCARTHY:** Thank you, minister. I am interested in whether a cattle cradle to restrain the animal and tip it onto its side is acceptable for halal protocols on the kill floor. Have you had those discussions with suppliers in Indonesia, for instance?

**Mr WESTRA van HOLTHE:** I have not personally had discussions about cradles and whether they are appropriate for the kill floor in that circumstance. I do not think, from my basic understanding of halal killing, that a cradle would be a problem, just in the context of that process. However, it may present practical problems in having the animal inside the knocking box. These knocking boxes are designed to hold the animal still enough in a place where it can be stunned quite easily, and it then allows the stunned animal to be released or fall on to the kill floor beyond that. I could not comment on too much of the technical detail around the use of some sort of cradle.

Another part of that is that the animal has to face Mecca during its slaughter so that - it is about getting the animal in a position where it can be stunned and the equipment used does not impede the process, from stunning through to the death of the animal, and it complies with some of the nuances of halal killing, like facing Mecca.

**Mr McCARTHY:** Thank you, minister. When you are talking about handling cattle in the Northern Territory, and you have weaners up to 200 kg in cradles, they appear to be very good technology and a very good innovation. You can also create that to spin 360 degrees, so there would be no problem with the eastern protocol around facing Mecca. I have always been interested in that, having seen that outrageous footage on television and then following the issue through community outrage. I always thought we had a great possibility of applying Australian technological standards on a kill floor and adapting that for halal processes. It is good we are able to talk about, that because I think it has a lot of opportunity. I saw the boxes as probably limited technology when, essentially, the animal was then discharged to be loose on a floor, as opposed to some sort of better restraint we could probably put into it.

**Mr WESTRA van HOLTHE:** We all want to see better outcomes for animal welfare, there is no doubt about that. I think every Australian who saw the footage you are referring to on the ABC *Four Corners* program was outraged. It was a terrible thing to witness and I am pleased that everybody involved in the live cattle trade, from the federal government through to producers, has worked very hard to improve animal welfare outcomes.

But, member for Barkly, as a suggestion to you, if you have very strong views about the design of cradles and knocking boxes, you should put those thoughts in writing and send them to Meat & Livestock Australia, which has a lot of the design work of this equipment in hand and has been working for a number of years to have these boxes installed. I am sure it would appreciate your input.

**Mr McCARTHY:** Thank you for that advice. You mentioned the Ord River in your statement and in the appropriation area we will talk about that budget, but in relation to the Ord as a major dam and water system, and the objective of bringing that water back across to the Territory side, I think it is a very valuable

project and ambition. You talked about dragon fruit, associating that development with 10 000 ha, significant broadacre lots. Where are the areas around that stage 3 proposal in the Territory which would support those broadacre farming initiatives, using irrigation from Ord?

**Mr WESTRA van HOLTHE:** The two areas, if you wanted to find the floodplain areas, are the Knox River plain and the Keep River plain. If you look at the geography of Western Australia and how that flows into the Northern Territory, there are some areas of floodplain. Large parts of it are black soil and other suitable soil types for flood-type irrigation. As those river systems approach the Northern Territory border, they branch off into two distinct channels. The northern channel is the Keep River plain, which flows out to the coast, and you have the Knox River plain, which flows off to the south east. In combination, we are looking at some 14 500ha of land that would be suitable for development and irrigation.

Much work has been done over many years in Western Australia to try to identify what type of commodities will grow well in that area. Many commodities have been grown successfully there, not all of them food - a lot of sandalwood grows in Western Australia. Even though I will not interfere in the commercial process, my personal view - not the view of government - is that I want to see food as the predominant commodity grown over there, without trying to single one out. They are the areas you are looking at. I note that you want to go back to the Ord in one of the output groups, and that is fine, I am happy to elaborate a bit further during that point. I can talk for another 10 or 15 minutes on the Ord, if you want to do that now, otherwise we can leave it to the output group.

**Mr McCARTHY:** We can mention a point that you raised. I think we will agree that there is significant mega-infrastructure, as I define it, needed to develop this project. You highlighted in your response about 14 000 ha of arable broadacre land. Are you doing the economic modelling around whether the mega-infrastructure investment, which will need to come from the Commonwealth or private investment, making it even more of a challenge, will stack up against the arable land there?

**Mr WESTRA van HOLTHE:** Yes, there has been much work done over a number of years now, on and off. Over the 1980s and 1990s there was a fair bit of work done in the early stages of Ord development, looking at what would work and what would not, as well as some of the economic modelling around that.

We are going through a process now of de-risking the Ord in stage three across the Northern Territory border, looking at the types of things that would reduce the risk to an investor to come across. We are having to deal with, obviously, native title with sacred sites, and many of those other broader issues which will need to be addressed in that area.

That is why we brought the Ord Development Unit into being, so that we had some specific resources applied to deal with this. It will be a long and complex project, because negotiations inevitably take a long time to get through, but that work is currently being attended to.

It is not proposed that the Northern Territory government will construct a business case for this. That will ultimately be up to investors who want to take up the opportunities of growing in the Ord during stage three. We do not see it as a role of government to provide that level of work which needs to be done, when private investors could come in and do it.

The reason that we have taken that approach is that the lion's share investment for this particular project will probably need to come from private investors, so they will need to create their business cases and run their due diligence over this project before making a start.

We see our role as being enablers and facilitators, and providing, eventually, security of tenure and those types of things which government can actually achieve to help promote the area as a place to expand beyond the Western Australia border.

You are right to say there will be some significant infrastructure required. The main irrigation channel currently runs to within, I think, 6 km to 7 km of the Northern Territory border. That main irrigation channel mostly carries sufficient capacity to feed into the Northern Territory's side, and the spillway on the Lake Argyle dam has just been raised a little while ago ...

**Mr TRIER:** No, they are looking at it.

**Mr WESTRA van HOLTHE:** They are looking at it, sorry, and if that proposal goes ahead it will pretty much double the capacity of Lake Argyle. This will then provide oodles and oodles of water, capable of meeting requirements in the Northern Territory.

I think it is important to point out that much of the risk will vest with the investor. As I said, the Northern Territory government takes the view that we are enabling this project and the growth of our agricultural and horticultural sectors, but we will not buy into a particular commodity, although having said that, I previously stated my personal views about that. We will support the project, whether it is food or forestry being grown across there.

**Mr McCARTHY:** In terms of that fairly tight pocket that we are talking about in the corner of the Northern Territory, and the possibility of agricultural production and building efficiencies around economics and investment, do you think the infrastructure and export will essentially go through Western Australia, as opposed to duplicating infrastructure to bring the Northern Territory's contribution, which you have assessed as about 14 000 ha, all the way back through to our transport corridors?

**Mr WESTRA van HOLTHE:** That is a good question and, given the way infrastructure is currently set up in Western Australia with the irrigation channels flowing from the west and the roads which are coming in from Kununurra, it is likely that produce from the Northern Territory side will go back out through that road network system.

Whether it might come back across the border - I know where you are going with this - and go into the southern states or export out of Darwin or Wyndham ports, it is my belief - notwithstanding Western Australia's strong position that all produce should go out through Wyndham and Western Australian ports - that if this project gets up to the scale we expect it to, with the growth into the Northern Territory, those northern WA ports will not be able to cope with the produce going out. That probably leads me to believe produce will end up coming back through the Northern Territory and, if it is for export, through the port of Darwin.

The work being done in Western Australia is, obviously, very significant. The Western Australian government has already chosen a proponent to take up the vast majority of the land in Ord Stage 2. If that proponent was to also be a successful proponent for the vast majority of land available in the Northern Territory, the advice I have is that the quantity of commodity - whether it be sugar cane, soya beans, or whatever it might end being - will be such that those northern WA ports will not be able to cope. Therefore, it leads me to believe, again, that it will come back through the Northern Territory.

Eventually, will there be what you call duplicated infrastructure from the Northern Territory side? Quite possibly. Roads could be built from the eastern end of Ord Stage 3 in the Northern Territory back down to the Victoria Highway, which would cut a few hundred kilometres out of a road trip. However, it depends on what the future plans of those proponents are and whether they would be considering, for example, tying a train line from Kununurra across to the existing train line in the Northern Territory.

I am a reasonably big thinker - there are probably people around the place who think even bigger than I do - but the Ord Stage 3 is not the only agricultural precinct in that part of the Northern Territory which could be developed in years to come. It makes sense for proponents to think in the long term. If they get long-term tenure and have long-term security over their investments, you might well find they will consider the type of infrastructure I have mentioned, including a train line coming back across into the Territory.

**Mr McCARTHY:** Sure, minister. We are all about developing the Territory. Considering nation building infrastructure, the federal Abbott government is looking at investing less than 1% of its total spend over the next seven years in the Northern Territory. With the challenges between Queensland and Western Australia, I see that those Western Australian ports would probably take priority, in a Commonwealth view, as opposed to any duplication it may see. That is going to be a challenge on the way forward. Thank you for that, and we will get back to the Ord.

You mentioned commercial fishing. Have you had recent discussions with the Abbott Liberal Coalition government about Australian marine reserves?

**Mr WESTRA van HOLTHE:** I have not had any recent discussions with the Abbott government about marine reserves other than - actually that is not quite right, I did speak with the federal Environment minister, probably 12 months ago, about marine reserves and presented our views on this. He indicated to me that there was some work being done to provide some surety about what type of access could be provided through the marine reserves process. They are currently establishing a review panel to go through the marine reserves that affect all of Australia, but certainly the Northern Territory. I look forward to providing input into that.

**Mr McCARTHY:** When you have travelled into Indonesia, Vietnam and other Asian countries, have you discussed their fisheries, future plans and forward estimates with that sustainable resource?

**Mr WESTRA van HOLTHE:** It is not an area I have strayed into in Asian countries. I have a bit of an understanding about fisheries in many of those countries, not a deep understanding. I have been exploring, at least in the very early stages, opportunities for Northern Territory seafood to be exported into some of those Asian countries.

Those thoughts and ideas are still very much in there early stages, and I have met with people from industry around that in fairly recent times. Some of the areas we know we can try to seek some improvements in are in transport. I know there is a particular seafood operator in the Northern Territory who is quite passionate about being able to export out of Darwin airport using wide-bodied jets. As I said to him at the time, I think we have to work on scale to make sure that becomes a viable proposition. What I have encouraged him and others to do is to start talking collaboratively between industry groups to try to deliver a scale of product that would make export via aircraft a viable option, and I will quickly elaborate on that.

If you cannot achieve scale in, say, a fish product going overseas, then why would you not be talking to horticulturists and agriculturists about combining your commodities to provide scale to an export operation? It might end up being you can put fish, bok choy and other products on the same plane and fly them into Singapore, where they are distributed from there. Something similar is where I was going with that.

What other countries are doing, particularly with their fisheries, has not come up in discussions. I am more interested about what benefits can flow out of the Northern Territory in export product.

**Mr McCARTHY:** That is good, minister. Thanks for that discussion, because at the moment it is one way traffic. All the seafood product is coming from Asia into Australia, so to turn that around for the Northern Territory is a great idea and I support you in that. We already have great examples of that with Gulf country mud crabs and Asian vegetables in the rural area going into Brisbane, Sydney and Melbourne by air.

**Mr WESTRA van HOLTHE:** I think there is opportunity. Since we are having a nice conversation I would like to add that I took a holiday last year and went to Queensland; I went fishing at Swains Reef, which is off Gladstone, and it is an eight-hour steam overnight. I was talking to a couple of the deckhands who were also involved in the live coral trout trade. Coral trout out of Queensland are caught in a commercial sense, kept alive in tanks and then exported live into countries such as China and, I think, Japan. That got me thinking about the opportunities that might be available for the Northern Territory. I do not know that we could do coral trout, because we do not have that number of them; it is a huge fishery in Queensland. It certainly got me thinking about, in a broader sense, what type of opportunities are available to Northern Territory fishermen for export opportunities overseas.

**Mr McCARTHY:** It certainly supports the delicatessen concept, as opposed to the macro food bowl concept. Thank you, minister and Madam Chair.

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

**Mr WOOD:** Yes, on the Ord, minister. A couple of years ago I was contacted by AACo about the possibility of growing cotton at the Ord. It was concerned that if a Chinese company took over all of Ord Stage 2 for sugar they would be moved out of the market and were looking for support as to whether stage 3 could be used for cotton. Have you had any negotiations with that company or have any potential investors in stage 3 contacted the government?

**Mr WESTRA van HOLTHE:** Thanks for the question, member for Nelson. In our early days in government we had a number of companies talking to us about different proposals for Ord. Those were very early stage discussions and I remember that AACo stuck its hand up and talked about cotton.

I have said this before - it was a fair while ago – but even though Western Australia has already chosen a proponent to take up the lion's share of available land on the Western Australian side of the Ord, we will go through an expression of interest process to select a proponent for the NT. We will not tie ourselves down to a Chinese company or any company, simply because Western Australia has made a decision around it. In a practical sense, it might be that because of operations in Western Australia by a specific company, they might be at the front of the starting blocks, as far as being the proponent for the Northern Territory – in a business case sense – but, at the end of the day, it will be up to the Territory government to decide what distribution of land will go to particular proponents, based on the submissions they put in. We are not tying ourselves down. Cotton could be considered if people think that crop will work.



**Mr WOOD:** That is all right. I have other questions, but I will ask them later.

**Mr HIGGINS:** Seeing as the member for Barkly raised something - it was interesting, minister, how you talked about adding seafood. The member for Nelson and I met with AACo the other day, and a question came up about the number of containers they will ship out. Their answer was not to add stuff on it; it was that they were creating volumes. I think they were talking about 20 containers per week, which meant you then talk about getting more shipping in, so that enabled Asian vegetable growers to enter the Asian market and send more over there.

I thought of my question when the member for Barkly asked his about the food bowl overseas. You said we will not be the food bowl, which is fine, but how much money are we investing in promoting our market overseas? We spend a lot of money researching in the Territory with our own product, but how much money are we investing in promoting product overseas?

**Mr WESTRA van HOLTHE:** That is a good question. I will see if I can chase up a direct answer, or if I have one with me right now. We have an investment strategy now flowing into our overseas markets.

I have some notes I can refer to. In 2013-14 the Northern Territory government provided an additional \$300 000 ongoing to the Department of Primary Industry and Fisheries for the establishment of the Live Animals Export Market Development Unit to increase the focus on emerging markets. That development unit's current work focuses on strategies developed in collaboration within industry associations, including the Northern Territory Cattlemen's Association and the NT Live Export Association. The unit's activities include maintaining the existing market in Indonesia and exploring opportunities for collaboration to strengthen links into eastern Indonesia, supporting the development of the Vietnam market, scoping potential markets in China and exploring other potential market opportunities.

The 2014-15 budget contained an additional allocation of \$510 000 per annum for two years to develop the Food Industry Development group. This group will identify and develop strategies to increase the profitability of our food industries via future marketing and investment opportunities. This will supplement the current allocation of \$300 000 for the live export development unit. A key area of focus will be strategic market analysis and development, including leveraging identified market advantage and thorough supply chain economic analysis. This group's charter will include, but will not be limited to, researching individual commodity demand trends, logistic support costs and pressures to Asia to identify and develop target markets. This group will leverage the valuable existing research and biosecurity functions of the department and will complement the activities of other departments, including Business; Asian Engagement, Trade and Investment; Land Resource Management; and Lands, Planning and the Environment.

In terms of some more specific facts around your question, the other component to this, of course, is the work being done by me as the minister overseas. I probably could, through the Department of Chief Minister, quantify the cost of my trips and my travel into Asian markets to help promote the Northern Territory as a destination for our exported goods, and I have undertaken a number of trips into Indonesia, Vietnam and also into China, Japan and Korea.

A number of those trips, particularly ones to China, Japan and Korea, have predominantly been around putting the Territory out there as far as our minerals, oil and gas potential goes, but what I have also started doing now is taking our agricultural potential across to those markets as well. So, in addition to the work being done directly by the department, I am thinking on a scale beyond what we have traditionally undertaken, in terms of promoting the Territory as a mining destination, now also including the agricultural sector. It is that work that has been done by myself and the Chief Minister, who has done a fantastic job in this space, where we received interest from the Vietnamese in growing dragon fruit in the Territory. During my trip into China last year for the China mining conference, I started having a conversation about getting live cattle from the Northern Territory into China.

So, to answer your question in dollar terms I could probably try and break down some of the costs of overseas travel, but certainly beyond this there is other significant investment being made.

**Mr HIGGINS:** The interesting things I noted from the meeting we had with AACo last week included - I asked, 'How is the export going with cattle and all that sort of stuff?' as well as what problems it has. The biggest problem which came out - we talk about infrastructure and northern Australia development -- was about access to shipping and boats. So, in other words, if we promote all of this, do we have boats to send all of this stuff out? I suppose that relates back to the group I sit on, which is to do with food futures and

revolves around the fact that while we grow anything in the Territory, we also must be able to find a market, and be able to get stuff to that market, so I think that is an area which needs addressing.

**Mr WESTRA van HOLTHE:** You raise a good point, member for Daly. It is about slowly building our capacity to get to scale, and we then start to create economies of scale. So, the work that was done, or the collaboration between Darwin Port Corporation and AACo around the number of reefer points for containers, was actually important, not only for them, but for the broader industry. I would love to see our watermelons and rockmelons being shipped overseas ...

**Mr HIGGINS:** Mangoes too.

**Mr WESTRA van HOLTHE:** ... mangoes too obviously, and I touched on that before. If the infrastructure is sufficient to provide opportunities at a better price and cost, you have that economy of scale happening, and we then start to see new commodities being exported into other countries. It goes back a bit to what I was talking about before, when the member for Barkly asked about fisheries overseas. We might not have enough fish to fill a plane, but if we add other commodities to that and get our marketing and destinations right, you then create the scale to make them viable.

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

**Madam CHAIR:** If there are no further questions on the statement, the committee will now proceed to consider the estimates of proposed expenditure contained in the Appropriation Bill 2014-15 as they relate to the Department of Primary Industry and Fisheries. Are there any agency related whole-of-government questions on budget and fiscal strategies?

**Mr McCARTHY:** Yes, Madam Chair. Minister, will you now please table the answers to written questions which were submitted?

**Mr WESTRA van HOLTHE:** Yes, I certainly will do that, and I think I have enough copies to go around.

Madam Chair, I table the answers to the written generic questions that were put by – well, I think all of them came from the Leader of the Opposition.

**Mr WOOD:** You might have one from me in there.

**Mr McCARTHY:** Minister, can you confirm whether any ministerial staff have sat on selection committees for public service positions?

**Mr WESTRA van HOLTHE:** Not to my knowledge, member for Barkly.

**Mr McCARTHY:** Minister, the Chief Minister advised ...

**Mr WESTRA van HOLTHE:** Not to my knowledge.

**Mr McCARTHY:** ... not to his knowledge, but he had to correct that information. Do you want to check on that?

**Mr WESTRA van HOLTHE:** I can take that as a question on notice. I am happy to do that, but I am advised the answer is no, so I will go with that.

**Mr McCARTHY:** Thank you, minister. Can you advise the committee, in relation to your statements around prosperous economy and Indigenous development opportunities, of any progress in working with the Northern Territory Correctional Services department in Sentenced to a Job?

**Mr WESTRA van HOLTHE:** You might have to rephrase that, because it sounds like a question to the minister for Corrections.

**Mr McCARTHY:** No, it is a question to you, minister, regarding the Department of Primary Industry and Fisheries. Is there any work progressing with NT Corrections regarding the Sentenced to a Job program?

**Mr WESTRA van HOLTHE:** If you understand Sentenced to a Job, the minister for Corrections and his staff work directly with business people to find placements for suitable inmates to enter the work program.

He does not liaise directly with the Department of Primary Industry and Fisheries, as far as I know. Perhaps my Chief Executive can provide any further detail.

**Mr TRIER:** We do not use that particular program. We access people from the correctional facilities in Alice Springs for work on Old Man Plains; that is work for construction of infrastructure. We will take teams of people from the local correctional facility to build fences and that sort of thing. It is a good day out for them and it supplements the work we do.

**Mr McCARTHY:** Thank you, Mr Trier. That was, essentially, the question, minister. The precursor to Sentenced to a Job was a new era in Corrections. I was working with departments and all industry groups, and many people in the primary industry section were coming forward with opportunities to match a prison workforce.

**Mr WESTRA van HOLTHE:** Sure.

**Mr McCARTHY:** Thanks for providing Mr Trier to answer that.

**Mr WESTRA van HOLTHE:** As I understand it, member for Barkly, we are talking about two different programs. Sentenced to a Job is where the Department of Correctional Services goes directly to businesses for placement of inmates into what are, potentially, full-time jobs. What Mr Trier was referring to was low security prisoners who are allowed out on some sort of work release, as opposed to Sentenced to a Job. They are two different programs.

**Mr McCARTHY:** Absolutely, minister. The objective to reduce recidivism is for those industries to offer them a job at the end of their work experience and placement. If you go back and talk to the minister, you might understand that process as well.

**Mr WESTRA van HOLTHE:** Yes. Again, I believe they are two separate processes, but I will not be caught up in the semantics of trying to define what these two programs are all about. The minister for Corrections, obviously, has a far greater understanding than I do.

**Mr McCARTHY:** Thank you, minister, for those comments. In relation to the government's talk about land release, it has mentioned Berrimah Farm. I could not find any budget appropriation for the relocation of all the scientific and the research capacity through the Department of Primary Industry and Fisheries located at Berrimah Farm. Can you outline for the committee if there is an appropriation, or what the planned appropriation is, and how much that appropriation will be?

**Mr WESTRA van HOLTHE:** There is no line item in the budget or appropriation for moving all of these facilities, because they are not moving. The changes being made to Berrimah Farm allow for the capability of the Department of Primary Industry and Fisheries to continue with all of the work it is currently doing, so there is no need for them to move, therefore there is no appropriation set aside for a move that is not required.

**Mr McCARTHY:** Are you running live animals on the farm? They will be mixed in with residential?

**Mr WESTRA van HOLTHE:** You might be straying into an area best answered by the Minister for Lands, Planning and the Environment, because I will not comment on what the future plans of Berrimah Farm might look like in development of land that will be excised. We will maintain a small sentinel herd at Berrimah Farm, and there is sufficient land for that. When this proposal was being discussed between me and my department, and then ultimately by Cabinet, I wanted to make sure - I put my foot down and said there will be no reduction in the capability or capacity of Berrimah Farm in its research facilities and everything else it currently does. That included maintaining a small sentinel herd there, because I think that is vitally important.

Future plans for the land that is no longer required to be part of Berrimah Farm will be a matter for the Minister for Lands, Planning and the Environment. That has to go through a significant process yet. You are a little mischievous in saying cows will be sharing land with residential. That is nowhere near being decided yet. In fact, I met only the other day with some people who had a completely different idea for what that area of Berrimah Farm that is no longer required could be used for, and it was not residential. There is still a lot of process yet to go through.

When I was going through the early stages of planning around what needed to be kept in land area and capability for Berrimah Farm I had access to some previous plans drawn up under the previous Labor

government. When I looked at that I was shocked and dismayed at the proposal it had for chopping Berrimah Farm up. There was but a physical ...

**Mr McCARTHY:** Was that not relocation, minister?

**Mr WESTRA van HOLTHE:** Sorry, relocation?

**Mr McCARTHY:** Was it relocation?

**Mr WESTRA van HOLTHE:** No, this was, as I understand it, what would remain of Berrimah Farm after the Labor government had finished with it. It really was a thumbnail on the current block of land. When I looked at that I was shocked and dismayed, because there would have been, arising from that, no doubt a reduction in the capacity and capability of Berrimah Farm to do its work. I immediately extended the boundaries well beyond what the former government had planned, and instructed that sufficient land be made available to continue all capacity and capability there now, as well as to keep that sentinel herd on the farm.

**Mr McCARTHY:** When the Chief Minister makes grand statements around yields and lots being turned off across the Northern Territory, you have set your boundaries around Berrimah Farm. In a global sense, what area are you talking about that you will quarantine to maintain Berrimah Farm as a research station?

**Mr WESTRA van HOLTHE:** I am not sure I have those maps with me. I might be able to take it as a question on notice, but the area that relates to the current infrastructure there - all the buildings will remain. There will be sufficient land there for the sentinel herd. I think we are looking at retaining some 16-20 ha in total land area for Berrimah Farm.

**Mr McCARTHY:** That is a significant statement straight up. I am interested to see any determinations around the land area that will be required to maintain Berrimah Farm. I am also interested in the sites that have been contaminated from previous activities. Is that defined in your plan as well, the contamination sites?

**Mr WESTRA van HOLTHE:** That is a matter for the Department of Lands, Planning and the Environment; it has plots of all the contaminated areas on Berrimah Farm. The advice I have is that they are small, not extensive, easily managed and remediated and will not pose any risks going forward.

A lot has been said about this whole contamination thing, but I think it is a bit of a storm in a teacup. I am happy to chase the maps we have considered, in defining the boundaries of which land will stay under this government's proposal. Attached to that, I will also make sure the Labor government's proposal is also there, so people can get an indication of what would have occurred, had Labor had its way prior to our government coming in.

**Mr McCARTHY:** Are the contamination sites appropriate for any further land use?

**Mr WESTRA van HOLTHE:** That is probably a question best left to the Department of Lands, Planning and Environment, as it has all the details about it, but the advice I have received is that those areas are not extensive, they are easily and remediated and can be used for all sorts of developments going forward.

**Mr McCARTHY:** Is your sentinel herd currently accessing those contamination sites?

**Mr WESTRA van HOLTHE:** No.

**Mr McCARTHY:** Are they fenced off?

**Mr WESTRA van HOLTHE:** Yes, they are in paddocks.

**Mr McCARTHY:** Do you know the area of those paddocks at the moment?

**Mr TRIER:** The Department of Lands, Planning and the Environment has undertaken a full report. It has performed a proper analysis of the whole farm, segmented the areas into where possible contamination might lie and put up remedial reports so that work has been done.

**Mr McCARTHY:** Thank you, Mr Trier. Minister, you mentioned the word mischievous; I hope you do not believe that. My questions relate to the Northern Territory, the budget and taxpayers. The Labor government was all about land release, and we will continue to focus on that.

When you hear some grand rhetoric from the Chief Minister around land release, it needs to be qualified. Thank you, minister, for qualifying that there will be significant areas reserved to preserve capacity and future operations at Berrimah Farm. There will be defined areas that will require decontamination and work; they have all been identified so the public can get a sense of the yields that could be delivered in that area.

I would like to go onto another area around your federal colleagues, and we will talk about it more specifically in terms of the budget appropriations to the marine ranger programs. Your colleague, Senator Nigel Scullion, has referred to ranger programs as 'green welfare', and with over \$500m of cuts to Indigenous programs in the federal budget, I am concerned that your investment will be going into an area not valued by Senator Nigel Scullion and not supported by the Commonwealth. Would you like to make any comments on that?

**Mr WESTRA van HOLTHE:** I will not make comment on what Senator Nigel Scullion has said. I do not know the context in which he made those comments. It would be unfair and unreasonable to expect me to make comment directly on what he said. He may have a view which you have taken out of context, and I cannot make comment on that either, because I do not know what the context was. But, we have commitments from the Northern Territory government to fund ranger programs across the Northern Territory. It has been expanded through the resolution of a number of Blue Mud Bay negotiations and we will continue to do that.

The Northern Territory government is keen to see economic development across remote and regional parts of the Northern Territory. In particular, we have been and are keen to pursue opportunities for development on Indigenous land and in Indigenous communities. That provides an opportunity for real jobs which are supported by the private sector, a business model and by commerce. That is the space that we want to be in. If there were significant commercial operations happening on Indigenous lands across the Territory you might find that a benevolent company might decide to fund its own range of programs, which would then obviate the need for government funding into some of those programs.

The context of the senator's comments may well have been around that type of thinking. We want to see opportunities for Indigenous people as much as everybody else, and we will continue to fund this range of programs until there is another opportunity perhaps for someone else to come in and fund them, if that was ever to occur.

We have made some long-term agreements with Indigenous groups across the Territory to support their range of programs. We provide money, training and equipment for them, so that work will continue.

**Mr McCARTHY:** Absolutely, minister, and I think we certainly could look at benevolence, but if you take an example of the West Arnhem fire abatement program, specifically financed out of a carbon credit scheme, then you are talking about a whole new age in terms of funding. Heading down that road was certainly very exciting to watch from a member's point of view in the Barkly, which represents a lot of regional and remote areas.

We have land based and sea ranger groups, and I continually hold dialogue with them about real jobs, managing and looking after country and how the government's position now has the potential to channel private sector investment into funding them. That is why I am so concerned about the federal government's cuts, and Senator Nigel Scullion's attitude towards this area, so I celebrate with you that we are moving forward, with quite meagre budget appropriations, but without the Commonwealth and I suppose that bipartisan support, where big industry can fund true appropriations to support reducing carbon emissions and managing the whole carbon economy. I think we have a real opportunity for the future. What discussions have you had with Senator Nigel Scullion about this since those quite radical announcements by the Abbott Coalition government?

**Mr WESTRA van HOLTHE:** I was not even aware he had made those comments until you raised them just now. Matters around federal funding are matters for the Commonwealth; we provide submissions and lots of input into the federal budget process, as we work very hard to achieve good results for the Territory in terms of funding for all sorts of infrastructure and other types of programs. I talk regularly with Senator Scullion about a whole range of areas; I do not think, from my recollection, that I have had a specific discussion about ranger programs, probably because I was not aware he had made those comments in the past.

**Mr McCARTHY:** Thank you, minister. Having heard my comments would you have that discussion with Senator Nigel Scullion?

**Mr WESTRA van HOLTHE:** I am happy to have a discussion with Senator Scullion about that and anything else that is of concern to the Northern Territory.

**Mr McCARTHY:** Thank you, minister and Madam Chair.

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

**Mr WOOD:** Yes, I will get down to some nitty-gritty ones. I will ask you the one about free range eggs, minister. There was a statement that came out this month to say all states and territories were looking at a code for what is regarded as a free-range egg product. Can you update us on that? I know we do not have any producers. We have one producer which does put Berry Springs on its egg cartons, but they are only packed in Berry Springs. That is my understanding, so all of our eggs are imported. What guarantee have consumers in the Northern Territory that they are buying genuine free range eggs?

**Mr WESTRA van HOLTHE:** I will ask the CE of Primary Industry to answer that question for you, member Nelson.

**Mr TRIER:** We have participated in the national process. As you rightly point out, we do not produce eggs here, so our involvement has been to participate, watch the national process and provide comment into that.

**Mr WOOD:** If someone buys a carton of eggs in the Northern Territory that are said to be free range, what would they expect that to be - 20 000 chickens per hectare or 1000 chickens per hectare?

**Mr TRIER:** I am sorry, I cannot answer that. We can take that on notice. Our involvement has just been to participate or monitor the process which has unfolded because we do not have any direct production in the Territory.

**Mr WOOD:** Maybe I should ask the minister for Consumer Affairs then. That might be more relevant.

**Mr WESTRA van HOLTHE:** Yes, that might be appropriate.

**Mr WOOD:** Minister, I have some specific questions. Can you tell us how many properties have so far been affected by banana freckle, and which areas of the Territory have now been impacted by the freckle eradication program?

**Mr WESTRA van HOLTHE:** Thank you for the question, member for Nelson, because it is an important one. I take the biosecurity of the Northern Territory very seriously, and that is why we have moved to address banana freckle in such a serious way.

Banana freckle was first detected on 19 July 2013 on Cavendish plants in Howard Springs. It is a disease caused by a fungus called *Phyllosticta cavendishii*, which produces freckles on the leaves and fruit of banana plants.

The department is responding by developing a response plan for approval under the national Emergency Plant Pest Response Deed, a deed all states and the Commonwealth have signed up to. The national management group met and approved the Northern Territory banana freckle eradication program response plan on 3 October 2013.

As of 10 June this year, 15 547 properties have been searched, over 18 000 property visits have occurred and 42 infected properties have been found. I will explain the discrepancy between the 15 547 properties that have been searched and the 18 000 property visits. Obviously, there have been, on some occasions, multiple visits to the same property. They are the stats that you are after.

Banana plants within a 1 km zone of infected properties are removed to ensure successful eradication of the outbreak. To date, this has required the eradication of banana plants on more than 700 properties. Surveillance is continuing in suburban and rural Darwin, Palmerston, towns as far south as Alice Springs, and in remote communities across the Territory. So far, we have ...

**Mr WOOD:** How far and widely has it been found?

**Mr WESTRA van HOLTHE:** How widely has it been found? It has been found in properties in the Howard Springs area, Humpty Doo, as far south as Batchelor. I do not think it has extended further south than Batchelor. We have found banana freckle on the Tiwi Islands as well.

**Mr WOOD:** Do you have a reasonable estimate of how much it has cost up to this time?

**Mr WESTRA van HOLTHE:** Yes, I have some details reasonably quickly available to you. The budget for the banana freckle eradication program encompasses the 2013-14 and the 2014-15 financial years. The NT in-kind contribution over the two-year period is \$2 603 944. The cost shared contribution over the two-year financial year period is \$2 143 555 ...

**Mr WOOD:** Is that cost shared with the Commonwealth?

**Mr WESTRA van HOLTHE:** That is cost shared with the Commonwealth and other states, as well as with industry. If it would be useful, I will provide you a little more detail on that. The Commonwealth has provided 25% of the cost-sharing contribution of just over \$0.5m. The other states and the NT have contributed 25% also at the same figure of just over - it is \$535 889. The Australian Banana Growers' Council obviously has an enormous stake in making sure banana freckle is eradicated. It has taken on 47.39% of this cost at \$1 015 831, and the nursery industry has contributed to the tune of \$55 946, bringing the total to \$2 143 555.

**Mr WOOD:** When do you think the eradication program might end?

**Mr WESTRA van HOLTHE:** The answer is when it is done. I will certainly not put a time limit on it and say, 'This is when our efforts end'. In my view it is important to maintain disease-free status for our bananas in the Northern Territory. If we do not eradicate banana freckle we are classed as being endemic for that particular fungus, and that is not a place I want the Northern Territory to be, nor do I want industry to be there. Being classed as endemic causes a whole range of problems, including the movement of banana material and fruit across borders. It would be very difficult, I imagine, for bananas to leave the Northern Territory under those circumstances, where we are declared endemic.

There is a process to go through and it is not – ultimately, it will be a decision for government, but between now and then a number of decisions need to be made, and they are not handled at this government's level. The national management group is the overall organisation or collaboration between the states and other stakeholders. They make large decisions, I guess, around the cost-sharing arrangement.

There is also another group involved called the CCEPP. It is the technical group that looks at the science available on the ground – it is the Consultative Committee for Emergency Plant Pests. That is the scientific group which makes decisions about the appropriateness or otherwise of a response plan.

The response plan for us has been to eradicate, and I am hopeful that the CCEPP will continue to endorse our response plan in that fashion. They are decisions that will be informed on science and how effective our response plan is to date. It will also be informed on the number of infected properties we find and continue to find. We have seen banana freckle in the Northern Territory before, but it has only affected the non-commercial varieties of bananas, for example lady fingers.

**Mr WOOD:** What guarantee is there, if we eradicate banana freckle on Cavendish plants and give the okay for people to replant, that this will not happen again?

**Mr WESTRA van HOLTHE:** There can really be no guarantee of that. There is a still of body of work being done to try to understand banana freckle, how it moves and what it does. We have seen examples of different varieties of bananas sitting next to each other and a lady finger might be infected with the freckle, but the Cavendish sitting next door has not. You might then find an isolated pocket of Cavendish which are. There has not been sufficient work done over time to establish how that occurs so ...

**Mr WOOD:** People who ...

**Mr WESTRA van HOLTHE:** Our understanding is still pretty minimal.

**Mr WOOD:** People who are hoping to plant bananas - is there no future date at the present time? Could it be a long time before we can plant bananas?

**Mr WESTRA van HOLTHE:** It could be a long time before this response is complete. My overarching position on this is that I want to see banana freckle eradicated from the Northern Territory, so we can maintain that disease-free status. The decision about the future management of that will be a matter for the CCEPP and it will be up to the national management group for the funding of that response.

**Mr WOOD:** Will they make the final decision whether we are endemic?

**Mr WESTRA van HOLTHE:** They will not make a final decision because, at the end of the day, if the CCEPP decide banana freckle cannot be eradicated and the national management group takes that advice and says, 'We will no longer co-fund this through the cost-sharing deed', the Northern Territory government has the final decision about what we do. We could accept the recommendation and findings from those two groups and say, 'Okay, we will put our hands up in the air, unfortunately we are now endemic', or we can find resources from within to continue to fund an eradication response.

**Mr WOOD:** The future is unsure.

**Mr WESTRA van HOLTHE:** The future is unsure, yes.

**Mr WOOD:** I think people are presuming that 12 months is up, we are all clear and can plant bananas again, but that is not the case.

**Mr WESTRA van HOLTHE:** No, we will know it is done when it is done. As I said, my overarching position on this is that I want to see this fungus eradicated and I do not want it to affect commercial crops. We have a relatively small commercial banana industry here in the Northern Territory. It is not in the scale that you would see in the eastern states, but it is an industry worth protecting and the government will do what it can, within resources, to make sure that happens.

**Mr WOOD:** One of the things holding back our local industry is Panama disease, so could you give us a run down on where we are at with Panama disease-resistant varieties or the GM trials?

**Mr WESTRA van HOLTHE:** There has been ongoing work in relation to Panama disease. We are working closely with industry on this, and a number of my departmental officers do an enormous amount of research on the disease. They spend time overseas and I have seen a number of travel reports recently from my officers, who have spent time overseas looking at management regimes for Panama. We are largely discovering that Panama disease may not be able to be eradicated. It is a soil-borne pathogen which manifests with the overuse of soil where bananas are planted, so the idea would be to find a variety of banana that is resistant. There is work being done ...

**Mr WOOD:** That is why I am trying to get an update on where it is at. I know you have been looking at it for a while, and there were GM trials as well. Could you give us an update of where that is at?

**Mr WESTRA van HOLTHE:** I will see if we can dig up some more specific details on it. I might pass over to Alister, the chief executive.

**Mr TRIER:** Some work was undertaken recently, that I am aware of, with Panama, or at least we are aware of some research which has been undertaken overseas. We have just found about that; it is very interesting to us and we will be taking that up. I cannot provide any further detail, but I am happy to follow up.

**Mr WOOD:** Okay, I have a few more questions.

**Mr McCARTHY:** I have lots of questions and we are watching the clock, member for Nelson.

**Madam CHAIR:** We are still in agency related whole-of-government.

**Mr WESTRA van HOLTHE:** I am giving you latitude because we are having a nice conversation.

**Madam CHAIR:** Would you like to move on?

**Mr WOOD:** I am not here for nice conversation, I am here to get facts and answers.

**Mr McCARTHY:** Hand it back to me, and we will finish that nice conversation.



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

**OUTPUT GROUP 1.0 – RESOURCE INDUSTRY DEVELOPMENT**  
**Output 1.1 – Primary Industry**

**Madam CHAIR:** The committee will now proceed to Output Group 1.0 Resource Industry and Development, Output 1.1 Primary Industry. Are there any questions?

**Mr McCARTHY:** Minister, what is the budget appropriation to develop the buffalo industry?

**Mr WESTRA van HOLTHE:** I do not know that I have a line item in there for the buffalo industry, but as I have mentioned before, we have allocated \$510 000 for two years for the Food Industry Development Group, which is looking at all commodities across the Northern Territory and how we can develop those. That will also, obviously, include buffalo.

We now have a new trade in buffalo going across to Vietnam. We are very pleased about that, and I commend the Chief Minister for the work he has done to bring that about. It has come as a result of a number of conversations which both the Chief Minister and I have had with interested groups in Vietnam, but there is still some work which needs to be done. We will go through, using the food industry group plus existing resources within the Department of Primary Industry and Fisheries, to further develop this industry. This also extends beyond the scope of the Department of Primary Industry and Fisheries into the Department of Land Resource Management, which will be also applying some resources from within to start quantifying the number of buffalo we have in the Northern Territory.

It has been some time since these animals were surveyed, and with the resurgence of this industry, which has come on so very quickly, part of what we need to know and understand is that buffalo numbers across the Territory - estimates are that there are around 100 000 across the Territory, but my Department of Land Resource Management will very shortly commence a survey, so that we can better quantify that number.

In addition, there are probably around 10 000 head behind the wire, but with the Food Industry Development Group, and the work being done through existing resources in DPIF and DLRM, we are working on increasing and improving that trade, along with the ministerial delegations which go across to our target markets.

**Mr McCARTHY:** Thank you, minister. In relation to the banana freckle area, please list by date and when each change to restricted and controlled areas for banana freckle was gazetted, the area of land and number of properties covered by each gazettal notice.

**Mr WESTRA van HOLTHE:** Okay, thank you for the question. There is a lot ...

**Mr McCARTHY:** You might want to table a document, minister.

**Mr WESTRA van HOLTHE:** I am happy to read it into *Hansard*, and I can then table the tables because there are a couple of them.

There was Howard Springs on 6 November 2013; Acacia 12 November 2013; Rum Jungle 15 November 2013; Humpty Doo on the same date; Howard Springs on 10 January 2014; Girraween on 5 February 2014; Milikapiti on 5 February 2014; Humpty Doo on 18 February 2014; Humpty Doo, Driver and Noonamah on 23 April 2014; Berry Springs and Gray on 9 May 2014; Humpty Doo again on 30 May 2014; Livingstone and Girraween on 12 June 2014; and Tumbling Waters, Dundee Beach, Dundee Forest and Girraween on 16 June 2014.

Some suburbs and districts have more than one associated gazette, as shown in the next table, and I do not know whether I need to go through this, but that is a question I can actually table for you.

**Mr McCARTHY:** Thank you, minister, for supplying that. How many properties have been visited by the banana freckle eradication program, and what is the legal basis for entry to a property?

**Mr WESTRA van HOLTHE:** So far, 15 547 properties have been searched, with over 18 000 property visits. I explained before that a number of those properties have obviously had multiple visits. Forty-two infected properties have been found to date, and under the *Plant Health Act 2008* in the Northern Territory, inspectors have the power to enter properties where they believe a disease might be.

**Mr McCARTHY:** Thank you, minister. Other than in-kind compensation with the replacement of a banana plant, has there been any monetary reimbursement to affected properties?

**Mr WESTRA van HOLTHE:** There has not been any monetary reimbursement to properties by the Northern Territory government. There are criteria under which a commercial property can receive compensation for their losses, but that is a decision handled by the national management group. Then, through the cost-sharing deed, the cost of that compensation is shared by all jurisdictions. I do not know whether there have been any payments made to date, and I do not know whether chief executive can expand any further on that.

**Mr TRIER:** There has been one property deemed eligible under the cost-sharing arrangements, and payments have been made to that commercial operator.

**Mr McCARTHY:** Thank you, Mr Trier. Moving on, minister - anecdotally, I travel a lot on stations and I have been noticing a lot of buffalo fly. I am wondering whether the buffalo fly has come back, and whether there is budget appropriation for the management of that? Is there an eradication campaign still under way? Is my anecdotal evidence true? Are we seeing a problem with buffalo fly emerging again within industry?

**Mr WESTRA van HOLTHE:** I have a very close dialogue with the Northern Territory Cattlemen's Association and individual producers. Many of them have my telephone number and pick up the phone from time to time to call me. It is not an issue that has been raised with me by either individuals in the pastoral sector or the NTCA. I will ask if the chief executive has any further information on that.

**Mr TRIER:** It has not been raised formally. Generally, the management of buffalo fly is a normal management practice by industry through a range of mechanisms. It is not something that has been raised as an issue or elevated for further action by the department.

**Mr McCARTHY:** Thank you, Mr Trier. Minister, we asked the Chief Minister about the deal for a 99-year lease of 10 000 ha of land on the Tiwi Islands, in exchange for \$1m in investment and a \$2.8m loan. He said we should ask you about it. What is the status of that deal?

**Mr WESTRA van HOLTHE:** I do not know why. I have not seen the *Hansard* which says the Chief Minister should ask me about it - I have to take you on face value.

That was an arrangement undertaken exclusively by the Department of Primary Industry and Fisheries. I had no hand in forming that arrangement whatsoever in my capacity as the minister for Primary Industry. I cannot give you any further details on that, other than to say we have been supporting that program. The Department of Primary Industry and Fisheries and my other department of Land Resource Management have been working closely on the Tiwis to identify soil types and water resources. DPIF has been providing advice on the types of commodities that will work over there. However, the striking of the deal is not within my purview, and nothing I had anything to do with.

**Mr McCARTHY:** Minister, do not misunderstand. I did not ask you whether you had anything to do with it. It is about the status of that project. The Chief Minister did flick it straight to you. The Territory government has paid \$1m to facilitate a lease for that development, but we have not seen a lease. Can you update us on the status of that?

**Mr WESTRA van HOLTHE:** I have nothing to do with leasing arrangements either. The involvement, through my Departments of Primary Industry and Fisheries and Land Resource Management, is limited to practical work on the ground. As I described - and I am moving beyond DPIF - the Department of Land Resource Management has a team of soil scientists, water scientists and hydrologists working on the Tiwis now. We have our drilling rig over there proving up water resources. An enormous body of work has been done on the ground in a very practical sense by that department to provide some sound basis for the development of agriculture on the Tiwis. The Department of Primary Industry and Fisheries has also been involved in that as well. Striking a lease does not sit with DPIF. In fact, I have been advised it sits with the Department of Lands, Planning and the Environment.

**Mr McCARTHY:** No problem, minister. We are getting some answers for the taxpayer here. What analysis has been recorded so far about the viability of that project on the Tiwi Islands?

**Mr WESTRA van HOLTHE:** I guess it has been broken up into two areas, those being handled by different departments. One is Primary Industry and Fisheries, and I will ask the chief executive to provide us with

some details of the work occurring on the Tiwis from his point of view. The other side of this comes from the Department of Land Resource Management, and I will defer that part of the question until we get to DLRM. I will hand over to the Chief Executive of Primary Industry and Fisheries to further provide some details.

**Mr TRIER:** Thanks very much. The department has undertaken two bits of work. As the minister pointed out, we have looked at a range of commodities that will grow in the area, and I would not mind speaking a little about that. We should not become focused on a singular commodity; we should be looking at a systems type approach of commodities that work together. By putting a range of commodities you then balance your risk, from a financial point of view, as the value of commodities change. Putting different commodities in a rotational system minimises your weed control expenses or helps reduce those things. Lastly, they also add to soil nutrients, so by having legumes followed by other commodities keeps the balance in the soil, so some work has gone into that. It is about what physically can be grown there, so people can come in with some prior knowledge to what is and is not possible.

The second area of work we have undertaken is providing an analysis of what would need to happen to de-risk investment. Investors coming in need to understand the complexities involved in investing on Aboriginal freehold, such as stakeholder communication and engagement, and to maximise the benefits for Tiwi people, as well as maximising their own chance of success.

Those two reports are very near finalisation now - they are in the final. We are going through them right now and they will be provided back to the Department of Lands, Planning and the Environment as the leasing agency.

**Mr McCARTHY:** Thank you, that is important scientific work. Minister, how much is that costing and are any Tiwi people employed at this stage of the project?

**Mr WESTRA van HOLTHE:** The cost of the Department of Primary Industry and Fisheries work being done on the Tiwis is currently being met within existing resources. There is no specific allocation of money to the Department of Primary Industry and Fisheries for this work. The Tiwi Islands is an important part of the Northern Territory. We look at the whole of the Northern Territory for economic development opportunities, and I am delighted the Tiwis have decided they want to take on this challenge to improve their lot and where they sit in the economic picture of the Northern Territory.

**Mr McCARTHY:** Minister, in the budget appropriation, could you itemise what that cost is or do you want to take that on notice?

**Mr WESTRA van HOLTHE:** We have so far spent \$27 500 on some consultancy work around the Tiwi Islands for market analysis. The remainder of the expenditure, or the resources applied, have been within the existing budget allocations for the Department of Primary Industry and Fisheries. I do not know how much work it would take to organise a figure for you to try to quantify the investment from our existing resources, but I am happy to take it as a question on notice if you need to drill down into that much detail.

**Mr McCARTHY:** Minister, that would be good if you can give us the figure for Budget 2014-15 on the money that will be spent in terms of those scientific studies on the Tiwi Islands.

---

#### Question on Notice No 8.1

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

**Mr McCARTHY:** Minister, could you provide the exact figure for budget 2014-15 allocated to the analysis of the viability of the Tiwi Islands project?

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

**Mr WESTRA van HOLTHE:** Certainly, but I think the chief executive has a comment he would like to add.

**Madam CHAIR:** That question will be No 8.1.

---

**Mr TRIER:** In relation to future allocations, there is no specific allocation at the moment. The reports come under the last financial year. It is not a specific line item, but we will have experts apply or review the

reports and provide commentary and advice. That is part of their everyday work; it is something they participate in on a day-to-day basis, so it hard to give you a figure right now for the specific allocation going forward. We will know what we spend at the end of the year.

**Mr WESTRA van HOLTHE:** I think we can provide you with the best estimates of what we expect to allocate in resources to this particular project. I doubt the department can provide a definitive figure, but we will give you the best indication we can.

**Mr WOOD:** Can I ask for that consultancy report to be available to the public?

**Mr TRIER:** Once it is finalised it should be available.

**Mr WOOD:** I would be interested to see what it covers.

**Mr TRIER:** I think the de-risking report will have broader implications. It is a good bit of work and we are quite pleased with what we have.

**Mr McCARTHY:** Thank you, Mr Trier. Minister, in the global sense of the department, could you itemise the spend on scientific research which supports industry development, productivity and profitability by the year end since August 2012?

**Mr WESTRA van HOLTHE:** Yes, that information is available and I would like to table the Primary Industries Annual Research Achievements Report 2012-13.

**Mr McCARTHY:** What programs are being cut to achieve \$55 000 in program efficiencies and rationalisation identified on page 37 of Budget Paper No 2?

**Mr WESTRA van HOLTHE:** I ask the chief executive to answer that for you and provide some definition around that.

**Mr TRIER:** The \$55 000 relates to a 10% reduction in grant funding.

**Mr McCARTHY:** Thank you, Mr Trier. Are any staff or programs being cut to achieve the \$36 000 in whole-of-government savings?

**Mr TRIER:** The short answer is no. Those relate to efficiencies through the use of mobile technology and related to government travel.

**Mr McCARTHY:** Thank you. Minister, in terms of the recent announcement about the pastoral rent waiver - I congratulate you for that, and it is exactly what the Labor government did in terms of responding to the live cattle export ban by the federal government, so it is a good initiative which supports pastoralists on the ground, and I was pleased to see that announcement. Could you tell me the total value of pastoral rents collected in 2013-14?

**Mr WESTRA van HOLTHE:** That is a question for the Department of Land Resource Management, member for Barkly. Pastoral rents are administered under the *Pastoral Land Act*, which falls within the purview of the Chief Executive of the Department of Land Resource Management.

**Mr McCARTHY:** Thank you, we will put that ...

**Mr WESTRA van HOLTHE:** I am happy for you to canvass that at the right output group.

**Mr McCARTHY:** We will certainly put that on the list. So, could you tell us about the eligibility criteria for the 39 properties which may be eligible and the value of those pastoral rents?

**Mr WESTRA van HOLTHE:** Again, that pretty much sits with the Department of Land Resource Management, but I am happy to give you some information on it now. I might not have all the detail you require to hand until I have the other chief executive here with me, but what we did in considering the 39 properties was look at rainfall over the past 12 months, as well as vegetation growth, and then looked at projections for growth of pasture for the next 12 months.

That process identified some 39 properties in the southern Alice Springs and Barkly regions which, you could say, were suffering drought-like conditions. On the back of that I made the decision, with the input of

the Treasurer, of course, regarding the foregoing of revenue from non-collection, to offer a pastoral rent waiver for properties affected in that fashion. Now, that is not to say other properties in the Northern Territory pastoral estate cannot apply. What we did is take those as an indicator of where we think applications might come from. We have roughly quantified that, and I think, from memory, it was \$300 000 give or take, in terms of the quantum of rent that could be waived. If you need more detail about that I can probably provide it when LRM estimates are on.

The other part of this - thank you to the chief executive for just reminding me – is that the department of Primary Industry performs assessments for this, so not only will we be taking into account rainfall and vegetation growth data, there will also have to be some due diligence around the financials of pastoral properties before they become eligible.

**Mr McCARTHY:** Thank you, minister and Madam Chair.

**Mr WOOD:** Thank you, minister. I have some more specific questions. In regard to mangoes, have you undertaken any more work on mango resin canal disorder, which has plagued some growers in recent years?

**Mr WESTRA van HOLTHE:** The short answer to that is yes, and I will see if I have some further information for you, otherwise I will pass over to the CE.

Mango resin canal disorder, or RCD, was an issue with a number of Darwin rural growers, as well as some in north Queensland. For these growers losses were variable, from low to extreme; however, the impact on market prices across suppliers was significant. It was uncertain if all of these recorded impacts were actually due to RCD.

The department, in collaboration with the Queensland Department of Agriculture, Fisheries and Forestry, conducted preliminary assessments on potential contributors to RCD. At this stage, no clear remedies have yet been identified.

Following meetings with growers over the past three months, a research program for the 2014 season has been planned, covering a survey of grower practices across all farms in the Darwin region, and an assessment over approximately 900 trays of fruit from 12 farms selected from the survey data. It is hoped this research will elucidate some answers to the problem.

**Mr WOOD:** Okay. I gather, from reading your annual report, that you have developed a new protocol for market access with mangoes based on fruit maturity. Is this meant to stop the flow of immature mangoes to the market? One of the problems that has been around for a long time is people putting mangoes into the market too early. Of course, then it puts people off eating mangoes because they do not taste like mangoes, they taste like something else ...

**Mr WESTRA van HOLTHE:** No, that is right. This is a good question because it highlights some of the excellent work being done by department staff in conjunction and collaboration with industry. As you would realise, the health protocols around - let us say - more mature fruit often involve some kind of treatment to eradicate and reduce the risk of fruit fly. That could be heat treatment - I think they use steam as well - and other methods as well. These are expensive to do and limit or change the export pathways that might ordinarily be available to us if we did not have to do that treatment.

**Mr WOOD:** So, is this protocol - I might be misunderstanding; I know what you are talking about regarding trying to find alternative ways from dipping and other things ...

**Mr WESTRA van HOLTHE:** Yes, and I will come to that. The research work being done takes into account the very issue you have raised, with immature fruit going into the market and not satisfying customer tastes. The work involves allowing still immature and hard-skinned fruit to go into market, and still mature into very good quality mangoes in eating standards. We are working on a program that will allow hard-skinned fruit, call it immature if you like, not affected by fruit fly, therefore not needing to go through other fruit fly treatments, to hit market shelves and still ripen into excellent quality fruit.

I think that answers your question. It is about a change of the type of fruit through breeding practices and if there is any genetic modification going into it. But ...

**Mr WOOD:** When you said protocol - one of the issues is the early picking of mangoes - picking mangoes before they should be picked - and sending them off to the market. I did not know whether the protocol was

to try to stop some growers sending mangoes early to get that high price, when, in actual fact, they are not mature enough to send.

**Mr WESTRA van HOLTHE:** Yes, okay. If all growers were to adopt the work being done when it is finalised, to have varieties of fruit capable of being picked early, they will still be able to take advantage of that early market price without affecting the eating quality. That is a research project currently under way. The chief executive also has some further information.

**Mr TRIER:** The other part of the protocol is being fairly clear about the time you pick mangoes to enable them access into export markets, in that we need to know the time frame involved and specifically when you can pick fruit, so you get them into export markets at their optimum times. It relates to both things.

**Mr WOOD:** Okay.

**Madam CHAIR:** Sorry, member for Nelson, I will just interrupt you. It is 10.30 am. We have been going for two hours, so we will have a five-minute break, thank you.

---

The committee suspended

---

**Madam CHAIR:** Thank you for coming back after the break. We are with the Minister for Primary Industry and Fisheries, and we are still on Output 1.1.

**Mr WOOD:** I will try to make this quick. Minister, I notice that we are doing work on tropical passionfruit in southern Sulawesi; what is the reason for doing it there and what is the benefit to the Northern Territory? Are we in a passionfruit market? It has been around for a while and has never taken off, so what is our reason for working over in south Sulawesi?

**Mr WESTRA van HOLTHE:** I will hand over to the chief executive to answer that.

**Mr TRIER:** Some of the work we do in Sulawesi and other places is funded by ACIAR, so it is a collaborative international aid project. In terms of direct benefit for the Territory, you are right, there is not a big passionfruit industry in the Territory, but there are a couple of other things. We build networks with likeminded agencies in our region, which is important from a biosecurity point of view and we are looking to develop their capacity through things that work for them.

**Mr WOOD:** Minister, we undertook rice trials a couple of years ago; we visited the rice trials at coastal plains. What is happening in relation to rice in the Northern Territory? Are we looking at expanding our present production? I think there used to be production at Tortilla Flats, but is there any move to expand rice production in the Northern Territory based on the facts from those trials?

**Mr WESTRA van HOLTHE:** Yes, there is ongoing work around rice and they are still producing, as far as I know, at Tortilla Flats. The decision to expand the industry rests with industry. I am very much a believer in commercial opportunities driving these types of developments. The department becomes involved, and has been involved as you would be aware, for many years in research trials on different varieties of rice. We worked collaboratively with other jurisdictions and are still doing that. In Western Australia they are doing some ...

**Mr WOOD:** That was one of the possibilities for the Ord, because there was a variety that did not have the disease - which I cannot think of at the moment - which is restrictive for growing rice, as it is a leaf disease. I did not know if you were continuing with any trials or if they had finished.

**Mr WESTRA van HOLTHE:** I do not think we are doing any direct trials; the department is not as far as I know, but I ask the chief executive to answer that.

**Mr TRIER:** I am not 100% sure if we are currently doing rice trials or not, but it has not fallen off the list. Some of the stuff that has happened recently has given us optimism to keep looking at it.

**Mr WOOD:** My other question is about forestry. I support some of what you said about sandalwood being used where perhaps food crops should be. How much land in the Northern Territory is now under forestry, how much is proposed to go into forestry and is it all irrigated forestry?

**Mr WESTRA van HOLTHE:** The detail of how much land is currently under use and proposed to be under use I will have to take on notice. I do not think I have those details ready to hand over today, but I am happy to do that.

The forestry industry, particularly when you look at high-value forestry products such as sandalwood, can be a significant contributor to the economy of the Northern Territory. Even though I have placed on record my personal views for a preference to see food grown, I also want to put on record that government will support all forms of primary production in the Northern Territory and will not interfere in the commercial process or decisions being made as to which crops are grown. I have certainly had discussions with sandalwood growers here in the Territory; they are looking to expand their operations, and I am happy to support them. As you know there is sandalwood production in my own electorate of Katherine, and that is going very well. I certainly hope that all of those sandalwood trees produce the quantity and quality of oil anticipated. In the early stages, that oil and timber might be processed interstate, but I hope to see a situation where we have processing in the Northern Territory as well. I think that if we allow this particular industry to expand, if there is commercial appetite to do that and there is water and land made available for the expansion of that industry, we will provide the best opportunity for that to occur.

---

#### **Question on Notice No 8.2**

**Mr WOOD:** Can I ask that question?

**Madam CHAIR:** Yes, please restate the question for the record.

**Mr WOOD:** Minister, could you tell us how much land is now under forestry and how much land is potentially to be planted under forestry? I might add to that a bit. What types of trees make up those forestry plantations and could you also say where they receive water from for those plantations?

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

**Mr WESTRA van HOLTHE:** I am happy to take that question on notice.

**Madam CHAIR:** That question is No 8.2.

---

**Mr WOOD:** I will ask for an update. Where is the review of the Veterinarians Act and Livestock Act up to at the moment?

**Mr WESTRA van HOLTHE:** I might hand over to the chief executive, if he has an update on that.

**Mr TRIER:** I will have to take that on notice and provide that back to you.

---

#### **Question on Notice No 8.3**

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

**Mr WOOD:** Minister, could you give us an update on the review of the Veterinarians Act and the Livestock Act?

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

**Mr WESTRA van HOLTHE:** I accept the question.

**Madam CHAIR:** The question is No 8.3.

---

**Mr HIGGINS:** Can I ask a question about 1.1? It is about the poppy industry. I know legislation came through parliament during the last sittings to do with that. What studies were done before we went ahead with that? Can you give us some information and background on that?

**Mr WESTRA van HOLTHE:** Yes, certainly. Thank you, member for Daly, because I know this is of particular interest to you.

The Department of Primary Industry and Fisheries first worked to determine if poppies could grow in the dry tropics of the Territory and provide a commercially acceptable level of alkaloids. In collaboration with the commercial alkaloid company two small plot trials were conducted at the Douglas-Daly and Katherine research stations. These trials, in essence, provided a positive answer to that question by producing yields equal to or better than poppies grown in Tasmania.

A cost-benefit analysis was then conducted to determine the benefit to the Northern Territory of establishing a poppy industry. The result of this study concluded that for every \$1 spent by the NT government the estimated return on expenditure is worth \$11.90, so it is a very high-value crop, but also requires significant infrastructure input as well, much of which would come from local suppliers in the Territory. This provided clear evidence that the government should move to develop the appropriate legislation, the *Poppy Regulation Act 2014*, and I thank the parliament for its bipartisan support in the introduction and passage of that legislation. I know the timing was a little contentious, and putting it through on urgency invoked a little concern from the opposition and the member for Nelson, but given the results of the cost-benefit analysis we saw this as a positive for the Territory.

Not only could we boast that we would have a new industry potentially worth \$30m or more, but the economic benefits certainly did stack up. I touted it as enabling legislation to allow this industry to start. It is a contentious product or commodity and it has some issues. The member for Barkly rightly raised some issues around the safety and security of the crops, the potential for the illegal use of poppies and the dangers involved in having poppy crops growing in the Northern Territory. That is particularly relevant, given the high level of some alcohol and other substance abuse in the Territory as well. I believe this is a real opportunity for the Territory to have a new industry that has high value, and one that will provide some significant economic benefits.

**Mr HIGGINS:** I have a question on the side of that, and you may not have the answer. My understanding is that they will irrigate, so how will water consumption for growing poppies compare to, say, mangoes?

**Mr WESTRA van HOLTHE:** Someone might correct me in a second if I am wrong, but it averages up around 8 ML per hectare. It is not an enormous user of water. Mangoes are somewhere around that as well, from memory. Member for Daly, you grow mangoes, you might be able to tell me. It is not a massive user of our water resources.

**Mr HIGGINS:** I might change from mangoes to poppies.

**Mr WESTRA van HOLTHE:** Right.

**Madam CHAIR:** That concludes consideration of Output 1.1.

### Output 1.2 – Fisheries

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

**Mr McCARTHY:** Yes, Madam Chair. Minister, in relation to the allocation of \$2.25m to support Indigenous development opportunities and provide permit-free fishing access into tidal water adjacent to Aboriginal land, how many meetings have you had with the Northern Land Council to resolve this matter?

**Mr WESTRA van HOLTHE:** Good question. There have been multiple meetings over many years between government and the Northern Land Council to bring these issues to resolution. I might be able to provide you a definitive answer on that ...

**Mr McCARTHY:** Minister, you could answer that definitively. How many have you had?

**Mr WESTRA van HOLTHE:** Have I? I have had perhaps a couple of meetings where that was discussed.



**Mr McCARTHY:** A couple of meetings with the Northern Land Council? Minister, how many TOs have you met with on-country to try to resolve the issue?

**Mr WESTRA van HOLTHE:** I have met with traditional owners from the upper Finiss region on a couple of occasions to discuss their issues. I should say that ministerial intervention into the negotiations around Blue Mud Bay has never been a part of the overall mix for negotiations with traditional owners or the land council. The reason for that is there is a team of people from various government departments which has been working closely with the Northern Land Council, the Tiwi Land Council, as well as traditional owners, so there is a very consistent method of negotiation between the government, traditional owners and land councils for a resolution to Blue Mud Bay.

The only time I became involved, as the minister, in direct negotiations with traditional owners was when the decision was made by the people of the upper Finiss region that they were not going to allow permit-free access to their waters. As a last-ditch attempt, I engaged myself with those traditional owners directly to see if we could find a way forward and negotiate an agreement that would be suitable for both the government and those traditional owners.

It was deliberate for ministers not to become involved in that negotiation process. If you went back to your colleague, the member for Casuarina, when he was the minister for Fisheries in the former government, he would probably tell you something similar.

**Mr McCARTHY:** Thank you, minister. Is your government's decision to scrap strategic Indigenous water reserves hampering negotiations with the Northern Land Council on the Blue Mud Bay resolution?

**Mr WESTRA van HOLTHE:** From our perspective it is not hampering negotiations with the NLC. We have enjoyed an excellent relationship with the Northern Land Council since being in government and I expect that to continue. My view is that government is quite capable, and more than happy, to keep separate issues separated in our discussions and I would hope the Northern Land Council takes the same view.

Some very important issues need to be canvassed between government, land councils and traditional owners. All those issues are being approached by government in an air of good faith. We want good faith negotiations around all matters where we have a common interest. I hope disagreements over one particular issue do not impinge on our ability to have and maintain those good faith negotiations in other areas.

**Mr McCARTHY:** Minister, what assessments have been undertaken by Fisheries officers of the impacts of the recent water licensing decisions by the water controller on the Katherine River, the Ooloo Dolostone Aquifer and the Tindall Limestone Aquifer?

**Mr WESTRA van HOLTHE:** Member for Barkly, it is not within the purview of my Fisheries officers to undertake that type of research. The research being done is by members of the Water Resources Division of the Department of Land Resource Management. That said, some work is currently being performed by Charles Darwin University in that space. Some of the work being done around water allocations includes some other scientific work which has looked at species protection in our waterways. I do not have access to the full details of the report, but the Erskine report of 2009 looked at species protection of a number rivers species in the Daly River corridor in determining sustainable yields from the Ooloo aquifer. There is a fair bit of robust science sitting behind that, but it does not necessarily fall within the purview of Fisheries officers to conduct that research.

**Mr McCARTHY:** In my recent trips in the Roper Gulf area, fishers and pastoralists have been noticing a reduction in flows of the Roper already. Has the department conducted any measurements in the flows or any assessments of the Roper in 2014?

**Mr WESTRA van HOLTHE:** Again you are straying, member for Barkly, into an area looked after by the Department of Land Resource Management and the Water Resources Division. My Fisheries officers do not conduct those types of assessments. I also add that blind Freddy can see water flows are low, because we have not had a real flash Wet Season. We might have had a reasonable Wet Season in Darwin, but Katherine was a bit ordinary. The Wet Season over the Roper catchment was quite ordinary, so we are not expecting huge river flows to continue in the Roper River through the Dry Season. You are more likely to see effects from a poor Wet Season in the river, rather than what you are alluding to, which is water allocations.

**Mr McCARTHY:** Minister, you mentioned the Erskine report and the analysis done by your department. Does that analysis concern the impacts of damming Territory rivers, like the Daly River?

**Mr WESTRA van HOLTHE:** You are again straying into an area looked after by Water Resources. If you want to canvass that question I am happy to answer it when we reach that output group under Land Resource Management.

**Mr McCARTHY:** You mentioned a report you used for analysis and the Chief Minister is not ruling out damming the Daly River, so what do you think? Do you think the Daly could be dammed?

**Mr WESTRA van HOLTHE:** The Chief Minister answered that in the fashion he saw appropriate. I do not think I have ever heard him support a dam of any kind. I will not get caught up in a silly line of questioning about damming the Daly River, as it is not on our agenda.

**Mr McCARTHY:** What about the Elizabeth River dam, which features in your government's regional land use plan 2014?

**Mr WESTRA van HOLTHE:** I think you had opportunity to canvass that with the Minister for Lands, Planning and the Environment, which is where all of that work sits. If you did not ask him, you should have, but it is not an area that sits within this output group for Primary Industry and Fisheries.

**Mr McCARTHY:** The Coalition's Dams and Water Management taskforce wants to build dams across northern Australia and I am wondering which dams are on the drawing board. Will the Department of Primary Industry and Fisheries participate in that discussion and analysis in making recommendations?

**Mr WESTRA van HOLTHE:** I have no doubt there will be a number of government departments that will contribute to the discussion around water resources in the Northern Territory and whether or not there should be a dam, or other form of water storage, proposal put here.

This strays into the water resources side of things and I am happy to canvass some more information during that output group.

**Mr McCARTHY:** Thank you, minister. In July 2013, you released the NT Fisheries Resource Sharing Framework for consultation. What is the status of the framework and what were the main issues raised during that consultation?

**Mr WESTRA van HOLTHE:** The resource sharing framework was a concept which allowed government to make some objective decisions about the future sharing of the fisheries resource across the Northern Territory.

**Mr WOOD:** Except Chambers Bay.

**Mr WESTRA van HOLTHE:** That was done. Often, decisions are made, and suggestions have been made subjectively about our fisheries in the past without proper consultation. This is not my view, but the view of stakeholders in the fishing sector. I do not necessarily agree with that, but to move beyond that position we decided to adopt a resources sharing framework on which to base future fishery allocation decisions, taking into account the impacts and benefits of various options to all sectors.

The framework is consistent with the objects of the Northern Territory *Fisheries Act* and will see resource sharing decisions, based on the sustainable equitable and optimal use of the Territory's aquatic resources. Implementation of a resource sharing framework has been identified nationally as a primary management requirement across all Australian fisheries jurisdictions.

The framework recognises the aspirations of user groups, puts in place guidelines for decisions and decision-making and establishes principles against which decisions should be addressed for priority.

A stakeholder-based taskforce with representation from the Northern Territory Seafood Council, Amateur Fishermen's Association, Northern Land Council and the Northern Territory Guided Fishing Industry Association was established to develop the draft framework.

This underwent public comment late last year. The stakeholder working group is finalising its report for my consideration, so that takes you to where you want it to be, which is the status of where that framework is up to.

**Mr McCARTHY:** With respect to the department, the Territory opposition researched a host of questions and we are interested in this area, but we do not have time to explore it and I have to share with the Independent member. Those are all the questions I have on that appropriation.

**Mr WOOD:** I have a couple of questions, one in relation to the NT aquaculture centre. Is it true that the NT aquaculture centre will not produce barramundi fingerlings for the commercial market?

**Mr WESTRA van HOLTHE:** The answer to that question is it would be way too premature to make that kind of assertion. The operations of the aquaculture centre are currently under review, so it would be premature to even guess where that might go, but I might ask the Executive Director of Fisheries to provide some further information.

**Mr CURNOW:** At the moment, we are down to one barramundi farm, as you are aware, the one at Humpty Doo. They have indicated, at the moment, that they want to source their fingerlings from interstate. They think they can get a better deal there, so we are flagged at the moment. Yes, we will not be in that game while they are doing that, but we will retain our brood stock on standby. Should other farms or sea cage ventures come to the Northern Territory you can ramp that up, if they desire that service from government.

**Mr WOOD:** The minister is a great fan of the Amateur Fishing Association, and he used to put fingerlings in Manton Dam. Will that not occur anymore?

**Mr CURNOW:** As I said, we will still keep that brood stock. The stocking of Manton Dam used to be done with surplus fish that were not taken. We can still easily do small runs of the scale we need for topping up Manton Dam, so that can continue.

**Mr WOOD:** Minister, I have a broad question. I am reading from this magazine, *Fish*, and there is an article by Melissa Marino. She states that:

*The Australian Government, as part of its vision for redeveloping northern Australia, says aquaculture could conceivably be increased to an industry generating two or three times the current figure by the end of this decade. Then, in inverted commas, she says:*

*'Quality Australian seafood can play an increasing role in helping feed our Asian neighbours', the paper says. Suitable sites for a large sustainable aquaculture industry exist across northern Australia and businesses are pursuing large-scale opportunities'.*

She also shows a map which says this is in the Asian area. Asia produces 89% of global production for aquaculture, while Australia produces less than 1%. What is the Territory government doing in relation to opportunities to expand our aquaculture industry? I know we have had it for a number of years, and it has become static or gone backwards, but is there any move by the government to look at expanding production in this area?

**Mr WESTRA van HOLTHE:** The short answer to that is absolutely. Almost a watershed moment in the Territory's history was the change to the *Pastoral Land Act*, which allows for diversification. There are a number of properties and areas across northern Australia, and in the Northern Territory particularly, where land tenure is pastoral, but that property might well be suitable for aquaculture of some kind. Under the allowed uses for the expansion of the pastoral industry under those amendments, aquaculture is certainly a big part of that. The government is currently in confidential discussions with a proponent who is looking at a large-scale aquaculture venture on what is a pastoral property in the Northern Territory. We are certainly looking to further the opportunity for aquaculture through that means. You would also be aware that the Humpty Doo barramundi farm is ever growing.

I think it was last year when I had the privilege and pleasure of going to their 20<sup>th</sup> birthday celebrations, and to see what they are doing is absolutely fantastic. I know they still have some expansion plans happening there.

I will quickly see if there are a few more details I can provide to you. The aquaculture industry was valued at \$24m in 2012-13. This was an increase of \$6.8m from 2011-12, due to increased production in the pearling and barramundi farming industries. We should also not forget the significant contribution pearling plays here as well. The value of the pearling industry increased by \$5.56m, and the value of 2013-14 is predicted to decrease significantly, due to Paspaley temporarily ceasing production at its Northern Territory farms. That is an issue we need to address, and I met with a representative from the Paspaley group the other day to discuss some of its future plans and some of the issues around regulating the pearl industry in

the Northern Territory. We are certainly very mindful of the potential of aquaculture, and in terms of the aquaculture industry generally. The lingering impact of the global financial crisis on the pearling industry, together with the rationalisation of the barramundi farming industry, has meant it has been impossible to set targets for industry growth. We cannot look into a crystal ball and determine exactly what it will look like. But, we are providing an enabling environment for industry growth by removing red tape and working cooperatively across government to attract and facilitate investment. Significant investment opportunities are currently being pursued in pond-based prawn aquaculture and sea-cage farming of barramundi. We think we can contribute more to the food security of this country, but also our Asian neighbours, by promoting aquaculture. We are also looking, beyond that, at what we can do with clams on a small scale, oysters and, of course, trepang.

**Mr WOOD:** Where are we in relation to protecting the species of golden snapper? You announced various marine parks, restricted areas where you could catch golden snapper. Where is that at the moment in relation to re-opening areas for fishing, or will this be a long-term project?

**Mr WESTRA van HOLTHE:** It is hard to talk about golden snapper in isolation, because that is not the only species which needs to be protected. Jewfish are in the same boat. The reason for having to protect these species in less than conventional ways is because they suffer from barotrauma, which is an injury to their organs when they are pulled up from depths of greater than 10 m of water.

There has been an enormous amount of research done by Fisheries people and also, I think, at Charles Darwin University. The federal government has also been involved, to some degree, in researching the effects of barotrauma.

I do not know whether you have seen it, but we have seen video footage of golden snapper which are caught at depths greater than 10 m in a cage, then brought to the surface and dropped back down to the depth they were caught at. The vast majority of them die pretty quickly, or they are incapacitated to a point where we have even seen sharks coming up and head-butting the cage to try to get at these incapacitated fish.

We have had to consider a management regime which includes the closure of certain areas where fishing pressure is considered to be particularly high to protect the stocks of those fish and allow them to recover.

**Mr WOOD:** How long do you think that will be?

**Mr WESTRA van HOLTHE:** There has not been a firm decision made on the final management arrangement, if you like, which includes a number of closed areas, as well as personal possession and vessel bag limits on particular species. I currently have those files sitting on my desk.

I did say publicly that I will not rush a decision on this. I want to get this decision as right as I possibly can, bearing in mind that one group will think it is fine and another will think it is completely wrong.

This process has taken a while and I make no apologies for that. We want to get as much input from stakeholder groups and the general fishing public across the Territory about this to try to get to a position where we could meet what we think are required management measures, taking into account all of the sensitivities around that, not the least of which are our fishing charter operators who need to do business on reefs close to Darwin.

**Mr WOOD:** Okay.

**Mr WESTRA van HOLTHE:** I am just getting to the rest of your question. The decision will be made fairly shortly; the proposal, I believe at this point, will see the closure of areas for five years and maybe beyond that. We have to see how well the stocks recover.

We are also not only closing areas that are – sorry, I should not say closing, looking to close, we have not made the decision yet – heavily fished, but also areas which provide breeding grounds and the potential brood stock to replenish some of those overfished areas. There is a lot of science that has gone into current movements and all sorts of things which have informed decisions around which areas should be closed, but they could be rolling programs. We do not know what this will look like. The research will be ongoing to try to effectively measure how our management decisions have turned out.

If we need to extend a period of closure over a particular area we will consider that. If we need to adjust or move that area we will certainly consider it. If we feel fish stock numbers have resumed after, say, a period

of five years we will also look at opening up those areas again. The overriding issue for me is that fishing is an important part of the Territory lifestyle. We want fishermen to be able to catch a good feed of fish, but I also want an opportunity for our kids and grandkids to, in years to come, still access plentiful stocks of fish.

**Mr WOOD:** Thanks, minister.

**Madam CHAIR:** Are there any further questions on 1.2?

**Mr BARRETT:** Yes, minister, I have one in relation to the barramundi industry, where they are farming for barramundi. Are we doing anything to help them market that in the rest of Australia or internationally? I am wondering in relation to – they produce a fair amount of fish, and I wonder if the issue is not more around marketing it than the production of it?

**Mr WESTRA van HOLTHE:** The government, in the past, has done quite a bit of work on helping all our industries to establish their particular markets. At this stage the barramundi farm at Humpty Doo is probably the largest commercial aquaculture enterprise in the Northern Territory. It already has established markets in the southern states, so it is fulfilling that demand. That is marketing work it has done, probably on the back of things done years ago. With the advent of the Food Industry Development Group, that is an area where it will be straying as well and looking into markets for not only the barramundi currently being farmed here, but other commodities that could be farmed over a period of time.

We currently have things under review. We are targeting strategic issues that will lead to improved performance, both in the industry itself and in marketing. The other work being done is at ministerial level, because, traditionally our overseas travel into Asian countries has been to promote the Northern Territory as a destination to invest in the mining industry. We are expanding that now and, under the leadership of this government, we are moving more towards other commodities and seeing what opportunities exist in that space.

We want to promote ourselves not only as a jurisdiction that can provide a stable supply of high-quality produce - and that extends to fish as well - but also a place which is investor friendly, realising there are companies and countries, I guess wholly, which are interested in expanding their own food production and they are looking overseas in order to do that as well.

**Madam CHAIR:** That concludes consideration of Output 1.2 and Output Group 1.0.

## **OUTPUT GROUP 2.0 – RESOURCE INDUSTRY MANAGEMENT**

### **Output 2.1 – Primary Industry**

**Madam CHAIR:** The committee will now move on to Output Group 2.0, Resource Industry Management, Output 2.1, Primary Industry. Are there any questions?

**Mr McCARTHY:** Minister, I have heaps of questions. I will put them to you in writing in the interest of time, but I have one today for your advice. Have you sought any information or any advice from your department about the impacts of storing nuclear waste in the Barkly and that impact on the pastoral industry?

**Mr WESTRA van HOLTHE:** Member for Barkly, that probably sits more within the Department of Mines and Energy, but there have been no decisions made around the storage of nuclear waste in the Barkly region. The Department of Primary Industry and Fisheries has not had any direct input into that, according to my chief executive, and I cannot see why it would.

**Mr McCARTHY:** Regarding it sitting in the Department of Mines and Energy, it will sit in the middle of the best cattle producing area in the world, which is why I ask your advice.

**Mr WESTRA van HOLTHE:** I have not seen the plans. What I have been able to glean so far is that it will be a small thumbprint on a very large tract of land. I sincerely doubt that it would affect pastoral production in that area.

**Mr McCARTHY:** Not pastoral production, not transport, and you have no concerns about Australia's first nuclear waste management facility being located in the Barkly?

**Mr WESTRA van HOLTHE:** Nuclear waste is currently being stored in Sydney and under hospitals all around the country; let us put that into context. No, I do not hold any grave concerns for the pastoral industry around this proposal, bearing in mind it is still only a proposal. It is also beyond the purview of the Northern Territory government to make any decisions around it. This was brought on by the

Commonwealth government and it is currently in the High Court, I think, where they are debating and discussing it there.

**Mr McCARTHY:** In perspective, I do not know how many heifers are grown in hospitals or in Sydney, but the transport of that waste into prime beef cattle producing country should be of concern to you.

**Mr WESTRA van HOLTHE:** That is your view. I will take some advice on it, but you receive a greater dose of radiation flying from here to Sydney in an aeroplane than you will from the low-level waste planned for storage there.

**Mr McCARTHY:** Are you not aware of the waste returning from France?

**Mr WESTRA van HOLTHE:** I have heard about that, but it is some time off in the future, as I understand it. If this were to go ahead, there is no doubt adequate precautions would be taken and that safety measures would be implemented, and there would be no effect on the environment. It can and needs to be stored safely. Ultimately, the Northern Territory government does not have a say in the final decision.

**Mr McCARTHY:** Products of a half-life of 10 000 years would take us into the future.

**Mr WESTRA van HOLTHE:** I know how radiation works, member for Barkly, I know it only too well.

**Madam CHAIR:** Are there any further questions on 2.1? That concludes consideration of Output 2.1.

### **Output 2.2 - Fisheries**

**Madam CHAIR:** The committee will now consider Output 2.2, Fisheries. Are there any questions? That concludes consideration of Output 2.2 Fisheries and Output Group 2.0 Resource Industry Management.

## **OUTPUT GROUP 3.0 – CORPORATE AND GOVERNANCE**

### **Output 3.1 – Corporate and Governance**

**Madam CHAIR:** The committee will now proceed to Output Group 3.0 Corporate and Governance, Output 3.1 Corporate and Governance. Are there any questions?

**Mr HIGGINS:** Yes, how are we going with our Blue Mud Bay negotiations?

**Mr WESTRA van HOLTHE:** Good question, member for Daly.

**Mr HIGGINS:** A reference to Daly River and Malak Malak would be good.

**Mr WESTRA van HOLTHE:** I must provide a bit of background before I move onto specific details. Do you realise that on 30 July 2008 the High Court of Australia handed down its decision with regard to the Blue Mud Bay matter? The High Court found that the *Fisheries Act* is valid in tidal waters over Aboriginal land, but a permit is required to enter and remain on those waters.

Interim arrangements are in place to allow fishers to continue to enter waters over Aboriginal land while negotiations continue. Negotiations with affected land councils are complex, requiring formal consent from over 2000 traditional owners along the Territory coastline. One of the most important issues for fishers in the Territory is access and this government is working hard to achieve win-win outcomes for traditional owners and fishers through the Blue Mud Bay negotiation process.

The High Court has made a decision which must be honoured. Negotiating with the many community leaders across our coastline in a respectful and solutions-focused way is an enormous commitment we will continue to pursue in a way that prioritises permit-free access to as much of the Territory coastline as possible. The budget contains a \$2.25m package to support Indigenous development opportunities and provide permit-free fishing access to enter tidal waters overlying Aboriginal land.

A key part of this pro-package is the government's commitment to enhancing marine ranger programs across the Territory. This includes providing stronger powers to marine rangers, so they can undertake compliance and enforcement on our waterways. This will ensure rangers can work in partnership with government agencies to monitor our vast coastline, rivers and waterways.

Other elements of the package include a fish mentoring program to provide training and skill development in commercial fishing to allow more Indigenous Territorians to participate in the seafood industry, as well as better consultation with Aboriginal communities over fishing and marine management. In addition, a further \$466 000 has been allocated to water police to conduct on-country fishing patrols and training with marine ranger groups across the Territory.

In November 2011, following the development of several previous settlement proposals, a revised proposal was endorsed by the NLC full council for consultation with traditional owners. The revised proposal seeks formal agreements with traditional owners for commercial fishers, fishing tour operators and permit-free access for recreational fishers and other water users to key recreational fishing areas overlying Aboriginal land.

To date, six agreements have been reached with traditional owners, the upper Daly River agreement, the Daly River mouth to Cape Ford agreement, the Macarthur River and Sir Edward Pellew Group of Islands agreement, the Mini Mini Murganella region agreement, the Nhulunbuy agreement and the Wadeye region agreement. Agreements are, by and large, for 20-year periods, and provide access through formal agreements for commercial fishers and fishing tour operators, as well as recreational fishers and other water users, without individual permits.

An in-principle agreement has also been reached with the Tiwi Land Council which provides permit-free access to the southern and eastern regions of the islands, including the Aspley Strait, and closed areas on north Melville Island and west Bathurst Island are to protect the commercial land-based Tiwi fishing lodges.

Some detail in relation to the Tiwi Land Council in-principle agreement is still to be resolved, but in the interim the Tiwi Land Council has stopped charging a fee for recreational fishers who take out a Tiwi Islands recreational fishing permit. Negotiations are continuing with the Anindilyakwa Land Council for access to inter-tidal waters overlying Aboriginal land in the Groote Eylandt archipelago.

The NT government is currently seeking commitments from the Commonwealth government to meet these funding requirements, noting access issues arising from Commonwealth legislation.

I have a bit of further information to provide some clarity about where we are, and this budget allocation. Notwithstanding that those agreements have been reached, even though there is formal agreement by both traditional owners and the land councils in respect of those defined areas, the next step beyond that is to formalise agreements through a contractual type of arrangement.

It has been a lengthy period of time in negotiating those final documents or contracts between the government and the land councils, and that has been as a result of resourcing issues on both sides, and lawyers having an opportunity to sit down in a room and to and fro over those agreements. Until those agreements and the physical contracts were finalised and signed, the government was not able to apply any of the agreed resources to the agreements.

I understand there has been a little bit of consternation about the fact that no one is seeing the results arising from any of these agreements, but that is simply the fact that these contracts had to be finalised and signed off by both parties before a real allocation of resources could be applied. We are getting through that process now, we have money which has been allocated in the budget to meet those commitments, so we will be seeing that roll out pretty shortly. I do not know whether the director of Fisheries wants to add some more stuff to that.

**Mr CURNOW:** We are already providing support services ahead of those agreements.

**Mr WESTRA van HOLTHE:** In addition, \$575m has been allocated to Indigenous programs ahead of those agreements, so resources have actually been applied. Those have gone into enhanced training and support for marine rangers, mentoring support for Indigenous fishing businesses and an enhanced consultation process with traditional owners over management of sea country.

**Mr HIGGINS:** Did you say \$575m?

**Mr WESTRA van HOLTHE:** Sorry, \$575 000, to correct the *Hansard*.

**Mr HIGGINS:** I was going to say we are spending a lot of money on consultation.

There was a question earlier to which we did not get an answer. It was about how much money we spend on ministerial delegations overseas. That comes out of the Chief Minister's department, but what positive things have come out of that? Can you point to anything for us in that area?

**Mr WESTRA van HOLTHE:** Ministerial delegations?

**Mr HIGGINS:** Yes.

**Mr WESTRA van HOLTHE:** Yes, there have been masses of them. I will see if I can dig up a few details for you.

The ministerial delegations have resulted in a variety of positive interests from major international companies interested in investing in the Northern Territory's agriculture and horticulture sectors.

Specifically, there has been interest in exporting table grapes to Japan, significant investment interest in horticulture from the Vietnamese CT Group - I have referred to it before with its dragon fruit interest in the Territory, as well as mangoes. It quotes an investment of somewhere around \$100m in total for the type of scope and scale it is looking at in the Territory.

Of course, there is investment interest in the pastoral sector as well from a Chinese group called YXY.

Ministerial delegations that include producers demonstrate a collaboration between industry and government, show support from the Northern Territory to importers of Territory livestock; introduce Northern Territory producers to importers; promote the Northern Territory as a supplier of choice for livestock; assist in establishing firsthand knowledge of market requirements; promote opportunities for investment into Northern Territory agriculture and importantly; strengthen relationships with strategic partner organisations to maintain the Northern Territory's profile and credibility as an exporter and investment destination.

Outcomes from these overseas delegations include raising the profile of the Northern Territory in our key markets, forming important relationships and building trust with current and potential investors and establishing new protocols for market access.

The work being done out of ministerial delegations for the agriculture sector, particularly in the new countries we are visiting, is still in its early days. That work has been primarily focused around the Mines and Energy sector, but we are now expanding that. This builds on work that was done many decades ago by former ministers of CLP governments in establishing the live trade with Indonesia.

You cannot replace that type of personal relationship building and interaction when you are forming relationships with potential trading partners. Trust cannot be formed through a telephone conversation, so these ministerial delegations across to established and new and potential markets in the Asian theatre are highly important.

**Madam CHAIR:** That concludes consideration of Output 3.1

### **Output 3.2 - Shared Services Provided**

**Madam CHAIR:** The committee will now consider Output 3.2, Shared Services Provided. Are there any questions? That concludes consideration of Output 3.2 and Output Group 3.0.

Are there any non-output specific budget-related questions?

---

### **Answer to Question on Notice No 8.3**

**Mr WESTRA van HOLTHE:** Madam Chair, I have a couple of answers to questions on notice, if you ...

**Madam CHAIR:** Yes, if you could provide us with the number first.

**Mr WESTRA van HOLTHE:** Yes. I believe it is an answer to Question No. 8.1 around the review of the *Veterinarians Act*.

**Madam CHAIR:** Thank you.



**Mr WESTRA van HOLTHE:** The *Livestock Act* has recently been amended and is not currently under review. The *Veterinarians Act* is not currently under review. It is proposed that a review of the legislation will commence shortly.

Two discussion papers have been released, with comments received currently being considered. Further progress will await the release of the national *Veterinarians Act* template.

**Madam CHAIR:** I believe that was Question No. 8.3, minister.

**Mr WESTRA van HOLTHE:** I will take your advice on that, Madam Chair. I was not quite sure what that was.

**Madam CHAIR:** Thank you. That was the minister's response to Question on Notice No.8.3.

---

#### **Answer to Question on Notice No 8.2**

**Mr WESTRA van HOLTHE:** There was another question about the amount of land currently under forestry. I am not sure what the number was.

**Madam CHAIR:** I think it was 8.2.

**Mr WESTRA van HOLTHE:** Forestry in the Northern Territory comprises of African mahogany, which is *Acacia Mangium*, and sandalwood. African mahogany occupies 17 000 ha currently planted and 23 000 ha are proposed for planting. Primarily, these plantations will be rain-fed in their water requirements once the plantation is established. In regard to the *Acacia Mangium* 30 000 ha are currently planted, with no known expansion plans, and harvesting will commence shortly. These are primarily rain-fed once plantation is established. Sorry, *Acacia Mangium* is a separate species to the African mahogany. There are no expansion plans for that one and it will be primarily rain-fed once plantation is established.

For sandalwood, 1150 ha have been planted. Expansion plans by private companies have not yet been quantified in the NT, but they will be primarily irrigated.

**Mr WOOD:** Okay.

**Madam CHAIR:** Thank, you minister.

---

**Madam CHAIR:** That concludes consideration of outputs relating to the Department of Primary Industry and Fisheries. On behalf of the committee I thank the departmental officers who attended today. The committee will now move on to consider the Department of Mines and Energy

---

The committee suspended

---

#### **DEPARTMENT OF MINES and ENERGY**

**Madam CHAIR:** Thank you, minister. I welcome you this time as the Minister for Mines and Energy and invite you to introduce the officials accompanying you.

**Mr WESTRA van HOLTHE:** Thank you. I would like to introduce Mr Scott Perkins, Chief Executive of the Department of Mines and Energy; Dr Ian Scrymgeour, Executive Director of the Northern Territory Geological Survey and; Acting Chief Financial Officer, Desiree Ng.

**Madam CHAIR:** Thank you, minister. Do you wish to make an opening statement regarding the Department of Mines and Energy?

**Mr WESTRA van HOLTHE:** I do, thank you Madam Chair.

The Department of Mines and Energy is responsible for implementing the Northern Territory government's priorities for mineral and energy resource development and management. This includes delivering

geoscience and prospectivity assessments to industry to attract exploration investment, regulating minerals from exploration through to development, and the operation of mines and their closure, providing leading energy policy advice and regulating the energy supply chain.

The mining industry impacts on the Northern Territory economy through trade, investment and employment. In 2012-13, mining's contribution to gross state product, or GSP, in the Territory was 14.3%, which is much greater than the national contribution of 8%. In the period from 2005-06 to 2011-12, mining has been the largest industry contributor to the Northern Territory's GSP. While we have a number of world class resources here in the Northern Territory, including some of Australia's largest deposits of uranium, bauxite and manganese, we also produce smaller quantities of many other commodities, such as gold, copper, iron ore, rare earths, tungsten, zircon sands and potash.

In real terms, mineral and energy production in the Territory has increased in value from \$5.5bn in 2011-12 to an estimated \$5.9bn in 2012-13. To break these figures down, the value of energy production in the Territory increased from \$3.5bn in 2011-12 to an estimated \$3.7bn, driven by the increased production of uranium and offshore gas. The value of mineral production is estimated to have increased from \$2.1bn to \$2.2bn in 2012-13, driven by an increase in manganese and gold production. The high levels of construction activity in the Territory have also driven demand for construction material, with a substantial increase in the production of crushed rock, up by 132.8% and sand, which is up 61.1%. Our energy resources include natural gas, liquefied petroleum gas, condensate, which is a light hydrocarbon liquid used to manufacture petrol and other liquid fuels, oil and uranium.

In order to grow the Northern Territory's minerals and energy sector, the department has a number of major initiatives underway to support industry. Funding of the Northern Territory government's 2014-15 reflects the importance of the mining and energy sectors to the Northern Territory economy. Specifically, the 2014-15 budget contains \$3.95m for a renewed and enhanced Creating Opportunities for Resource Exploration - or CORE - initiative to stimulate mineral and petroleum production, and \$2m for an accelerated collaborative program to assess the Territory's onshore petroleum potential and resources.

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

The committee will now proceed to consider the estimates of proposed expenditure contained in the Appropriation Bill 2014—15 as they relate to the Department of Mines and Energy.

#### **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?

**Mr McCARTHY:** Yes. Minister, will you table the answers to written questions from the Territory opposition?

**Mr WESTRA van HOLTHE:** Yes, I am happy to table the answers to generic questions asked primarily by the Leader of the Opposition.

**Mr WOOD:** Are there some from others, such as the member for Namatjira?

**Mr WESTRA van HOLTHE:** There is a bunch of generic questions which have been answered. I am happy to table a copy of the answers. If there are questions in here that have been asked by other members and are generic in nature, they will be included in the tabling.

**Mr McCARTHY:** The Roper Highway is in the electorate of Barkly, an area I visit about four times per year. There is enormous concern about the convoys of triple combination road trains carting the ore from the Sherwin Iron project to stockpile on the Stuart Highway for transporting north. I hear comments from tourists, Aboriginal communities and pastoralists - everybody is talking about it. I am aware that project was approved as a 200 000 tonne test sample. Is that correct?

**Mr WESTRA van HOLTHE:** I share your concerns about traffic movements on the Roper Highway; you are not the only one who has had these issues raised with them. I am canvassed regularly by all manner of people, but it is important to point out traffic management on the Roper Highway and issues around the quality of road upgrades which need to be undertaken. Widening of shoulders and those sorts of things sits with the Department of Transport these days. I take those concerns to my colleague, the Minister for Transport, and raise them with him quite regularly. It is pleasing to see that a bit of work has been done by

Sherwin Iron on the Roper Highway, and in fact, just the other day, a family member of a very close friend of mine relayed to me that he had just driven on the Roper, and it is in fantastic condition. Obviously, things have happened there. In regard to the question about the Sherwin Iron project, the proposal was an approved bulk sample of 400 000 tonnes.

**Mr McCARTHY:** Minister, the approval for a test sample, I believe, has achieved 200 000 tonnes. Is that correct?

**Mr WESTRA van HOLTHE:** As I understand it, they are close to about 200 000 tonnes now, and I do not know whether the chief executive has some further information on that, but it is up around that as far as I know.

**Mr PERKINS:** Those exact figures are not with us. My understanding from the company is that its bulk sample is nearly complete.

**Mr McCARTHY:** Thank you, Mr Perkins. That is a question from the constituency, that the bulk sample approved is coming to completion, and I believe it has been completed. The constituency now wants to know what will happen regarding the safety of road users on the Roper Highway. You mentioned roadworks. I have travelled on that road a number of times this year; there is a bit of work being done in terms of the patching of bitumen and some re-sheeting. There are some slurry seals onto shoulders but, as you know, that highway has an extensive amount of single lane, where there is no possibility of extending shoulders, where it is extremely dangerous and road users share that highway with combinations of up to six triple road trains carting iron ore. So, minister, the people want to know what the plan is for future road safety in terms of infrastructure upgrades to the Roper Highway?

**Mr WESTRA van HOLTHE:** That question is better directed to the Minister for Transport, who looks after roads. The responsibility for me, the Minister for Mines and Energy and my department, stops at the edge of the approved mining tenement. Beyond that, the responsibility falls within the purview of other government departments. That said, now that the bulk sample is nearly complete or complete - I am not going to bounce around semantics on that - the future of Sherwin's operations will ultimately be up to them in determining the economics of the project and how it goes forward. If it continues to use the Roper Highway it will no doubt have to make sure the Department of Transport and the Minister for Transport are satisfied that the road will be in such condition that it is suitable for the type of expanded use it would be proposing. It is a little early to pre-empt what that might look like. Sherwin might well build a haul road similar to the one built by Western Desert Resources. It might look at other transport options as well. It is a little premature to be discussing what road usage might look like if the mine were given full go ahead for full-scale mining. Again it would be more for a matter for the Minister for Transport, particularly since it affects one of his roads.

**Mr McCARTHY:** Minister, I do not think it is premature, when there are currently conveys of up to six triple combination road trains operating on that highway, both east and west. If approval has been given for a test sample and we acknowledge this product and this project, what is your plan for the future, should this company want to continue with its mining operation?

**Mr WESTRA van HOLTHE:** Again, my plan for the future will be confined to the areas of responsibility which fall within the mining tenement itself. The Department of Mines and Energy handles all approval processes, obviously in conjunction with the EPA. Beyond that, we will have input into the transport department and, through me, to the minister as well, about traffic management on that particular road.

If you are asking for a plan, my plan is to talk to the Minister for Transport and have my department talk to the Department of Transport to make sure that Sherwin lives up to its obligations as best it can to make sure all road users can use that road safely.

**Mr McCARTHY:** We established a 200 000 tonne test sample, and you mentioned a 400 000 tonne test sample. Can I tell the constituency we have the same amount of traffic with those convoys to come and there are another 200 000 tonnes approved to be transported under current circumstances?

**Mr WESTRA van HOLTHE:** I will ask the Chief Minister of Mines and Energy to answer that question. My understanding ...

**Mr WOOD:** Chief Executive.

**Mr WESTRA van HOLTHE:** What did I say?

**Mr WOOD:** Chief Minister.

**Mr WESTRA van HOLTHE:** Chief Executive.

**Mr WOOD:** We will not comment.

**Mr WESTRA van HOLTHE:** Feeling special, Scott?

**Mr PERKINS:** I am feeling very much promoted, minister.

**Mr VOWLES:** He would probably do a better job.

**Madam CHAIR:** Member for Johnston, that was unnecessary. You have only just joined us this morning and you have already disappointed me. Mr Perkins.

**Mr PERKINS:** Thank you, member for Drysdale. I will answer that question in a couple of parts. The first answer is that there is liaison between the various departments involved in this matter. We generally come to an agreement, quite easily, about how cross-departmental issues are addressed. In this case, there have been significant talks between Department of Transport staff and my own staff.

The second part of the answer is that the company has informed us that it is well aware of its responsibilities. My understanding from the company is that it is actively considering alternative transport routes for the vast bulk of the ore it is trying to get out of that mine site, and the commercial aspects of the delivery of that ore through the port are being actively looked at in conjunction with the social obligations it has to not endanger the population.

I endorse what the minister said. Outside of mining tenements is generally the responsibility of other agencies and portfolios, but we liaise with those portfolios as needed.

**Mr McCARTHY:** Thank you, Mr Perkins. Minister, is there any current approval for the Sherwin Iron project to continue with its mining project under current transport arrangements?

**Mr WESTRA van HOLTHE:** What has been approved is the taking of a bulk sample. There are no other approvals ...

**Mr McCARTHY:** Can we confirm that was 200 000 tonnes?

**Mr PERKINS:** The bulk sample approval was 400 000 tonnes. We do not have the figures to hand of the exact tonnage which has been delivered, but we can provide those figures to the member for Barkly if you need them.

**Mr McCARTHY:** Thank you, Mr Perkins. Minister, I am aware that 200 000 tonnes has been achieved, as there is a celebratory function planned very shortly by the project to announce that. From what you are saying, we can then expect the same road traffic conditions for another 200 000 tonnes approved by you?

**Mr WESTRA van HOLTHE:** If the approval is for 400 000 tonnes and 200 000 tonnes has come out, given all the same circumstances exist today as they did when the approval was given, I can only assume that Sherwin Iron would continue to mine that bulk sample and transport it on the Roper Highway. That said, things have changed since then, member for Barkly. I do not know if you keep abreast of iron ore prices, but they have dropped significantly since that bulk sample was first approved and are hovering around US\$91 per tonne at the moment into Tianjin port in China. That might very well affect the economics of the project going forward and it would be a matter for Sherwin Iron to decide where it goes beyond this current 200 000 tonnes it has taken out.

**Mr McCARTHY:** Minister, we are assuming there will be another 200 000 tonnes transported on the Roper Highway, as is the current situation with convoys of triple combination road trains. Over the period we have already experienced one would suggest this road traffic will continue well into 2015 on the Roper Highway. Do you agree?

**Mr WESTRA van HOLTHE:** If Sherwin continues to mine its bulk sample, and in the absence of an alternative transport plan, yes, we can expect a continuation of that road train traffic on the Roper Highway.

**Mr McCARTHY:** Minister, can I assure you we need a revision in the transport plan. I ask you to commence that dialogue with the Minister for Infrastructure and the Minister for Transport immediately, on behalf of the constituency. I would like to advise you, minister, that the really intense end of that transport operation relates to around 50 km between the Stuart Highway and Elsey Station, where there is also a lime mine operating, and there are regular doubles - combination road trains - transporting to Northern Cement. Within that context and the context of the majority of agricultural producers, a number of Aboriginal communities and outstations and this traffic, it is extremely dangerous. From that area on the highway has little opportunity to extend shoulders and, essentially, the constituency is saying that if this is to be a new Territory mine and a new Territory project there will have to be some serious revisions around transport planning.

**Mr WESTRA van HOLTHE:** I speak regularly with the Transport minister and already have an open dialogue with him on this topic, so of course I am happy to continue that conversation. As I said earlier, constituents also talk to me to raise their concerns about the Roper Highway. I have certainly taken those concerns to the Transport minister. The Transport minister will do as he does and make a decision in the best interests of the majority of Territorians.

It is important to point out that, yes, there have been a couple of incidents between other vehicles and road trains on the Roper Highway in the last 18 months or so. However, road use responsibility goes to everybody, not only road train drivers. Everyone needs to be aware that heavy vehicle traffic is flowing along the Roper Highway, and exercise caution. It is incumbent on every single road user, including truck drivers, to make sure they are doing the right thing, they are cautious on the roads and take into account all traffic around them.

**Mr McCARTHY:** Thank you, minister. I think people are aware of their responsibilities. When you are operating among convoys of up to six triple combination road trains there is sometimes no choice if you are caught up in an area where there is nowhere to go - this is an extremely dangerous situation.

With the example of Western Desert Resources and the 160 km haul road it has constructed to export its produce through the port of Bing Bong, will you be asking the Sherwin Iron project to come up with a similar alternative plan for its full mining project?

**Mr WESTRA van HOLTHE:** I will not dictate to Sherwin, or any other company, conditions around their road transport. Once a product leaves the tenement, it is no longer within the purview of me as the Mines minister, or my department, to regulate or control that. That is why it is important, as we do, to hold dialogue between ministers and working groups and plenty of dialogue between respective departments. That is occurring and will continue to occur in the future around the holistic picture of a mine and its impacts not only on the tenement, but on other areas affected. I am sure you understand, I will not be provocative.

Mining companies will make decisions based on economics and if the economics of a project, given all circumstances, do not stack up then the project does not go ahead. That also includes the cost of infrastructure. In the Northern Territory it is a high cost, with vast distances to cover. Goods and services in the Territory are expensive and all of those considerations will be given due thought by mining companies in making a decision about the economics of a project. That will be a matter for Sherwin Iron. If it comes up with a proposal so abhorrent in its transport option, that sort of proposal would not be approved and we would send it back to the drawing board, but at this point we will not dictate what it should or should not do. It can put a proposal to the Northern Territory government, which we will consider holistically. If we believe it stacks up, is safe and ticks all boxes, it will be approved.

**Mr McCARTHY:** I can reassure the constituency of cutting red tape and cutting green tape, but not at any cost?

**Mr WESTRA van HOLTHE:** Yes, we are very keen to cut red and green tape, but not at any cost, especially not at the cost of safety or the environment.

**Mr McCARTHY:** I am interested in your comments about the EPA's criticism of the Sherwin Iron project being approved by you without these contingency plans in place.

**Mr WESTRA van HOLTHE:** I do not know the context of ...

**Mr McCARTHY:** Transport plans, minister.

**Mr WESTRA van HOLTHE:** Has the EPA commented on transport plans?

**Mr McCARTHY:** No, the EPA criticised the project going ahead without these holistic plans that you talk about being in place.

**Mr WESTRA van HOLTHE:** Do you mean without a transport plan being in place?

**Mr McCARTHY:** No, without the holistic plans of the project being in place.

**Mr WESTRA van HOLTHE:** I do not know what comments the EPA has made. The EPA should be confining its comments to matters to do with the environment and environmental impact statements. We work closely with the EPA in the areas that we must. My mining officers have a very good relationship with officers within the EPA. The chief executives and chairs have a good relationship and that is working well.

The EPA can have views on all sorts of things, but it matters within the purview it has responsibility for.

**Mr McCARTHY:** In terms of having opinions, last week during estimates the Chair of the EPA told this committee:

*We have some serious issues at the McArthur River Mine. It has been called in for an EAS with new developments, and is the No. 1 priority we have at the moment.*

Dr Freeland is usually measured in his comments, but if he is concerned, Territorians are concerned. Can you outline the nature of the serious issues at the McArthur River Mine for the committee, and what advice has your agency provided you about those issues? What steps is your agency taking to assist with remediation action to address those issues?

**Mr WESTRA van HOLTHE:** I share all concerns Dr Freeland has raised. I am always concerned about the effects of mining on the environment and I know Dr Freeland has been vocal about issues with the McArthur River Mine. The stage three expansion of McArthur River is producing a certain quality of waste rock which, as I understand it, goes to the nub of the issue Dr Freeland is talking about. The *Mining Management Act* makes provision for the proper design of mine sites; it works to deal with all environmental issues which occur on a mine site, and mine management plans give a definitive legislative guide to mining companies for the operation of their particular mine.

The phase three expansion is something still under consideration for approval. I am pretty sure an EIS has been called for - I think you said EAS, just to correct the record - but an environmental impact statement has been called for and we will continue to work with the EPA to mitigate the risks around the expansion or the phase three expansion.

I will give you a bit more detail, because we do work very closely with the EPA on, particularly, these major mining projects. We looked at the increase of AMD, which is acidic metalliferous drainage material, and noted that we believed it would require a change in the design and operation of the McArthur River project, and that it needed to be referred to the EPA for its consideration around whether an EIS was required. As a consequence, the DME referred the MMP to the EPA on 24 February to determine if it required assessment under the *Environmental Assessment Act*. The EPA has since determined that the changes in the volumes of certain types of waste rock would require the proposal to be assessed at the level of an EIS.

MRM has also referred the notice of intent to the Australian government for consideration under the *Environmental Protection and Biodiversity Conservation Act* or EPBC Act. No further works can be carried out on the proposal until a decision is handed down on this referral, and what that tells me, member for Barkly, is that proper process is being followed. Where the DME considers that a matter should be referred to the EPA, it is and, in this case, it certainly has been. MRM, of its own volition, decided to refer its notice of intent directly to the Commonwealth to commence that process of assessment under the EPBC act. The results of the EPBC act assessment and EIS will help to inform a mine management plan that, as I say, mitigates the risk of any harm to the environment by getting a range of factors right on the mine site itself, which will include the management of that particular waste rock.

**Mr McCARTHY:** Thank you, minister, and another concern the constituency has raised is about the ERA Ranger mine and the ultimate cost of rehabilitation. With that being uncertain in terms of cost, ERA is now concerned about its expansion into the Ranger 3 Deeps mine, so if that is not developed and in the absence of any other successful developments, ERA may require an additional source of funding to fully fund the rehabilitation of the Ranger project area. What is your position and have you any concerns about this situation developing? Will you have a budget appropriation to support ERA, should it call on it?

**Mr WESTRA van HOLTHE:** I always have, as I say, concerns about mining operations and the effects they have on the environment, both in the short term and also the long term. You would be aware, of course, that there is a security bond required of all mining and exploration companies in the Northern Territory. The actual bond is 100% of the assessed amount of remediation on that particular site, given the scope and scale of works approved under a mine management plan. Those bonds are held either in cash or guaranteed bank deposits. It is not something I involve myself directly with, because this is something that is handled by very intelligent, trained people in the department. My understanding is that the level of bonding for ERA is sufficient to meet its environmental targets and the rehabilitation of the mine site.

Much of that work is already under way, as you would be aware. I do not know if you have been out to ERA recently, but a large portion of the main pit has been already filled in, and that work is continuing. It is incumbent on all mining companies - in this case Ranger or ERA specifically - to make sure they meet their environmental regulations with regard to the remediation of mine sites.

We hold a bond in case they do not do that. We are willing to use that bond, where necessary, to remediate problem mine sites that have been left unattended to the satisfaction of the Department of Mines and Energy. I think you said something about a ...

**Mr McCARTHY:** A shortfall.

**Mr WESTRA van HOLTHE:** A shortfall. I do not believe there is one. My advice is that there is sufficient money tied up in the bond now to remediate the site. In fact, I am not entirely certain where this notion came from that there was insufficient money in bonding to cover remediation.

But, the environmental bond is a moving beast, as mine management plans are amended and changed. As the scope and scale of work is amended or changed, the amount of bonding also changes. If a company like ERA was to do \$100m worth of remediation work on a mine site, it would put a proposal up to the Department of Mines and Energy to reduce the amount of bond by a similar amount ...

**Mr McCARTHY:** In saying that, minister, that is interesting ...

**Mr WESTRA van HOLTHE:** I will just finish. Conversely, should operations of any mine site increase or expand, there would be a commensurate increase in the amount of bond being held by the Department of Mines and Energy to remediate that site.

**Mr McCARTHY:** Thank you, minister. ERA's own recent statements raised this concern. That was in the public arena and is why constituents are talking about it. What is the current state of ERA Ranger's rehabilitation bond? Has it been reassessed in the light of ERA's recent statements that they feel there could be a significant shortfall? Has the NT government taken any further steps to address any unfunded liability?

**Mr WESTRA van HOLTHE:** I do not believe there is an unfunded liability. The statement caused us to look at bonding arrangements. I will ask the chief executive to provide further detail around that.

**Mr PERKINS:** I might refer to this in a couple of parts. This issue arose from some statements made by Rio Tinto and the company itself. The context of that has to be seen in the context of how companies make statements.

The effect on us was that it attracted our attention. It attracted our attention in the context of dealing with a major incident that happened at the mine. The department is continually reviewing matters such as environmental bonding and, generally speaking, those are reviewed formally every year with a mine management plan review.

With ERA, it is also supervised under Commonwealth legislation and has the Supervising Scientist Division as a major stakeholder in its environmental performance, as well as the department I run. So, there is, in our view, adequate supervision, which is also transparent to the local traditional owner group in the area. The in-built reviews we do into what is, in effect, a risk management of the site, have provided us with adequate coverage of that rehabilitation bonding arrangement. I reinforce that they are reviewed regularly and adjusted up or down as the situation demands with ERA, as with any mine site.

**Mr McCARTHY:** Thank you, Mr Perkins. Minister, under the *Mining Management Act* you could release ERA's 2013 report on the technical studies and optimisation of strategies and costings for the rehabilitation

of that range of project area. That would allow stakeholders to examine and assess the capacity of ERA to meet its financial liabilities with regard to rehabilitation. Would you release that?

**Mr WESTRA van HOLTHE:** It is the first time I have been asked a question about that or to consider it. I will take some advice. I have to be very cognisant of releasing any commercial-in-confidence information. I have stated publicly in the past that I will not release details of bonding arrangements between the Northern Territory government and mining companies. If mining companies wish to publicly release details of their bonding arrangements they are entitled to do so. That is a personal position I have taken on this matter, but if there are good reasons to release the report you are referring to, and it does not breach any confidences, I will give it due consideration.

**Mr MCCARTHY:** Thank you, minister. You commissioned a task force to investigate the leach tank failure at the ranger operation. What is the time frame for reporting key findings and will you release that report to the public?

**Mr WESTRA van HOLTHE:** That is a good question, member for Barkly. I am happy to provide you some detail about that. To give you some context, on 7 December 2013 a leach tank at Ranger suffered a catastrophic failure, spilling about 1200 m<sup>3</sup> of slurry within the process plant area. The slurry contained sulphuric acid, manganese dioxide and lateritic ore and it was about 50% solids. There were no casualties. The spill was reported to supervising authorities and stakeholders at about 6 am on the same day and DME staff inspected the site at 10 am. The cleanup of spilled material commenced immediately and was in progress during the DME site visit. No material was found to have escaped the overall containment of the processing area and there was no damage to the external environment, including Kakadu National Park.

Both Northern Territory and Australian government ministers responsible for the site ordered all processing operations at Ranger to cease until such time as it could be established it was safe for the plant to operate again. DME commenced an investigation under the *Mining Management Act*, which is ongoing. A task force to coordinate all investigation activities of various departments from both the Northern Territory and Australian governments and stakeholders representing traditional owners was established. The task force commenced work in January 2014 and has met seven times to date.

An independent expert advisor group appointed to assist the task force in assessing various technical and governance matters in relation to the investigation of the tank's failure delivered a preliminary final report in early June 2014. The report was peer reviewed and submitted to Commonwealth and Northern Territory ministers at the end of May 2014. The report contained a plan for a staged restart of oil processing facilities at Ranger, together with recommendations on improvements in process safety at the site. Initial site cleanup work has been completed and the failed tank and associated structures have been dismantled. Ongoing monitoring results continue to show there has been no impact outside the processing plant area.

The accident site was revisited by DME staff on 12 December 2013 and DME accompanied me during my visit on 19 December. Regular site visits and inspections by DME and independent advisors to the task force are continuing. ERA was given conditional approval to recommence operations on 5 June 2014 by both the federal minister and myself, and then through my department as well. The restart will be evaluated by task force consultants in mid to late June 2014 and a final report from the consultants covering governance issues is expected in late June 2014. A long-term plan to evaluate progress on improved procedures at the mine is under development between the consultants and regulatory authorities.

Member for Barkly, I mentioned there have been a number of reports. The one produced by the independent investigator was commissioned by the Commonwealth. It is the property of the Commonwealth and it is not within my power to release it. I understand the federal minister allowed the recommendations to be released, which is fine. That has been peer reviewed, so there is a report on the report, which is the property of the Commonwealth. It will be a decision for the federal minister as to whether he releases that or not.

NT WorkSafe, which falls outside of my area of responsibility, is also producing a report. I cannot advise you as to the status of that report, but it is either ongoing or completed. That will be a matter for NT WorkSafe as to whether it releases the report.

The Department of Mines and Energy report and investigation is ongoing. That report, as I have said before, is subject to commercial confidences and will be released in one form or another at the appropriate time.



**Mr McCARTHY:** Can you advise why a freedom of information application for access to an ERA commissioned investigation report into an alleged tank collapse was denied on the basis of a decision by the department that the public release of details of the investigation could compromise the ongoing investigation by the joint investigative task force?

**Mr WESTRA van HOLTHE:** That is not a matter that came before me as the minister. Perhaps the chief executive has some further information to provide on that.

**Mr PERKINS:** Yes, I advise the committee that the FOI request arrived, literally in the middle of considerations, the ERA report being only one of those. In the context of that it was refused. Those reports are still in the process of resolution and decision about public release, so that situation remains.

**Mr McCARTHY:** Thank you, Mr Perkins.

**Mr WESTRA van HOLTHE:** I think it is important to point out that information which is released pre-emptively often comes without sufficient context around it, and therefore can be used maliciously to push a certain line. We are very cognisant of ensuring information that comes out is timely, but also fulsome. The last thing we want to do is allow part information, which might prejudice an investigation one way or another, to be put into the public arena. My position would be that if information can be released, that did not compromise investigations or commercial in confidences, it could be. Clearly, this was not the case.

**Mr McCARTHY:** That request was for an ERA report.

**Mr WESTRA van HOLTHE:** It is a matter for the ERA at the end of the day whether it releases the report or not.

**Mr McCARTHY:** But it was the department. Thank you, Mr Perkins, for your information.

Minister, can you please provide the details of Northern Territory mine sites considered by the Department of Mines and Energy to be legacy mine sites, detailing the name of the site, the location, area of land affected, key environmental and management issues for each site and key remediation measures required at each site? Is it something you would consider tabling? I live in Tennant Creek and I am surrounded by legacy mine sites. It would answer a lot of questions.

**Mr WESTRA van HOLTHE:** Bear with me and I will review this to see whether I can release or table it.

This is a fairly lengthy response to a question provided prior to estimates, member for Barkly. The answer provided was provided in the context I would use this as notes to read from, and the department would really have to review it to make sure it does not have anything on it which should not be released. I am happy to- there are some tables we could cut and paste on to an answer for you pretty quickly, I would imagine, but there might be some stuff on here that we cannot lay on the table at the moment, but certainly what I can say about legacy mines in the Northern ...

**Mr McCARTHY:** Do you want me to ask - Madam Chair, do you want me to ask that question?

**Madam CHAIR:** On notice?

**Mr McCARTHY:** Yes, please.

---

#### Question on Notice No 8.4

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

**Mr McCARTHY:** Minister, can you please provide the details of all Northern Territory mine sites considered by the Department of Mines and Energy to be legacy mine sites, detailing the name of the site, location, area of land affected, key environmental and management issues for each site and key remediation measures required at each site?

**Madam CHAIR:** Minister ...

**Mr WESTRA van HOLTHE:** I will accept that, yes, thank you.

**Madam CHAIR:** That question is No 8.4.

**Mr WESTRA van HOLTHE:** What I can say about legacy mines in the Northern Territory is that they are a matter of significant concern for government and they are a matter of significant concern for me personally, member for Barkly.

I see an industry which has, in the past, gotten away with doing things it should never have gotten away with doing, and thank goodness we now have environmental bonding, where companies have to lodge either a cash or bank deposit bond to cover the remediation of their mining operations. That is certainly a positive step. The other positive step is that this government takes this issue so seriously that we have recently introduced a remediation levy, which is calculated on the amount of bond required for a particular mine site. That is cash money kept in trust within the department to start to address some of these legacy mine issues across the Territory.

It is estimated that the total cost of remediating legacy mine sites across the Territory is somewhere in the order of \$1bn to \$1.5bn, which is clearly not within government's resources to deal with in a short time frame, so, consequently, the levy we have introduced in fairly recent times will go some way towards dealing with some of the priority issues we have in the Territory. The Redbank copper mine is one of those priorities, I can certainly say that. For the first time ever - I think it was last year - the Minister for Lands, Planning and the Environment and I, as the Minister for Mines and Energy, visited Redbank. From what the TOs said, it was the first time a Northern Territory minister has ever been there, so we are paving the way in terms of opening up that engagement with local people around our concerns with legacy mine sites across the Territory.

We will be moving to address some of these legacy mines, as resources allow. We did not feel that Territory taxpayers should necessarily be slugged for the cost of remediating mines created by private enterprise in years gone by. Consequently, the levy came in to being so mining companies would actually pay for that. I have to admit that there was a bit of push back in the beginning stages of that, but I think mining companies now accept that they do have an overall responsibility to the mining sector, so that it can remain strong and a sustainable industry into the future.

One of the big things I said to mining companies back around that time was that we really want mining to continue to provide economic benefits for Territorians. In order to do that, we need to earn our social licence, both at government and at industry level, to ensure the general population of the Northern Territory accepts mining as a good thing, rather than demonising it and saying it will only damage the environment. What we are saying is that mining can go forward. We can manage environmental issues and mitigate the risk around that but, at the same time, we can find mechanisms to repair some of the damage of the past. The mining companies have accepted that now pretty well and realise that in order to tick the box on that particular part of their social licence, they are happy to contribute.

**Mr McCARTHY:** Thank you, minister. I have a heap of questions, but I will have to put them to you in writing because we have to share the time. It is good to hear you mention Redbank because that is in the electorate of Barkly. At the moment traditional owners are making the noises around refusing to negotiate or support any further exploration until that legacy issue of the leaking tailings dam is finalised. The new leaseholder is reluctant to accept liability for what was previously left. It is a do-able project that is an easy one - if there are any easy ones in legacy mines - in that leakage of the tailings dam. It is good to hear that you have that on your radar and continue to work with those people.

**Mr WESTRA van HOLTHE:** Work is commencing as we speak on Redbank. I know it is a topical one; people love to talk about Redbank. It is important. We have just awarded a tender contract for drilling companies to go there and start drilling some test bores so we can start to understand the geology beneath the mine site and in and around that area. We understand, so far, that there are paleochannels which run underneath and around the mine site at Redbank. My understanding is that a paleochannel is an old creek bed that has been covered over millions of years. That effectively provides an underground watercourse so water that leaks through the wall of the pit and through other ground water sources hits those paleochannels and moves underneath the water.

We believe some of the water that becomes contaminated ground water manifests back at the surface, where it interacts with creeks, but we need to do the work first to establish exactly what that all looks like before we can come up with a plan to remediate it. The work, if it has not begun as of today, is just about to. I share the concerns of traditional owners there. That is why the minister for Environment and I went there for a visit. We established a working group with them, involved with this process. I am not sure of the

last time they met. We are engaging at that level because it is important that traditional owners there are a part of the solution as well.

**Mr McCARTHY:** Thank you, minister. Thank you, Madam Chair.

**Madam CHAIR:** Member for Nelson.

**Mr WOOD:** What time are we finishing?

**Madam CHAIR:** 12.30 pm.

**Mr WOOD:** Oh well, we might have to go after. I will ask a couple of questions. Minister, I have been to Redbank too. My understanding is that it will not be an easy problem to fix.

I need to ask a question in relation to fracking. You said the government would introduce much tighter regulations; have those regulations been introduced yet, and when can we expect to see them?

**Mr WESTRA van HOLTHE:** I would like to know where the quote came from, member for Nelson, where I said we would be introducing tighter regulations. I do not know if I have uttered those particular words. However, I know the intent.

The regulation of our petroleum industry has been an organic beast over many years. My department has - and this, I am pretty sure, was true under the former government as well - continued with its research of unconventional oil and gas regulation, not only here in Australia but overseas as well. I have been to the United States to look at some oil and gas operations in Texas. I know my departmental officers have visited on a number of occasions, not only Texas but North Dakota and other places where unconventional reserves are being extracted. That work over the years has been helping us to inform the regulation of this industry and even though you may or may not see new regulations manifesting in the form of a change of legislation or an actual change in the regulations around this, what you see is that new information and technology informing guidelines within the department for the regulation of the industry. This is so that when they are putting together their plans and approval processes all of this new information is taken into account so the practical side of this, the actual application on the ground, is leading practice.

**Mr WOOD:** One of the issues in the United Kingdom when it put a moratorium on fracking was that it did not have enough inspectors. In fact, what companies were doing was just ticking the box and saying this hole had been drilled according to regulations. If we are going to go down the path of widespread fracking in the Northern Territory, are we going to have enough inspectors to make sure each hole is drilled according to regulations?

**Mr WESTRA van HOLTHE:** That is a good question, member for Nelson. One of the big pushes from government, certainly in my portfolio areas, is to get our people out from behind desks and back into the field. I think that is critical. I should put all this into context as well, because what you describe, widespread fracking, will take literally years and years to occur. I think over the next 12 months we may see 20 wells drilled. That could hardly be considered as widespread, so there will certainly be sufficient resources to make sure those wells and the operations are not only well-regulated but well-monitored.

**Mr WOOD:** I was probably reflecting some of the broad statements you have made about the positiveness of fracking and that it was going to supply some towns or cities with gas for many years.

**Mr WESTRA van HOLTHE:** I am confident that the gas prospectivity of the Territory will provide energy for Australia and our many export destinations for years to come, but it is a slow process. From exploration or the grant of tenure to a producing well can take anywhere from eight to 12 years by the time all survey work is done. We have seasonable conditions up here which means the process is slowed even more. We have oil wells producing now and gas wells down in Central Australia. In areas that are highly prospective up here in, for example, the Beetaloo Basin or the McArthur, if we reach production within three to five years from now I will be pretty happy with that. There is still a period of time to build up to the type of scale we certainly hope to see in years to come.

---

The committee suspended

---

**Madam CHAIR:** Thank you, minister, for coming back after the break and thank you, everyone, for joining us. For the benefit of Hansard, we have Gerry Wood, the member for Nelson, Ken Vowles, the member for Johnston, Lynne Walker, the member for Nhulunbuy, me, the member for Drysdale, Gary Higgins, the member for Daly and Nathan Barrett, the member for Blain.

We are in agency-related whole-of-government questions with the Minister for Mines and Energy. The member for Nelson was pursuing a line of inquiry.

**Mr WOOD:** Thank you, Madam Chair. Minister, what is the latest on Mount Todd? Will the company running it continue operating the mine, or has it not made up its mind?

**Mr WESTRA van HOLTHE:** The short answer to your question, member for Nelson, is that it is still making up its mind. The Northern Territory government and the department have been working pretty closely with Vista Gold for a number of years now as it moves, hopefully, towards reopening the Vista Gold mine at Mount Todd.

It has done, over a period of time, a fair bit of exploration work. I do not know that I could quantify how much exploration work it has done in the last, for example, two years, but it is sufficient to prove up some further gold resources there. If memory serves me, it is up to something like or seven or eight million ounces in the deposit.

In the meantime, it has had to deal with the legacy issues of Mount Todd, as you would be well aware. The water on Mount Todd is the major issue. When I say water, there is water in a number of areas of concern. The water that is in the Batman pit is an issue, and that treatment has been ongoing for some time.

Vista adopted a fairly new technological approach to treating that water by using lime, as well as limestone crushed to a certain size which was then used to spread over the water. As it settled through the water, it took out many of the heavy metals – sorry, it raised the alkalinity of the water, which then allowed many of the heavy metals in that water to precipitate to the bottom. Acidic metalliferous drainage or water is a problem but, by the very chemistry of it, acidic water holds heavy metals much better than water that is not acidic as alkaline water. Raising the alkalinity causes a chemical reaction, and those metals drop to the bottom of the pit.

The intention always was that that process would get the water in that pit to a state where it could be pumped off-site into the Edith River, meeting standards and guidelines set down by the waste discharge licence, which is informed on drinking water guidelines and species protection guidelines for natural habitats for aquatic organisms.

Some of that water was discharged over the last couple of years under that treatment regime. That treatment with the lime and the limestone, as I understand, has now ceased. They have stopped adding that to the water. Now, they are talking with the Department of Mines and Energy about an ongoing management regime.

**Mr WOOD:** Will there be any more releases?

**Mr WESTRA van HOLTHE:** There may be, depending on how water is managed on the site itself. It is a very complex site. I am not sure if you have actually been there ...

**Mr WOOD:** I have been there twice.

**Mr WESTRA van HOLTHE:** You have been there? Okay. You have looked, so you have a bit of an understanding. There are a number of retention ponds. There is, obviously, the Batman pit which has water in it, plus the tailings storage facility. Depending on rainfall in the area, those water storage facilities fill at different rates. Often, water management is confined to pumping between the pits to change the water level to accommodate further water coming in off the site.

Over the last few years the Department of Mines and Energy has spent something in the order of \$14m or thereabouts on site works that mitigate some of those issues. For example, a massive drainage trench that runs around part of the site so water off-site does not run on-site.

With the price of gold as it is at the moment, Vista Gold is considering its options about the reopening of the mine, always bearing in mind that its stated intention was to treat the water in the pit so it could continue mining there. With the price of gold, the imperative to get that mine up and running in the short term has probably been lost and Vista is considering its options for the future of it.

My understanding is that it still wants to hang on to the site because it can see, with that many millions of ounces of gold reserve, it will be profitable to mine one day. Mining companies being what they are, they will make decisions based on the economics of the project. We have canvassed that today already and if the economics do not stack up it will defer or put into mothballs some of its projects.

The department is working closely with Vista at the moment on water management. I believe we are working more towards a shared responsibility for water management on the site. That could involve the removal of water from the site, but again it would be in accordance with waste discharge licences informed on science.

**Mr WOOD:** You have undertaken a comprehensive review of seabed mining. Has that been completed and when can we expect to see the release of that review?

**Mr WESTRA van HOLTHE:** Seabed mining is an issue I am patently aware of, given the moratorium on seabed mining runs out sometime in 2015, although the date eludes me at the moment.

The department is actively engaged in looking at the effects of seabed mining. I think that work is still in its early stages, but I am happy to pass over to the chief executive - I did not almost call you the Chief Minister - to provide further information about where that is up to.

**Mr PERKINS:** By way of background, resolution of the seabed mining issue meant negotiating with three mining companies about conditions of release of existing tenements. One of those is complete and the other two are very nearly complete. The final Cabinet submission is written and in the process of being introduced as we speak. I see that resolution of that matter will happen as soon as Cabinet has a chance to look at that Cabinet submission.

The department has been and continues to be in constant contact with the two remaining companies that need to sign up. As late as yesterday I met with one and had telephone conversations with the other as late as Friday last week, so it is alive and nearly a complete issue.

**Mr WOOD:** Your annual report talks about a review - has that been completed?

**Mr WESTRA van HOLTHE:** The review has not been completed, it is still under way.

**Mr WOOD:** I was looking through your drilling collaboration, geophysics and geo-collaborations, and AREVA is mentioned. I have just come back from France and AREVA is both a uranium and renewable energy company. What is it looking for in the Northern Territory?

**Mr WESTRA van HOLTHE:** The short answer is uranium, but perhaps the Executive Director of my geological survey can provide a little more information around that.

**Dr SCRYMGEOUR:** The grant to AREVA was for an electromagnetic survey to search for uranium near Barrow Creek. It received a subsequent grant this year to drill in the same area.

**Mr WOOD:** Does that look promising?

**Dr SCRYMGEOUR:** It is early days; it is greenfield. It has not found anything yet, but no one has explored there before, which is the purpose of the grants program.

**Mr WOOD:** What work has been done in mapping areas of the Northern Territory for possible renewable energy sites in the Northern Territory such as title, solar, wind and geothermal? In other words, you cannot go down this path unless you have that basic understanding of what is available. Has the department been mapping these sites for possible renewable energy establishment?

**Mr WESTRA van HOLTHE:** A bit of work has been done on this over time. There is no substantive active program to identify the types of sites you are referring to. We have instigated a new direction for the department and that is the start of the energy directorate within my Department of Mines and Energy. One of its core things will be to look at fossil fuel and other energy sources, which will include renewable. Once the energy directorate is fully staffed and functioning it will look to work in the renewable energy area, as well as other forms of traditional energy.

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

**OUTPUT GROUP 4.0 – RESOURCE INDUSTRY DEVELOPMENT**  
**Output 4.1 – Northern Territory Geological Survey**

**Madam CHAIR:** The committee will now proceed to Output Group 4.0 Resource Industry Development, Output 4.1 Northern Territory Geological Survey. Are there any questions?

**Mr HIGGINS:** Can you give me a run down on CORE? I know this has come up during the energy futures committee's work, but how much money are we putting into it? What is it achieving for us?

**Mr WESTRA van HOLTHE:** CORE is a very important initiative which has already started to realise some results. The key highlights and outputs from the CORE initiative during 2013-14 include the release of a book called *Geology and mineral resources of the Northern Territory*. It is a massive volume of work that has been ongoing for some time, and we have brought that to fruition. It is the first ever published comprehensive overview of the geology and mineral resources of the Northern Territory. We have released our petroleum geology and potential of the onshore Northern Territory. This is a Northern Territory geological survey report, No 22, the first comprehensive and up-to-date overview of the petroleum sector of the onshore Northern Territory.

There has been the acquisition and delivery of the Southern McArthur Basin Gravity Survey, resulting in the increased resolution of gravity data over the southern section of the highly prospective McArthur Basin, including the Beetaloo Sub-basin. Gravity is a key dataset to improve the understanding of geology in these areas. It has also provided us with the acquisition and delivery of the Southern Wiso Basin Gravity Survey, resulting in an increased resolution gravity data over the southern section of the greenfield Wiso Basin. Gravity, again, is the key dataset to improve our understanding of that geology.

The launch of GEMIS, the online system for the delivery of minerals exploration reports, is greatly improving the accessibility of minerals exploration data in the Northern Territory. Funding under the CORE initiative has allowed the vital increase in specialist geoscientific knowledge for the Northern Territory Geological Survey. This increase in expertise will enable the NTGS to deliver on key programs under the CORE initiative to upgrade the knowledge and understanding of the geology and resource potential of prioritised areas within the Northern Territory. In relation to funding for this program, I am delighted that we have announced \$3.95m in Budget 2014-15 for our precompetitive geoscience initiative, called CORE, which is funded for four years. This is the largest investment ever by a Northern Territory government in this type of precompetitive geoscience program. In addition to that we have enhanced CORE by providing ongoing funding for four years of \$2m per year for an accelerated collaborative program to assess the NT's shale gas resources and potential.

This will provide government and industry with significantly more robust assessments of the NT's unconventional petroleum potential to underpin future planning and to assist in promoting this potential to the global industry.

CORE programs for 2014 will include – and there are many of them - geological mapping in the Gove region to provide a stimulus for exploration to support regional development; a major gravity survey over eastern Arnhem Land to highlight the region's untapped potential; airborne geophysical surveys over the northern Barkly to aid investigations of the area's petroleum potential; and development of the first 3D models of the entire McArthur Basin to visualise the extent of buried shale units with unconventional petroleum and zinc potential across the northern half of the Territory. I do not know if you have ever seen 3D models of petroleum basins, but these are not only stunning works to look at, but the technological information which flows from them is almost invaluable.

There will also be the commencement of a major analysis and assessment of resource potential in the NT's shale units, major new field-based programs to understand the copper and petroleum potential of Central Australia and further development in the online availability and accessibility of geological and exploration data.

A third part of the CORE funding initiative will go towards priority areas within the Northern Territory which have been identified by the Northern Territory Geological Survey. One of those areas is at least reasonably well understood, but we need further information on that, and that is the Amadeus Basin in Central Australia. A fair bit of work will occur there, but also on the broader McArthur Basin. The McArthur Basin is an area which extends from south and west of Daly Waters across the highway and then to the east of

Katherine. It is quite an extensive basin. Some of those areas have had a bit of work done on them in terms of exploration through seismic survey work and some of the geophysical work, but more needs to be done to understand that area.

That is the McArthur Basin. The Beetaloo Sub-basin, which goes with it, is showing itself to be very exciting in terms of its geology for deep shale, and even though we have been talking about the size of potential shale gas plays in the Northern Territory at somewhere north of 200 trillion cubic feet, some of the work which has already been done in the McArthur suggests that something like 168 trillion cubic feet of gas resides just in that basin. At 200 trillion cubic feet we could be well underselling.

However, it is good to be conservative, member for Daly, when making these estimates and looking at the prospectivity of the Territory. However, in saying that, I will talk about that conservative approach to put some context around the potential up here. The Ichthys field off the West Australian coast, which is now coming onshore through the INPEX facility, or will be coming onshore, is estimated to hold about 11 or 12 trillion cubic feet. One trillion cubic feet, as an industry rule of thumb, will power a city of one million people for 20 years. If we have shale reserves of 200 trillion cubic feet in the Territory, let us make it even more conservative by saying that another industry rule of thumb suggests that 10% of known resources are economically recoverable. So, even if we have 20 trillion cubic feet we have pretty well two more Ichthys fields sitting in the Territory which can be tapped into which, in no uncertain terms, is not a small amount of gas.

We are certainly hoping that the work that the NTGS does through the CORE initiative will provide further clarity and detail around what our basins look like. We will start to prove up, in a more substantive way, what reserves we have. The CORE initiative will give us a better indication of what is potentially economically recoverable. We then use that information and trade with gas and oil explorers to help them inform their work programs going forward as well. We want them to be drilling in the right places and we are willing to do our bit to help them get into the right parts of the Territory to do that exploration work. The CORE initiative, fully funded for the next four years, will go a heck of a long way to providing that sort of information to industry.

**Mr HIGGINS:** I presume when you say pre-competitive, you mean that information is available free of charge to mining companies?

**Mr WESTRA van HOLTHE:** The pre-competitive part of our program provides for information made available to oil and gas companies which ask for it. It is information they can use to inform decisions about the broader basins they are working in. There is nothing confidential that would pit one company against another. It is general information available to everyone.

**Mr HIGGINS:** Water will come up later, but when we talk about fracking and ...

**Mr VOWLES:** A point of order, Madam Chair! Surely, the member for Daly can ask this in the hallway or catch up ...

**Mr HIGGINS:** No, I cannot. If I want this on the record, I will ...

**Mr VOWLES:** This is an opportunity for opposition and Independents to ask questions of the minister.

**Mr HIGGINS:** I will ask the questions now if I want it on the record. If I ask it in the corridor ...

**Mr VOWLES:** I seek your guidance here, Madam Chair.

**Madam CHAIR:** Member for Johnston, he is a member of the Estimates Committee so, after the shadow, he is allowed to ask that question.

**Mr HIGGINS:** Thank you, member for Johnston.

**Mr VOWLES:** Surely, he can ask it at some other time in the hallway or ...

**Madam CHAIR:** Member for Daly, perhaps you can make this your last question for the output.

**Mr VOWLES:** Considering you are in the same party.

**Mr HIGGINS:** Yes, I will. Minister, we will come to water later ...

**Mr VOWLES:** It is an abuse of time.

**Mr HIGGINS:** There is a concern with the amount of water used in fracking, and I will not question that. Is the department looking at what they are doing in Dallas, where they are starting to use gas in fracking? They are using by-product from their petroleum industry to undertake fracking. Have we started to look at any of that?

**Mr WESTRA van HOLTHE:** The department's work is ongoing in all of those areas. As I said before, there has been a fair amount of work done around our regulatory environment for oil and gas, which includes looking overseas. I acknowledge the concern about the water use fracking necessarily involves. However, it is important to point out that a fair chunk of the water used in a particular frack can be recycled. Oil and gas companies looking to save money, I have no doubt, will take advantage of opportunities to re-use water wherever they can.

In the United States, where I have been to look at this, where water is not readily available on a particular site, it is brought in. I think they had 40 feet steel containers, fully lined and filled with water, brought in on the back of trucks to provide the water supply for the frack.

The other point that needs to be made is that one of the additives to what they call fracking fluid, I guess, which is 99.5% water and sand, is sodium chloride, plain old salt. Salty water generally works much better for the frack than pure potable water. That is relevant, member for Daly, because there are many aquifers across the Northern Territory and some of them contain potable water, while others do not. When oil and gas companies are looking to undertake this process, they will be pursuing deeper aquifers and aquifers that do not contain potable water in order to extract that for their fracking processes as they occur.

I am not familiar with the use of gas and those by-products for fracking. With my reasonably limited understanding of hydro-dynamics and the dynamics of gas, gas compresses a lot and therefore you would need massive infrastructure and pressures in order to achieve what water could do under much lower pressure because it does not compress. There is probably some technical information which I do not have at my fingertips. I do not know if the Executive Director of the NTGS can shed any more light, but as far as I know water is the standard. If gas or some other substance is being used for fracking we will make sure that is pursued and investigated.

**Madam CHAIR:** Thank you. That concludes consideration of Output 4.1.

#### **Output 4.2 – Industry Development**

**Madam CHAIR:** The committee will now call for questions on Output 4.2 Industry Development. Are there any questions?

That concludes consideration of Output 4.2 and Output Group 4.0.

### **OUTPUT GROUP 5.0 – RESOURCE INDUSTRY MANAGEMENT**

#### **Output 5.1 – Mines Directorate**

**Madam CHAIR:** The committee will now proceed to Output Group 5.0 Resource Industry Management Output 5.1 Mines Directorate. Are there any questions?

That concludes consideration of Output 5.1.

#### **Output 5.2 – Energy Directorate**

**Madam CHAIR:** The committee will now consider Output 5.2 Energy Directorate. Are there any questions?

**Mr HIGGINS:** Yes. What has been the response to the use it or lose it policy?

**Mr WESTRA van HOLTHE:** That is a good question, member for Daly. The industry response has been very positive. I need to go back in history a little; since the prospectivity for oil and gas in the Northern Territory has started to become more widely known, over the past, for example, five or six years, the number of applications for tenure under the Petroleum Titles Act has grown exponentially to the point now



where more than 90% of our land mass is either granted tenure or under application. You could almost say there was a bit of a land grab going on.

The Northern Territory government became concerned that a number of companies with granted title would simply warehouse the land and not meet their covenants and work programs set by the Department of Mines and Energy upon grant of those exploration licences. We have set about trying to resolve that issue and put pressure fairly and squarely back on industry for it to do what it said it would do in its work program. We do not want warehousing or land banking to occur where we can possibly avoid it, because we want to see the development of our oil and gas sector come on as quickly as possible, and letting companies land bank was not the option.

The first opportunity to use the use it or lose it policy - this is backed up by legislation that came into force on 1 January this year - was in the McArthur Basin, where Falcon Oil and Gas had some tenements coming up for renewal. I am pleased to say that process went well and only yesterday I announced the parcels of land that were relinquished under the use it or lose it policy have now been opened up to the market.

The other important part of the changes to legislation is that prior to the change the procedure for receiving and accepting applications for tenure and licences was first in, best dressed, which meant the first one through the door with an application had to have theirs considered exclusively without entering into any sort of competitive process. By changing the legislation we have allowed a competitive environment for the land that is to be released under this regime, which means we can open up an expression of interest process. This will allow oil and gas companies to take time because we can leave it open for as long as the minister decides. They can take their time to assess the prospects of available tenements, look at their work programs and submit to government the best work program they can, which will quickly bring to fruition the potential of that area. We now have a competitive process in place. This has been warmly accepted by the industry, from the feedback I have received, and it sees it as a positive. We make no apologies for the fact we want the oil and gas industry in the Territory to grow and flourish. We believe having a competitive regime such as that contained within use it or lose it is the way to go about it.

**Madam CHAIR:** That concludes consideration of Output 5.2 and Output Group 5.0.

#### **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?

**Mr HIGGINS:** Have you received any money from the environmental levy?

**Mr WESTRA van HOLTHE:** Yes, we have. I will chase up some details for you on that.

**Ms WALKER:** Madam Chair, perhaps that can be a question on notice. I am cognisant of time ticking away.

**Mr WESTRA van HOLTHE:** The environmental management of all mines in the Northern Territory is regulated under the *Mining Management Act*. Mining activities impact on the natural environment. The role of regulation is to allow activities to occur where the environmental impact can be balanced by the benefits of social and economic outcomes. Parliament approved amendments to the *Mining Management Act*, including the introduction of a levy of 1% on the security, to be paid annually as cash to a fund for use in the management and remediation of mining impacts. The implementation of collecting the levy commenced early in 2014.

**Ms WALKER:** A point of order, Madam Chair! You did not respond to my earlier point of order with a request for the question on notice, but I have a further point of order now. Given that the minister is reading from a document, in the interests of time could we ask that he table that document to address this question?

**Mr WESTRA van HOLTHE:** These are notes, Madam Chair.

**Mr WOOD:** It was raised before.

**Ms WALKER:** Is that your ruling, Madam Chair?

**Madam CHAIR:** I cannot make a ruling; it is in the hands of the minister.

**Mr WESTRA van HOLTHE:** Currently, the department has \$6.5m to commence rehabilitation works on legacy mines across the Northern Territory and that is money which will be collected annually. As environmental levies are assessed and re-assessed we will continue to put money into that fund.

**Madam CHAIR:** That concludes consideration of Output 6.1.

### **Output 6.2 – Shared Services Received**

**Madam CHAIR:** The committee will now consider Output 6.2 Shared Services Received. Are there any questions? That concludes consideration of Output 6.2 and Output Group 6.0.

Are there any non-output specific budget-related questions? That concludes consideration of outputs relating to the Department of Mines and Energy.

On behalf of the committee I would like to thank the departmental officers who came today. The committee will now move on to consider the Department of Land Resource Management after a quick two minute break so we can change over.

---

The committee suspended

---

## **DEPARTMENT OF LAND RESOURCE MANAGEMENT**

### **OUTPUT GROUP 7.0 – LAND RESOURCE MANAGEMENT**

**Madam CHAIR:** Thank you, minister. I again welcome you, this time as the Minister for Land Resource Management, to introduce the officials accompanying you and, if you wish, to make an opening statement regarding the Department of Land Resource Management.

**Mr WESTRA van HOLTHE:** Thank you, Madam Chair. I introduce to my left Mr Rod Applegate, who is the Chief Executive of the Department of Land Resource Management, and to my right is Ms Joanna Frankenfeld, the chief financial officer. I also have the director of water resources available, if required.

I have an opening statement, Madam Chair, which I will now read.

Protecting the Territory's unique environment is important now and for the benefit of future Territorians. This government formed the Department of Land Resource Management in September 2012 in order to help Territorians living on the land to secure their economic future while also ensuring we provide significant protection for the environment.

It has been an exciting time since this agency was formed and in that time there has been significant progress on projects economically and environmentally valuable to the Territory. The Department of Land Resource Management works in direct partnership with landholders to manage the Territory's precious land, water and natural resources.

The department also assists landholders in tackling the major threats of bushfires, weeds and feral animals which impact on the health of the landscape and reduce productivity. It plays a critical role in supporting and facilitating economic development across the Northern Territory by identifying new areas where land and water resources are suitable for economic expansion in job creating industries such as agriculture and tourism.

Budget 2014-15 committed \$2.4m funding for land and water assessments to determine new agricultural precincts throughout the Territory. Access to good land and water resources will underpin future northern Australia development.

Indeed, during the past 18 months the water controller has issued 103 licences, which will support economic development and job creation in the key industries of agriculture and tourism.

These measures maintain our commitment to developing the Northern Territory in order to leave a long-term legacy for our children. Changes introduced to the *Pastoral Land Act* in January this year now enable pastoralists to diversify land use and develop new income streams without having to change the tenure of

the pastoral lease. Non-pastoral activities such as tourism, horticulture, extensive agricultural developments, aquaculture and forestry can now co-exist with the pastoral enterprise.

When coupled with this government's commitment to using the Northern Territory's water resources to drive economic development, pastoral lease holders now have a unique opportunity to diversify their income streams and contribute further to the economic growth of the Northern Territory.

In order to combat saltwater intrusion at the Mary River, the department will deliver a \$2.5m program to undertake major works at Shady Camp and upgrade two critical barrages on the Mary River. This project is designed to reduce the risk of saltwater intrusion at Corroboree Billabong and protect valuable pastoral land and recreational fishing areas of the floodplain.

There is continued funding of \$1m for wildfire suppression activities to protect communities at risk of the coming fire season and deploy aerial assets to assist with aerial firefighting to combat wild fires. There is also \$1.35m to increase the activities of the rangeland monitoring program and provide ongoing support to the Pastoral Land Board.

Within the department there is a wealth of scientific knowledge and a team of committed and passionate staff. It has established strong relationships across the Northern Territory and Australian governments and its many external stakeholders in order to work together to benefit from a growing economy while also protecting and preserving our most precious natural resources.

The department continues to work with Indigenous elders and communities to preserve and utilise Indigenous biocultural knowledge for the conservation of the Territory's flora and fauna, the results of which have led to several publications about the unique plants and animals found here in the Territory.

Budget 2014-15 also invests a further \$400 000 towards feral cat management in collaboration with Indigenous landowners and provides \$500 000 for the assessment and monitoring of threatened and significant wildlife. Sound information about threatened species is important for managing and protecting our wildlife for the future. That is my opening statement, Madam Chair.

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

**Ms WALKER:** I have some questions relating to the statement, Madam Chair, but could I first ask about responses to our written questions, either global or ...

**Mr WESTRA van HOLTHE:** Yes, I am happy to have the global questions tabled, Madam Chair.

**Ms WALKER:** Specifically, we submitted written question Nos 175 and 196, minister, if you have those to table.

**Mr WESTRA van HOLTHE:** As I understand it, member for Nhulunbuy, the arrangements were that global questions would be tabled and questions outside of those global questions, in order for them to be placed on the *Hansard* record, would have to be asked. I understand that is the arrangement struck between government and the opposition.

**Ms WALKER:** No, that is not my understanding. Other ministers have tabled responses ...

**Mr WESTRA van HOLTHE:** That is a matter for other ministers ...

**Madam CHAIR:** It is at your discretion, minister.

**Mr WESTRA van HOLTHE:** I am of the understanding that was the arrangement, so that is what I will be sticking with.

**Ms WALKER:** So, you will not be tabling those questions?

**Mr WESTRA van HOLTHE:** No. If you want those ...

**Ms WALKER:** If I specifically ask them, you will then read them?

**Mr WESTRA van HOLTHE:** Yes, ask them. If you have questions from that pack that you would like answered for *Hansard*, it would be useful if you could identify some of the question or reference numbers to make it easier for me to find them.

**Ms WALKER:** That is a shame. We can only assume there is something to hide if you do not want to answer those questions. Other ministers have.

**Madam CHAIR:** That is unnecessary, member for Nhulunbuy.

**Mr WESTRA van HOLTHE:** Ask the questions if you want them answered, member for Nhulunbuy, and I will answer them.

**Ms WALKER:** I have plenty of questions, minister.

**Mr WOOD:** Does my question, No 182, have to be asked? I can look at it to ask further questions from the written one provided.

**Mr WESTRA van HOLTHE:** I am happy to table some of the information that has come from that ...

**Mr WOOD:** Surely, I cannot ask ...

**Mr WESTRA van HOLTHE:** ... because you do not want me to read out that entire table.

**Mr WOOD:** No, I expected you to give me all landowners, the amount of water, when licences were issued, etcetera.

**Mr WESTRA van HOLTHE:** I can provide that. I will table the appropriate information when you ask the question, if you would like to do it that way.

**Mr WOOD:** I was hoping I would receive the answer, so I could ask you questions based on the answer provided. That is the reason I asked the question in ...

**Ms WALKER:** All too tricky, member for Nelson, all too tricky.

**Mr WESTRA van HOLTHE:** In the time it has taken to argue this point until now, you could have asked the question.

**Mr WOOD:** I did not know this point needed to be argued. I thought I would receive the answer to the written question ...

**Mr WESTRA van HOLTHE:** We are wasting time arguing about how questions will be responded to, that is the point I am making.

**Mr WOOD:** I was not told that. Madam Chair, I do not know whether you can make a ruling. I was asked to put questions in writing. I asked one question for the whole estimates. I expected an answer to be given to me so that, when looking at that question and answer, I could then ask questions based on that.

**Madam CHAIR:** The Leader of Government Business wrote to everyone and said that was to provide portfolios or ministers and their departments with information so they could be prepared to answer those questions in estimates. The letter also stated that questions should be asked orally so they can be responded to. There is no obligation on the minister to table. While some ministers have adopted some of that practice, half of that practice, or just solely tabled answers, it is at their discretion.

**Mr WOOD:** No wonder I am confused.

**Mr WESTRA van HOLTHE:** Madam Chair, if it helps to resolve this impasse, while we are on questions about the opening statement, if the member for Nelson wants to ask me the question - I am sure it will take him only a moment to do it - I am happy to give him a brief answer and then table the document with all the information he needs, then it is done.

**Mr WOOD:** As long as it is brief answer, minister.

**Mr WESTRA van HOLTHE:** I will try to be brief.

**Ms WALKER:** Yes, as the shadow, I have priority.

**Mr WOOD:** How many water licences have been awarded since the government was elected? How many bore permits have been approved? Who received the bore permits? Could you also provide total allocations for the Tindall/Oolloo aquifers compared to the total amount now given out?

**Mr WESTRA van HOLTHE:** Okay, there have been 103 water licences awarded and 346 bore permits approved since this government was elected. The total - was there a question there about total allowable allocations for Tindall and Oolloo aquifers ...

**Mr WOOD:** Yes.

**Mr WESTRA van HOLTHE:** The total allowable allocation for the Tindall and Oolloo aquifers compared to total amount now given out is as follows. The total allowance allocation for the Tindall Limestone aquifer, Katherine is determined by the announced allocation made each year in accordance with the rules specified in the Katherine Tindall Limestone Aquifer Water Allocation Plan which, for the 2014 water accounting years, was 26% for low security licences, reduced from 1330 ML to 346 ML held by Power and Water Corporation, and 100% for all other licences, which is 33 722 ML per year. The total allowable allocation for the Tindall Limestone aquifer, Mataranka is determined on the announced allocation made each year based on modelling of extraction limits that will maintain spring flows and river flows at not less than 80% of natural flow rates and which, for the 2014 accounting year, was 100% for all licences or 18 840 ML per year. The total allowable allocation for the Oolloo Dolostone Aquifer is determined by the announced allocation made each year that is based on the modelling of extraction limits that will maintain river flows at not less than 80% of natural flow rates. Scheduled extractions for the 2014 water accounting year amount to 61 502 ML per year for which modelling confirms a 100% allocation will not reduce spring and river flows below the 80% threshold.

Madam Chair, I am happy to table the document which contains the details of water licences the member for Nelson has requested.

**Mr WOOD:** Can I have the other figures, please? I tried to write them down.

**Mr WESTRA van HOLTHE:** You have my undertaking, member for Nelson. I will get that to you in a form which is easy for you to have.

**Mr WOOD:** Before we close?

**Mr WESTRA van HOLTHE:** Before we close, there you go.

**Madam CHAIR:** Are you happy with that?

**Mr WOOD:** In reasonable time.

**Mr WESTRA van HOLTHE:** Before 3 pm, member for Nelson. We will do it as quickly as possible.

**Mr WOOD:** Yes.

**Madam CHAIR:** Member to Nhulunbuy.

**Mr WESTRA van HOLTHE:** We will do this as quickly as possible.

**Ms WALKER:** Thanks, Madam Chair. Minister, thank you for your opening statement; I have a number of questions. I note a number of comments within your opening statement about the importance of protecting the unique environment of the Territory, about balancing the water environment and economic opportunities and I certainly understand that. I heard reference to 103 water licences issued by the water controller and note reference to pastoral leaseholders now having an opportunity to diversify their operations.

Minister, on the subject of water resources we know your government awarded a huge water extraction licence of 5800 ML to former CLP candidate Tina MacFarlane and her family. To date during these estimates, Cabinet ministers have refused to answer questions about their involvement in the decision to award the licence. However, we know the Treasurer stated in parliament:

*In relation to the MacFarlanes, what I am really hoping for in the very near future - I will encourage them when I speak to them next they get into the Lands department and apply for a subdivision permit.*

Minister, that has been the game plan all along, hasn't it?

**Mr WESTRA van HOLTHE:** Member for Nhulunbuy, it is certainly not a game plan I have been made aware of. As I have stated time and time again, in parliament and in the public arena in front of the media, ministers have no influence whatsoever over the issuing of water licences in the Northern Territory. That is a matter for the Controller of Water Resources who, in this instance, happens to also be the Chief Executive of the Department of Land Resource Management ...

**Ms WALKER:** It is also a matter for much debate, minister. Yes, go on.

**Mr WESTRA van HOLTHE:** I do not know the game plan to which you refer. If you want to discuss a game plan I suggest you take that up with the proprietors of Stylo Station and ask them whether that was the game plan all along.

**Ms WALKER:** Minister, have you seen this notice in the *Northern Territory News*, a subdivision application for portions 7018 and 7019 around Mataranka dated 13 June?

**Mr WESTRA van HOLTHE:** I have not seen that notice, member for Nhulunbuy.

**Ms WALKER:** Minister, are you aware the subdivision proposal makes provision for the construction of 20 bores on NT Portion 7019? I will table this if you like, if you have not seen it, but this is on the NT government's webpage - planning notices for Portion 7019. That is a lot of bores, minister. Have you not seen that?

**Mr WESTRA van HOLTHE:** No, I have not seen that either.

**Ms WALKER:** Has your department received an application to construct the bores? I understand your department has to process those applications for bores.

**Mr WESTRA van HOLTHE:** I do not know whether the department has received applications for production bores to go in. That is a matter handled at the Water Resources level ...

**Ms WALKER:** But it is within your agency.

**Mr WESTRA van HOLTHE:** ... and you should be directing any questions about the subdivision to the Minister for Lands, Planning and the Environment.

**Ms WALKER:** Yes, I understand that, but I was asking you specifically about applications that would come through your agency, Land Resource Management, for the construction of the bores.

**Mr WESTRA van HOLTHE:** I can ask if the chief executive can provide any further details, but I am not aware of any applications for bore licences coming in.

**Mr APPLEGATE:** I am not aware that any applications for bores for those proposed subdivisions have been lodged. I assumed they would follow after the subdivision had been approved. They will be bores for pasture stock and domestic, so whilst they would need a bore permit they will not need a licence for extraction.

**Ms WALKER:** Okay, thank you. You may have answered my next question. Will any of the 5800 ML already granted to the MacFarlanes provide the water for the bores or will a new application be required?

**Mr WESTRA van HOLTHE:** Are you referring to the 20 bores you have shown me a document for?

**Ms WALKER:** Yes, the 20 proposed bores under the planning notice.

**Mr WESTRA van HOLTHE:** The licensing regime in the Northern Territory stipulates that you do not need a permit to extract water for stock use or human consumption, therefore if that is what those bores are for - as I say, I have no detail around that - there will not be a requirement for any further granting of licences other than to have the permit. I think I just got the nod from the chief executive to say that is right.

**Ms WALKER:** But if the applications were for purposes other than that, would there have to be an application for pastoral and human consumption?

**Mr WESTRA van HOLTHE:** No, there is no application, as I understand it, required for a licence for stock and human consumption. If someone wants to develop a bore for agricultural or horticultural use, they seek a groundwater extraction licence under the act.

**Ms WALKER:** Okay, no new applications are required. Thanks for clarifying that.

We have asked a number of ministers, during estimates, about the extent of their communications with Tina MacFarlane in relation to the 5800 ML she received from your government. We have written responses from each of those ministers. It includes minister Chandler, who said it needed to be referred to the Chief Minister. The Chief Minister said it needed to be referred to the Chief Minister's office, oddly enough. The Treasurer said the response to this question will be provided by the Chief Minister and the Attorney-General said the question will be answered by the Chief Minister or the Minister for Land Resource Management, which is you. Are we looking at a cover up in relation to the allocation of this licence?

**Mr WESTRA van HOLTHE:** Absolutely not, member for Nhulunbuy. As I have said time and time again, ministers do not interfere with the allocation of water across the Northern Territory. It is a matter for the Controller of Water Resources and is something ministers deliberately do not get involved with, because of the clear political implications carried with it. These decisions are made based on the very best science we have available to us. That science is reviewed by our hydrologists in the NT government department and recommendations are made to the water controller so he can make a decision based on sound science without any political interference.

**Ms WALKER:** Minister, there are many people who have an alternative and rather contentious view to that, not only the opposition.

**Mr WESTRA van HOLTHE:** I understand that there is an alternative view, but I will say now, as I have said in the past and I will say in the future, there has been no interference by, as far as I understand, any minister in the Northern Territory government in the process of issuing water licences to Stylo Station or anybody else. In fact, I will recount for this committee something I have already said on the public record. My water controller, who is the Chief Executive of the Department of Land Resource Management, provides me with regular briefings on everything to do with the Land Resource Management portfolio. I recall having a specific conversation with the water controller about water licences, specifically the one for Stylo Station, at which time I said to him, 'Mr Applegate, there will be no interference from me on this', and I want to make that plain. There is no political interference in this process. If the water licence application stacks up, it should be issued in accordance with normal guidelines and procedures. If it does not stack up, it should not be issued, and I am sure the water controller would be able to confirm that conversation I had with him, although I will not ask him to confirm it here in front of this committee.

**Ms WALKER:** Thanks, minister. I would still contest that there is a fairly broad view across the community that ministers are up to their necks in awarding this huge water licence to Tina MacFarlane.

**Mr WESTRA van HOLTHE:** I get that, and all I can do, member for Nhulunbuy, is reassure the public time and time again that no minister, as you put it, is up to their neck in the issuing of a licence to Stylo Station.

**Ms WALKER:** So, have you or any member of your staff ever had any discussions or communications with Tina MacFarlane or her representatives in relation to water licences?

**Mr WESTRA van HOLTHE:** I can confirm that I have had a discussion with Tina MacFarlane about her water licence, which occurred, to the best of my recollection, in January 2013 at my electorate office in Katherine.

**Ms WALKER:** That was the only occasion you have spoken with her about her water licence application? What was the nature of that discussion?

**Mr WESTRA van HOLTHE:** As far as I can recall.

**Ms WALKER:** What was the nature of the discussion?

**Mr WESTRA van HOLTHE:** When someone comes to my electorate office, member for Nhulunbuy - and I am sure you can relate to this - the conversation that is had in that meeting is confidential.

**Ms WALKER:** But it was in relation to water licences?

**Mr WESTRA van HOLTHE:** The reason for confidentiality in those meetings, and I am sure you would agree, is so that your constituents have faith in you that you will not repeat, outside of those four walls, what transpires and what is said in those meetings. Often, very sensitive, confidential information is passed on to an MLA ...

**Ms WALKER:** Of course.

**Mr WESTRA van HOLTHE:** ... and that is fine. Yes, I will go as far as to say that I did have a meeting with Tina MacFarlane in, I think, January 2013, and we did discuss her water licence.

**Ms WALKER:** Were you wearing your hat as local member for Katherine or as the Minister for Land Resource Management?

**Mr WESTRA van HOLTHE:** It is hard to put a fine point on it. It might well have been as the minister, but I am happy to confirm that she was lobbying me for the issue of her licence, which is not an uncommon practice. You would realise that ministers are lobbied all the time by all sorts of people for all sorts of reasons.

**Ms WALKER:** So, you would hold meetings in your Katherine electorate office with other people lobbying you for water extraction licences?

**Mr WESTRA van HOLTHE:** I have had meetings both in my electorate office and in Darwin with people discussing matters around water licences, for sure.

**Ms WALKER:** Thanks, minister. Have you or any member of your staff or employees of your department had any communications, formal or informal, with Mr Peter Maley or his representatives concerning water extraction licences for Blackbull Station?

**Mr WESTRA van HOLTHE:** I had one meeting, I think, with Peter Maley. I do not recall when that meeting was, but it was only a few months ago. It was not so much around the water licence but in relation to the proposed forestry activities he and Tropical Forestry Services had planned for that block.

**Ms WALKER:** Are you able to provide more details or documentation to the committee about this meeting you had with Mr Maley?

**Mr WESTRA van HOLTHE:** No, I am not able to provide any further details other than my recollection of the broad issue we discussed. As I said, I am not in the habit of disclosing the details of conversations that occur either in my electorate office or in my ministerial offices.

**Ms WALKER:** Minister, did you appoint your chief executive officer to the position of the Controller of Water Resources?

**Mr WESTRA van HOLTHE:** No, I did not appoint my chief executive officer to the position of water controller. He was employed by the then Chief Minister as the chief executive officer in, I think, September of 2012, after the election. He was subsequently appointed as the Controller of Water Resources, but I do not have a date when that occurred in front of me, although I might be able to clarify that in a moment - Mr Rod Applegate was appointed to the role of the Controller of Water Resources on 24 December 2012.

**Ms WALKER:** Thanks, minister. At that time, the member for ...

**Mr WESTRA van HOLTHE:** Blain or Braitling?

**Ms WALKER:** The member for Blain was Chief Minister at that time.

**Mr WESTRA van HOLTHE:** He was.

**Ms WALKER:** Minister, do you see a conflict of interest has been created by the former Chief Minister appointing the same person to be both your chief executive officer and Controller of Water Resources?



**Mr WESTRA van HOLTHE:** I am sorry, could you repeat the question, member for Nhulunbuy?

**Ms WALKER:** Sure. Do you see there is a conflict of interest which has been created by appointing the same person as both your chief executive officer and the Controller of Water Resources, given the Controller of Water Resources is supposedly an independent position?

**Mr WESTRA van HOLTHE:** I do not see there is a conflict of interest in the appointment of the water controller and the Chief Executive Officer of DLRM as the same person. It is a senior statutory appointment with the responsibility for the administration of the *Water Act*. That includes the issuing of licences and permits ensuring that a continuous program of assessment of water resources in the Territory is carried out, emergency powers to limit the right to take water and control pollution, and to prosecute offences.

It is appropriate that the chief executive of the department takes on this statutory role, given the ongoing requirement to commit to the department's resources to inform the management of the Territory's water resources and to independently act in emergency situations to restrict public access to drinking water. The appointment of the chief executive to a statutory position such as the Controller of Water Resources is consistent with the senior statutory position held by the CEO of Parks and Wildlife and the CEO of Housing.

**Ms WALKER:** Minister, I would beg to differ and I am not alone. There are many who hold the view that there is a clear conflict of interest. Essentially, the role of the controller is around the sustainable management and utilisation of the Territory's precious water resources, independently and free from any political influence. But the chief executive, in his role as the chief executive, has a broader role and needs to be responsive to your political imperatives. Is that not the case?

**Mr WESTRA van HOLTHE:** The chief executive officer needs to be responsive to the policy positions of the government of the day ...

**Ms WALKER:** I still say being an independent ...

**Mr WESTRA van HOLTHE:** What happens here, member for Nhulunbuy, is that by constantly taking the tack that you and your colleagues have, you are impugning the Water Controller, you are impugning the chief executive ...

**Ms WALKER:** Not at all, only questioning the level of independence.

**Mr WESTRA van HOLTHE:** Member for Nhulunbuy, you are attempting to bring the Chief Executive Officer of LRM and the water controller into disrepute. You are questioning ...

**Ms WALKER:** No, I am not. I am attempting to bring into disrepute your decision which says it is okay for a senior public servant to hold both roles.

**Mr WESTRA van HOLTHE:** I disagree with your position on that and we might have to agree to disagree, member for Nhulunbuy. I do not have any concerns that there is a conflict of interest arising from the water controller and the Chief Executive Officer of LRM being one and the same person.

**Ms WALKER:** Indeed, minister. We will beg to differ on that one.

Both you and the Chief Minister deny there was any political involvement in the decision to grant a water extraction licence of 5800 ML to former CLP candidate, Tina MacFarlane, but that is not true, is it?

**Mr WESTRA van HOLTHE:** I have said time and time again, member for Nhulunbuy, that there has been no political influence exerted in the granting of a water extraction licence to Stylo Station. I have said it before, I will say it here as many times as I need to and I will say it well into the future. There has been no political interference. In fact, I recounted a few moments ago a conversation I had with the water controller, while I was being briefed on water-related issues and a bunch of other stuff we talk about in a weekly meeting, that I would not be influencing his decision in any way, shape or form.

**Mr WOOD:** The member for Fong Lim was lobbying when he was in opposition.

**Ms WALKER:** Minister, we beg to differ again.

**Mr WESTRA van HOLTHE:** Member for Nhulunbuy, unless you live inside my head and know my thoughts or you were in a room where I said to the water controller, 'I want you to issue this water licence', you have no basis upon which to make that allegation ...

**Ms WALKER:** To the contrary, we do.

**Mr WESTRA van HOLTHE:** ... other than conjecture, rumour, innuendo and cheap political gain.

**Ms WALKER:** No, not at all. Let us illustrate the point with some concrete examples discovered in documents only released under FOI. An e-mail from your chief executive, who is also the Controller of Water Resources, states:

*Please be advised that last Friday afternoon I issued water extraction licence TLAM05 to L and B MacFarlane for maximum annual ground water extraction of 5800 ML per year, with an expiry date of 31 January 2022. The applicants were provided with the conditions applying to the licence as considered by you at our meeting on Thursday 14 March 2013. I discussed the conditions of the licence with the applicants and no major issues were raised by the applicants when they received their licence.*

Minister, can you remember that e-mail?

**Mr WESTRA van HOLTHE:** I do not remember it specifically other than to ...

**Ms WALKER:** I am happy to table a copy to remind you of it.

**Mr WESTRA van HOLTHE:** Yes, that is fine. I have been reminded of the existence of that e-mail by you a number of times over the course of the past few months.

**Ms WALKER:** Also by my predecessor who had this portfolio, the member for Nightcliff.

**Mr WESTRA van HOLTHE:** Of course, yes.

**Ms WALKER:** Why did you involve yourself directly in the decision to approve the MacFarlanes water extraction licence?

**Mr WESTRA van HOLTHE:** I do not accept your question because it is not true. I have not involved myself in a decision to grant a water extraction licence to anybody. As part of a briefing and regular weekly briefings, I am given updates on all manner of things. That includes water extraction licences the water controller either intends to grant or has granted. It is a normal part of the process of the water controller, and as Chief Executive Officer of the Department of Land Resource Management, keeping his minister up to date with what is going on.

**Ms WALKER:** Except there is nothing normal that, as opposition, we would have to use FOI to obtain that e-mail about a meeting. How many times ...

**Mr WESTRA van HOLTHE:** That is the normal process, member for Nhulunbuy.

**Ms WALKER:** ... and when, did you discuss the MacFarlanes licence application and related issues with your chief executive, who is also the Controller of Water Resources, and what did you discuss?

**Mr WESTRA van HOLTHE:** I could not give you a definitive answer on the number of times I met with the water controller where I was briefed on the Stylo Station water licence. We meet, on average, once a week, sometimes more often than that, and discuss all manner of things, including the status of water licence applications and a bunch of other stuff. I could not, with any honesty, answer your question because I do not know the answer to it.

**Ms WALKER:** In relation to political involvement, which you have refuted, I said I would provide a concrete example with that e-mail which was released under FOI and which you do not recall; it has now been tabled. Here is another concrete example. Other documents discovered under FOI, and only released after the initial FOI was reviewed, reveal that you received two applications to review the controller's decision to grant the MacFarlanes water extraction licence. On how many occasions did you meet with or discuss these review applications with the Controller of Water Resources?

**Mr WESTRA van HOLTHE:** The normal process under the act, where there is a decision made by the water controller - the act makes provision for a review of that decision. The minister then has the power to do several things. He can either uphold the decision, refer it on to a committee - the water appeals tribunal - reissue the licence with different conditions or refuse the licence. During the normal course of that process, an officer or officers different from those who originally provided the science to inform the water controller on whether he should or should not issue a water licence review that original decision, so you have at least one - usually more - fresh sets of eyes to look at the application.

They take into account the provisions of the *Water Act*, which sets some guidelines for what needs to be considered in the issuing of water licences and a further recommendation is made. That recommendation then comes up to the water controller, who forwards that on to me in the form of a brief. I review all of the information and look at the objections that are lodged. In my experience, by and large, objections to the issue of water licences do not refer to any of the provisions of the act which would cause concern - that is not the word I was after - but if there are relevant parts of the act that need to be reconsidered, in terms of that water licence application, I look at them. I take the advice of senior hydrologists within the Department of Land Resource Management, in the Water Resources Division, to make a determination on whether the licence should remain as it is or be changed or refused.

**Ms WALKER:** Can you recall this submission from your chief executive, who is also the Controller of Water Resources, concerning the approach you should take in response to the two review applications? This document was obtained under FOI.

**Mr WESTRA van HOLTHE:** I am aware of it, but I would have to refresh my memory if you wanted me to go into any detail in terms of the content of the memo.

**Ms WALKER:** Yes. Madam Chair, can I table that document?

Minister, that being the case, why did you not refer the applications to the water resources review panel you just mentioned, in accordance with the provisions of section 30 of the *Water Act*?

**Mr WESTRA van HOLTHE:** I reviewed the decision of the water controller, and as the responsible minister I have a number of options. One of those is to uphold the decision of the water controller, another is to refer it on to the water committee, or I can refuse it. Given the information provided to me in the form of a brief from the hydrologist within the Department of Land Resource Management, I formed the view that the decision by the water controller should be upheld and it need not have been referred on. That is the decision I made and I stand by it. You can criticise it all you like, but as a minister you have to make decisions.

**Ms WALKER:** Me and other key stakeholders in the Northern Territory.

**Mr WESTRA van HOLTHE:** That is fine. I accept that people do not always agree with the decisions of ministers, but I will not be one bound up, as the former government was, in paralysis by analysis. We want to get on and make decisions. I made a decision, I stand by it and that is where we are at.

**Ms WALKER:** Seriously, minister, you must have come to the conclusion that you have placed your senior bureaucrat, as chief executive and water controller, in an invidious position?

**Mr WESTRA van HOLTHE:** No, I do not think he is in an invidious position at all. The water controller and chief executive of my department is a professional public servant. He has been around for a long time. He is well-advised by a Water Resources Division and the personnel within that. They are experts in their field; I rely heavily on their advice, and it is advice I often question because I have an enquiring mind. I want to understand the whys and wherefores, and I am often involved in quite technical briefings so that I can achieve a better understanding of the processes the water resources people go through in making their recommendations. So I do not think the water controller is in an invidious position at all. As I say, he is well supported by his staff and if I disagree with one of his decisions I will certainly tell him so.

**Ms WALKER:** Minister, in the interest of assuring the public, not only the opposition but many stakeholders in the public, that decisions about water licences are free from political influence, will you undertake to appoint an independent controller of water resources, who is not burdened by the responsibilities of also being the chief executive officer?

**Mr WESTRA van HOLTHE:** There is no reason which has been put to me that would be substantial enough for me to reconsider the decision to have the Chief Executive of the Department of Land Resource Management also as the water controller, and just because ...

**Ms WALKER:** A water controller who is supposed to be in an independent, at arm's length position, burdened with the CEO ...

**Mr WESTRA van HOLTHE:** Once again you are reflecting on the professionalism of the water controller.

**Ms WALKER:** I am not reflecting on the professionalism of Mr Applegate at all; I am reflecting upon your decision to compromise him by trying to wear two hats. When is he the CEO and when is he the water controller?

**Mr WESTRA van HOLTHE:** He is not compromised, and I have every faith in the water controller to do his job independently of government. I do not seek to wield political influence over the water controller's decisions, therefore there is no conflict of interest which I can see.

**Ms WALKER:** Very well, minister. My next question is: when Tina MacFarlane applied for a water extraction licence in December 2012, what was the sustainable yield of the Tindall Limestone aquifer?

**Mr WESTRA van HOLTHE:** I might refer that technical question to the Controller of Water Resources.

**Mr HIGGINS:** A point of order, Madam Chair!

**Madam CHAIR:** Member for Daly?

**Mr HIGGINS:** I thought we were still on the overall statement. We are not down to Water Resources yet, are we?

**Ms WALKER:** We are, but there is considerable latitude in responding to opening statements and given it made a number of references to water resources ...

**Madam CHAIR:** It is in the hands of the minister, member for Daly.

**Mr WESTRA van HOLTHE:** I know where the estimates process is going this afternoon. I suspect we could probably deal with all other output groups in about 30 seconds flat, and then go back to Water Resources. However, we only have until 3 pm; we might as well allow the member for Nhulunbuy to continue her line of questioning, but I would encourage, if there are other committee members who want to jump in with questions, to go right ahead.

**Ms WALKER:** Do we have the answer to that question?

**Mr WESTRA van HOLTHE:** Yes, and we are waiting on an answer from the ...

**Mr APPLEGATE:** What was the question again?

**Mr WESTRA van HOLTHE:** What was the sustainable yield out of the Tindal/Mataranka ...

**Mr APPLEGATE:** At the time Stylo made its application - I think it was late October 2012 - there had not been the modelling completed on the average sustainable yield for the Mataranka Tindall aquifer. I could only make my decision - which I think I made in early 2013 - based on that modelling. The modelling, at the moment, suggests there is around 36 000 ML average sustainable yield for the Tindall Mataranka aquifer.

**Ms WALKER:** I am surprised I could not get the answer to what the sustainable yield of the Tindall Limestone aquifer was at time of application in December 2012. By your data, it was 19 500 ML – sorry, I am not sure if I am referring to the water controller – the chief executive has just advised that at the time the licence was approved in March 2013 the sustainable yield of the aquifer was 36 000 ML. Can you explain, minister, the 16 500 ML increase in sustainable yield in the three months it took to approve the licence?

**Mr WESTRA van HOLTHE:** Thank you, member for Nhulunbuy, for that fairly technical question. I could probably give you a reasonable answer but, to get some detail around that and provide some definitive information, I ask the water controller to provide that for me.

**Mr APPELEGATE:** My understanding is the government had never agreed to what was in the draft Tindall Mataranka allocation plan, which purported to be around 19 500 ML. That plan has never been endorsed by the government, therefore, that figure has no currency ...

**Ms WALKER:** They rejected the science of that previous figure?

**Mr APPELEGATE:** I beg your pardon?

**Ms WALKER:** They rejected the science based on that previous figure.

**Mr APPELEGATE:** No. The mathematics was pretty poor in that current policy endorsed under the National Water Initiative and by COAG is that in the absence of science 20% of the recharge of an aquifer would be available in the consumptive pool. When you apply the mathematics of 20% to the average annual recharge of the aquifer, that is 36 000 ML.

**Ms WALKER:** So in approving the licence, why was modelling on adverse impacts on stream flows in the Elsey National Park and the Roper River area ignored?

**Mr WESTRA van HOLTHE:** I do not know they were ignored, member for Nhulunbuy. I will ask the chief executive to respond to that.

**Mr APPELEGATE:** I do not think the impact of stream flow on those water dependant ecosystems downstream was ignored. They have been accommodated in my full decision, which is published on the web. I do not have a copy of it here to examine because I have issued a few more licences since then. I do not recall exactly, but there is a full explanation dealing with all conditions I must take into account under section 19 of the act in my statement of decision, which is available on our website.

**Ms WALKER:** Sure. I appreciate that answer but, clearly, there are not many people who are assured by it, given the outcry we have heard from people literally living downstream in Ngukurr ...

**Mr WESTRA van HOLTHE:** Part of the problem, member for Nhulunbuy, is that most people who would have a view on this have not bothered to read the statement of reasons of the decision made by the water controller with respect to this particular licence, or they do not understand the statement of reasons, the science, or they do not want to understand it, but have taken either a political, philosophical, or ideological position on this, just to oppose what was a sound, scientific decision made by the water controller. Therein lies a large chunk of the problem.

I want to add something to the answer the water controller has provided. In considering the water licence for Stylo Station, the Water Resources Division and, ultimately, the water controller, did something I understand has never been done before, and that is consider the impacts downstream in the Roper River on the community of Ngukurr. That was never been considered before by the former government or the former Department of Natural Resources, the Environment, Arts and Sport, in issuing water licences for the Tindall/Mataranka area. We are breaking new ground and looking more extensively on broader impacts of issuing water licences. Frankly, I commend the Water Resources Division and the water controller for their foresight in looking beyond what has traditionally been considered in issuing water licences for that area.

**Ms WALKER:** Minister, at the start of your answer you will have offended many stakeholders and, by the shake of your head, you do not care about offending anybody, such have been the objections from people. You simply say they may have a political view, an ideological view, they could not read the decision, did not understand the decision or that it is too complicated. You only have to look to the likes of AFANT, which has accused the government of a reckless approach to water management and allocation and has called on the government to immediately halt further water allocations. We have NAILSMA and the Northern Land Council stating their objections. The NT Farmers Association has not been silent in this space, yet the Northern Territory government seems to plough ahead in the face of any views alternative to theirs. There was extraordinary footage on the news of 16 May at the water forum held in Katherine after those allocations were made, where you were challenged by a rather sizeable crowd of very angry stakeholders, TOs from the Northern Land Council.

**Mr WESTRA van HOLTHE:** I remember that day very well, member for Nhulunbuy, and I admit to being a little surprised and dismayed that the first formal communication I had from the Northern Land Council over water allocation issues was by way of a placard waving protest at an NT government run water forum.

**Ms WALKER:** Rubbish. The NLC raised concerns with you much earlier than that.

**Mr WESTRA van HOLTHE:** Member for Nhulunbuy, I do not think I have ever received any formal correspondence from the NLC on water related issues ...

**Ms WALKER:** It has been very outspoken in the media, as have other stakeholders.

**Mr WESTRA van HOLTHE:** ... but that is neither here nor there. At the end of the day, member for Nhulunbuy, the water controller makes decision on water licences based on the best sound science available to the Water Resources Division of the Department of Land Resource Management. Contained within that Water Resources Division are scientists, hydrologists and people who study and understand water for a living. My question back to you is about the people who have objected. What are their qualifications? Yes, it is okay to have ...

**Mr WOOD:** One was a grower.

**Ms WALKER:** Traditional owners with 40 000 years of history.

**Mr WESTRA van HOLTHE:** Do not interrupt me.

**Mr WOOD:** You asked a question, one was a grower, Mr Marks.

**Mr WESTRA van HOLTHE:** I have not finished asking my question. What are their qualifications?

**Ms WALKER:** Asking your own question.

**Mr VOWLES:** I think we are supposed to ask you and you are supposed to answer.

**Mr WESTRA van HOLTHE:** What are their qualifications?

**Mr WOOD:** Melon grower.

**Madam CHAIR:** Order, please.

**Mr WESTRA van HOLTHE:** What are their qualifications?

**Mr WOOD:** Melon grower.

**Mr WESTRA van HOLTHE:** Seriously, are there people within AFANT, NT Farmers, NAILSMA or the Northern Land Council who have qualifications such that they can question the qualifications and science sitting behind a water controller's decision?

**Ms WALKER:** It is not only about science; it is about cultural and heritage issues.

**Mr WESTRA van HOLTHE:** They might have ...

**Madam CHAIR:** The minister has not finished answering the question.

**Mr WESTRA van HOLTHE:** This probably comes ...

**Mr VOWLES:** He has been asking us questions, which is not probably the concept.

**Mr WESTRA van HOLTHE:** This probably comes to ...

**Madam CHAIR:** Member for Johnston, I will decide what is right and what is not.

**Mr VOWLES:** He asked us a question and he will not let us answer it.

**Mr WESTRA van HOLTHE:** This probably comes to the nub of the issue. People have a variety of opinions, opinions only, on what should be done with our precious water resources in the Northern Territory. Some would have us lock them up forever ...

**Ms WALKER:** And you are entirely dismissive of those opinions.

**Mr WESTRA van HOLTHE:** ... some would have them fully allocated. Take a group of people and there will always be diverging views on contentious issues like water. What we do in the Department of Land Resource Management is use a sound science-based approach through the information and work done by experts in the field. We do not allow opinions to influence or cloud our judgement; we use science-based approaches to make our decisions.

**Ms WALKER:** Minister, you have said enough there. You are completely dismissive of anybody else's views, irrespective of who they are, and you fail to refer it on to review any contentious decisions. Tick a box, move on and people can suck it up and get over it.

**Mr WESTRA van HOLTHE:** I do not dismiss the views of people out in the public arena. I take their views into account, but the Northern Territory government has a stated policy position of developing our water resources for the benefit of all Territorians so that we can get our agricultural industries to grow and flourish.

**Mr WOOD:** What has Tina MacFarlane grown? She said she has not grown anything.

**Mr WESTRA van HOLTHE:** I suspect she has not grown anything yet because she is still in the stages of developing the production bores which will be required to bring her plans to fruition, as would everybody who applies for a water licence.

**Ms WALKER:** And then comes an application to subdivide.

**Mr WESTRA van HOLTHE:** That said, member for Nhulunbuy - and Nelson, who is now invading the space as well - we have new conditions which have been imposed on our licences, basically another use it or lose it type policy. If any successful applicant for a groundwater extraction licence does not meet the terms and conditions of that licence - at the start there will be a serious conversation about whether that person, company or individual needs to have a licence for water extraction to the same degree as it was issued. If, like use it or lose it, we do not want this water warehoused in silos ...

**Mr Wood** interjecting.

**Mr WESTRA van HOLTHE:** If you want to issue water licences in the Northern Territory, we want that water to be used to grow the economy.

**Mr WOOD:** She did not use the first 500 ML, that is why she did not get an extension.

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

**Ms WALKER:** Minister, was the licence for 5800 ML of water to Tina MacFarlane more than double the volume of the 15 existing licences?

**Mr WESTRA van HOLTHE:** The short answer to that, I am advised, is no.

**Ms WALKER:** Have those 15 licence holders agreed to accept annual renewal of their water licences until the water allocation plan for the Tindall Limestone aquifer is finalised?

**Mr WESTRA van HOLTHE:** That is an operational matter which does not fall onto my desk. I might ask the chief executive to respond.

**Mr APPELATE:** I understand that existing licence holders in the Mataranka Tindall area had been asked to operate on annual licences at the time that I took over the department, and when I spoke to them they were annoyed by that requirement and I invited them to apply for 10-year licences.

**Ms WALKER:** Annoyed, minister, or do you think those licence holders felt they were gazumped by the huge licence awarded to Tina MacFarlane?

**Mr WESTRA van HOLTHE:** You are asking me to provide an opinion on what somebody else thinks. I am not going there.

**Ms WALKER:** Did the Controller of Water Resources hold any meetings with other licence holders before awarding 5800 ML to Tina MacFarlane?

**Mr WESTRA van HOLTHE:** The water controller meets regularly with licence holders and applicants for groundwater and surface water licences. He has a busy schedule which involves him getting out across the areas of the Territory affected by those applications and he engages extremely well with applicants in this space and the broader stakeholder community.

**Ms WALKER:** Fine, thanks for that answer, minister.

Could you advise on - it goes back to the sheet I held up earlier, which has now been tabled so I do not have it here - around the bores - but it also relates to the plan to subdivide. What is the ability to subdivide and sell where there are water licences involved? What would be the value of those licences which, of course, are provided at no cost to an applicant, such as Tina MacFarlane?

**Mr WESTRA van HOLTHE:** First of all, there is absolutely no guarantee that a subdivided block would automatically carry with it an allocation of water.

**Ms WALKER:** But there is no requirement for a new application for the water; you said that earlier.

**Mr WESTRA van HOLTHE:** No, there is no requirement for a new application for bores for stock and human consumption, so that is what you are referring to on that diagram of those 20 or so bores there.

**Mr WOOD:** Minister, there is a bigger subdivision; they are subdividing it in half, roughly. There is another subdivision as well, which is ...

**Mr WESTRA van HOLTHE:** The subdivision of land in the Northern Territory falls under the responsibility of the Minister for Lands ...

**Mr WOOD:** I think it relates to what happens to the water.

**Mr WESTRA van HOLTHE:** ... Planning and the Environment. I am answering that question; there is no guarantee that a water allocation automatically follows a subdivision of land, a greater piece of land that has been provided with a groundwater extraction licence. If there would be some work required before consideration is given to that - let us say that a particular station ...

**Ms WALKER:** Stylo Station.

**Mr WESTRA van HOLTHE:** ... wants to subdivide into four blocks.

**Mr VOWLES:** Twenty or twenty one.

**Mr WESTRA van HOLTHE:** I am just trying to use an example, if I could be allowed to finish. Let us say the whole block had an allocation of 4 GL. There is nothing to suggest that each one of those four blocks would automatically be given a 1 GL water licence to go with it. What does transfer with a subdivided block is a bore. Should the proponent of a subdivision decide to sink four bores, one on each of those four parcels of land they intend to subdivide and those bores are properly licensed by the Department of Land Resource Management, that is transferred with the subdivided land.

As I say, there is nothing that follows to say that without those bores water allocations are automatically passed on. I do not know if anyone on the Estimates Committee has ever sunk a production bore, but you are looking at, certainly, more than 100 and probably 400 – I will be conservative and say it is about \$300 000 to \$500 000 to sink each production bore.

If a proponent wants to spend towards \$2m sinking those production bores, subdividing their land and that provides an opportunity for another proponent to come along and develop agriculture on that subdivided land, I say good on them.

**Mr VOWLES:** Minister, can you provide the approximate value of land with a bore and land without a bore? You have just given a cost of \$300 000 to \$500 000 to lay a bore down, if people want to subdivide. Looking at this, we will subdivide, so how much is that land worth with the bore or without the bore? Do you want to take that on notice or ...

**Mr WESTRA van HOLTHE:** Because the parameters could be so different from one particular property to another, it is a question which cannot be answered. I mean, how long is a piece of string?



**Mr VOWLES:** I do not know, you are the minister. I asked the question.

**Mr WOOD:** He is the minister for string.

**Mr WESTRA van HOLTHE:** What I should add is the bores you are referring to on your diagram are domestic bores. They probably cost \$25 000 to \$30 000. They can be done anyway ...

**Mr VOWLES:** So, what would be the value of that, with the bore on it, at \$25 000? We have gone from \$300 000 to \$500 000. These are domestics, from \$25 000 to \$30 000 ...

**Mr WESTRA van HOLTHE:** The bore ...

**Mr VOWLES:** What is the value of that land with those bores on it?

**Mr WESTRA van HOLTHE:** If you are talking about ...

**Mr VOWLES:** What would be the value? Give me an answer. What would it be?

**Mr WESTRA van HOLTHE:** Member for Nelson, if you are talking about - I will get to the answer to the question if you ...

**Mr VOWLES:** I am the member for Johnston, he is the member for Nelson.

**Mr WESTRA van HOLTHE:** Sorry, member for Johnston.

**Mr VOWLES:** Thank you.

**Mr WESTRA van HOLTHE:** If you stop talking I will get to the answer.

**Mr VOWLES:** If you get it right, I will listen.

**Madam CHAIR:** Member for Johnston, if you keep interrupting the minister, I will not hesitate to put you on a warning. He did not mean to - do not be so precious.

**Mr VOWLES:** I was not being precious.

**Madam CHAIR:** Member for Johnston, do not talk back or you will be out of here so fast your chair will keep spinning.

**Mr WESTRA van HOLTHE:** Thank you, Madam Chair, I will now get to answer the question.

It is impossible to put a value on a domestic bore, other than to say that without a domestic bore on the property it is unlikely the subdivision would be approved. What I have seen occurring across the Northern Territory in the years I have been involved in government is a number of subdivisions happening around Katherine, as an example, where the department of Lands and Planning will not permit a subdivision to occur on rural blocks of land unless there is a bore on that property to provide for a proper and potable domestic water supply for people who would buy that block of land. So, the value cannot be put on it because, without it, the property probably cannot be subdivided in any case.

**Ms WALKER:** Minister, my next question ...

**Mr HIGGINS:** Can I ask a follow up question to that? Is it true, though, that when you ...

**Members** interjecting.

**Madam CHAIR:** Sorry, member for Daly, is it on the same line of questioning as the member ...

**Mr HIGGINS:** Yes, it is, exactly the same.

**Ms WALKER:** It is not a Dixer?

**Mr HIGGINS:** No, I do not ask those, so I hate being told I do.

**Ms WALKER:** We know you do not support the water allocation, so ....

**Madam CHAIR:** Any member can join in on a line of questioning. They cannot ask a new question.

**Mr HIGGINS:** Thank you. If you are subdividing a property which has a water licence, I understand that licence does not add any value. If you did not have a water licence you could still subdivide and sink a domestic bore because you do not need a licence.

**Mr WESTRA van HOLTHE:** Correct.

**Mr HIGGINS:** So, the added value of having a domestic bore between the two is nil?

**Mr WESTRA van HOLTHE:** Yes.

**Mr HIGGINS:** Thank you.

**Ms WALKER:** Thanks, Madam Chair. If we go back to this allocation of 5800 ML to Tina MacFarlane and the impact on the 15 existing licence holders, I understand the water controller - and correct me if I am wrong - had meetings with those other licence holders before awarding the 5800 ML. Did the water controller give any undertakings to other licensees in consultations he participated in?

**Mr WESTRA van HOLTHE:** I do not know the answer to that question, that would be a ...

**Ms WALKER:** Could you refer it to your chief executive?

**Mr WESTRA van HOLTHE:** That would be a matter for the water controller because I was not in the room when he had those meetings. I am certainly ...

**Ms WALKER:** He is sitting next to you.

**Mr WESTRA van HOLTHE:** Member for Nhulunbuy, I am not going to ask the water controller to divulge the content of conversations he had with stakeholders in those discussions around water licensing. I am happy for him to say that he has met with people. He might even be comfortable saying who he has met with. However, I am not going to ask him to divulge the details of conversations which took place.

It is the same issue from before ...

**Ms WALKER:** Minister, he is sitting next to you. Your chief executive is also the water controller. This is a simple question. Were there any undertakings made to those licence holders? Why will you not pass it on to the man sitting less than a foot away from you?

**Mr WESTRA van HOLTHE:** Frankly, I do not think it is appropriate for him to disclose details of conversations he has had ...

**Ms WALKER:** Is that because there are some political undertones in this?

**Mr WESTRA van HOLTHE:** I am happy for the water controller to tell you he has had meetings. I am happy for him to, if he is comfortable, tell you who he has met with. I will not ask him to ...

**Ms WALKER:** Then refer it on to him.

**Madam CHAIR:** Member for Nhulunbuy, please stop interrupting the minister. You have 10 minutes left. You would think you would want to make the most of it.

**Ms WALKER:** I know, Madam Chair, I just want an answer.

**Madam CHAIR:** He is trying to elicit an answer, but you are interrupting.

**Ms WALKER:** Sure.

**Mr WESTRA van HOLTHE:** I will not ask the water controller to disclose the details of private conversations. That is inappropriate and damages the trust built up between industry stakeholders and the water controller. How would a water stakeholder feel having heard the water controller disclose details of

such conversations to this Estimates Committee? How comfortable would that person feel in the future about trusting that his or her information would remain confidential? It is not happening.

**Ms WALKER:** Thanks for that answer. Quite clearly you have things to hide; you are avoiding the question. You do not want to answer the question, so that is very disappointing.

**Madam CHAIR:** Member for Nhulunbuy, that is not appropriate.

**Ms WALKER:** I will conclude and allow the member for Nelson to ask some questions. Thanks, minister.

**Mr WOOD:** Short questions short answers, minister. I believe there were four requests for licences from an Aboriginal land trust. Could you say why those licences were rejected?

**Mr WESTRA van HOLTHE:** My understanding, member for Nelson, is that those licences have not been rejected. I am happy for the water controller to provide a little more detail around that.

**Ms WALKER:** Oh, he can answer a question now.

**Madam CHAIR:** Member for Nhulunbuy.

**Ms WALKER:** Sorry, Madam Chair.

**Mr APPELEGATE:** Are you referring to the applications from Top End and the Mataranka Tindall aquifer?

**Mr WOOD:** Yes, they are the ones.

**Mr APPELEGATE:** Those applications were received on 4 September 2013 and are still being assessed by the department. My understanding is that the department had to seek some further information because their application was incomplete at that time, and they are pending. They have not been rejected.

**Mr WOOD:** Thanks for that. Why is it that the Sweet Life melon farm and Tou's mango farm have not received new licences, yet TFS received a large licence after putting its application in much later than those two companies?

**Mr WESTRA van HOLTHE:** I am not familiar with the issue around Sweet Life melons. I might ask the water controller to answer that in a moment, but the issue around Tou's Garden is because of the location – it is at Acacia - within that particular water management zone and the size of its bore being less than 15 litres per second there is no statutory requirement for a licence to be issued. I have already held discussions with Tou's Garden about this issue, it is now being reconsidered by the Department of Land Resource Management and I think you will find that a water licence may well be issued in the very near future. Did you want an answer on Sweet Life?

**Mr WOOD:** Yes, thanks.

**Mr WESTRA van HOLTHE:** Sweet Life Melons - if we do not have an answer we can take that as a question on notice.

**Mr WOOD:** All right. If you do not have that ...

**Mr WESTRA van HOLTHE:** We will take it as a question on notice.

---

#### Question on Notice No 8.5

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

**Mr WOOD:** Minister, could you advise why Sweet Life has not received its water licence?

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

**Mr WESTRA van HOLTHE:** Yes, I accept the question.

**Madam CHAIR:** That question is No 8.5.

**Mr WOOD:** I will leave it broad. Minister, I become confused in regard to the MacFarlanes and some of the other – you have talked about the science. I am not against the science, but one of the reasons they were knocked back is that they were given 500 ML of water and did not use it. I thought that was reasonable, but your water advisor decided he would give the 5800 ML. I come from a different basis. I am not saying they should not have water; they should prove they can use the water, and I am not the only one who has said that. Can they sell that water? They received it for nothing and I believe it belongs to the people. If you are giving it away for nothing - it is our water.

**Mr WESTRA van HOLTHE:** Water trading becomes effective when an aquifer is fully allocated, because no one in their right mind will buy water when it is freely available from the Northern Territory government. I notice, and it is starting to concern me a little, the rhetoric around free water in the Northern Territory. What price do you want to put on water? Do you want to start charging people for water from aquifers?

**Mr WOOD:** No, I am working the other way. You are giving it to someone for free; when they use the total allocation, are those people then entitled to make money from it? Take the MacFarlanes, for instance. They have a subdivision for two blocks; if they have a bore on one block - I do not know how it works technically, but Portion 7018 has a water licence allocation. If they sell Lot B and it has no bore on it, can the people who buy Lot B say to the MacFarlanes, 'Can we have a portion of that licence for the entire block?' and can the MacFarlanes say, 'Yes, you can, but it will cost you \$100 000 for 2000 ML'?

**Mr WESTRA van HOLTHE:** That is a technical question which I might ask the water controller to answer.

**Mr APPELEGATE:** The licence is issued for existing bores on the block and for any portion of that licence to be transferred to another portion of the land, a new bore has to go with that portion of the land. In order to transfer any portion of that existing licence they would have to put the bore in, seek approval to transfer a portion to that bore and then be in a position to subdivide that portion of land and sell it.

**Mr WOOD:** To get this right - you get permission to subdivide, so you still own both sections – you can stick a bore in the section which does not have one and then sell that section with a bore. Can I, as the original owner, say, 'You can have 1000 ML of water out of that bore'?

**Mr APPELEGATE:** If the bore had the capacity to deliver that it would cost you maybe \$500 000 to put one in to deliver 1000 ML.

**Mr WOOD:** The original allocation was for Portion 7018; that title has changed now, so, legally, where has the water gone? You have allocated water to a particular portion of land ...

**Mr APPELEGATE:** No, sorry, an allocation of water goes with a bore.

**Mr WOOD:** Do you not register it to a block of land, like all bores?

**Mr APPELEGATE:** The bore is obviously on a block of land.

**Mr WOOD:** When they drill another bore and the new owner wants to pump water out of it, do they have to go to you or to the MacFarlanes, in this case, to get permission to take a percentage of that water that was allocated at the beginning?

**Mr APPELEGATE:** The owner of the existing licence would have to put in bores and seek to transfer a portion of their current licence to that bore before it is sold.

**Mr WOOD:** Can they then put a value on the water they are giving to the new owner and sell that?

**Mr APPELEGATE:** No, the new owner could sink their bore and apply for a licence.

**Mr WOOD:** But, if there is a bore on there and the new owner wants to use the one the MacFarlanes have put on the other section of land, and they say, 'We will pump out of that bore because it cost \$300 000' - they will not put another bore in - can the MacFarlanes sell the water or add the value of that water to the cost of the subdivision?

**Mr APPELEGATE:** I am not sure what individuals would do in that case, but I have outlined what the requirements are under the *Water Act*.

**Mr WOOD:** To put it in simple terms, can the MacFarlanes sell the water component which goes with the bore?

**Mr APPEGATE:** Trading can only exist in the Northern Territory when there is an endorsed water allocation plan in place.

**Mr WOOD:** That is true, but what is stopping them from saying, 'I will sell you a bit of mine', instead of trying to get another licence?

**Mr APPEGATE:** I am not in a position to comment on commercial transactions which may go on between two individual landholders.

**Mr WOOD:** Is that the reason they asked for that amount of water, so they could sell land with a valuable asset, that being water? They could put the bore down and say, 'Yes, we have put a bore down and we will give you 1000 ML, but we will add that to the cost of the land we sell'.

**Mr APPEGATE:** I think that is speculation, because I issued a licence based on a development plan they had submitted in accordance with the *Water Act*.

**Mr WOOD:** The development plan might now change because the block was cut in half, therefore is the original water licence invalid? I presume it would have been for the whole portion of land.

**Mr APPEGATE:** The licence Stylo Station has is enough to allow it to complete the development plan of irrigated agriculture on something like 300 ha of land.

**Mr WOOD:** I am a bit confused over whether you can charge for water or not. That is not you personally, that is a 'you' in general, like the royal 'we'.

**Mr WESTRA van HOLTHE:** I think the point to make, member for Nelson, is that water adds value to land. However, in order for it to have value, there is a process to go through which would include, in the case of Stylo Station, sinking the number of production bores that would coincide with the subdivision plans they might have. As I pointed out before, if there were four blocks and four production bores which needed to be sunk, an investment of something like \$2m would need to go into that and, clearly, when someone is subdividing land, they will look at – there is obviously a commercial driver for that and we should not be demonising the word 'profit'. We live in a commercial world, but at the end of the day ...

**Mr WOOD:** But minister, the original plan ...

**Madam CHAIR:** Member for Nelson, we are out of time.

**Mr WOOD:** I know that, but the original plans did not include a subdivision. That water was given for a certain allocation for a certain reason. Subdivisions did not come into that.

**Mr WESTRA van HOLTHE:** Yes, and I do not know whether the water controller can add a bit more to that, but at the end of the day, member for Nelson, we are not issuing water licences to look after friends, as would be suggested by the member for Nhulunbuy ...

**Ms WALKER:** Not only the member for Nhulunbuy, but a lot of people in the Territory.

**Mr WESTRA van HOLTHE:** ... and other people who want to play in that space.

**Ms WALKER:** Helping out your CLP mates.

**Mr WESTRA van HOLTHE:** It is about getting land developed, and if Stylo or any other property which has water allocated to it wants to go through a proper process of sinking production bores, subdividing land and selling it off so agriculture can commence on the land ...

**Mr WOOD:** Nothing has happened on that property.

**Mr WESTRA van HOLTHE:** I understand what you are saying, but at the end of the day ...

**Madam CHAIR:** Minister, in summation.

**Mr WESTRA van HOLTHE:** If I could just finish off - we want to see this land brought into production and I will not be too precious about who does it. What I want to see is land and water being made available where it can be and those two commodities brought together to create agricultural development.

Quite frankly, I do not care whether it is Stylo Station in the form of Tina MacFarlane or somebody else who does it. Madam Chair, given the time, I did undertake to provide some details to the member for Nelson on ...

**Mr WOOD:** It is after three.

**Mr WESTRA van HOLTHE:** Sorry, it was here before hand, but I ...

**Madam CHAIR:** We will have to accept those as written responses to questions on notice, minister, as we are out of time.

---

#### Answer to Question on Notice No 8.5

**Mr WESTRA van HOLTHE:** May I, Madam Chair - I am sorry. Sweet Life is in the same situation as Tou's Garden; its pumping is less than 15 litres per second, and there is another thing I need to clarify. There was a question asked earlier by the member for Nhulunbuy about the ...

**Mr VOWLES:** Thanks, minister.

**Madam CHAIR:** Member for Johnston, you are on a warning. If I hear you making comments or directions that would ordinarily be the scope of the Chair, I will throw you out. I do not need your contribution to the time. I am aware of the time, and the minister is wrapping.

---

**Mr WESTRA van HOLTHE:** Thank you, Madam Chair, and I do want to finish this off. There was a question by the member for Nhulunbuy about the appointment of the water controller, and I have been advised that I, as the new Minister for Land Resource Management, did sign the instrument to appoint the Chief Executive Officer of the Department of Land Resource Management as the water controller.

**Madam CHAIR:** Thank you. That concludes consideration of outputs relating to the Department of Land Resource Management. On behalf of the committee I thank the minister for attending today and I also thank the departmental officers who provided advice.

The committee will now consider outputs relating to the Department of Transport, and we will have a five minute break for changeover, resuming at 3.10 pm, thank you.

---

The committee suspended

---

#### MINISTER STYLES' PORTFOLIOS

##### DEPARTMENT OF TRANSPORT

**Madam CHAIR:** Thank you, minister. I welcome you this afternoon and invite you to introduce the officials accompanying you today.

**Mr STYLES:** Thank you very much, Madam Chair. On my right is the Chief Executive of the Department of Transport, Clare Gardiner-Barnes. To my further right is Paul Rajan, Executive Director Transport Services, Department of Transport, and on my left and your right is Fotis Papadakis, Chief Financial Officer Financial Services Department of Transport.

**Madam CHAIR:** Thank you, minister. I invite you to make an opening statement of no more than five minutes and you may choose to table answers to written questions. I will then call for questions relating to the statement. The committee will then consider any whole-of-government budget and fiscal-related

questions before moving on to output-specific questions and, finally, non-output specific budget-related questions. I will invite the shadow minister to ask questions first, followed by committee members, and, finally, other participating members may ask questions. The committee has agreed that other members may join in on a line of questioning pursued by a shadow rather than waiting until the end of the shadow's questioning on the output.

Minister, do you wish to make an opening statement regarding the Department of Transport?

**Mr STYLES:** I do, thank you, Madam Chair. I would like to introduce the other officials supporting us. There is Mr Ernie Wanka, Chief Government Engineer; Mr Nicholas Papandonakis, Executive Director Transport Planning Policy and Reform; and Ms Jasmin Aldenhoven, Executive Director Business Services. The year 2013-14 has seen many exciting transport initiatives and programs introduced and completed. There can be no economic or social development without appropriate investment in transport planning and infrastructure, logistics and services. The Territory cannot achieve its goals of economic and social development without transport being at the forefront of our thinking. There is no better illustration of this government's commitment to developing the north than the investment in transport services, roads and infrastructure that our government continues to deliver.

We continue to work in close partnership with the Australian government as we open up northern Australia and its vast untapped resources to create a stronger and more prosperous country. Both levels of government realise that unlocking the potential of northern Australia will require a solid policy platform and effective collaboration between governments and industry. To this end, we hosted the National Remote and Regional Transport Infrastructure and Services Forum, which brought together key stakeholders to workshop remote transport issues and possible solutions. I was then able to secure agreement from my ministerial colleagues to the drafting of a national remote and regional transport strategy which will ensure these issues remain front and centre on the national transport agenda.

Infrastructure issues which emerged from the forum included the need to access better funding, with possible solutions to be considered such as the hypothecation of mining royalties to develop infrastructure and the building of social and equity issues into cost-benefit analysis funding assessment criteria. We also need to consider the time and costs associated with gaining approvals to access Aboriginal land for exploration and the construction of developments.

From a transport services perspective outcomes of the forum included: the need to improve passenger transport services through the possible development of community transport models; aggregating funding sources and cross-subsidisation of services; the need to develop intermodal hubs; resolve remote aerodrome ownership issues and review remote aerodrome standards; and, importantly, aim for local employment through the development of transport services. The need to move away from prescriptive to risk-based regulation, the need to reduce the regulatory burden and the need for a possible zonal approach or national framework that recognises regional variations were also issues that emerged from the forum, and will be addressed through the strategy.

Infrastructure enables economic growth, and for the Territory to have modern, efficient, safe and high standard roads and infrastructure investment needs to be made in proper planning. To unlock growth potential in the resource sector this government has been provided \$1.2m in funding from the Australian government's Regional Infrastructure Fund to undertake a Territory-wide planning study which will determine what infrastructure is required to support resource-related economic development throughout regional areas of the Northern Territory. The study is focused on identifying general community infrastructure needs such as housing, schools, health centres, trade training centres etcetera, and utility infrastructure needs such as power, water, wastewater, telecommunications and transport infrastructure needs across the entire logistics supply chain including roads, bridges, ports, rail and aerodromes.

The Northern Territory government looks forward to receiving the final report of this very important study later this year, which will lead to the government finalising and publishing the roads and bridges strategy, the foundation of this government's infrastructure planning into the future.

However, we are not resting on our laurels. Looking forward to the year ahead, there are a number of exciting projects in the 2014-15 program. Some of these include:

- commencing construction of the next stage of the \$103m project
- the duplication of Tiger Brennan Drive from Woolner Road to Berrimah Road

- commencing construction on road upgrading projects, such as the Santa Teresa Road, Port Keats Road and Buntine Highway under a \$106m jointly funded project with the Australian government
- \$8m going towards major investment in rural arterial roads across the Territory for works on the Carpentaria, Arnhem, Tanami, Tablelands and Lasseter Highways
- \$5m going towards investment in urban arterial roads for works on Vanderlin Drive, Bagot Road, Stuart Highway and Larapinta Drive
- \$2.75m going towards regional roads in the Katherine area
- \$800 000 committed to continuing the Tiwi Islands ferry service
- \$500 000 towards the development of a medium to large vessel pontoon at Melville Bay in Nhulunbuy
- \$1.5m to upgrade the barge landing at Maningrida and
- \$2.5m to significantly upgrade the Canteen Creek airstrip, which will improve the capacity for medical evacuations and improve the safety of all operations.

This government is further facilitating economic development in the Territory by focusing on the vital element of strategic planning. Our government wants to ensure any investment in our transport infrastructure is well-planned and that we make well-informed decisions on how we prioritise and fund projects. It is for this reason that we are undertaking considerable transport strategic planning through the development of an integrated transport planning and investment roadmap. This roadmap will provide a number of focused strategies and plans which will detail how the Territory will develop transport infrastructure and services into the future. Included are detailed plans for roads and bridges, as mentioned earlier, freight and logistics, aviation, public transport and the marine industry. Many of these plans are currently being developed and business, industry and community stakeholders are being consulted to ensure we capture all issues, needs and opportunities.

To progress this important work, we have committed \$1m to a number of strategic planning strategies to inform infrastructure design and development and regulatory reform, including: a marine industry review to develop a regulatory regime for NT ports; the development of an aviation and services strategy; the development of an Alice Springs transport study; the development of a freight and logistics strategy; and, in response to the Greater Darwin Regional Land Use Plan, an update of the Darwin regional transport model, which will be undertaken and is due for completion in 2014.

I am also proud of the work being undertaken by the Motor Vehicle Registry. My department has successfully cut red tape and decreased the need to personally attend the MVR to complete a transaction. We have introduced a range of reforms and initiatives, including the introduction of smartphone apps and online tools which will allow people to access their registration details, set up reminders and pay their bills. These reforms have proven to be highly successful.

For the first time ever, online registration renewals are now greater in number than counter transactions. In January 2014 online registration renewals overtook front counter registration renewals, with 7635 registration renewals in February being completed online, compared to 7543 registration renewals being completed at front counters. Online registration renewals have nearly tripled in the past two years, from 2615 in 2012 to 7635 in 2014. That is a fantastic result.

Our government is streamlining services, cutting down wait times and delivering for Territorians. These are some of the many MVR reforms we have put in place since coming to government. Others include the removal of light vehicle registration stickers, the ability to pay for renewals at Australia Post outlets, the introduction of 10-year licences, changes to eyesight testing and changes to the number of required vehicle inspections.

Not only are we working to implement Territory transport reforms, we are also advocating for the Territory at a national level to ensure national reforms are appropriate and produce real benefits in the Northern Territory. While acknowledging national reforms may have some benefits, particularly on the eastern seaboard, the one size fits all approach to transport reform rarely succeeds in a country which has vastly different urban and remote transport issues. This government firmly believes national reforms must demonstrate clear benefits for remote and regional Australia. To this end, the government will not implement the National Heavy Vehicle Regulator in the Northern Territory until such time there are clear



benefits to our industry. Many aspects of this reform are already available in the Territory; for example, we have an open access regime, with 100% of the network available for higher mass limits. We have achieved a regulatory framework focused on delivering maximum efficiency with minimum regulatory burden on the industry, without compromising safety. In addition, we will not be proceeding with the heavy vehicle charging and investment project until such a time there is more certainty around the scope, direction, timing and cost of reform, and benefits to the Territory are clearly identified. There are many issues ...

**Mr VOWLES:** A point of order, Madam Chair!

**Madam CHAIR:** Member for Johnston?

**Mr VOWLES:** Just going over the five minutes – are we nearly finished, minister? You have a five-minute statement. You can table the rest of it.

**Madam CHAIR:** There is a minute-and-a-half to go.

**Mr STYLES:** With your indulgence, I have about a minute-and-a-half to go.

**Mr VOWLES:** Yes, no problem.

**Mr STYLES:** There are many issues with this reform, which has the potential to negatively impact on overall roads funding. Closer to home the Northern Territory government strongly supported the improvement of road safety in the Territory last year and this continues in the 2014-15 budget. We continue to deliver road safety education across schools, the community and in urban, regional and rural locations. These targeted sessions cover a raft of road safety issues, including pedestrian safety, a focus on young drivers and incident factors to prevent crash consequences, unsafe behaviour and talking about harm reduction strategy and heavy vehicle safety.

The Department of Transport works collaboratively with industry and the private sector to deliver road safety and education programs so that deaths and accident rates can be reduced. DriveSafe NT Remote also delivers learner theory classes, driving lessons to holders of learner licences, tests for provisional licensing with the objective of completing a 12 provisional licence test and MVR services, such as registration licence renewal, vehicle inspections and upgrades. I would like to thank the hard-working department staff, whose expertise and experience is invaluable. Madam Chair, I look forward to any questions the Estimates Committee might have for me.

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

**Madam CHAIR:** Thank you, minister. Are there any questions on the minister's statement? The committee will now consider the estimates of proposed expenditure contained in the Appropriation Bill 2014-15, as they relate to the Department of Transport. Are there any agency-related whole-of-government questions on budget and fiscal strategies?

**Mr VATSKALIS:** Thank you, Madam Chair. Minister, can you confirm if any ministerial staff from your office have sat on selection committees for public servant positions?

**Mr STYLES:** No staff have.

**Mr VATSKALIS:** Not from your ministerial office?

**Mr STYLES:** No one from my ministerial office.

**Mr VATSKALIS:** Thank you very much. The Territory is a big place and we are familiar with how many roads there are here, both sealed and unsealed. What criteria do you use to assess proposals for the construction of a new road and how do you prioritise between the construction or upgrading of urban and rural roads?

**Mr STYLES:** Member for Casuarina, that question is actually for Transport Infrastructure Planning output.

**Mr VATSKALIS:** I can ask you that one later.

**Mr STYLES:** It is Output 1.4.

**Mr VATSKALIS:** I will go to the next question. We live in the Territory and it is an expensive place. Despite the promises of government to bring down the cost of living we now pay \$1.73 per litre of petrol in Darwin. In Yuendumu it is \$2.15, Nhulunbuy \$2.57 and the federal government is intending to index fuel excise. Do you agree with the proposal by the federal government or not?

**Mr STYLES:** When we are in Output 1.1 Passenger Transport - are you asking ...

**Mr VATSKALIS:** It is a generic question.

**Madam CHAIR:** Sorry, minister, we are in agency related whole-of-government questions, so it is about anything in the agency which has a whole-of-government approach.

**Mr STYLES:** The issue with fuel prices, member for Casuarina ...

**Mr VATSKALIS:** My question was about indexation. We know the fuel price. Do you agree with the federal government's proposed fuel excise?

**Mr STYLES:** I have not looked at the technicalities of that at this point in time, but whether I agree - I know the Chief Minister has been talking to his federal counterparts. It is federal government policy, but I know that, on behalf of the Northern Territory, the Chief Minister has been negotiating with the Prime Minister and the federal Treasurer in relation to a range of issues which relate to federal government policy.

**Mr VATSKALIS:** Have you spoken to any of the stakeholders in the Territory - taxi drivers, tourist operators, the public - about this excise and about what they think. You are the Minister for Transport and you should be talking to them. I presume you talk to them.

**Mr STYLES:** I met with the Taxi Council last week. The price of fuel was not an issue for them, it was not raised. Other issues were raised, but that was not one of them.

**Mr VATSKALIS:** You have not held any talks with your counterpart in Canberra to express your concern about the indexation of fuel excise?

**Mr STYLES:** I talk to my counterparts in Canberra a lot. I spoke to my counterpart last Saturday evening about a range of issues and I have talked with the Deputy Prime Minister. At our transport forum in Alice Springs several weeks ago this issue was not raised. I was there with everyone from across Australia and the issue was not raised at the forum.

**Mr VATSKALIS:** The federal government is expected to generate, or cash in, about \$2.2bn over the forward estimates period for building new and upgrading existing road infrastructure. Because of the indexation, they expect to get money in. How much of this do you think will be allocated to the Territory?

**Mr STYLES:** I cannot work on what I think will happen. I am not here give opinions as to what may or may not happen. The Northern Territory government is negotiating behind the scenes with the federal government for increased expenditure. Any increase in funding we can get for the Territory, that we can spend on roads, bridges and transport is, obviously, a good thing for the people of the Territory.

**Mr VATSKALIS:** Your government imposed a \$1 ticket on pensioners with a concession card. Have you done any work to find out if it has changed the number of people catching the bus before and after the imposition of the \$1 ticket?

**Mr STYLES:** I will take advice on that because I am not sure if we have had those figures. We are introducing new ticketing machines and once those come in we will be able to readily access that information, almost on a daily basis. But, it is very difficult to try to figure out exactly what the patterns are until such time as we get the new ticketing machines. My understanding is they will be introduced very shortly on two buses, followed by a roll-out across all buses.

**Mr VATSKALIS:** Minister, thank you for bringing up the issue of ticketing. You intend to privatise the Darwin bus fleet. Why should Territorians pay for the upgrade of a ticketing service for something that is to be given to the private sector? Why is the private sector not paying for it?

**Mr STYLES:** I suspect when it goes to tender - my understanding is that any prospective tenderer has been told that this is what is coming. Obviously, any tender price would include the new ticketing machines.

**Mr VATSKALIS:** You told the private sector, 'Do not worry about spending money on new ticketing machines. Territory taxpayers will pay for it so you get a nice service with new buses and brand new ticketing machines' ...

**Mr STYLES:** When ...

**Mr VATSKALIS:** Is that not a bit strange? Why do you want to privatise something and then present a gift to the person who wins the tender?

**Mr STYLES:** You could say that if the bus needs painting today we should not paint it because we might sell it tomorrow. If there is some maintenance to be done on the bus ...

**Mr VATSKALIS:** No, that is different. Maintenance and painting are essential. But, when you intend to privatise the fleet within the next four to six months, the ticketing machine can wait. You could say that will be part of privatisation and what you expect a provider to put in the buses.

**Mr STYLES:** There are a couple of things to mention. One is that the information which comes from these ticketing machines is state-of-the-art. It is used for planning and it is essential we plan properly.

I have not read the fine print of the tender, but what I would expect to happen is that if you are privatising anything, there is a portion of a contract which says you will buy the equipment - current buses and equipment - at the going price.

**Mr VATSKALIS:** In regard to the privatisation, have you undertaken any cost-benefit analysis or was it the ideological position of the government to privatise a public service? Can you show us how this government and Territorians will benefit through the privatising of the buses?

**Mr STYLES:** Those tenders are currently being assessed ...

**Mr VATSKALIS:** Before you went to tender and you decided to privatise the service, was there a cost-benefit analysis?

**Mr STYLES:** The department has a lot of information it will use in assessing tenders which come in ...

**Mr VATSKALIS:** Would you be able to table that cost-benefit analysis?

**Mr STYLES:** I am not sure what they have, but current services being outsourced in the Territory have demonstrated effective value for money. All buses throughout the Territory, bar the Darwin Bus Service, are all outsourced. The majority of our services are purchased in by contract.

Darwin Bus Service is the last remaining provider in the Territory run by government. Government is a regulator and umpire. We are also the service provider. If we are to have a true system then we need to be out of the provision side of it so we can be a regulator.

**Mr VATSKALIS:** How many bus services are there in the Territory?

**Mr STYLES:** How many bus services are there in the Territory?

**Mr VATSKALIS:** Public.

**Mr STYLES:** Public bus services?

**Mr VATSKALIS:** Are there only services in Darwin and Alice Springs? What about Katherine?

**Mr STYLES:** Katherine - they are all outsourced. The Darwin Bus Service is the only one left that is a public bus service, the rest are privately owned and contracted in at a price. If you look at the Darwin urban- there is Buslink; the Darwin school and special needs Buslink service; Jabiru school buses; Nhulunbuy school buses; Alyangula school buses; Ti Tree school buses; Alice Springs urban buses; Alice Springs special needs buses; Alice Springs school buses; Katherine special needs buses; Katherine school buses, Batchelor school buses, the Darwin/Palmerston shuttle; and the Mandorah/Tiwi Islands ferry. They are all run by private companies. The only one left is the small part of the Darwin Bus Service.

**Mr VATSKALIS:** Since there is such a plethora of private companies, obviously the department has a cost-benefit analysis of privatising Darwin buses. Are you able to table that cost-benefit analysis?

**Mr STYLES:** Not yet. Once all tenders are assessed I imagine a lot of information will be available for everyone to look at.

**Mr VATSKALIS:** Let me go back. Before you act to privatise or make an asset public, you undertake a cost-benefit analysis. You are trying to find if there will be any benefits for your organisation. You do it before you go to tender. I asked the same question of Power and Water and we received the same answer. It did not have an analysis. I expect the department, before it advises you that it is a good idea to go to tender, to put a cost-benefit analysis in front of you or to say it should not be done.

My suspicion is that you have not done any cost-benefit analysis; it was a direction by your office or your government to privatise it. If you have a cost-benefit analysis can you please table that? If you do not have one say, 'We have not done one'.

**Mr STYLES:** Member for Casuarina, the Department of Transport has a contract figure per kilometre for the private supply of buses and it knows that. That would be one of the things, I imagine, it would first consider.

This is about trying to achieve efficiencies and effectiveness across a system in the Northern Territory. Part of that cost-benefit analysis is - my understanding is that in the tender process tenderers are required to demonstrate how they will provide better value for money to government.

If a tenderer does not provide that information - we know what it costs the Darwin Bus Service for every kilometre and we know what it costs private industry. In the tender process my understanding is that there is a requirement to show value for money.

**Mr VATSKALIS:** Obviously there is no cost-benefit analysis. Can we move to something else now?

**Mr WOOD:** Are you still talking about the Darwin Bus Service?

**Mr VATSKALIS:** Yes. I will ask another question now.

I know you have four speed limit reports and I ask you to table them. You have refused to table them so far. Territorians want to know what those reports say. Do they say it is good to have open speed limits or not? You have four reports and have commissioned a fifth. Can you table those for Territorians to see the benefits - or not - of open speed limits?

**Mr STYLES:** There were not four reports created. A number of audits and assessments have been undertaken on a variety of our highways. Reports of those audits and assessments have been done. At the end of all trial periods and when all assessments have been done, a report will be put together - an evaluation of a range of issues on our highways.

**Mr VATSKALIS:** You said publicly that four reports were created and that you have commissioned a fifth.

**Mr STYLES:** No, I do not think I have said that publicly. What I have said publicly is that there are ...

**Mr VATSKALIS:** You are on the record, minister.

**Mr STYLES:** ... a range of audits and assessments which have been done. Those audits and assessments will be looked at by a group of consultants to provide an evaluation report on what the trial and assessment period produces.

**Mr VATSKALIS:** Why did you commission a fifth report?

**Mr STYLES:** That is your language, member for Casuarina. You have said there are five reports. I have said audits and assessments have been undertaken and there will be a report completed, at the end of the trial period, with information published.

**Mr VATSKALIS:** The police, AANT and a number of expert groups have opposed open speed limits. You opened an area with no speed limit at Barrow Creek – there was recently an accident where the police said

it was due to excessive speed. Do you think that today, with the current road system in the Territory, you can have an open speed limit?

I had to reduce the speed limit on the Lasseter Highway because four young kids from Alice Springs died on it. In the beginning, I thought open speed limits were a good idea, but after that I changed my mind.

There was an accident in which, fortunately, no one died; there was serious injury and the police said it was due to an open speed limit. Will you continue with open speed limits on highways?

**Mr STYLES:** Are you referring to an accident that occurred recently in the open speed limit area?

**Mr VATSKALIS:** Yes.

**Mr STYLES:** Your information is not the same as mine. As a result of the audits and assessments being performed, we reduced the speed limit on the Arnhem Highway, because we went there - all of these decisions are evidence-based. They all go to Cabinet. We looked at the evidence for the Arnhem Highway, which showed we should reduce the speed limit, and we did so.

We looked at speed-related deaths over 10 years on the 204 km open speed limit trial section; there were none. For seven of those years, there was an open speed limit there. I have lived in the Territory for 33 years and I drove with open speed limits. I was a police officer for 27 of those years and I worked with open speed limits. My information from the police - when it was put to them by the media - is that they are looking again at what they did before reducing the speed limit to 130 km/h. What this required for people there - sadly, there was a recent tragic event near Adelaide River. Are you suggesting we drop the speed limit there to perhaps 60 km/h or 40 km/h?

It is about people acting responsibly. If you look at situations of speeding in the northern suburbs, it is an 80 km/h speed limit along McMillans Road, yet we have seen people driving at excessive speed along there, having accidents and, sadly, killing themselves and their passengers. It is terrible that those things occur, but we made an election commitment that we would look at a trial of open speed limits. The anecdotal evidence we have received from the trucking industry is that it loves the work that has been done there. I drove that section of road the day it opened, nobody passed me and everybody seemed to do the right thing. We have had, tragically, one roll over, but my understanding is that alcohol was involved. I also understand the car was unregistered and uninsured.

These are things the DriveSafe NT Remote program is trying to educate people about - how to drive. If you expect to drive flat out down the Stuart Highway in a high speed car, I suggest that someone will have a talk to you. The highway is not an autobahn, but there are people there who will want to drive a bit faster than 130 km/h. There are people who sit in this parliament who choose to drive faster than 130 km/h on that section of road. I am sure that they probably did so prior to the 130 km/h speed limit and I am sure they were doing it responsibly, but people in this parliament still choose to drive a bit faster. Are you suggesting that is totally irresponsible of them and they should be locked up? Probably not, but what has happened is that when you make an election commitment you say to people, 'Now, it is up to you.' People were doing this anyway. I recall a time I drove from Alice Springs to Tennant Creek and I set the cruise control to 130 km/h - this was when it was a 130 km/h speed limit - and I had people passing me. These were families with kids in the car. They were probably under 160 km/h or 150 km/h, but these were people who looked like they live out bush and drive regularly.

I do not think mum and dad should be driving up and down the road at 160 km/h or 130 km/h towing the caravan, but it is about driving to the conditions of the road, the time of day, whether there are animals around and whether it is raining or hot. It is about your level of experience and what speed people are comfortable driving at. I know that when I drove the section of road on the day it came into force, there were people driving at 90 km/h and that is probably because that is what they normally do. There are also people we made a commitment to in the lead-up to the 2012 election to say we would hold a trial period.

**Mr VATSKALIS:** Minister, we are good at disagreeing with that one and I do not say that because I do not like speeding. I drive in the same way as you, I put my cruise control at 125 km/h or 128 km/h and go. That is enough for me, I do not care. The problem is that when you drive at 80 km/h and you have an accident, and you drive at 140 km/h and have an accident, you are more likely to die when you drive at 140 km/h than 80 km/h. It is not me saying that; surgeons at the Royal Darwin Hospital and Alice Springs Hospital say that.

I want to ask something which bridges a couple of portfolios, yours and Primary Industry. Do you know the relationship between Ramadan, our roads and live cattle export?

**Mr STYLES:** What was the last one?

**Mr VATSKALIS:** Live cattle export.

**Mr STYLES:** Yes, live cattle export.

**Mr VATSKALIS:** So, what are you doing to make sure that live cattle export will continue uninterrupted, in the next few years, with Ramadan?

**Mr STYLES:** Ramadan is a particular period - it moves - but in relation to the election commitment we made to keep cattle moving, cattle are coming from all over the Territory to Darwin to be exported. The pastoral industry produces around 580 000 cattle a year.

**Mr VATSKALIS:** I am aware of that.

**Mr STYLES:** That is from cattle across the Territory, including many in remote areas where year round access is difficult to create and maintain. I am sure everyone in this room is aware of the difficulty in keeping roads open during the Wet Season. In February 2014 buffalo from the NT were shipped out of Darwin. It was a first for live buffalo shipment to Vietnam. The Northern Territory government estimates the Top End can supply around 1000 buffalo a month into the new market. Now, we have to move those out of some pretty interesting areas as well. Cattle are transported by heavy vehicles, placing greater stress on unsealed roads and increasing maintenance costs for vehicles.

**Mr VATSKALIS:** So, what will happen in the next six or seven years when Ramadan starts moving into the Wet Season, when everything will be messed up? Mustering cannot take place in those remote areas; most of the cattle exported to Indonesia and Vietnam come from the north of the Territory. All Central Australian cattle go south and some go to Queensland. So, what will happen? Do you have a plan in place? Do you have an idea of what you will do when Ramadan falls at the wrong time of the year for the Territory?

**Mr STYLES:** The Territory government has just allocated \$319m for road transport in the Territory. That is record expenditure. We are aware there has been increased funding for flood mitigation on major roads and we are working to upgrade many secondary and arterial roads which go to cattle stations. Two weeks ago we had a call from some people on the western side of the Territory, where a spring had popped up in the road. We had some waterlogged beef roads out there, so we responded, the graders travelled there and put a detour in place. We had cattle trucks in and we had road trains full of hay so that some of the properties could muster. We respond not only to pre-planning, but also to what is going on locally. If they have a problem in these places, then we fix it ....

**Mr VATSKALIS:** That is good when it happens in one area ...

**Mr STYLES:** If I can talk about the demand for live exports, including the need to move cattle in the Wet Season due to Ramadan. As you say it has required more emphasis on year-round access to the road network. The following framework is utilised by the Department of Transport in the development of the beef roads upgrade program: liaison with industry and major stakeholders for forecast demand; higher standards of roads to protect vehicles, produce and, obviously, cattle; a national highways flood immunity program in conjunction with targeted flood immunity; strengthening and widening programs; planning and development of the arterial road network for principal hubs of primary production; improving access to distribution nodes such as ports and rail terminals; and the continued implementation of Australian government programs such as the regional roads productivity package.

I am happy to say that in the 2014-15 budget, a total of \$47.26m has been allocated towards upgrading priority cattle roads. This includes \$34.9m on new projects, such as \$7.34m for the Outback Way to extend the seal to the Plenty Highway towards Harts Range, another \$4.75m to extend the seal on the Litchfield Park road and \$8m for pavement strengthening. There are many things there.

Having spoken to people in the cattle industry, there are agistment properties around Darwin and south of Darwin being used for this very thing. I will not mention them because they are commercial enterprises. They are bringing cattle in so when carriers cannot get onto these roads they have a plentiful supply sitting in agistment yards waiting for export, so ships are not held up.

You are probably aware these ships are specialised. They are booked in months in advance, so you have to make sure that when the ship comes in you have cattle to put onto it. I understand the cattle industry is looking at how it can fix that fluctuation and make sure it can supply ships when they come into port.

**Mr VATSKALIS:** As we are talking about the cost of a road network let me tell you that the federal government infrastructure investment program recently allocated \$6.7bn to the Bruce Highway in Queensland, \$5.6bn to the Pacific Highway duplication in New South Wales, \$3bn to the East West Link in Victoria, and in the Territory, despite the fact we are in the north, supply meat to Indonesia and are to be the food bowl of Australia, we received only \$77m. What is the story there? Why so little for such an enormous area? What have you done to engage the federal government and show them that this is the place where, in reality, the money is needed?

**Mr STYLES:** We have written to the federal government. We have asked for a lot more ...

**Mr VATSKALIS:** Have you had a reply yet?

**Mr STYLES:** We have handed down a program of \$377.8m, with a split of \$177.5m to be funded by the Australian government and \$200m to be funded by the Northern Territory government. The other aspect of all of this is that there is a program going on at the moment and a green paper being presented in relation to development of the north.

I understand there is an allocation for infrastructure funding in the Territory when we start looking at developing the north. That is northern Australia across the top of Western Australia, the Northern Territory, and Queensland. I also understand Infrastructure Australia is undertaking an audit across the country to look at what we have and what is necessary, and it is taking submissions from all governments across Australia on what happens and what should happen in relation to roads, bridges, and major infrastructure.

Once that is completed, which will be towards the end of this year, if I am correct - recommendations will be made and funding will be allocated according to what those are ...

**Mr VATSKALIS:** I know about the assessment. Have you or your department had any input to direct them to the right places and where to spend money? It is good to say all of Australia. We are talking about the north of Australia which covers Queensland, Western Australia and the Northern Territory, where we have significant deficit in funding and road construction. I have been to Western Australia; I know what it has there and what it is doing. It has more money for various reasons; we do not. What are you doing to engage the federal government to put more money into the Northern Territory? Writing letters to Canberra does not work; I know firsthand, as I was in your position. What have you personally done to engage the federal government to put money into the Territory?

**Mr STYLES:** First of all, the regional infrastructure study is being produced as we speak and once that is done it will create recommendations. I know the Department of Transport has made submissions to that study. The ongoing submissions - there are obviously letters going to and from Canberra. Every time I can engage the Deputy Prime Minister, who is the federal Minister for Transport and Regional Development – I have had three meetings in the last eight weeks with the Deputy Prime Minister to put our case. I have had officers from the Department of Transport with me on those occasions, where we have had extensive time to put our case.

**Mr VATSKALIS:** I suppose your department has briefed you about the needs of the Territory. Do you have a guesstimate of how much you will need to meet your requirements in the Territory now? Is it \$1bn, \$2bn or \$600m?

**Mr STYLES:** No, we have the regional infrastructure study being done by Infrastructure Australia and we have our own study going on at the moment, which is ...

**Mr VATSKALIS:** You do not have a guesstimate yet?

**Mr STYLES:** It is in the billions.

**Mr VATSKALIS:** Yes, so how come we received \$600m and the ACT received \$700m? Is that how important the federal government thinks we are?

**Mr STYLES:** Maybe that is a question you should put to the federal government.

**Mr VATSKALIS:** No, I am putting it to you; you are the minister. You fight for the Territory. The feds have their own priorities, where there are more members of parliament and more senators ...

**Mr STYLES:** I am not happy with it, but if you want to know why that happened you might put it to them.

**Mr VATSKALIS:** No, you are the minister and the same party. Do they talk to you?

**Mr STYLES:** Exactly, and I am giving you the answer that I am not happy with it. Do you want another answer?

**Mr VATSKALIS:** Hold on, Natasha Griggs was happy. You are not happy?

**Mr STYLES:** I am not happy with it. You talk to Natasha Griggs about that.

**Mr VATSKALIS:** Do not worry about that, I will tell you what I think about it. I believe the Chief Minister said what he thought about her, so what do you think about the whole thing? What are you doing about it?

**Mr STYLES:** We have held negotiations with the Deputy Prime Minister and I think I have answered that. I said that in the last eight weeks I have had three meetings with the Deputy Prime Minister.

**Mr VATSKALIS:** Did he ask you why it costs \$800 000 per kilometre to build a road in the Northern Territory, but only \$250 000 per kilometre in Western Australia? That is the question the federal government will ask if you want value for money. For every kilometre in the Territory it can build three in Western Australia. Why is there such a difference in costs in the Territory compared to Western Australia?

**Mr STYLES:** Those are your figures, member for Casuarina, and I do not agree with them.

**Mr VATSKALIS:** No, that was stated at the recent forum in Alice Springs. They are not my figures. When I was the minister the cost was about \$250 000 per kilometre, which was too much. I am asking now - these are public figures - why does it cost so much in the Territory, three times more than northern Western Australia?

**Mr STYLES:** There are obviously mobilisation and demobilisation costs. The other interesting thing is ...

**Mr VATSKALIS:** The Kimberley is a remote area like the Territory. The Pilbara - I lived there - is a remote area like the Territory. Why is there such a difference in cost?

**Mr STYLES:** Member for Casuarina, I think it was a long time ago when it cost \$250 000 per kilometre to build a sealed road to national standards in the Territory or at the top of Western Australia. I dispute that is a recent figure; I think it is an old figure. The other part is to build roads to national standards.

**Mr VATSKALIS:** That was a claim made by Adam Giles, the Chief Minister of the Northern Territory, not me.

**Mr STYLES:** When the federal government asks you to build a road here it applies the national standard. You have to build to a standard; you cannot not build or build a road you think might last a year or two. The federal government, especially when it has any input into the funding of roads, want it built to a national standard. When you start talking about ...

**Mr VATSKALIS:** When was the last time you drove on Western Australian roads?

**Mr STYLES:** ... getting out there – they have to build to those qualities and that is what it costs. We go out to competitive tender and ...

**Mr VATSKALIS:** They have a national highway and there is a requirement to build it to required standards.

**Madam CHAIR:** Member for Casuarina, please stop interrupting the minister during his response.

**Mr STYLES:** ... when you do that, it costs what it costs. If you can find someone who will build 1 km of sealed road to the national standard in the Northern Territory for \$250 000 I would be pleased to talk to them.



**Mr VATSKALIS:** I think Ernie Wanka will tell you that when you build national highways they must be built national standards, irrespective of whether they are in Queensland, the Territory or Western Australia.

I have driven to Western Australia, Queensland and the Northern Territory and all national highways are of a national standard. That claim about cost was not made by me; it was recently made by the Chief Minister.

There is a federal government proposal to build a nuclear repository at Muckaty in Tennant Creek. What is your department doing to ensure proper road structure facilities are in place in order for this nuclear waste to arrive in the port of Darwin and be transported by road to Tennant Creek? Are there any special requirements or standards? Are they negotiated with the federal government? What would be required all the way to the repository?

**Mr STYLES:** Will the nuclear waste storage facility be at Muckaty? There is a court case on - apart from saying we will wait to see what the result of that is, we will talk to the federal government about what is going on. There will be NT WorkSafe and transport plans made, should that be successful.

**Mr WOOD:** There are international regulations for transport. Before you transport any radioactive waste I think national and international regulations come into play.

**Mr STYLES:** NT WorkSafe would have the responsibility of the conveyance of dangerous goods and that is another department.

**Mr WOOD:** That may be the case, but I think we have a piece of legislation that, theoretically, is still on the books. It says we oppose the transport of radioactive waste through the Territory, but I think it does not make any difference because the Commonwealth will make up its mind about whether it comes through.

**Mr STYLES:** Correct, I suppose it is a hurry up and wait situation.

**Mr WOOD:** I am pretty sure it will be carefully transported.

I have two questions on your global statement, one being on the bus tender. Can you explain what the tender was for? Is it only for the buses? Is it for the land? What comes with the tender?

**Mr STYLES:** I understand it is for the provision of services. My understanding is that the land is not included in that, but with the public tender process the Northern Territory government is building an economy that is open, competitive and innovative and attracts locals.

**Mr WOOD:** That is wonderful, I am very pleased. I get those generic answers from the minister for Lands and Planning. The simple question is what is included in the tender? Is it the buses, the land, the service, the people, etcetera?

**Mr STYLES:** The current tender includes buses and staff, but not the land.

**Mr WOOD:** I asked for a copy of the tender, but I do not think I was allowed to have one because - I am not sure why, but the electorate of Nelson was not going to put a tender bid in.

**Mr STYLES:** When tenders were put out, anyone could apply.

**Mr WOOD:** As long as you were registered.

**Mr STYLES:** Yes, if you were registered. You or I could have applied.

**Mr WOOD:** I did. Last time I applied, someone phoned me and said, 'What? You are applying to build a 30 story building in Darwin? That is interesting. Gerry Wood is on the tender documents.' I thought I could ask, as a member of parliament, what is in the tender, as part of open and transparent government. You did not mention that before.

**Mr STYLES:** No, it is very open and transparent, but what we did do is get everyone who wanted to tender together and gave them some basic information. Now, if someone came along later - once people had that information and we answered questions, everyone knew exactly what the playing field was. Everyone was on a level playing field.

**Mr WOOD:** Now the tender documents are historic, you could probably get them from the library or write a freedom of information request. Surely I could look at the ...

**Mr STYLES:** If you want a copy of them, I am happy to provide them.

**Mr WOOD:** Thank you very much, I would like to look at them.

**Mr VATSKALIS:** I have one more question about the buses, minister. Can you please tell us if privatising the buses was suggested to you by the department or if it was an instruction from your government to the department?

**Mr STYLES:** The issue of buses is that the Territory government is looking at ways of becoming more efficient and effective. Given the \$5.5bn debt we inherited it is a challenge. If people can provide a service which saves taxpayers money, we are obligated, as those in charge of the Treasury benches, to look at how we can maximise the efficiency of the tax dollar. I assume you would agree with that, so what we have done is go to tender.

If people come in and say it will cost X number of dollars and that it is currently being put out more cheaply or better, then we would have to look at that and say we will not privatise it. However, if someone can demonstrate they can do a job, given the government is also the regulator, the umpire and a provider in that particular business - the government really wants to get out of that, give it to private enterprise and give it the opportunity to generate some jobs.

**Mr VATSKALIS:** Under this train of thought, I expect you to privatise the MVR, port services and everything else tomorrow - which comes under your portfolio - because the private sector can do it better.

**Mr STYLES:** Ports are not under my portfolio.

**Mr VATSKALIS:** Some port services are; the harbour master is under Transport.

**Mr STYLES:** Yes, that is correct.

**Mr VATSKALIS:** With the MVR, you are the regulator and service provider, in the same way as for the buses. Are you going to privatise the MVR?

**Mr STYLES:** We have done deals with Australia Post to provide services at post offices.

**Mr VATSKALIS:** With registration, you do inspections, you do approvals of new or second hand cars or people who bring cars from interstate. Are you going to privatise?

**Mr STYLES:** There are also provisions that we can look at where the service might be improved. The cost might be the same or slightly more, but there is an enormous improvement in the provision of services.

**Mr VATSKALIS:** Why did you not do the same with the buses, instead of privatising? Why did you not try and improve the service, rather than saying it could not be done? 'Just give it to Joe Bloggs and he can do it better.' That is my question every time. If the private sector can do it, why can we not copy its practises in the public sector to make sure we are running more efficiently? Nobody wants to do that one, because it is much easier to give it to the private sector.

**Mr STYLES:** No, it is about introducing competition into the system. What you have around the Territory at the moment is the majority of public transport services provided in a competitive environment, and that is good for the taxpayer.

**Mr WOOD:** Will you guarantee the company which runs all of our bus services at the moment will not get the tender? If that bus company wins the tender you will have a monopoly.

**Mr STYLES:** It is not my job to assess the tenders.

**Mr WOOD:** Then you have no competition. Competition is part of the tender.

**Mr STYLES:** That is true, member for Nelson, but it is looked at in a competitive environment.

**Mr WOOD:** The only competitive part is the tender.

**Mr STYLES:** There are people assessing all of that, and recommendations will be put to Cabinet. That is when Cabinet will look at it, but at this point in time I have not looked at it, and nor should I.

**Mr WOOD:** How do you have competition in the bus service?

**Mr STYLES:** There are experts in the field who will be assessing.

**Mr WOOD:** Can you pick the bus you want? I will take the green one to Palmerston because it goes faster, and the other one is an old bomb which goes slower.

**Mr STYLES:** It is the provision of a per-kilometre service, as well as the level of service.

**Mr WOOD:** I have yet to see competition in public transport.

**Mr STYLES:** At the end of the day, the decision is made by people who have far more expertise than me in the actual assessment of those tenders. I am informed that we have some very good and competent people who understand public transport far better than even I do, or anyone in this room, and that they are assessing those tenders.

**Mr WOOD:** As part of that tender will all bus drivers working for the Darwin bus company retain all of their present wages, present conditions? If new bus drivers replace some of those bus drivers who retire will they be on the same conditions as the previous bus drivers?

**Mr STYLES:** All conditions of the current people who work for the Darwin Bus Service will be honoured.

**Mr WOOD:** If a bus driver retires and a new one takes his place, then all bets are off?

**Mr STYLES:** That is up to the people running the bus service, as it is at the moment - with all those people I gave you the information on earlier across the Northern Territory.

**Mr WOOD:** Okay. You have mentioned registration and MVR and all the improvements. I do not have any problem with that. Has the government given any consideration to what happens in some other states, such as Victoria, where you do not have to get an inspection?

**Mr STYLES:** For motor vehicles?

**Mr WOOD:** Yes. You are an anti-red tape person. Here is the classic example of reducing government bureaucracy and getting rid of red tape in one hit: do not have inspections.

**Mr STYLES:** Member for Nelson, we have reduced the number of inspections for new vehicles. When we look at the technology that is included in the vehicles these days, and the standard of vehicles, it is very good, so we have been able to say if you buy a new car you do not have to have it inspected for three years. As the vehicles start to get older, then we need to, obviously ...

**Mr WOOD:** In Victoria inspections are not required unless ...

**Mr STYLES:** That is what Victoria does but ...

**Mr WOOD:** I know, but we compare ...

**Mr STYLES:** That is fine, but here in the Territory, if you want to put your kids out there and some of the vehicles I have seen - and I imagine you have seen as well - as a former police officer I have seen some cars out there ...

**Mr WOOD:** You can still pick them up for not being roadworthy. That does not stop that. But, that is not the question. A policeman in Victoria can pull up a vehicle for having a rusty front section and a bald back tyre. The question really was: would you look at no rego checks, as in Victoria? There might be another state which does it.

**Mr STYLES:** One of the issues in the Territory is we have a problem with unregistered, uninsured vehicles, and with the condition of some of those vehicles. I believe, at this point in time, we are not where Victoria is. We have a different set of issues and problems we face in the Territory in a whole host of different areas.

In relation to examining motor vehicles, I will not be recommending we go to no inspections. That is not what I would be recommending to Cabinet colleagues.

**Mr WOOD:** That is okay.

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

**OUTPUT GROUP 1.0 – TRANSPORT**  
**Output 1.1 – Passenger Transport**

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

**Mr VATSKALIS:** Yes. I recently brought to your attention the issue of taxis and people subleasing taxi licences. I gave you a number of number plates. I had allegations of people working in other jobs, where they have a taxi licence and they are subleasing the licence. They then jump in the taxi and work a couple of days. Has your department investigated this issue, and if yes what was the outcome?

**Mr STYLES:** My understanding, member for Casuarina, is when these issues are raised with the department, they are investigated ...

**Mr VATSKALIS:** And the outcome?

**Mr STYLES:** As a former police prosecutor, I can assure you that knowing and proving are two entirely different things. The difficulty we have with some of the complaints which are made is finding someone who is prepared to come forward, give a statement, and stand in court and testify in a case. Where we do find people who will do that, we will prosecute. Generally, however, it does not happen.

We investigate all allegations of subleasing and, if sufficient evidence is there which identifies a breach of legislation, prosecution will take place and sanctions will be put in place.

**Mr VATSKALIS:** Has anybody been prosecuted?

**Mr STYLES:** Not to my knowledge.

**Mr VATSKALIS:** So, the department investigated and did not find any faults?

**Mr STYLES:** I am not saying they did not find any fault. It is about having sufficient evidence to prosecute someone. As I just said, knowing and proving are two entirely different things.

You can believe that something is happening, but if you cannot prove it you cannot prosecute. That is just one of the basic rules in relation to the legal system we have.

**Mr VATSKALIS:** I move to the buses now. How many public transit safety officers are there?

**Mr STYLES:** There are 13 public transport safety officers, member for Casuarina.

**Mr VATSKALIS:** There were 13 last year and there was a recruitment drive to employ more. Why have more not been employed?

**Mr STYLES:** There has been no reduction in numbers.

**Mr VATSKALIS:** But no increase.

**Mr STYLES:** Sorry?

**Mr VATSKALIS:** No increase.

**Mr STYLES:** No, no increase.

**Mr VATSKALIS:** Where are these people based?

**Mr STYLES:** We are currently moving them out to Casuarina. As we speak modifications are being made to accommodate those people at the Casuarina Bus Interchange.

**Mr VATSKALIS:** Why Casuarina?

**Mr STYLES:** Casuarina is ...

**Mr VATSKALIS:** I am happy you are doing it, but why Casuarina? Is there an issue there?

**Mr STYLES:** There are some issues there and having those people on site, it is just – there is space available. It is about consolidating how we operate and Casuarina is a good place for them to be.

**Mr VATSKALIS:** That is good. I am happy about that because ...

**Mr STYLES:** It is in your electorate, is it not?

**Mr VATSKALIS:** ... you are closing down the Casuarina police beat, so the transit officers will probably do the job the police used to do. Do you think that is a good idea?

**Mr STYLES:** In relation to the police beat, that is something to put to the Chief Minister. Transit officers are doing a good job.

**Mr VATSKALIS:** I agree they are doing a very good job. The problem is they are now picking up the pieces because by removing the BDR, which you might bring back, and closing down the Casuarina police beat, the workload will obviously increase significantly. I am happy they are in Casuarina, do not get me wrong.

**Mr STYLES:** They are there and they have recently been doing some training with the Northern Territory police. They work well with police and most of the reports I get are that police are happy with what they are doing and the transit officers are happy with the way they interact with police. Some significant training was done to help these people perform their duties.

**Mr VATSKALIS:** How many incidents have we had in the past 12 months at the Casuarina and Palmerston interchanges? Do you have the numbers?

**Mr STYLES:** I do not have the numbers in front of me, but ...

**Mr VATSKALIS:** Are you happy to provide them later? I would be happy with that.

**Mr STYLES:** I am happy to take that on notice, member for Casuarina.

---

#### **Question on Notice No 9.1**

**Madam CHAIR:** Member for Casuarina, please restate the question for the record.

**Mr VATSKALIS:** Thank you, Madam Chair.

How many safety incidents have been recorded in the past 12 months at each of the bus interchanges?

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

**Mr STYLES:** Yes, I accept the question, Madam Chair.

**Madam CHAIR:** That question is No 9.1.

---

**Mr STYLES:** What I can give the member for Casuarina, which might be the answer to that question, is the total number of serious incidents reported across the interchanges for the 2013-14 financial year. As of February 2014, it was 52. This is compared to 77 serious incidents recorded in 2012-13 and 85 in 2011-12. Clearly there is a reduction, year by year, and I am sure by the good work ...

**Mr VATSKALIS:** That is very good.

**Mr STYLES:** It is a good result. Does that answer your question, member for Casuarina?

**Mr VATSKALIS:** I would like to see the split up in interchanges.

**Mr STYLES:** All right.

**Mr VATSKALIS:** Minister, you have an aviation policy with regard to regional, domestic and international. How well developed is it and is there any way we can have this policy tabled?

**Mr STYLES:** Yes, that is in a different output. That is under Output 1.6, as opposed to Output 1.1.

**Mr VATSKALIS:** I am happy to ask then.

**Mr STYLES:** Yes.

**Mr VATSKALIS:** I have no more questions under this one.

**Madam CHAIR:** Member for Nelson.

**Mr WOOD:** Thank you, Madam Chair.

Minister, do all school buses now have seatbelts and do all school buses have air conditioning?

**Mr STYLES:** My information, member for Nelson, is that all buses are air conditioned and any journey over 100 km will have seatbelts.

**Mr WOOD:** In cases where children are standing, are there any restrictions on the speed limit on the Stuart Highway? We have a lot of kids travelling rurally, but from time to time I get complaints that young children are standing because they cannot get everyone to sit and the buses are doing 100 km an hour. Are there any restrictions on the speed of that bus?

**Mr STYLES:** My understanding, member for Nelson, is that those children should not be standing.

**Mr WOOD:** Minister, normally a bus does not have enough room for all children to sit. Do you mean if there is no room to sit in the bus the bus has to leave them behind?

**Mr STYLES:** That is an interesting point, but I ask the Executive Director of Transport, Mr Paul Rajan, to add to that.

**Mr RAJAN:** The framework is that children travelling in areas where the speed limit is greater than 100 km/h or above should be wearing seat belts. The framework we have is they should not be standing. The issue about crowding on buses is a challenging one. We are constantly revising the routing and deployment of our school buses to make sure, wherever possible, we are responding quickly and early to areas where numbers of children travelling are increasing. It is good to see numbers of children travelling to school increasing, because that means attendance rates in schools are going up.

**Mr WOOD:** And there are less cars on the road.

**Mr RAJAN:** And less cars on the road, yes, and I am sure my colleagues in Education would say less cars trying to find parking spaces outside schools too. There are times when our planning is not as sharp as it might be, or when there are sudden changes in numbers, which happens from time to time. For example, children who travel to school on a bus in the morning might get picked up by a parent in the afternoon or move on to a sporting event or some other event from school. On the other hand, it might be the other way around; they might get transported by the parent to school - that is often the case, on their way to work - but then, because they are leaving school earlier in the afternoon than the parent finishes work, they get the bus home.

Balancing numbers and deployment of buses is a dark art, if I might call it that, and our people work very hard on that. Where we have sudden spikes in numbers, we have arrangements with our transport providers. I think the minister has referred to the range we have of those across the Territory, and that is particularly those providing services in the area you represent. Wherever there is a note from a driver that we are getting full, they will run a follow-up service and pick up children who have been unable to get on the bus in the first instance.

**Mr WOOD:** What worries me is when you said that if any bus run is running on a road of 100 km/h or more there should be no children standing; everyone should be seated with a seatbelt.

**Mr RAJAN:** That is our regulation framework. At 100 km/h or more the bus should be fitted with seatbelts and children should be seated.

**Mr WOOD:** Is that policed? Because the Cox Peninsula Road is 100 km/h, Stuart Highway right through to Coolalinga, and the other side of Coolalinga is the same. Parts of Howard Springs Road are 100 km/h. Minister, are you saying to me that no buses are carrying children standing when those buses are on the Stuart Highway, Cox Peninsula Road or the far end of the Arnhem Highway and Howard Springs Road?

**Mr STYLES:** My understanding is no, but if you are saying there are we are happy to follow that up.

**Mr WOOD:** That is fine, I will do a check and ask some of the school principals if that is the case, because I do get ...

**Mr STYLES:** No, I am happy to follow that up.

**Mr WOOD:** Thank you.

**Mr VATSKALIS:** Minister you mentioned that one of the problems in the Territory is unregistered vehicles. Does the department know, or have an estimate, of how many unregistered vehicles are in the Territory?

**Mr STYLES:** Are you talking about passenger transport in this output group?

**Mr VATSKALIS:** Yes.

**Mr STYLES:** You are talking about unregistered taxis, buses ...

**Mr VATSKALIS:** Sorry, we are up to Output 1.2 Motor Vehicle Registry.

**Madam CHAIR:** We have not made it there.

**Mr WOOD:** I am done, I thought you were doing another question on the buses.

**Madam CHAIR:** That concludes consideration of Output 1.1.

### **Output 1.2 – Motor Vehicle Registry**

**Madam CHAIR:** I will now call for questions on Output 1.2, Motor Vehicle Registry.

**Mr VATSKALIS:** And my question stands: does the department have an estimate of unregistered vehicles on the roads in the Territory and what is done about it?

**Mr STYLES:** I will refer to some of the staff to see if anyone has any idea of how many unregistered vehicles there is likely to be. My understanding is that there are probably an enormous number of vehicles in the Territory used on private property, which are unregistered; there are unregistered quad bikes and things like that, however, from time to time - especially in the rural areas - those people may use those vehicles on public roads and commit the offence of driving unregistered and uninsured. How many convictions there have been, I do not have a figure on that.

**Mr WOOD:** The Chief Minister told us to dob them in. Have you ever tried to dob in an unregistered ATV ridden by someone going past at a million miles an hour? It is very difficult.

**Mr STYLES:** Police have those sorts of figures as to how many apprehensions they have made. They have some great technology these days which ...

**Mr WOOD:** I asked for that great technology, and was told to dob them in.

**Mr STYLES:** That is true, but it is great technology. It might be good for your glasses, watching cars come up the road ...

**Mr WOOD:** It will not fix an unregistered ATV. Minister, to ask on top of that question - you have to be registered on government land under the, I think, *Roads Act*. Is that correct? There are two acts which cover the registration of vehicles, aren't there? The police booked a man sitting on his quad bike on Gunn Point beach. He received a \$600 fine for being unregistered. He was not on a road, he was on the beach and I think there is – I am not sure if people realise that, but is it true that you have to be registered if you are on ...

**Mr STYLES:** If you are in an area which is open to and used by the public, then you need to be registered. What you probably do not want is people on un-roadworthy quads or motorbikes driving up and down a space which is open to and used by the public ...

Gunn Point beach is a public beach and I am sure that if I was ...

**Mr WOOD:** It is actually owned by the Land Corporation.

**Mr STYLES:** ... out there sitting on the beach, enjoying a day under the umbrella. I would not want a person on one of your ATVs, probably from your electorate, coming out and ...

**Mr WOOD:** No, a lot of them come from built-up areas, but I think the question was to get a clear explanation. The person driving a quad bike, not only do they have to be registered if on a public road, they must be registered if they are on public land that is Crown land?

**Mr STYLES:** In relation to the piece of land you are talking about, member for Nelson, I am quite happy to take that on notice and get back to you with the exact legislation which relates to Gunn Point and other areas owned by the Land Development Corporation.

**Mr WOOD:** No, I am asking specific - forget the Gunn Point bit. I am trying to get clarification from you that a vehicle - it does not have to be an ATV, it can be a motorbike or a car - must be registered, not only on a road, but also if it is on Crown land, which is public land.

**Mr STYLES:** My understanding is that the answer is yes.

**Mr WOOD:** The reason I am asking you is: do many people know that because – I ask because there is something in my newsletter about this, the changes to TIO and the rules about MACA, because if you are not wearing a helmet and driving a vehicle which is unregistered, you lose some of the entitlements under MACA. I am wondering whether the government needs to get out and tell people about the dangers of driving a vehicle unregistered, and without seat belts and helmets. I was laughed at by the member for Fong Lim; he said, 'Oh you hate ATVs'. It was not anything to do with ATVs per se; it was saying, 'You have these new rules, so do they know they exist'?

**Mr STYLES:** Member for Nelson, I am very happy to take those recommendations on board, and put something in place where we can actually get some messages out there.

**Mr WOOD:** That would be good. I am not trying to be silly, but I think it is important.

**Mr STYLES:** No, I think what you are saying is valid and we are very happy to promote some education in relation to that particular issue.

**Mr WOOD:** Are we still on Motor Vehicle Registry?

**Mr HIGGINS:** Can I just ask a follow-up to that, Gerry?

**Mr WOOD:** Yes.

**Mr HIGGINS:** That stuff that you are talking about there, with a public place, etcetera - in tourism, there was an issue with people having unregistered vehicles, chasing buffalo around and I asked this question a couple of years ago. It was to do with MACA and, basically, they said the same thing, that even on private properties such as ours - it is a caravan park, so people are encouraged to come there - there is public access, so they would deem it a public road.

So, am I going to get into trouble when I drive down to my boat ramp on my quad bike? I will get into trouble or ...



**Mr STYLES:** The basic answer is ...

**Mr HIGGINS:** I am now going on private property.

**Mr STYLES:** If it is an road open to and used by the public, and they have tested consent, my understanding is yes, you would.

**Mr HIGGINS:** These people driving onto my private property?

**Mr STYLES:** It is the same as Casuarina Square. When you look at Casuarina Square, it is private property, and so is the university. If you go to the Charles Darwin University there is a big sign out the front - I think it is still there – which says the NT road regulations and rules apply on the campus because it is a road open to and used by the public and the public has tested consent to enter onto that land.

Therefore, my understanding is - and I would seek some advice from some legally qualified people – yes, you would be required to have those things registered. If there is an accident on that road, my understanding is TIO would provide cover under the MACA scheme because it is a road open to and used by the public who have tested consent to enter onto that property.

If you are inviting people on to a caravan park, as far as I am aware, it is deemed to be a public road.

**Mr HIGGINS:** We need to get that message out because there are a lot of caravan parks which have a lot of quad bikes, even in Darwin, and none of them are registered.

**Mr STYLES:** I am very happy to see what information we can get back to you, member for Daly, in relation to that. I do not know whether you want to make that an actual question or I if I can get some information and get back to you - we will just get back to you on that.

**Madam CHAIR:** Are there any further questions on Output 1.2?

**Mr WOOD:** Yes.

**Mr BARRETT:** Madam Chair, I have a question. Gerry, you go first.

**Mr WOOD:** All right, just quickly. Minister, as you know, there are many interstate people working in the Territory. I think I have asked before about making sure people are registered in the Northern Territory, because it is one of the few ways the Territory can make some revenue from INPEX and other big companies being here.

I noticed in your numbers for the motor vehicle registry that registrations have not gone up a lot. You had registered motor vehicles in 2013-14 at 189 154, and you estimate in the budget there will be 189 853, which is only about 700 more vehicles. Presuming the population is growing, as well as the number of workers, would you expect that to be higher?

**Mr STYLES:** Member for Nelson, I understand the current rate of changeover from interstate to Territory registration is running at about 1500 per month at this point in time.

**Mr WOOD:** A month?

**Mr STYLES:** A month, yes.

**Mr WOOD:** That figure does not quite work then. There is only an increase of 700.

**Mr STYLES:** They are also leaving as well. The other aspect - this comes up from time to time, and I get my own friends suggesting to me that I do something about interstate registered cars and light trucks. But, this is about light vehicles. The rules are you have three months to change your registration over. The policing of that - and I speak from previous experience as a police officer – is that it is a bit of nightmare because they only have to go out of the state and visit Kununurra or go across the border and that gives them another three months. So, some of these cars are coming and going.

People are coming from interstate to do short-term contracts, there is overflow. There are interstate companies operating, for instance, on the INPEX site, and they bring some of their workers up for a month

to do the job, then send them back again. Of course, these cars are driving around on a regular basis. You have hire cars travelling all over Australia.

There are many vehicles that have interstate plates on that are here for short periods of time and others that are here for a long period of time. I have spoken to some of the INPEX executives and suggested to them that they might look at that to alleviate any complaints. At social gatherings, the information comes through. I have said to them, 'You want to have a look at that', and explained the rules to them. They say they try to watch that to alleviate any complaints against them as an operator employing people through contracts which do not want to follow NT legislation.

**Mr WOOD:** Thanks, minister. Thanks, Madam Chair.

**Madam CHAIR:** Member for Blain?

**Mr BARRETT:** My question, following up on that, is about hire cars and vehicles that are in the Territory for quite a long time - if rules apply, but it does not really matter. My other question is about MVR reforms, the scope of that and where we are with those.

**Mr STYLES:** Member for Blain, some really exciting and innovative stuff has been going on. Given we are trying to reduce red tape, build innovation and build an open and competitive environment, since the beginning of 2013 we have introduced a broad range of operational reforms in the Motor Vehicle Registry.

We are trying to simplify processes, eliminate unnecessary regulation, generally provide service channels to make access to service less onerous, reduce red tape and avoid the need for people to go to an MVR office. If we use technology - I think there are some figures that from 1 July 2013 to 1 March 2014 the MVR undertook 621 483 licensing and registration transactions.

For a small jurisdiction that is a lot, but in the financial year ahead of us we are tracking on perhaps a 3% to 4% increase on that. Some of the stuff that has occurred at the MVR - there is MVR Quickpay, BPay - I have used these things, that is how I do my business now and I encourage everyone else in the room and everyone listening to get with the game. It is a new, efficient and effective game. Australia Post servicing arrangements have also been put in place.

We have reduced average waiting times in Darwin offices from 24 minutes in July 2012 to 12 minutes in July 2013, and there was an 11 minute average wait time for the month of March 2014. That is cutting it by over half, and we also started opening Saturday mornings. We are trying to meet the needs of customers. People are busy these days and do not want to be lined up at MVR. I too remember lining up at MVR, and I think it is terrific. I have my car inspected by registered examiners, and the ability in the old days to fax it - we now scan it, send it in and it is terrific. You simply get your paperwork back and make all payments over the phone or online. I quite like the phone because it is very quick for me.

Other reforms we have undertaken - people were worried about their stickers being expired. Police, with their technology now, can access information about whether your car is registered or not. You do not need a first roadworthy inspection on new cars for five years. Eye tests, applications for licence and then yearly from 70 - there is a 10-year drivers licence, which saves you going to the MVR every year.

I can also enlighten you with some information given to me - in March 2014 more than 60% of total MVR transactions could be undertaken without visiting an MVR office ...

**Mr VATSKALIS:** You said that in your opening statement, minister. There is no need to repeat it.

**Mr STYLES:** Given they are a partner, customers in remote locations do very well. People in your electorate who do not want to go to the MVR in Palmerston can now do that online.

**Mr VATSKALIS:** Because they have registered vehicles?

**Mr STYLES:** A lot of people - you can go to a licensed examiner for your renewal. We are obviously looking at ways of improving the system. We have come a fair way down the track. We have a long way to go, but it is about creating an efficient and effective system so the taxpayers of the Northern Territory are not only less inconvenienced but also get better value for their tax dollars.

Look at the great service Australia Post provides. In March 2014, 4829 transactions took place across the Territory; each month this is growing - 3841 registration renewals. I think some of those were probably from

Palmerston, 866 licence renewals and 122 changes of address. That is just at the beginning of what we are doing. As technology comes online and people come up with new systems - I congratulate the Department of Transport because they are actively looking for new ways to make it more convenient for people.

Additional services that Australia Post are exploring include drop box facilities where you can just drop stuff at the post office and get transactions done later, radio advertising, promotion on the back of buses, posters in MVR and Australia Post outlets and flyers have been utilised to promote what we are actually doing. We are hoping that more people will go across to Australia Post and utilise that service. Australia Post has post offices and agencies right across the Territory and where you do not have to have an MVR office, when we can actually do that - there are times when MVR officers and inspectors will attend various places to provide a range of services that are not available through the private enterprise. I can say that expenditure to promote Australia Post has only cost us, to date, \$30 000 and they put in \$14 000 of that.

Phone apps: for those who are savvy with new smartphones, you can check your registration. We released a phone app in November 2013. It is suitable for smartphones and tablets. You can check your registration, renew your NT vehicle registration, NT licences, find the nearest authorised inspector, change your contact details and locate where your nearest MVR office is. So far there have been 12 700 downloads of that app, so out of the working people of the Territory that is probably a fairly good percentage, and it is growing.

On 2 April we were pleased to say that the NT registration check facility became available on the Transport website, so if you do not have a smartphone get on the Internet. People can go to libraries and get on the Internet to do this. Quick Pay and BPay - which is the system I choose to use - the active promotion of alternatives to front counter servicing has assisted with customer services shifting to the MVR back office. Now, that is where we start to cut the time in half. I would encourage you through any means to get people in your electorate on board with that, as well as any other members here.

The Drive Safe NT Remote program is another hugely successful part of MVR services. We won the national award, the number one award for this program in Australia, and to Karen Young and her team at Transport who put this together - the Territory led the way and there are people now coming to us saying, 'Well, you are leading the way in this. How can we duplicate? How can we copy?' We are very happy to give that ...

**Mr WOOD:** This is getting like GBD day.

**Mr STYLES:** We are very happy to share our success with anyone in Australia. As it is a great success we have put another \$4.5m into the budget to ensure that ...

**Mr VATSKALIS:** Minister, we would be happy for you to table your notes.

**Mr WOOD:** If you could give us the app we will check it ourselves.

**Mr VATSKALIS:** Yes, we will check it out ourselves.

**Mr WOOD:** I am all in favour of the app.

**Mr STYLES:** Member for Blain, there is so much good news about the Motor Vehicle Registry and we are happy to talk about any of those things.

**Mr WOOD:** You get that sort of bloke at an auction. They call them a plant.

**Mr STYLES:** One of the great things about young people in your electorate is the outsourcing of C class licences. What you will find - and the common complaint that we have had ...

**Mr WOOD:** This is my electorate

**Mr STYLES:** And probably out your way, Gerry, where young people - have you got young people out there?

**Mr WOOD:** We have young people too.

**Mr STYLES:** Excellent.

**Mr WOOD:** And Kon's.

**Mr STYLES:** Young people come along and they want to get a job, so they have to go and get a driver's licence and there is a wait. We have looked at options of how to do that and what we will do is outsource that so that there are qualified people who can examine young people. There are a number of providers so that if you turn up and someone wants to give you a job - you do not have a licence but you need one, and you are qualified - you have done your training.

If you go in now and you say, 'Right, I want to get a driver's licence,' and you have to wait three months, that young person – or it does not matter if it is a young person, it might be someone coming from overseas or from interstate or someone wanting a new licence. If you cannot do your test for three months you have to sit around and wait. That is another great thing that we are doing.

You should be able to then encourage your kids to say, 'Well, just go to that provider,' and find someone who can do it for you sooner, and the market will look after the provision of those sorts of services. I have plenty of more to talk about that, but I think we probably want to move on.

**Mr VATSKALIS:** You can make a statement in parliament, minister. Thank you.

**Madam CHAIR:** Thank you. That concludes consideration of Output 1.2. I think we will have a quick five-minute break to refresh. We will be back at 4.45 pm.

---

The committee suspended

---

**Madam CHAIR:** We are resuming with the Minister for Transport on Output 1.3 Transport Regulation and Compliance. Are there are questions?

**Mr WOOD:** Has the government given any consideration to restricting people in charge of a boat, to say they must not be over the limit, as it would be for the driver of a motor vehicle?

**Mr STYLES:** Yes. There is currently a survey out for public comment on what the public looks at in relation to safety aspects on the water. There is not something coming out immediately in relation to licensing people. My understanding of what will come out is the change in the definition of different waterways, safety equipment, EPIRBs - there is a whole range of things being considered in relation to that.

We are working to review regulations that are applicable to recreational vessels, so we continue to monitor the sorts of things going on.

**Mr WOOD:** You are considering whether there should be some restrictions on the amount of alcohol a person in charge of a boat should be able to consume?

**Mr STYLES:** No, not at the moment. We continue to monitor the situation, obviously, to see what is going on. There are a number of safety recommendations that will come before Cabinet soon, in relation to changes in boating safety. If someone is negligent in some way and alcohol is involved, there is a range of options for police to charge people in relation to that.

**Mr WOOD:** Why do you not see a difference between a person driving a motor vehicle and a person driving a boat? I accept one is on water and one is on the ground. I thought I would make sure you did not come back with a smart answer. I thought I would get in early.

**Mr STYLES:** I did get that bit. Although there are some boats around that have wheels – the ones that drive through town – and I am sure some people have boats at home they do not necessarily take out on water that they use in bath tubs and which have wheels on them.

Apart from that, member for Nelson, there are some safety issues being considered. In the survey that went out and was open for public comment, we asked people to comment on what they believed was good. It is not a major issue at this particular time. As I said, there are other areas of law where people who are negligent can be charged.

As for the future, if it becomes a major problem, government will have to look at it, irrespective of whoever is in government.

**Mr WOOD:** Okay.

**Madam CHAIR:** That concludes consideration of Output 1.3.

#### **Output 1.4 – Transport Infrastructure Planning**

**Madam CHAIR:** I will now call for questions on Output 1.4 Transport Infrastructure Planning. Are there any questions.

**Mr WOOD:** Yes, I have. Is there \$1m in the budget for a cycle path?

**Mr STYLES:** For cycle paths?

**Mr WOOD:** Yes, I do not mind - I have not been able to find out when you will be starting on the Howard Springs to Coolalinga extension. After all, I walked down there with your department some months ago surveying it, and I have not heard back since. I thought they were going to give me a big surprise at budget time.

**Mr STYLES:** One million dollars has been allocated for cycle path capital works in 2014-15, there is \$300 000 for cycle paths under minor new works and \$550 000 for cycle path maintenance. We are pretty keen on getting people cycling. It is obviously a healthy lifestyle and the potential for extending the popular Howard Springs cycle path to Coolalinga is currently being investigated and concept designs are being prepared.

**Mr WOOD:** I thought I was going to have to do it myself.

**Mr STYLES:** No, we are very happy to do it. When you look at the expansion in that area and people wanting to get from Howard Springs down to Coolalinga it will be a great asset. There are also other parts we are looking at in those growth areas in Palmerston where we would like to encourage mum and dad to get out on the weekends and cycle around the place with their kids. There is Lambrick Avenue to join up to the cycle path that comes through Howard Springs on the way into town.

**Mr WOOD:** That would be good, 700m.

**Mr STYLES:** These are good projects to get families out. A lot of people want to ride to work, to have their keep fit regimes, but this is the first time government has actually committed \$1m rolling each year for cycle paths. Rather than being piecemeal, we have looked at that as a policy and said we need to do this.

**Mr WOOD:** So what was that money for that you quoted for the Coolalinga-Howard Springs extension?

**Mr STYLES:** There is \$1m allocated for new cycle paths, rolling on through the years. There is \$300 000 for cycle paths minor new works. We are looking at the potential for extending the Howard Springs to Coolalinga section - we are actually doing that. We are currently investigating ...

**Mr WOOD:** Are you actually going to build it or are you just doing the preliminaries?

**Mr STYLES:** Works in 2014 in Darwin and Palmerston included the recent upgrading of McMillans Road between Rothdale Road and Mathews Road, the construction of a new section of path on Roystonea Avenue and the installation of signalised crossing at University Avenue. These are also due for completion before the end of this year. When we look to continue the integration of bus-bike commuting, the parking and what has been upgraded at the Mandorah ferry terminal - bike parking will be installed at the Darwin bus interchange.

**Mr WOOD:** So when I put something in my newsletter, am I saying you are going to build the ...

**Mr STYLES:** It has been investigated and concept designs have been prepared.

**Mr WOOD:** That is what I am after. Okay, that is good. I thought it was a bit ...

**Mr STYLES:** You got that one?

**Mr WOOD:** That is okay, I am happy to put that in.

**Mr STYLES:** So it is all the costings.

**Mr WOOD:** I just needed to get – it was hard to get exactly what it was for.

**Mr STYLES:** We are happy to look at what we are doing down there because there is an identified need.

**Mr WOOD:** That is all right.

**Mr STYLES:** There are a lot of needs around the place, but that is a major growth area.

**Mr WOOD:** That is fine. I know that government does not like me, but at least somebody in the government does love me a little bit and that is nice to hear.

**Mr STYLES:** I have not heard that, member for Nelson.

**Mr WOOD:** You have not been in parliament very long, have you?

**Mr STYLES:** The government is also supporting the City of Darwin in the preparation of a Darwin bike plan overall master plan.

**Mr WOOD:** Thanks.

**Madam CHAIR:** Are there any further questions on that output? That concludes consideration of Output 1.4.

#### **Output 1.5 – Transport Assets**

**Madam CHAIR:** The committee will now consider Output 1.5 Transport Assets. Are there any questions? That concludes consideration of Output 1.5.

#### **Output 1.6 – Transport Planning, Policy and Reform**

We will now consider Output 1.6 Transport Planning, Policy and Reform. Are there any questions?

**Mr VATSKALIS:** Yes. Minister, do you have an aviation policy? Any chance you could table it for us to look at?

**Mr STYLES:** Aviation policy is part of what is – for the benefit of members on the committee – the road map for future integrated transport planning and investment. What this road map is - this is something that has not been done before - is a total plan. What you have is a freight and logistics industry strategy, the Darwin regional transport plan, the maritime industry review, the motor vehicle registry review - which I have enlightened the member for Blain about - the taxi industry reform strategy, public transport, and part of that is the aviation industry and services strategy. We are taking submissions as we speak to develop ...

**Mr VATSKALIS:** It is under development, is it?

**Mr STYLES:** Yes, everything, all transport strategy is. When you have a large strategy like this you have to consult all stakeholders. If you look at the aviation industry and services strategy, we have been talking to all stakeholders. It will be developed, but I am not sure exactly when - member for Casuarina, I am reliably informed the draft will be available in August.

**Mr VATSKALIS:** That includes major airlines, small airlines and passengers?

**Mr STYLES:** Yes. We will be talking to everyone and it is a major strategy. The beauty about this is that it fits in with all the others, because when you are talking about the taxi industry reform strategy there is cross-pollination that has to occur there. It is an exciting new development and I look forward to the end of the year when most of it is complete.

**Mr VATSKALIS:** Seeing as you are talking to the major airlines here in the Territory what assurances have you received from Qantas concerning the viability of the Darwin/Nhulunbuy/Cairns service?

**Mr STYLES:** What assurances do I have? I do not know exactly what their plans are. You would have to ask Qantas that.

**Mr VATSKALIS:** Have you spoken to them?

**Mr STYLES:** Yes, I have spoken to a number of people in the airline industry.

**Mr VATSKALIS:** What has Qantas told you? Are they going to stay there or are they going to go?

**Mr STYLES:** They have not told me what they are going to do.

**Mr VATSKALIS:** We might have to hear it tomorrow.

**Mr STYLES:** Obviously, Qantas will make commercial decisions based on whatever they like.

**Mr VATSKALIS:** What pressure have you put on Qantas? You are a big user of Qantas. Public servants fly with it to towns down south, 1000 km from Darwin. That relies heavily on airlines. You should be talking to Qantas to make sure it does not pull out like Rio Tinto did.

**Mr STYLES:** QantasLink is the provider of the service. It offers daily flights between Darwin, Gove and Cairns return. I am aware there are rumours circulating that QantasLink is likely to cease this service, but as of 16 June there have been no Qantas announcements. My understanding is that the Department of Transport has met with Qantas and there is no information yet available. What Qantas does in relation to the commercial decisions they do not discuss with us. I imagine at some stage, if it makes a decision to do what the rumours say, then it will contact us, which is what it has done in the past and I am sure that when you were in government it did exactly the same then. We will have to wait and see whatever decisions Qantas makes. These rumours may or may not be true.

**Mr VATSKALIS:** Tigerair is coming to Darwin. Did your department offer any incentives to Tigerair in kind or in money to come to Darwin?

**Mr STYLES:** No.

**Mr VATSKALIS:** Nothing at all. There was not an agreement for joint promotion or anything?

**Mr STYLES:** No.

**Mr VATSKALIS:** Have you had any discussions with Qantas again, about the Alice Springs service, after Tigerair pulled out?

**Mr STYLES:** I have not had any conversations with Qantas.

**Mr VATSKALIS:** When I say 'you' I mean your department.

**Mr STYLES:** My department meets with Qantas on a regular basis, as it does with all other airlines.

**Mr VATSKALIS:** What was the outcome of discussions about Alice Springs?

**Mr STYLES:** What in particular do you want to know about discussions?

**Mr VATSKALIS:** Are they pulling out, are they going to increase the fares? Did the department negotiate a service provision? Alice Springs is only serviced by Qantas.

**Mr STYLES:** Are you talking about Alice Springs to Darwin, the QantasLink service?

**Mr VATSKALIS:** Alice Springs to Darwin, Alice Springs to anywhere else - Qantas services.

**Mr STYLES:** I have no information that indicates that Qantas is going to pull out from Alice Springs to Darwin.

**Mr VATSKALIS:** They are not discussing anything with you?

**Mr STYLES:** Not with me.

**Mr WOOD:** I have two questions, minister. This question might belong to Lands, Planning and the Environment, but in discussions previously about Weddell there was some talk of possibly building a light aircraft air strip near the Blackmore River. Has the government given any consideration to planning for a

light aircraft air strip where industry can be developed around it, a bit like Moorabbin or Bankstown in Sydney and Melbourne?

**Mr STYLES:** I understand there are a number of sites around the greater Darwin area that might be earmarked in the future and I suspect the plan the Country Liberals put out prior to the 2012 election - they had one particular site ...

**Mr WOOD:** That is the major airport.

**Mr STYLES:** Yes.

**Mr WOOD:** That is a replacement.

**Mr STYLES:** That is a major airport. I also imagine that as demand comes in we will look at a range of things, but you have MKT down there at the moment ...

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

**Mr STYLES:** ... operating off Jenkins Road.

**Mr WOOD:** I would have thought they could move to a site to allow them to expand. That was part of, I think, the plan the previous government looked at in relation to Weddell, so I was simply asking whether your government had given any thought ...

**Mr STYLES:** I understand the Department of Lands, Planning and the Environment deals with this and that it has a land use strategy in development. I would be very happy to look at any areas which could be developed and anyone who chose to develop them. They are the sorts of things we look at. You encourage people in private enterprise to start up things, like Kath Meyering has done at MKT.

**Mr WOOD:** Minister, I wrote to you some time ago about – it was an issue raised by a constituent - whether trucks should be travelling at 80 km/h and I think the response you gave me was that we are looking at heavy transport issues at the moment. Have you produced a report on matters relating to heavy transport and, if so, is that report finished?

**Mr STYLES:** Where should trucks be travelling at 80 km/h?

**Mr WOOD:** I think it is in the greater Darwin area, especially where they drive parallel with a lot of smaller vehicles. It was a suggestion that instead of – I will tell you where the suggestion came. We decreased the speed limit on Gunn Point Road to 80 km/h, mainly because of trucks. The thought was that we should be decreasing the speed of trucks and allowing vehicles to travel at the previous speed. In other words we are dropping the speed because of the trucks, but whether the trucks should have a permanently lower speed in the metropolitan and rural area or just reduce everybody's speed limit.

**Mr STYLES:** We are not actually giving consideration at the moment; what we are considering is creating an industry working group. Now, you raised an interesting point, and as part of the future roadmap, we are looking at a range of issues in relation to transport. We will actually be holding working groups between the Department of Infrastructure and the DOT to look at the issues and I understand they will be meeting soon. I do recall ...

**Mr WOOD:** I thought you were doing that now.

**Mr STYLES:** That is sort of in place ...

**Mr WOOD:** Okay.

**Mr STYLES:** ... and I do recall your letter. I cannot remember exactly how I responded to it.

**Mr WOOD:** I think you said, 'Thank you very much'. You also said a bit more than that, such as, 'We are looking at a report'.

**Mr STYLES:** Yes, and as a result of that, I understand that is where we are at.

**Mr WOOD:** Okay.



**Madam CHAIR:** Any further questions on 1.6?

**Mr BARRETT:** Madam Chair, if I may.

**Madam CHAIR:** Yes.

**Mr BARRETT:** Tiger Brennan Drive was a big part of your roads strategy. I am just wondering when work is going to start on that next stage of Tiger Brennan Drive, and what we can expect from that in terms of this strategy.

**Mr STYLES:** Sorry, can you repeat that bit? You are talking about Tiger Brennan Drive.

**Mr BARRETT:** Yes, first of all, when are we going to see the next stage of Tiger Brennan Drive start?

**Mr VATSKALIS:** Is that Infrastructure?

**Mr BARRETT:** It is a very strategic road. At a meeting the other day we were talking about ...

**Mr VATSKALIS:** That is the next one. It is Infrastructure.

**Mr WOOD:** Is that 5.2?

**Mr STYLES:** The planning of that and the duplication of Berrimah Road is something the Department of Transport has been very keen to complete, but tenders were advertised, I think, on 29 May 2014, seeking a managing contractor for the Tiger Brennan Drive duplication works to ensure a smoother delivery. Now, the concept is actually being used by the Australian Defence Force in relation to the way it does its contracts, and we should be able to have all of these subcontractors under an overall managing contractor so that the whole process works smoothly.

Obviously, this will see Palmerston and rural residents who come up from the member for Nelson's area having a faster route into Darwin. It gives us the alternatives because, sadly, we had an accident recently and we had to utilise Tiger Brennan. The sooner we get that completed, the better, as it gives people an alternative route in and out of the city.

The managing contractor would, obviously, manage on behalf of the government. Transport is very concerned about making sure this comes in on time and on budget - subcontracts and major works packages - as well as keeping costs down to a minimum. Obviously, the job of a managing contractor would be to oversee that.

The contractor would also assist the government delivering two additional lanes from Woolner Road to Berrimah Road and upgrade the existing intersections at Woolner Road. These are essentials for this. Also at Amy Johnson Drive there will be new signals, and at intersections at Benison Road and Bowen Street. There is also the feeding off of that into the development of Bayview Stage 3.

Great news for Palmerston and the rural people! On the major road, there are currently about 22 000 cars per day and we expect this to grow in the future to anything up to 40 000 cars a day. Obviously, you can see the need for that.

Darwin is expanding and we are encouraging people to move to the Territory. We are encouraging business - we are open for business. That message is now getting out and permeating not only through Australia but internationally, where we have people wanting to invest. We need to demonstrate to those people that the Department of Transport is serious about providing roads, bridges, and other links in and out of the Territory.

There is \$103m attached to this project - \$33m of Territory money and \$70m of federal money. The Woolner to Dinah Beach section is expected to be completed in July, with the full works to be completed in 2016. I am looking forward to being there for the opening of that new section - it will assist. Again, you need to get the whole job done so it helps everyone. It means better service for those in Palmerston, where you come from.

**Mr BARRETT:** It was a large part of our Blain by-election commitments.

**Mr STYLES:** Our election commitment? It certainly was.

**Madam CHAIR:** That concludes consideration of Output 1.6 and Output Group 1.0.

**OUTPUT GROUP 2.0 - CORPORATE AND GOVERNANCE**  
**Output 2.1 - Corporate and Governance**

**Madam CHAIR:** The committee will now proceed to Output Group 2.0 Corporate and Governance Output 2.1 Corporate and Governance. Are there any questions?

**Mr VATSKALIS:** I have no questions on Output Group 2.0

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

**Output 2.2 - Shared Services Received**

**Madam CHAIR:** The committee will now proceed to Output 2.2 Shared Services Received. Are there any questions?

**Mr VATSKALIS:** Not from me.

**Madam CHAIR:** That concludes consideration of Output 2.2 and Output Group 2.0.

Are there any non-output specific budget-related questions?

That concludes consideration of all output groups relating to the Department of Transport. On behalf of the committee, I thank the officers who provided advice to the minister today.

**OUTPUT GROUP 3.0 - DARWIN BUS SERVICE (Business Line)**

**Madam CHAIR:** The committee will now move on to consider the Darwin Bus Service.

**Mr VATSKALIS:** I do not have any questions.

**Mr WOOD:** I have one question. Minister ...

**Madam CHAIR:** Sorry, I have formalities. Is there any change in staff? Did you want to make an opening statement, minister, or are you happy to receive questions?

**Mr STYLES:** I am happy just to take the questions.

**Madam CHAIR:** Member for Nelson.

**Mr WOOD:** I thought you might give an epitaph.

**Mr STYLES:** I can do if you wish.

**Mr WOOD:** You say you are putting ticketing machines in buses. The previous government looked at ticketing machines and my understanding was the cost of maintaining and purchasing those ticketing machines far outweighed the benefits of having them in the bus. Have you done a cost-benefit analysis of the ticketing machines? I clearly remember that they spent a lot of time and money looking at this and found it was cheaper to simply collect a fare.

**Mr STYLES:** Member for Nelson, the situation is if you want to do planning - and given that the Department of Transport does the planning of the routes – you have information to do better planning at your fingertips where you can find who is doing what at which time of day. It gives you more information so you can plan better.

We want to provide a far better service. With these ticketing machines, given that technology is rolling along throughout the world, what happened a couple of years ago is being superseded. Look at mobile phones and everything we are using today. The technology that is now available - there is software available where you can track who is going where, at what time, and who they are. It is of enormous value to the people who do the planning of the routes.

We are doing our review of the entire provision of bus services across the Territory. Part of that review is about making them more efficient and effective. There are new route plans coming and lots of benefits to the community in having buses running more frequently here and not so frequently there. You are looking at load capacities, where people are going and more flexible ticketing.

**Mr WOOD:** What sort of ticketing machine are you looking at? Are you looking at a Melbourne version, which I would not recommend, but there are other versions.

**Mr STYLES:** I do not actually have the name of the company or the brand of the ticketing machine, but what we are actually doing is holding a trial on the ticketing machines that the Department of Transport has assessed as being probably the best. We will run a contract and I understand the contract has been signed and was awarded to Trapeze Asia Pacific Proprietary Limited on 11 June 2014, roughly.

**Mr WOOD:** That is the company which makes them or the company that will provide them and set them up?

**Mr STYLES:** They are an Australian division of a multinational company specialising in public transport systems and solutions. Here is a group of people the Department of Transport has looked at; they are in Cairns and Canberra at the moment. We are looking at trialling it to see if it actually gives us the information we are looking for, given that this is also about flexible options for the travelling public in relation to ticketing. Once the information comes in and the re-assessments of trials can be done, then we can actually make an assessment.

I also understand there is an installation cost of \$276 000 for these machines and an annual cost for rental and maintenance of about \$750 000.

**Mr WOOD:** That is fine, but if I ask you how many fares you collect per year compared to how much it would cost to run it, what would you come up with?

**Mr STYLES:** I do not know whether that is the actual test. The test is who is going where and at what time.

**Mr WOOD:** I understand that, but you could probably do that through other means. I am not being smart here, I am saying that sometimes the government spends a lot of money on something that sounds good, but it gets half the price back in fares. You could say we may as well put someone on the bus to count the number of people getting on and off. It would be cheaper than ...

**Mr STYLES:** It is not actually that. It is where they are going to and how far they are going. It is the information we do not have at the moment and if you have got a way that is cheaper and more effective, I would be very happy to sit down and have a chat with you about what we could put on the bus that gives us that information.

**Mr WOOD:** Just a basic question: you will spend how many hundred thousand to purchase it and you are going to spend \$750 000 a year to maintain it. Is that right? What is the figure to maintain it?

**Mr STYLES:** That is rental and maintenance.

**Mr WOOD:** That is a lot of money per year that you are going to have to recover in fares. I would have hoped someone asked how many fares we get every year and how that compares with the cost of what we are putting in there?

**Mr STYLES:** If you are looking at running the system more efficiently and effectively – the other thing you have to try to do is run a very efficient system, so you encourage people on to the bus system. At the moment, as you would probably be aware, we have so many people who use cars going in and out of the city because they may not like the way the bus system operates, the times, or the routes they take.

What we have to do is work out where we can actually maximise the public transport dollar so that people – you might change the route to run through all the new units in a particular location so you can pick up a busload of people.

**Mr WOOD:** I suggest, minister, if it costs \$750 000 a year, and you get \$500 000 worth of money back from fares, you might as well scrap it and put everybody on the bus for free.

**Mr STYLES:** We actually get \$4 833 000.

**Mr WOOD:** That is what I was after. Yes, okay and that is what ...

**Mr STYLES:** Give or take a dollar or two.

**Mr WOOD:** ... I needed to find out because otherwise it would be a ridiculous thing.

**Mr STYLES:** I take your point. When you look at the planning that you can do from this information – I had a briefing at some stage, probably about three or four months ago, from one of the world's preeminent public transport specialists, in relation to this. He advised me that you need this ticketing and system so you can withdraw the information. That way the planners have exact knowledge, rather than just a guess or someone sitting on a bus counting how many people getting on and off, but I take your point.

**Mr WOOD:** Okay, that is what I wanted to get out of you, thank you.

**Madam CHAIR:** This now concludes consideration of all output groups relating to the Department of Transport. On behalf of the committee I would like to thank the officers who provided advice to the minister today.

The committee will now move on to consider the Darwin Bus Service. We will have another two-minute break to allow for the changeover.

---

The committee suspended

---

#### **OUTPUT GROUP 4.0 – DARWIN PORT CORPORATION**

**Madam CHAIR:** Sorry, is everyone thoroughly confused? I want to thank Darwin Bus Service and welcome Darwin Port Corporation officials.

I note that the minister for Economic Development and Major Projects is responsible for the *Darwin Port Corporation Act* except for Part 2 Division 4 and answered questions relating to his responsibilities on Wednesday 11 June. As the Minister for Transport is responsible for Part 2 Division 4 of the *Darwin Port Corporation Act* questions relating to the Darwin Ports harbour master will now be answered. Minister, I invite you to introduce the officials accompanying you and, if you wish, to make an opening statement.

**Mr STYLES:** Thank you, Madam Chair. Unfortunately the harbour master is not here. I have with me the Chief Executive Officer of the Department of Transport, Clare Gardiner-Barnes and the executive director, Mr Nick Papandonakis from Transport Planning Policy and Reform.

**Madam CHAIR:** Are you making an opening statement?

**Mr STYLES:** No, we are just happy to take questions for the harbour master.

**Mr VATSKALIS:** Minister, I have a question about ports - you can take it on notice if you like - but before that I have to ask from the very beginning: will you be able to table written question 185? With regard to the port, a number of concerns have been raised with me about the bulk liquid berth at East Arm Wharf. It is an area that is required to be intrinsically safe when compromised, leading to an attendance by NT Worksafe. The risk of an incident occurring at Darwin port would have serious consequences for the East Arm Wharf as it is a major wharf facility for the Territory.

Does the harbour master have any concerns about safety today and what measures have been taken to make that particular facility safe?

**Mr STYLES:** Are you talking about the actual East Arm Wharf?

**Mr VATSKALIS:** The bulk liquid berth at East Arm Wharf.

**Mr STYLES:** I will take that on notice because I do not have an answer for that.

**Mr VATSKALIS:** That is all right. I said I am happy for you to take it on notice.

---

**Question on Notice No 9.2**

**Madam CHAIR:** Member for Casuarina, if you can just restate the question.

**Mr VATSKALIS:** With regard to the bulk liquid berth at East Arm Wharf that has to be intrinsically safe, and instead it has been compromised - has the harbour master had any concerns about safety to date and what measures have been taken to make the bulk liquid berth at East Arm Wharf safe?

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

**Mr STYLES:** I accept the question, Madam Chair.

**Madam CHAIR:** That is question No 9.2.

---

**Mr WOOD:** Can I ask a question?

**Madam CHAIR:** Yes, member for Nelson.

**Mr WOOD:** Thank you, Madam Chair.

Minister, there used to be an incinerator on the wharf, and it was moved to a place at Berrimah which should have received planning approval, but that is another matter. There were some materials left at the wharf, I gather. Have there been any checks for pollution where the incinerator used to be, and have all materials been shifted from the wharf?

**Mr STYLES:** Member for Nelson, my understanding is that that comes under the Chief Minister's portfolio of ports. It is not something the harbour master, under regulations, administers. I do not think that comes under that.

**Mr WOOD:** Okay. This is where I get confused. I picked up an annual report for the port and I do not which bit is which, but I will try. What about pollution in general? There were concerns at one stage about pollution from bulk loading materials and stormwater run-off. Has that improved or do you think that is another question for the Chief Minister?

**Mr STYLES:** I actually think it is a question for the Chief Minister, but I can try and give you what little I know about that. On my trips out to the wharf for various reasons, I have seen some of the ponds where water is collected. It is redirected into settlement ponds, and if you look at a Google photo, you can see those, where they trap it and allow the water to flow back through a number of ponds and skirting which picks up any of that sort of pollution which has gone out, such as dust or iron ore dust. All of that red stuff is actually collected and deposited back into those ponds.

**Mr WOOD:** Again, this might be a question which should have been for the Chief Minister, but have there been any problems related to the port moving? As you would know, years ago there were problems with some of the rods breaking and there was quite a bit of rehabilitation work required.

**Mr VATSKALIS:** I think it was fixed.

**Mr WOOD:** Has that all been fixed?

**Mr STYLES:** My understanding is it has, but again, it is a question which really comes under ports.

**Mr WOOD:** We are under ports. This one might be yours then - the movement of the control tower.

**Mr STYLES:** Unfortunately, it is not either, unless it is part of the harbour master's office.

**Mr WOOD:** I do not know, but I thought that one would be more relevant to the harbour master, with the cost of moving the control tower from where it originally was to Berrimah. If that is the case that was a waste of time - not quite - but thank you, minister for the bit of information you did give me.

**Mr STYLES:** Thank you very much.

**Madam CHAIR:** If there are no further questions, that concludes consideration of this business line. On behalf of the committee, I would like to thank officers who provided advice to the minister today. The committee will now consider outputs related to the Department of Infrastructure.

**Mr STYLES:** Thank you very much, Madam Chair, and I thank the hard-working staff of the Department of Transport who have done a fantastic job in providing all of this wonderful information for us.

---

The committee suspended.

---

## DEPARTMENT OF INFRASTRUCTURE

**Madam CHAIR:** I welcome you again, minister, this time as Minister for Infrastructure, and invite you to introduce the officials accompanying you and, if you wish, to make an opening statement regarding the Department of Infrastructure. Five minutes is the rule, minister.

**Mr STYLES:** Thank you, Madam Chair. I see some people over there with stop watches. I introduce the Chief Executive Officer of the Department of Infrastructure, Mr Dave McHugh, Mr Bob Pemble who is the executive director Civil Services, Department of Infrastructure, Mr Brett Brogan, Executive Director Building Services and Ms Leah Atkinson, who is the chief financial officer.

I start by saying that reporting parameters are unchanged for the financial years of 2012-13 and 2013-14 for the Department of Infrastructure. With the removal of the government business division, the financial reporting for 2014-15 will be reduced by half, with only one financial entity to report on. Reporting to government and foreign agencies on infrastructure program expenditure and outcomes will not change.

The 2013-14 year has been a very productive year for the Department of Infrastructure and, just as importantly, for all Territorians. We have strongly focused on remote and regional infrastructure, better connecting those living in remote areas, ensuring local families and businesses are employed to help create jobs and, above all, keeping the Territory's major infrastructure assets in good condition.

As we work with the Australian government to deliver economic opportunities for the north, we have continued our ongoing commitment to provide much-needed infrastructure investment in the bush and remote and regional areas.

I point out a few highlights from the 2014 financial year for the Department of infrastructure. In 2013-14, the Constructions Division is managing 2600 construction projects, expending more than \$559m. The Department of Infrastructure has awarded 536 contracts to local companies, and 95% of tenders were awarded by the Department of Infrastructure to local companies, which means jobs for local families and businesses.

In 2013-14, the department managed \$188m worth of repairs and maintenance works, with \$85m going towards Territory roads. Significant projects delivered over the 2013 year included: the delivery of more than 128 new houses and 721 housing upgrades under the National Partnership Agreement Remote Indigenous Housing program across 26 remote Territory communities; ongoing major work on Tiger Brennan Drive between Dinah Beach Road and Woolner Road, improving traffic flow; the completion of the \$3.7m Tennant Creek Hospital emergency department upgrade; continuing work on the \$110m Marine Supply Base; ongoing work on the \$495m Northern Territory secure facility; the \$2.5m Alice Springs youth upgrade, which was a vital boost to the town; the \$3.3m Anzac Oval upgrade; and the allocation of \$26.5m towards the Alice Springs emergency department upgrade.

Looking to 2014-15, the department will work with a range of infrastructure projects to aid our push to develop the north. To name a few which have a significant impact in the Northern Territory, there is: the completion of the \$1.9m regional infrastructure study, which will identify locations for future infrastructure investment across regional and remote parts of the Northern Territory for economic growth potential over the next 30 years; the commencement of the Woolner to Berrimah section of Tiger Brennan Drive; the commencement of upgrading works at the Charlotte River crossing and the construction of a bridge on Fog Bay Road; \$190.8m towards new and upgraded health facilities including the Katherine hospital, Palmerston hospital, the continuation of major infrastructure at the Alice Springs Hospital and new and continued upgrades at the Royal Darwin Hospital.

We have also allocated \$4.6m for heavy vehicle diversion in Katherine, as well as \$45m to upgrade regional roads across the Territory as part of the \$116m Territory and Australian government funded Regional Roads Productivity Package. I also mention the \$135.5m to accelerate land release. All of these projects contribute to improving access and a role providing opportunities for economic development. These projects create jobs for local contractors and generate flow-on business for supplies across the Territory.

Infrastructure enables economic growth for the Territory to have modern, efficient, safe and high standards of roads and infrastructure. Investment needs to be made, as well as proper planning taking place. To this end government has committed funding towards a number of planning studies to inform infrastructure design and development, which includes \$1m for the investigation of the design of the key Darwin CBD master plan concepts.

This is a project being undertaken in partnership with the City of Darwin and focuses on providing clear direction for future transport and land development options to ensure Darwin maintains its serenity and lifestyle and that it continues to develop and stimulate economic opportunities. An update of the Darwin regional transport model in response to the Greater Darwin Land Use Plan is due for completion in 2014. This will contribute to integrated transport and land planning and maximise the cost-benefit of the future road and public transport expenditure regional infrastructure study. As I mentioned earlier, work is ongoing on NT-wide planning studies, to prioritise infrastructure investment and drive the Territory economy. This study will determine what infrastructure is required to support the economic development of regional areas of the Northern Territory, development of roads and future strategy which will prioritise the management development and maintenance of the Territory road network.

I take this opportunity to acknowledge our local construction industry. The collaboration between industry and government is critical to delivering an infrastructure program which ultimately benefits all Territorians. I also thank the hard-working department staff whose expertise and experiences are invaluable. There is no better illustration of this government's commitment to developing the north than investment in roads and major infrastructure assets. The Department of Infrastructure is well placed to successfully manage the upcoming \$1.14bn infrastructure program. I look forward to any questions the Estimates Committee may have for me in relation to the Department of Infrastructure.

**Madam CHAIR:** Thank you, minister. I think you broke the land speed record there, congratulations. I know you made one very happy member for Casuarina. Are there any questions on this statement?

**Mr VATSKALIS:** No, but would you be able to table written question 186?

**Mr STYLES:** 186? Yes, we can do that.

**Mr VATSKALIS:** Thank you.

**Madam CHAIR:** Any questions on the statement?

**Mr VATSKALIS:** No.

**Madam CHAIR:** The committee will now consider the estimates of proposed expenditure contained in the appropriation bill 2014–15 as they relate to the Department of Infrastructure.

#### **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?

**Mr VATSKALIS:** Yes, Madam Chair. Minister, the big projects in Darwin currently are the Marine Supply Base, Darwin Correctional Precinct and of course, the Ichthys project. The Marine Supply Base and the Darwin Correctional Precinct are near completion; after that the only project left is Ichthys. What plans does your government have for the next big project? The industry is talking about how the government needs to spend money and it does not. They told you that last year and they are telling you again. They tell me that one. What is your government doing for the next big project?

**Mr STYLES:** A lot of infrastructure needs to be built. When you look at what is going on behind the scenes there is oil and gas exploration, new mines opening up and there is the onshore exploration. The first petroleum production in 35 years has now commenced. They are the first two licences, I understand, issued in the last 35 years - it might be 32 years, but it has been a long time. When you look at phosphate, petroleum and gas reserves, the connecting of the national pipeline, and the increased usage of railway

lines – there are spur lines to be built. We are looking at the Ord Stage 3. There are numerous things coming online now. When you look at the \$5.5bn debt we inherited, government is a little constrained in relation to spending money on huge government projects. We have to look at paying it back. My children and grandchildren will be paying that back. Government is a little constrained in spending enormous amounts of money, so what government does is talking to business.

There are a whole range of business opportunities for private enterprise to work on. You are looking at new mining, for instance, to double the size of a mine. The transport opportunities – we have to spend money on the Tanami Road, which we have allocated money for. It is all over the place. I do not know what you are hearing, but we are hearing people. There is another mining operation near Tennant Creek about to start. I was talking to some people yesterday - it is up to them, obviously, to put out their media release and advise people what they are going to do, but they are in the process of going through legal requirements to commence that - there are lots of things.

**Mr VATSKALIS:** You mentioned the Ord Stage 3, and now your minister for Primary Industry has backpedalled significantly. Today he said, 'Well, we are not going to be the food bowl of Asia'. I was the minister for Mines and I can tell you that to develop a mine from exploration to production will take 10 years. I was the minister for oil and gas and I can tell you that oil and gas from exploration – Santos petroleum found the first oil when I was the minister - two years down the track they are talking about production?

The phosphate mines in Tennant Creek started exploration, and the first phosphate deposit was found in 2005. Nine years later they are still looking to develop it. Okay, things might happen in the future. You are going to be in government for two years and people expect the government to do something during that period. What has your government in place for the next two years?

**Mr STYLES:** I have just given you some idea, but at the Department of Infrastructure we actually have client agencies. We do not do the economic development stuff. What happens is - I am sure you are probably aware of this - for the purpose of those listening, at the Department of Infrastructure we go out and build stuff. The Department of Education will say, 'We need a school over there', and they will give us instructions and that is what we will do. Now, we will go out and follow the instructions of client agencies.

If you want to talk about economic development that is in the Chief Minister's area, and that is probably where those questions should have gone. I am happy to give you the benefit of what I can, but if you want to drill down into that, then your opportunity to talk to the Chief Minister about that has passed.

**Mr VATSKALIS:** This morning we heard in the news that public houses in Alice Springs need to be repaired and maintained, and that they can stay empty up to eight months. They talked about 185 houses out of 800 in Alice Springs. That means 185 houses do not have any money being spent on them for up to eight months. That means some people in Alice Springs do not have a job, so they cannot do their repairs and maintenance. That is your department allocating the money. The department does the work allocated by Housing, so why do these houses stay empty? Why is money not spent on repairs and maintenance?

**Mr STYLES:** We do not do housing maintenance. That is something you will have to put to the Minister for Housing.

**Mr VATSKALIS:** Does it come under repairs and maintenance?

**Mr STYLES:** No, they organise their own maintenance. We do not do maintenance on Department of Housing properties.

**Mr VATSKALIS:** All right. Now, your government has cut spending; the cut in spending is having a real impact on the ground. The Bureau of Statistics' most recent data saw state final demand in the March quarter fall most in the Northern Territory, about 6.5%. In comparison, New South Wales has the fastest quarterly growth at 2.4%. Even Tasmania has a better growth than us at 0.8%. So, your government has not opened the purse and is not spending money. Why? Do not go on about the \$5.5bn because you know and we know very well it is not true. It was a projection, if nothing was happening. Tell us why; you are in government now. You have been in government for two years. What are you doing to give these jobs to people on the ground? I have a lot of people out there, and as you know very well, because of my ethnic background, most of the people suffering are people who come from the same group as me, and they talk to me. They talk to me every day.

**Mr STYLES:** If you want to talk about economic development, that opportunity has passed.



**Mr VATSKALIS:** I am talking about spending money to do things.

**Mr STYLES:** What I do, as Minister for Infrastructure, and what the department does, is get instructions from our clients and if those departments say, 'Here is \$500,000, go and build a house', that is what we do. Whatever their motivations and reasons are, that is up to them. We simply respond. We hold the expertise to deliver certain services, so they come to us, give us a budget and say, 'Please go away and build 10 homes'. And that is what we do. Once they are completed to the requirements of the contractual arrangements, we hand them over to Housing, we hand schools over to Education and we hand prisons and correctional facilities over to the Department of Correctional Services.

**Mr VATSKALIS:** How often to you meet business organisations?

**Mr STYLES:** I meet business organisations on a fairly regular basis.

**Mr VATSKALIS:** How many individual work sites have you visited in the last six months?

**Mr STYLES:** I could not count them. I have been to numerous work sites, and I could not give any sort of an answer. It might be 20, it might be 30.

**Mr VATSKALIS:** Here in Darwin or ...

**Mr STYLES:** Right across the Territory.

**Mr VATSKALIS:** Before the election, your government promised public servants jobs would be safe and they would not lose their jobs.

In your agency, including the Construction Division, there has been a cut from 394 staff down to 349.

Why, and how much money did you save by cutting these jobs?

**Mr STYLES:** Firstly, we have outsourced a lot of that; no one has lost their job, it is through natural attrition. People have left, and we are outsourcing. If somebody is in a particular area which is outsourced, we offer, for example, retraining, but we are outsourcing more of that to the private sector.

**Mr VATSKALIS:** What have you been outsourcing?

**Mr STYLES:** Design consultancies have gone out there, and that is it at the moment. If the private sector can do this job more efficiently and effectively, then we do so.

The other aspect of this is the Asset Management System. Of course, we know what kind of a debacle that was, with millions and millions of dollars overspent on it. Thirty one staff are attached to that, and they have gone from the Department of Infrastructure across to DCIS, so you would have seen an increase in 31 in DCIS and a decrease of 31 in Infrastructure. The rest are people who have left the department, and outsourcing has occurred as a result of that.

**Mr VATSKALIS:** What is the funding split between the Territory and Commonwealth for the entire infrastructure program? What is the split for new works and revote?

**Mr STYLES:** We do not have the breakdown of numbers. How about we take that on notice, member for Casuarina?

**Mr VATSKALIS:** I am happy with that.

---

### Question on Notice No 9.3

**Madam CHAIR:** Could you please restate the question for the record?

**Mr VATSKALIS:** What is the funding split between the Territory and Commonwealth for the entire infrastructure program, and what is the split for new works and what is it for revote?

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

**Mr STYLES:** I do.

**Madam CHAIR:** That question will be No 9.3.

---

**Mr VATSKALIS:** I have asked you before about the federal government not putting a lot of money into the Territory. There is \$600m, 1 % of total infrastructure spending. Even the ACT received more, and it is still complaining about it.

What are you doing to make sure the Territory receives a fair share of money from the Commonwealth?

**Mr STYLES:** As the Minister for Infrastructure, I talk to the Minister for Transport about that.

**Mr VATSKALIS:** What is his answer?

**Mr STYLES:** He has already given that answer to you, and is probably not going to repeat it, but the issue is that the Department of Infrastructure is a service provider to government. We take what we have been given and we do the very best we can, so taxpayers get the best value for the dollars they spend. That is what we are doing in Infrastructure.

**Mr VATSKALIS:** You are in Cabinet with your other colleagues. You must have a say about what happens in Cabinet?

**Mr STYLES:** We are in the Infrastructure outputs at the moment, member for Casuarina, and I answered some of this under my hat of the Minister for Transport. I do not think we probably need to go there again, because it is in the realm of Transport.

**Mr VATSKALIS:** Fine, minister. Car making regions like Geelong and South Australia have been offered government assistance packages in line with those offered as a structural adjustment. In the Territory, we have seen the Commonwealth and Territory governments abandon the people of Nhulunbuy. What meetings did you have with East Arnhem region stakeholders?

**Mr STYLES:** If the government wants us to upgrade the school at Nhulunbuy, then we upgrade the school. If they say build a house or repair something, that is in their responsibility and that is what we do.

However, the Department of Infrastructure, as such, may be called in on particular occasions to discuss what it can do for other agencies, but we are not the lead for that. My understanding is that it was handled by the Department of the Chief Minister.

**Mr VATSKALIS:** All right. Let us go to repairs and maintenance. Basically, the R&M budget was \$256m in 2013-14, yet the estimate or actual spend comes to \$208m, 20% or \$48m unspent. What repairs and maintenance were unfulfilled? Why did you not bring forward other projects to ensure the full allocation was spent?

**Mr McHUGH:** Can you repeat that?

**Mr VATSKALIS:** Yes. In 2013-14, the budget for repairs and maintenance was \$256.9m. The estimate of actual spending was \$208m - \$48.5m unspent. Why? Why did you not bring forward some projects to make sure the whole allocation was spent?

**Mr STYLES:** Are you including housing maintenance in there?

**Mr VATSKALIS:** All of your budget for repairs and maintenance.

**Mr STYLES:** We are having a look at our figures. We are responsible for \$188m of that. Currently, we are at 91% and we expect to spend all of the \$188m the Department of Infrastructure is responsible for.

**Mr VATSKALIS:** What is your budget for this year?

**Mr STYLES:** For R&M?

**Mr VATSKALIS:** Yes.

**Mr STYLES:** It is \$188m. We expect to spend all of that. I suggest that might include Housing in it ...

**Mr VATSKALIS:** Yes.

**Mr STYLES:** ... and I cannot comment on where Housing is with that.

**Mr VATSKALIS:** More than half the capital spend of the Department of Infrastructure, \$216m in infrastructure development, has been revoted. Why is it revoted? What do you think will be the cost for everything you revote in? What do you think will be the cost next year or the year after?

**Mr STYLES:** You must have revote so you do not have fluctuations. When you look at revotes in progress, the infrastructure revote program for 2014 - the revote in was \$2009m, the estimated revote out is \$162m. In 2013-14, the Department of Infrastructure forecast revote out at \$216.1m and the DOI forecast revote in for 2014-15 as the same amount, \$216.1m.

Program variations are experienced during the year. This is attributed to additional projects and the transfer of projects into the subsequent year. Some of these projects may not be completed during the financial year due to procurement or design issues. The procurement increases in the 2013-14 financial year amount to \$30.03m. The planned revote is attributed to large works requiring a number of years to design and construct. Planned revote projects and their estimated revote in 2014-15 are \$21.8m for the Alice Springs Hospital various works; \$8m for the Royal Darwin Hospital operating theatres and short stay unit; and \$560 000 for the continuation of the fire upgrade at Gove hospital.

Unplanned revote is caused by alterations to the project scope, services availability, inclement weather and, of course, land tenure issues. Some of the examples of unplanned revote in 2014-15 are \$1.2m for the Maningrida Trade Training Centre - there are land tenure delays there; \$1.2m for the Borroloola Trade Training Centre - again, there are land tenure delays; and \$1.2m for the Batchelor Outdoor Education Centre, which was added to the program in the fourth quarter.

The statistical and data information available in previous years programs - revote out as per Budget Paper No 4 for the following year is: 2011-12, \$205.2m; 2012-13, \$209m; and in 2013-14, the forecast was \$216m. You can see there is not much of a fluctuation in relation to the previous years.

**Mr VATSKALIS:** What was the program on those years you referred to? You have the program, you have the revote. What was the program and what was the money allocation? You cannot just say that. You can have a \$400m program - \$300m for a minor allocation and \$200m revote. Next year, you have a bigger program with the same revote or you have it smaller with the same revote. You cannot just look at the revote, you have to look at the whole picture.

I have been there, I know it very well. David was with me - I worked for David. He was the CEO of the department. Looking at the revote, we were pulling our hair because we had a program and 51%, 52% or 55% revote. You cannot operate like that. First of all, because you are going to pay in the future; every year delayed is another 10% of the profit, if you are lucky.

**Mr STYLES:** I will ask the CEO to comment on that.

**Mr McHUGH:** One of the issues with revote is that it represents work in progress. As you all know we need to maximise our work during the Dry Season, so we need to have a significant revote to manage our works program effectively for industry. You do not try and spend all your money in June and then have nothing in July. There is a deliberate ploy to make sure that we have a reasonable revote that flows through, so that work is tendered and flows through into the Dry Season and that industry is fully employed or maximised during that period.

Ideally, it would be best if we could have the uniform cash flow from April through to October or November, and then a slightly reduced cash flow during the Wet Season. That is one of the management tools, to have uniform work delivered to the industry and maximise their employment during that period. There are issues associated with the availability of sites and gravel if it is roads or something like that, but it is a correct management tool for delivering government works programs, to have a reasonable revote. Generally, I cannot comment on the cash in the program of the previous years, but if you wish we can find that information.

**Mr VATSKALIS:** Through the minister - what do you think is the appropriate percentage of revote to funding?

**Mr McHUGH:** 40%.

**Mr VATSKALIS:** So 51% is excessive?

**Mr McHUGH:** Yes. It would be preferable to be 40%.

**Mr VATSKALIS:** Thank you. With regard to roads funding – I believe your department does the roads – what proportion of the capital works spent is funded by the Commonwealth on roads in the Territory?

**Mr McHUGH:** That is ...

**Mr PEMBLE:** Bob Pemble, Executive Director Civil Services. Probably about two thirds of the program would be funded by the federal government, including on Territory roads, as well as national highways.

**Mr VATSKALIS:** Thank you. There is new funding of \$2.7m allocated to upgrade rural roads to support agri-business in the Katherine region, including roads in Edith Farms, the Emungalan and Florina areas, and bridging at Lee Creek. What traffic studies were conducted for these roads? How long was it cut off due to flooding and how often, and how many people were affected?

**Mr STYLES:** I will ask Bob Pemble to comment on that, please.

**Mr PEMBLE:** Those projects are yet to be handed over to the department to manage, so that question could have been directed to the Department of Transport.

**Mr VATSKALIS:** Have any traffic studies been undertaken on the Roper Highway and what is going to happen there, considering we have the new mines the minister referred to before that use that highway?

**Mr STYLES:** I think those are probably Department of Transport questions. What will happen is that once those issues are dealt with then further instructions go through, but can I just ...

**Mr VATSKALIS:** I am aware that you have actually allocated money for the upgrade of the Roper Highway and I am aware that you asked the mining company to put money in.

**Mr STYLES:** I will just make some comments in relation to the Roper Highway. We are working in collaboration with Sherwin Iron to address concerns regarding conditions of safety on the Roper Highway. The government allocated \$1m in 2013-14 and \$2m in 2014-15 and Sherwin Iron are contributing funding for pavement and sealed widening of various crests and curves and improving safety. My understanding is that they are contributing the lion's share of this.

**Mr VATSKALIS:** Yes, \$5m.

**Mr STYLES:** Significant repair and upgrading works have been recently undertaken and more works are planned for the Roper Highway. Since the commencement of their mining operations, Sherwin Iron have been maintaining the unsealed section of the Roper Highway from the end of the seal to the Sherwin Iron mine turnoff, a total distance of approximately 11 km. In 2013 Sherwin Iron completed reforming and gravel resheeting on this section of the road. Furthermore they have been grading this section of road regularly and this section is currently in reasonable condition.

The Northern Territory government has significantly increased the repairs and maintenance effort on the Roper Highway to reflect the increased heavy vehicle traffic resulting from increased mining activities in that region.

Funding for repairs and maintenance has been significantly increased, with \$1.3m being allocated for the Roper Highway in 2013-2014, compared with \$605 000 in 2012-2013. Also repair work completed to date includes repairs to several sections of the road where the seal has deteriorated, repairs to damaged culverts, resealing of various sections and gravel resheeting.

In addition, Sherwin Iron has completed repair works to improve the road shoulders and address the seal edge break and edge drop off issues. A total of approximately 70 km of the shoulder repairs have been completed.

Further, various other safety improvements have been completed under the minor new works program, including the installation of additional guide posts and signage, including culvert width markers. The Territory government is contributing \$1m to a capital works program and Sherwin Iron is contributing funding for pavement widening and sealing at various crests and curves. In total, approximately 10 km of existing narrow single lane seal will be widened to a two lane seal width of seven metres to provide additional passing opportunities and improved safety.

These works are anticipated to commence in the 2014 Dry Season and a further \$2m of Northern Territory government funding has been allocated in the 2014-15 capital works budget to widen a further 5 km of existing narrow single lane seal to a two lane seal width.

The NT Environment Protection Authority has made a recommendation to Sherwin to upgrade the Roper River Highway to a dual lane as part of their environmental impact statement. Should Sherwin Iron's mining operations expand further, they would need to demonstrate to the Department of Transport how they propose to manage the public risk in sharing the Roper Highway with other road users. Clearly, a dual road minimises their risk.

**Mr VATSKALIS:** Thank you, minister. Talking about roads now, I will ask a question that I am pretty sure the member for Daly would like to know the answer to. What is the status of the government's commitment to invest in the upgrade of roads in the Wadeye region, from Daly to Wadeye to all access roads?

**Mr STYLES:** Obviously, we would like to see all of these roads out there. There is a commitment of about \$20m going out to the Port Keats Road. There are sections that need to be lifted so you do not have over topping on the roads that are close to the bridge over the Daly.

There is Saddle Creek that needs to be repaired and built up across the Moore River floodplain. There is work to be done there and with that money, we should be able to reduce the closing time down to several weeks, if I am correct. Obviously, we would like to see a sealed road all the way out there and we are working towards that.

**Mr VATSKALIS:** How much per kilometre?

**Mr STYLES:** I cannot give you an exact price on how much a kilometre that road is, but depending on how that needs to be built up, I do not have the charges.

**Mr VATSKALIS:** What is the average price per kilometre for a bitumen road?

**Mr STYLES:** I will ask Bob Pemble to comment on that.

**Mr PEMBLE:** It depends on the drainage standards required, but you are close to \$7000 or \$8000 per kilometre.

**Mr VATSKALIS:** It is \$7000 to \$8000 per kilometre, like I told you before. Your budget allocates only \$5m towards preliminary planning and construction work for the Palmerston hospital. In September 2013, an announcement was made by the CLP that the Coalition government, in partnership with the NT government, will commence the Palmerston hospital within 12 months, with \$150m committed to the project. Has any work started? Has the \$150m been committed by the Commonwealth and Territory governments?

**Mr STYLES:** Member for Casuarina ...

**Mr VATSKALIS:** Did it start within 12 months?

**Mr STYLES:** We started some design work on what is happening out there in relation to the Department of Infrastructure and I understand the Department of Health has developed a service capability framework for the Palmerston Regional Hospital, a minimum scope of services for the new hospital to be drawn up in the clinical services plan which is in preparation.

I understand the Department of Health is engaged to consult and undertake all of those procurement options analyses to determine the best methodology design, construct and manage the proposed facility. The Department of Infrastructure has briefed this consultant on relevant project issues and local market conditions.

The Department of Health is drafting an industry expression of interest for Cabinet consideration in late July and new governance arrangements for the Palmerston Regional Hospital have a high-level project control group to which the interagency coordination group provides guidance. In relation to the Department of Infrastructure, while the scope of new hospital services is being finalised, the department has commenced early works on the site. The topography survey of the proposed hospital site is complete and the report was received on 5 June 2014. Environmental approval preliminary assessments have been undertaken for the hospital site, and a notice of intent was submitted to the EPA on 9 May 2014. The EPA, on 5 June 2014, wrote to the Department of Infrastructure informing that formal assessment under the *Environmental Assessment Act* was not required. The Aboriginal Areas Protection Authority certificate for the hospital site has been received. No sacred sites were identified in the subject area.

The intersection upgrade project from Stuart Highway/Temple Terrace has commenced, and a survey of the intersection was completed on 27 May 2014. The tender for the intersection design was released on 22 May 2014 and has now closed. The contract is expected to be awarded by 20 June 2014. Relocation of major service lines for Power and Water, which impact on intersection construction, will commence in July 2014. They will be visible from the Stuart Highway. The Department of Infrastructure has engaged with the Power and Water Corporation to commence construction of the headworks on the site.

**Mr VATSKALIS:** Through you, minister - Dave, in your experience with that one, considering it is a virgin site, nothing has happened and it will start from scratch, how long do you think a hospital like that will take to be completed?

**Mr STYLES:** I suppose ...

**Mr VATSKALIS:** The reason I am asking that is because - let me explain first.

**Mr STYLES:** It is my question, member for Casuarina. Can I say that as I said ...

**Mr VATSKALIS:** It is not wishful thinking, a reality.

**Mr STYLES:** What you have to do is look at what the conditions of the contract are. As I said to you, the Department of Health is currently drafting an industry expression of interest for Cabinet consideration in late July. I suspect that what actually happens is - to ask someone when it is going to start and when it is going to finish is like asking how long is a piece of string. After July - these are questions which probably should have been put to Health, but the Department of Infrastructure operates on clients' instructions. When the Department of Health gives us something to work with, then we may be able to answer that question. Until such time as we receive some very clear instructions from the Department of Health as to what it wants, how it wants to do it and what is going to happen, we are just picking figures out of the sky.

**Mr VATSKALIS:** You promised, before the elections in 2013, that within 12 months you would start work on the Palmerston Regional Hospital.

I was there when we designed the hospital which you did not like, the original one, the one the member for Drysdale attended public meetings about. I am aware of how long it takes for a public consultation, consultation with the medical profession and consultation with any others who want to participate, before the mandate goes to your department. We will then start the work. You should know the realistic time frame, as a minister, because I am pretty sure you asked the department what will happen with the hospital. Have you asked them or not?

**Mr STYLES:** There are a number of options available for these sorts of things. You can have things built by the Department of Infrastructure or you might have a complete public/private partnership. Who knows? We do not know what we are looking at, from the department's perspective, until such a time as we get a brief from our client, and that is Department of Health. We do not know what private enterprise might do. That is a question that really should have gone to the Department of Health. We do not know because we do not have a brief for that part of the hospital. What we do have a brief for is looking at options in relation to access to the site for intersections, and what we are doing is getting on with what we have been asked to do. So, we are just looking at ...

**Mr VATSKALIS:** Has your department provided advice to the Department of Health because, knowing the Department of Health as an ex-Health minister, it will ask for the Taj Mahal. Has your department given them a realistic picture of what they can get? Have you even advised them about the PPP?

**Mr STYLES:** The current framework is for works to commence mid-2016, with a build time of about 30 months, and completion around the end of 2018.

**Mr VATSKALIS:** Are you realistic? You are starting work on a hospital in 2016, and you are going to finish in two years?

**Mr STYLES:** That is the best information I can give you. Now, the scope of ...

**Mr VATSKALIS:** Will there be demountables?

**Mr STYLES:** When you are talking about the scope of works, this should have gone to the Department of Health. We get the brief.

**Mr VATSKALIS:** They will come over and give you what they want – the Hilton.

**Mr STYLES:** We do not know.

**Mr VATSKALIS:** You are going to finish with it on your desk.

**Mr STYLES:** We do not know. Someone might come in and say they want to build a massive north Australia hospital to service the entirety of north Australia. If someone comes in and wants to do that, and it is a good deal, then that is something the Department of Health will determine. They will then give us a brief and say, 'You are not actually doing anything, someone else is going to build it'. If that is the case, how do we know - our best guess is what I have given you - mid-2016 with a build time of about 13 months. That is our best guess.

We do not have the brief for the whole hospital. What we have a brief for is to make sure we get the preparation works done, get the intersection upgraded and get ready to go, so when someone wants to give us another part of a brief, we will act on that.

**Mr VATSKALIS:** Okay. Infrastructure: you allocated \$130 000 as an election commitment to investigate a secondary ramp at Shady Camp. Has that been done? How much money has been spent? When do you expect that to be completed?

**Mr STYLES:** The second barrage at Shady Camp?

**Mr VATSKALIS:** The second ramp at Shady Camp.

**Mr STYLES:** A second boat ramp.

**Mr VATSKALIS:** Yes.

**Mr STYLES:** My information is it has been done.

**Mr VATSKALIS:** What about the boat ramp at Dundee? It was on the design list last year.

**Mr STYLES:** It has also been completed.

**Mr VATSKALIS:** You have built it?

**Mr STYLES:** It has not been built yet, but designed.

**Mr VATSKALIS:** How much will it cost?

**Mr STYLES:** I will ask Brett Brogan to comment on that.

**Mr VATSKALIS:** Do not ask me how long a piece of string is, because we know how much it is going to cost approximately.

**Mr BROGAN:** What we undertook for that \$130 000 was hydrology and geotechnical investigations ...

**Mr VATSKALIS:** That was for Shady Camp?

**Mr BROGAN:** ... for both the sites - Shady Camp and Dundee. Those studies have both been completed now and sent back to the department of Fisheries for advice. Both those studies had several options about what ramp or jetty structure they could require. We are waiting for advice back from them as to what they want and will do a cost estimate based on those.

**Mr VATSKALIS:** Through the minister - have you put costings on the different options?

**Mr BROGAN:** No, we have not.

**Mr VATSKALIS:** How is the department going to decide which one is the best option? Departments usually decide on cost.

**Mr BROGAN:** What we did was give them the list of options they could consider, and they were going to take that back to AFANT and their own working group, come back to us with their recommended option, and we will cost that out.

**Mr VATSKALIS:** Okay, thank you. Do you want to ask questions, Gerry?

**Mr WOOD:** Yes.

**Mr VATSKALIS:** I will ask after you. You can go first.

**Mr WOOD:** I have a few.

**Mr VATSKALIS:** Good.

**Mr WOOD:** All right. Were there two contracts for the Howard Springs Road intersection - one for the duplication and one for the intersection - or is it regarded as one contract? The second part of that question is: did it come in on budget?

**Mr STYLES:** I will ask Bob Pemble to comment on that.

**Mr PEMBLE:** No, there was only the one contract. There were some additional works varied into that contract as things developed during the works. Sorry, what was the second part of the question?

**Mr WOOD:** Did it come under budget? I think there was an increase somewhere from the original budget.

**Mr PEMBLE:** Yes, I do not remember exact figures, but there was top-up funding required at one stage.

**Mr WOOD:** Okay. Did the shadow ask about the prison earlier? I want to ask how far it is from completion. Is there a time when it will be finished?

**Mr McHUGH:** At this point in time, we expect it to be completed towards the end of August.

**Mr WOOD:** How is it fitting into budget?

**Mr McHUGH:** It is still within budget.

**Mr WOOD:** You had a trial of road-based material at the Elizabeth River on the Stuart Highway, a new type of bitumen that was supposed to stand up to high temperatures. It is in your annual report. You spent \$210 000 on it - has it been successful? Is it something that will make roads last longer or will it be a cheaper option? What were the results of that trial?

**Mr McHUGH:** It was not a type of bitumen, it was a product that was added into the pavement materials. As with all these sorts of trials, you do not get the results in five minutes, so it will be a number of years before we know the outcomes.

**Mr WOOD:** We will need a bit of wear and tear on it before ...

**Mr McHUGH:** It will.

**Mr WOOD:** Okay. You mentioned, minister, land tenure delays a number of times in relation to a couple of projects. Could you explain what those land tenure delays were?



**Mr BROGAN:** The minister mentioned a couple of projects that were both trade training centres. I think the one on file is Maningrida.

**Mr WOOD:** Yes.

**Mr BROGAN:** The Borroloola one – we went through an extensive period of negotiations with the local shire to get tenure to the site there. We thought we had an end point, at which time the shire asked for additional conditions and subdivision of that land, so that put us back. What we are not going to do as an agency is put something to tender without available tenure ready to go. At Maningrida there was a hold up with the Northern Land Council approval, which we have now received.

**Mr WOOD:** Could I just ask why that is not sorted first? In other words are you putting out, getting ready to do a tender, but you have not got your land tenure issues sorted?

**MR BROGAN:** No, we do not go to tender until we have tender sorted. What we do is we run the design and investigation process concurrently while our client agency is seeking land tenure.

**Mr WOOD:** All right. Barge landings: are most owned by you? And if so, is it your job to maintain them?

**MR McHUGH:** They are assets of the Department of Transport and, yes, we do maintain them on their behalf.

**Mr WOOD:** If I wanted to know about land tenure issues with that, it would be the Department of Transport?

**MR BROGAN:** Correct.

**Mr WOOD:** Okay. Aboriginal housing - now called NPARIH?

**Mr STYLES:** NPARIH

**Mr WOOD:** NPARIH. I love SIHIP, but we have had it for so long. That is a project that you are required to manage in conjunction with the Commonwealth government – is that correct?

**Mr STYLES:** I will ask the chief executive to do the breakdown on that.

**Mr WOOD:** Okay.

**Mr McHUGH:** We have done part of the program. We have not done all of the program, but we have done a significant part of that Commonwealth program for the construction of new houses and refurbishment of existing houses.

**Mr WOOD:** Has the price that you have to deliver a house not changed over the last couple of years?

**Mr McHUGH:** That is correct.

**Mr WOOD:** What is the price of the house? What price is required to build a house the Commonwealth expects?

**Mr McHUGH:** I am not sure of the exact price, but it is in the order of \$450 000.

**Mr WOOD:** Okay. That has been around for at least three or four years?

**Mr McHUGH:** Correct.

**Mr WOOD:** We expect a house built under this program to be of a standard that will last for 40 years. There is no way, I think, in Darwin, that you could build a house for the same price today that you put in four years ago, so what gives in the quality of this house? Size, materials used in the walls? What has had to give to keep the price the same? I think we should ask the minister.

**Mr STYLES:** One of the things that you take into consideration when you are building these homes is the cost of land. There are packages at the moment that you can get for around \$500 000. That is land and home. There are alternative styles of homes, depends on what you want ...

**Mr WOOD:** I am talking about the NPARIH houses. They would have been set. Is there a set cost to build that house, regardless of land?

**Mr STYLES:** That is right. But if you are building a \$450 000 home in Darwin and you add on \$200 000 for the block of land, you are talking about a \$650 000 home.

**Mr WOOD:** I am talking about the actual house that is going to cost \$450 000, just for a ...

**Mr STYLES:** Yes, but if you are comparing houses out there to houses in Palmerston, then ...

**Mr WOOD:** No, what I am getting at is there was – I went through all this SIHIP stuff. Part of the reason I ended up having the balance of power was because of SIHIP, so I will never forget it until the day I die. It was to do with claims that money was wasted, and one of the issues was the construction of these houses. The construction of these houses had to be so good that they would last 40 years. They were pretty well indestructible. I went out and looked at many of the houses and they were being built for \$450 000 or \$460 000. Four years down the track, the government is saying, 'Build the same house for the same amount of money'. Something must have to give in the quality of those houses.

**Mr STYLES:** The prices are set by the federal government. If you are saying four years ago - in those years leading up to the change of government, the previous government in Canberra set that. The Department of Infrastructure was responsible for the delivery of 128 new houses and 728 housing upgrades.

If you have a look at what the Department of Infrastructure is doing in that space and then what Alliance or the contractors to NPARIH ...

**Mr WOOD:** But someone sets the standards for these houses. Let us presume it is the Commonwealth and the Territory

**Mr STYLES:** The Commonwealth says, under SIHIP, 'That is what we want. This is what you have to build, and here is the money'.

**Mr WOOD:** So what is different? Where do you give in the quality of the house to allow you to build a house that four years ago cost \$450 000 and now still costs \$450 000? Something must have to give in the quality of that house: smaller rooms, thinner walls, different materials.

**Mr STYLES:** I will ask the CE to comment on it.

**Mr McHUGH:** I can comment. The delivery method is quite different from SIHIP times. It would go out to competitive tenderers, so the profit margins of the contractors have been squeezed. The standard of the housing has not changed and the standard of the quality has not changed.

**Mr WOOD:** Are these the same contractors working, like you had Alliance and ...

**Mr McHUGH:** No, we do not use Alliance. We put them out to competitive tendering. I think that is what has changed it. Also, a number of types of housing have changed to duplexes, rather than just straight out three-bedroom homes and things like that. There is a bit of combination of things.

**Mr WOOD:** There were some combinations even previously. There is no change in the quality?

**Mr McHUGH:** No.

**Mr WOOD:** No change in the size of the house?

**Mr McHUGH:** No.

**Mr WOOD:** It is just basically cheaper labour. When it comes to the crunch, that is what it would have to be.

**Mr McHUGH:** Yes, a lack of profit.

**Mr WOOD:** Lack of profit, all right. If I was to inspect a house and compare it with previous ones - where could I inspect a house that was built – I know the types of houses at Wadeye. Could I inspect a similar house in the new NPARIH program if I wanted to compare it? Where would I look now for one of those houses that was recently built? What community would you would recommend?

**Mr McHUGH:** I could not tell you off the top of my head. They have been built in lots of communities in the Top End.

**Mr WOOD:** How would I find out if I want to compare A with B?

**Mr McHUGH:** I could give the details to you outside.

**Mr WOOD:** You could just e-mail it to me. I would be interested. The word I have is that some of the walls are thinner and not the same materials, etcetera.

**Mr McHUGH:** At Beswick we have 13 new builds and eight in Barunga.

**Mr WOOD:** I am trying to get to Nhulunbuy, so I probably could drop in on the way.

**Mr McHUGH:** At Bulman we have three.

**Mr WOOD:** I have friends there, so I might pop in and see.

**Mr McHUGH:** Palumpa five.

**Mr WOOD:** Okay.

**Mr McHUGH:** Peppimenarti one.

**Mr WOOD:** I might drop in and ask them if I can look at the houses.

One other question, as I know the minister wants to get back. In the Infrastructure budget paper it talks about the \$44.9m for Berrimah and for – unfortunately the wording in here is still 'Palmerston north', but we know where it really is. What is that money actually for and when do you intend to spend that money?

**Mr STYLES:** It is basically for headworks. If you want a breakdown I am happy to take that on notice and get it to you.

**Mr WOOD:** Part of what I am trying to get at is if it is for, as much as I do not want it to really happen, the new suburb of Holtze/Howard Springs, or is it for the hospital?

**Mr STYLES:** I believe it is for general headworks needed to open up the land that is not called east Palmerston, south Palmerston or west Palmerston

---

#### **Question on Notice No 9.4**

**Mr WOOD:** It is called Holtze-Howard Springs, but I just wanted to get some idea. Can I ask that question please, Madam Chair?

**Madam CHAIR:** Yes, please restate the question for the record.

**Mr WOOD:** Minister, could you please explain what the \$44.9m in the Infrastructure budget is for in relation to Berrimah and 'Palmerston north'? What is that money for, and when will that allocation of money actually be used?

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

**Mr STYLES:** I accept the question.

**Madam CHAIR:** That question is No 9.4.

**Mr WOOD:** Thank you.

---

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

**Mr VATSKALIS:** Minister, the Planning Commission last year released a document Towards a Darwin Regional Land Use Plan 2014. Did your department have any involvement in that plan? Did the Planning Commission consult with your department?

**Mr STYLES:** Yes, member for Casuarina, we provided comment to the Planning Commission.

**Mr VATSKALIS:** Comments with regard to what?

**Mr STYLES:** I would like to see the comment on that particular part of the answer.

**Mr McHUGH:** That document was broad ranging, so we provide comment in relation to transport infrastructure type of issues.

**Mr VATSKALIS:** Did you provide any comments with regard to a second port and industrial land development at Glyde Point?

**Mr McHUGH:** Not specifically.

**Mr VATSKALIS:** Okay. Has any other department consulted with you in regard to the second port and industrial land development at Glyde Point?

**Mr McHUGH:** Not at this point in time.

**Mr VATSKALIS:** There has been no consultation with you about service corridors, railways?

**Mr McHUGH:** Service corridors and railways have been identified on plans. Our department has not been required or requested to provide estimates for or look at the best route, route selection, hydrology or any of those matters.

**Mr VATSKALIS:** Has your department been consulted with regard to the possible expansion of East Arm Wharf?

**Mr McHUGH:** Not at this point in time. We have been heavily involved in the Marine Supply Base in terms of administering that contract.

**Mr VATSKALIS:** Excellent. What is the completion date for the Marine Supply Base?

**Mr McHUGH:** Stage 1 has the certificate for completion, which was issued by the independent certifying engineer last Friday.

**Mr VATSKALIS:** And stage 2?

**Mr McHUGH:** Stage 2 will only be issued after the rock load out facility has been utilised by INPEX, so that is another 9 to 12 months away.

**Mr VATSKALIS:** With the \$4m repairs and maintenance allocation for the Darwin Port Corporation, where is the money to be spent?

**Madam CHAIR:** I might just remind you, member for Casuarina, that all questions should go to the minister, so, minister, you have control there to direct those out to your officials.

**Mr STYLES:** That is a technical question, and you will want the breakup of that. The answer for that is that the Darwin Port Corporation does its own maintenance.

**Mr VATSKALIS:** Okay, thank you. With construction, has your department been consulted in regard to the possibility of erecting a dam in any Northern Territory rivers?

**Mr STYLES:** I have no knowledge that anyone has been instructed to look at a dam on a particular river.

**Mr VATSKALIS:** Has your department done any study with regard to damming any rivers?

**Mr STYLES:** Not that I am aware of.

**Mr VATSKALIS:** Was your department consulted with regard to the Elizabeth River dam, as is proposed in the Planning Commission's Towards a Darwin Regional Land Use Plan?

**Mr STYLES:** No.

**Mr VATSKALIS:** Has your department made any comments on that particular document, with regard to the dam on the Elizabeth River?

**Mr STYLES:** No.

**Mr VATSKALIS:** Thank you, Madam Chair.

**Madam CHAIR:** You have a question on the statement, member for Nelson?

**Mr WOOD:** I have a question that I should have asked in relation to Aboriginal housing. You spoke about how profits are getting smaller in producing a house of that cost. What about Aboriginal employment? Is that requirement to have X number of Aboriginal people employed in the building of these houses still a requirement? It has not changed?

**Mr STYLES:** No, you are right, it does require that. The local value and the development part of Indigenous people working on these are all part of the weighting of the contracts. There is a requirement in these contracts to have a certain weighting.

**Mr WOOD:** The requirement was there four years ago. Is the same requirement there now? There have not been any cuts to that requirement?

**Mr STYLES:** It is still there. The NPARIH program has a compulsory 20% Aboriginal employment target. The Department of Infrastructure, through its panel contractors, has employed a total of 148 Indigenous workers with an overall program result of 37% of the workforce being Indigenous as at 31 March 2014. The target is 20%, we have hit 37%.

**Mr WOOD:** Right. Once upon a time we had a Council of Territory Cooperation. For better or worse we had regular updates and charts that showed exactly where people were being employed, which houses were being built, which houses were being refurbished and which houses were just given an upgrade. We do not see that anymore. Is it possible for to show the figures of where houses are being built, what communities they are being built in, how many Aboriginal people are being employed, and what percentage of people being employed have worked for six months or more?

This was an important issue. I remember the Commonwealth government won a prize for employing the most Aboriginal people, or this program won an award. The problem was it was all baloney - pardon me - because they were just counting the total number of people who worked. Many of those people did not work for any more than a week or two weeks. The real crux of this issue about Aboriginal employment is how many people are actually working for more than, for example, six months, so we are getting people who are learning the skills and getting the certificates required?

**Mr STYLES:** One of the objects of the government is to, rather than go out and build 10 houses this Dry Season, spend three Dry Seasons building those 10 houses, so you have continuity of work. We are trying to empower the people in those communities to engage with us.

The Department of Business is working with those people on upskilling to make sure they can win tenders, and we are looking at the local development value added and the weightings for those things we have out there. It is a requirement they have those people working. Many of these things are not a six-month build, they contract to build so many houses. They go out there and some of them are, obviously, spread over a number of years. For instance, in Ali Curung, there are 10 new builds and 42 upgrades.

**Mr WOOD:** Could you say how many Aboriginal people are working on that at Ali Curung?

**Mr STYLES:** I will ask our chief executive to add to that.

**Mr WOOD:** Okay.

**Mr McHUGH:** We do not have details about who is working on a particular house, but we have the details of the number of Aboriginal people employed by the various contractors doing these works.

**Mr WOOD:** I am not after individual names. What I wanted to focus on was that - you can have a number and it sounds good. But, if you had 10 people working on those houses and next week you had the same number, I do not know whether they are 10 different people. The key for this employment is to give people skills. So, if you are changing 10 people over willy-nilly, they are not learning the skills. So, I wanted to know how many Aboriginal people are working on these contracts and how many of those Aboriginal people have worked longer than six months, so we know there is a fair chance people are picking up skills, and have not just done a couple of weeks work and gone home. We need some slightly more in-depth statistics than, 'We have filled up – we got the 37%'.

**Mr McHUGH:** On some contracts we could provide that, but on many we could not.

**Mr WOOD:** Yet, that is the figure we used to get. I am not blaming people, but in the Council of Territory Cooperation, they gave us a big spreadsheet; you knew exactly how many people were working and we eventually got those figures as well – how many people actually had worked. I am pretty sure the figures for the Tiwi Islands were there – how many people had worked on a program for six months or more. So is that not easily available?

**Mr McHUGH:** Not at the moment.

**Mr WOOD:** Minister, when we make these programs and promises, we need to make sure they are not just superficial and that they are actually giving people a job. I do not know whether you can look at that and see whether it is possible to get more in-depth ...

**Mr STYLES:** I am happy to take that on board and have a look at it. I thought the required figure was 20%, and we are up to 37%. I think we are doing ...

**Mr WOOD:** Yes, that could be 37%. It could be made up of 100% of people who worked for a week. I hope it is not.

**Mr STYLES:** I hope it is not too.

**Mr WOOD:** Stats are stats.

**Mr STYLES:** Generally, what government is trying to do is engage people in these communities.

**Mr WOOD:** I totally agree.

**Mr STYLES:** The competitive advantage these people have out there is that there are no mobilisation/demobilisation costs. There are no camps required because these people are in communities. A number of those communities are doing extremely well. Where some of them have struggled a bit is in completing tender documents. We have identified that as an issue and we have people out there now working with these people to assist them in submitting conforming tender documents. Those people are out there, and they are building good quality homes.

**Mr WOOD:** I applaud that, do not get me wrong. I have heard politicians say, 'Look, we are employing all these Aboriginal people', but when we have dug down deep, the percentage of people who have worked there for a period of time has been quite low.

**Mr STYLES:** The stuff that I do have back says that in a lot of these communities they are very keen to do exactly what we are trying to do, that is to spread some of the work so there is continuity, instead of having, like you say, 30 or 40 people in that community work a week. We want 10 people to work for three years. We do not want that turnover but you have to actually look at how we actually put those tenders out and how we bunch the tenders together. Do we separate them? What government is trying to do and what Adam Giles has been trying to do is to actually engage those people. We know there are people who have the training; they have the skills and we are actively trying to engage them, and to get them on board.

**Mr WOOD:** Is it possible to get a list of all the places you are working on, the contractors and the number of houses either being built, refurbished or - what is the one in between?

**Mr STYLES:** They are either newly built or ...

**Mr McHUGH:** Or rehabilitation.

**Mr WOOD:** Yes, refurbish, rehabilitation or new houses. Is it possible to get that?

**Mr STYLES:** We have a list here of the communities, houses, types and number of upgrades.

**Mr WOOD:** Would you be able to table that or at least give it to us at another date?

**Mr STYLES:** Yes, I am happy to table this particular document. It gives you a pretty good idea of what is going on.

**Mr WOOD:** Okay, that would be good.

**Madam CHAIR:** Thank you, minister. Are there any further questions on the statement? Are there any agency related whole-of-government questions on budget?

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

#### **OUTPUT GROUP 5.0 – INFRASTRUCTURE** **Output 5.1 – Program Support**

**Madam CHAIR:** We will now move on to consider Output Group 5.0, Infrastructure, Output 5.1, Program Support. Are there any questions?

Minister, earlier you tabled an answer to Written Question 185 and it made reference to No. 186, but you said you would table more answers to questions.

**Mr STYLES:** Written Question 186 came at the beginning of this one, didn't it?

**Mr VATSKALIS:** Yes, 185 was before.

**Mr STYLES:** Written Question 185 was the previous one on Transport.

**Madam CHAIR:** Did you not give us the paper? I do not think, in the end, you gave it to us.

**Mr STYLES:** There was a paper here. We have not given you 186.

**Madam CHAIR:** I had Leah pick it up.

**Mr STYLES:** Somebody has picked up one.

**Madam CHAIR:** That was 185.

**Mr STYLES:** You got 185? Have we got 186?

**Mr VATSKALIS:** Do you have 186?

**Mr STYLES:** Yes, I am happy to comply, Madam Chair.

**Madam CHAIR:** Thank you. Sorry, I was confusing myself.

**Mr VATSKALIS:** That is all right.

**Madam CHAIR:** Output 5.1?

**Mr VATSKALIS:** The Borroloola sewerage upgrade stages two and three are under way. What is the plan for the rehabilitation of the town subdivision road, the guttering, storm water and nature strips?

**Mr STYLES:** I understand that is a Power and Water issue.

**Mr VATSKALIS:** That is the sewerage upgrades. What about the town subdivision road?

**Mr STYLES:** Bob, can you answer that?

**Mr PEMBLE:** No, we have not been involved in that.

**Mr VATSKALIS:** Minister, \$5m was provided to Darwin City Council for Lee Point Road, which is a municipal responsibility. Does that mean that your department will now be handing money out to local councils for roads?

**Mr STYLES:** The \$5m was a grant to the Darwin City Council. All of those things were taken as a one-off; I think you will find that we gave another grant worth \$5m for the roundabout at Darwin High School, so it is a common part of doing business in government, and I am sure that with governments of all persuasions, that is just par for course.

**Madam CHAIR:** Any further questions on 5.1? That concludes the consideration of that output.

### **Output 5.2 - Project Delivery**

**Madam CHAIR:** The committee will now proceed to Output 5.2 Project Delivery. Are there any questions?

**Mr VATSKALIS:** Yes, Madam Chair. Minister, funding for new remote health centres in Ntaria, Ngukurr, Galiwinku, Canton Creek and Numbulwar has been reversed from 2012-13. Work on these projects appears to be stalling. What are you going to do to break through these blockages, considering the federal government is clawing back a lot of the funding? If we do not use it we lose it. So what are you doing to make sure it is progressing? I was in Ntaria, Ngukurr, Galiwinku, Canteen Creek and Numbulwar – the remote health centres.

**Mr STYLES:** I will ask Brett Brogan to comment on that.

**Mr BROGAN:** Ntaria is now complete, member for Casuarina. What was the second question, sorry?

**Mr VATSKALIS:** Ntaria, Ngukurr, Galiwinku, Canteen Creek and Numbulwar.

**Mr BROGAN:** The Ngukurr project is one of the examples we have been waiting on for tender. We received that tenure from the NLC in late May and while we have been waiting for tenure we have had the design under way. We had that out to the market for a public tender in September this year, for works to commence before the Wet Season this year.

**Mr VATSKALIS:** Galiwinku?

**Mr BROGAN:** Galiwinku: we are about halfway through design currently. We have had a delay there due to essential services constraints - the sewerage upgrades. About six weeks ago Senator Scullion provided some money to the Territory to undertake essential services upgrades, which we have, because we were not going to commence the building if we were not going to be able to plug it into the essential services, so that is now at tenure.

**Mr VATSKALIS:** Canteen Creek?

**Mr BROGAN:** Canteen Creek: we anticipate to go to tenure in the coming weeks. We have completed design

**Mr VATSKALIS:** And Numbulwar?

**Mr BROGAN:** Numbulwar: we are waiting on land tenure again. What we are doing with the Department of Housing is seeking Lot 141 in that community, which is the old construction camp they had for NPARIH. The other sites identified were not suitable for the use.

**Mr VATSKALIS:** With regard to education, the school and trade training Centres at Yuendumu, Ngukurr, Groote Eylandt and Palmerston Senior College are revoked from 2012-13. What is happening there?



**Mr BROGAN:** I mentioned two of them earlier, in that they are subject to land tenure. Maningrida, Yuendumu and Ngukurr are currently in design and we hope to have them out to public tender in the coming months.

**Mr VATSKALIS:** Groote Eylandt and Palmerston Senior College?

**Mr BROGAN:** Palmerston Senior College is currently at tender.

**Mr VATSKALIS:** Okay. Land Development Corporation - \$300 000 was revoted this year, \$2.2m was revoted from 2012-13 for the Wishart Road redevelopment. What is happening there? Why is there such a delay?

**Mr STYLES:** Member for Casuarina, my information is that the Land and Development Corporation is in charge of that.

**Mr VATSKALIS:** Airstrips: Utopia, Lajamanu and Yarralin have been revoted from 2013. What is happening there?

**Mr PEMBLE:** Utopia and Docker River have both been designed and are back in Transport's court. There are some budget-related issues with that, so they need to sort that before going to tender. Yarralin still has land issues.

**Mr VATSKALIS:** Okay. Internal revote for Territory road projects: more work needs to be done to finalise the upgrades on the Tanami Road, Arnhem Highway and Jenkins Road. A \$1.5m revote for works on the Central Arnhem Road is unspent and revoted again at \$1.5m. Is there an explanation?

**Mr PEMBLE:** The Central Arnhem project is currently out to tender; that is for the passing lanes. Arnhem Highway monies were handed from the Commonwealth quite late. That project was attempted over two years, and it is slipping slightly into the third year.

**Mr VATSKALIS:** What is the status of the Central Arnhem Road? Is it a public or private road?

**Mr PEMBLE:** There is no road reserve over a large portion of it.

**Mr VATSKALIS:** So we will spend money on something which is not even a road?

**Mr PEMBLE:** The land tenure is an issue for the Department of Transport.

**Mr STYLES:** I will ask the CEO to comment on that.

**Mr McHUGH:** That road has been accepted by the Northern Land Council as a road for public use; people have been using it now for 15 or 20 years, and before that. So, there are issues associated with lots of roads on Aboriginal land, but that is no reason to not continue investing to provide service to those communities.

**Mr VATSKALIS:** Did you want to ask something, Gerry?

**Mr WOOD:** I understand, but there must come a time when we have to work out if that is the right thing to do, because if you build a road on a cattle station or you bituminise a driveway, I am sure someone would call and say, 'How come'?

I am not saying the road is not important and we should not be investing in new infrastructure, but it seems to me that the bottom line has not been sorted out and we are already halfway down the road without that having been worked out. That is through you, by the way, minister.

**Mr McHUGH:** If you go back through the history of the development of the Territory, we still maintain a lot of the pastoral access roads today.

**Mr WOOD:** But I thought that had finished, because a couple of years ago they said that is the last time those roads will be done.

**Mr McHUGH:** I do not think that is true. I think you will probably find that ...

**Mr VATSKALIS:** Are they pastoral access roads to the gate of the station or inside the station?

**Mr McHUGH:** It is generally to the homestead, and they are public roads.

**Mr VATSKALIS:** If they are public roads, how can they deny access to fossickers and other people? That was the argument with the fossickers.

**Mr McHUGH:** It is access to the road itself the public is entitled to use.

**Mr WOOD:** I remember there was an announcement made in the budget that this was the last amount of money to be used for roads on pastoral properties; it was the last year it was to be done. This was a couple of years ago. I do not think I was hearing things, but I thought that was it.

So, we still maintain ...

**Mr McHUGH:** It is a matter for the Department of Transport; there were definitively some moves to hand back some of that roads and, over the years, a number have been handed back to pastoralists and have become private roads.

**Mr STYLES:** My understanding is that for many years - what happened until today's date is that the Northern Territory government has been maintaining those roads out there, providing services under the community service obligations and ensuring people are connected for all sorts of reasons.

**Mr WOOD:** And for the last umpteen years, I have been asking the question how come.

If it is private land, and you are spending public money on private land, what is the basis of being able to do that? I do not care whether it is pastoral, my front driveway, or Aboriginal land, I would not have thought government could spend taxpayers' money on private land.

**Mr STYLES:** As the chief executive said, where the particular land council and particular groups accept it is a public road open to and used by them - it may not have actual land tenure on it, but if it is accepted that it is open to and used by the public, then for the purposes of registration, MACA and all of those other schemes which apply, as well as insurance policies and things like that, it is a road open to and used by the public. The mere fact they have tacit consent to use that will deem it, from my understanding, to be a public road.

We have land tenure issues across the Northern Territory. You might have heard minister Price this morning on the radio, calling for a review of the *Aboriginal Land Rights (Northern Territory) Act* to change some of these things so those particular issues can be fixed. The government is working with the federal government to try to alleviate some of the issues you raise so, in the future, we can get road corridors and make these public roads.

But it is also about opening up town sites and 99-year leases on town sites, so you can make the town site a public place. You can make this town site a public place, and the road that goes between, even though it is on Aboriginal land - you put a corridor in and you change the status of that land.

If we just say, 'Okay, we are not going to maintain any of those roads', and they are open to, and used by the public, and it is accepted, then we have an obligation to try to do the very best we can to provide the best possible road we can, given the limited resources we have.

**Mr WOOD:** It gets back to the question I have asked before. You build an airstrip and you are charged the rent on it. People who use the airstrip are the people that - the government does not have to build an airstrip or an aged-care centre. Correct? They do not have to, but they do ...

**Mr STYLES:** That is true.

**Mr WOOD:** They do, but the problem is you do it because you are benefiting the people who live there. The system now is, 'Thank you very much, but now we will charge you'. The government has no obligation to public facilities on private land, but it does. Then it gets hit with a lease payment.

**Mr STYLES:** Yes. We are finding that some of the hold-ups to some of the infrastructure projects before they go to tender are about land tenure. Before we go to tender, we are saying we need land tenure over

these things. In what has gone before, where do you draw the line in the sand? You just say, 'Okay, anything that has gone before, we are not going to worry about it' ...

**Mr WOOD:** No.

**Mr STYLES:** ... in the future'. We are in an interesting situation, and I hope there is a bipartisan approach by all of us to try to resolve those particular issues. The Giles government has started the process to try to resolve a lot of those. You give credit to previous people who may have tried as well. It is a problem we need to rectify. But, in the meantime, we need to look after Territorians, no matter where they live.

**Mr WOOD:** That is right. But, if you have a barge landing - which I was talking about before – you maintain it and someone then says, 'We will charge you rent for it'. That adds to the cost for the people living in that community because someone has to pay for that. It seems to be a very strange system.

**Mr STYLES:** You will note that some of these land tenure issues need to be settled before we build new barge landings. On the Tiwi Islands there are negotiations going on to settle land tenure issues before we build the new barge landing there. We are happy to help Territorians get started, and we should. Of course, those barge landings will open up enormous economic activity for people there.

**Mr WOOD:** All right, thanks.

**Mr VATSKALIS:** Minister, with regard to police and emergency services, \$241 000 is revoted this year, after \$398 000 was revoted from 2012-13 for Milikapiti overnight facilities. That includes the patrol office, overnight accommodation, shed, heliport and cells. Half a million dollars was revoted this year after a \$679 000 revote from 2012-13 for Epenarra and Angurugu police organised facilities. What is the status of this project?

**Mr STYLES:** Brett Brogan?

**Mr BROGAN:** Regarding the first one ...

**Mr VATSKALIS:** Milikapiti.

**Mr BROGAN:** Milikapiti is 100% complete and we handed over to the NT Police, Fire and Emergency Services on 13 June. There was some delay with essential services upgrades there. The other two ...

**Mr VATSKALIS:** Epenarra and Angurugu.

**Mr BROGAN:** Yes. We have not completed those two and cannot complete due to land tenure.

**Mr VATSKALIS:** Okay. Another one is funding for the resurfacing of 2.9 km of the circuit at the Hidden Valley Motor Sports Complex, revoted from 2012-13. What is happening there?

**Mr STYLES:** Brett.

**Mr BROGAN:** The design is complete and the tender has now closed. It will be awarded possibly next week and works will commence as soon as the V8s drive out of town in a couple of weeks' time. The current program commences construction on 11 July and we have 90 days to complete the works before the cars roll back in.

**Mr VATSKALIS:** I have one last question - \$1m is revoted again this year, after \$1m was revoted from 2012-13, to establish a stand-alone youth justice court in Darwin, through refurbishing existing government premises. What has happened with this plan? Has it been shelved or is it going ahead?

**Mr BROGAN:** We have done a couple of designs for our client agency, Attorney-General and Justice, and we are waiting for instructions.

**Mr VATSKALIS:** Thank you.

**Mr WOOD:** For clarification - minister, you gave me this list of contracts, but do you have a list of the contractors?

**Mr STYLES:** They are successful contractors.

**Mr WOOD:** For the houses under NPARIH. Can I get a copy of that?

**Mr STYLES:** We will take that on notice.

---

**Question on Notice No 9.5**

**Madam CHAIR:** Yes. Member for Nelson, can you please repeat the question for the records?

**Mr WOOD:** Minister, can you get us a copy of the contractors' list for the NPARIH houses and where those contracts are for.

**Mr STYLES:** That is in relation to what the Department of Infrastructure is responsible for.

**Mr WOOD:** Yes, I am referring to this document you gave me before.

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

**Mr STYLES:** I accept the question as it relates to the Department of Infrastructure.

**Madam CHAIR:** That question is No 9.5.

---

**Madam CHAIR:** Are there any further questions on Output 5.2? That concludes consideration of 5.2 and Output Group 5.0.

**Output Group 6.0 – Corporate and Governance**  
**Output 6.1 – Corporate and Governance**

**Madam CHAIR:** We will now move on to consider Output Group 6.0 Corporate and Governance Output 6.1 Corporate and Governance. Are there any questions?

**Mr VATSKALIS:** Minister, how many communications staff are employed by your department?

**Mr STYLES:** Zero.

**Mr VATSKALIS:** So who does the talking, the press releases and everything else - the ministerial office?

**Mr STYLES:** I will ask the chief executive to answer that.

**Mr McHUGH:** Things that go to ministers go to the minister's office and he releases those, but there is a core group based in the Department of Lands, Planning and the Environment who service this department, as well as Transport and Lands, Planning and the Environment.

**Mr VATSKALIS:** A joint arrangement. How many people are there?

**Mr McHUGH:** I think there are six or seven.

**Mr VATSKALIS:** Thank you. Minister, how many staff from the former construction division lost their jobs in the transition to the Department of Infrastructure?

**Mr STYLES:** Zero.

**Mr VATSKALIS:** How many were there? Have they all come to the Department of Infrastructure? - okay, good. Can you provide the total paid by the department for power and water bills over the past three years and what the forecast is for the next two years.

**Mr STYLES:** Can you repeat that question, please?

**Mr VATSKALIS:** How much has your department paid for power and water bills over the past three years and what will be the forecast for the next three years?

**Mr STYLES:** Just a moment, I will get those figures for you. Are you referring to the office bill?

**Mr VATSKALIS:** The department's bill - I suppose you have the office department.

**Mr STYLES:** Are you talking about street lights or anything like that?

**Mr VATSKALIS:** What do you pay? Are street lights paid by you? If they are paid by you, what did you pay Power and Water

**Mr STYLES:** I will ask Bob Pemble to comment on that.

**Mr PEMBLE:** Yes, we will need to take that on notice for the dollar amount, but we do pay for street lighting and water use on roads.

**Mr VATSKALIS:** Excellent.

---

**Question on Notice No 9.6**

**Madam CHAIR:** Member for Casuarina, please restate the question.

**Mr VATSKALIS:** What is the total paid by your department for Power and Water bills over the past three years and what is the forecast for the next two years?

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

**Mr STYLES:** I accept the question.

**Madam CHAIR:** That question is No 9.6.

---

**Mr VATSKALIS:** Thank you, Madam Speaker. I do not have any other questions. I will let the minister have his dinner.

**Madam CHAIR:** Are there any other questions on 6.1?

**Mr WOOD:** No.

**Madam CHAIR:** That concludes consideration of Output 6.0. Are there any non-output specific budget related questions?

**Mr WOOD:** You mentioned before that you will be undertaking a study of the railway line and the bicycle path in Coolalinga, which goes over the old railway line. I presume the department will carry out that study. Is that correct?

**Mr STYLES:** Can you repeat that, please?

**Mr WOOD:** You announced there will be a certain allocation of money for a cycle path.

**Mr STYLES:** Yes.

**Mr WOOD:** The Infrastructure budget mentions that \$1m, so I presume the study of the bicycle path will be done by the Department of Infrastructure.

**Mr STYLES:** There is one being conducted by Darwin City Council as well. I will ask Bob to give some details on that.

**Mr PEMBLE:** We have been working on some concepts for that section from Howard Springs to Coolalinga, and that is nearing completion.

**Mr WOOD:** You have 'heritage' over the top there. You are not destroying anything?

**Mr PEMBLE:** I am well aware of the heritage value of the old rail line.

**Mr VATSKALIS:** Are you using the old bridges or have they all disappeared?

**Mr WOOD:** We would like to know where one bridge is. It is not there anymore, so I presume you have to take that one into account.

**Mr PEMBLE:** Yes, some of those bridges do need redecking.

**Mr WOOD:** This one needs more than redecking.

**Mr VATSKALIS:** It needs a whole new bridge.

**Mr WOOD:** It needs legs, arms and decking. I wanted to make sure the heritage side - one of the reasons we have always pushed for this - is a priority. Thank you.

**Madam CHAIR:** There are no further non-output specific budget-related questions? That concludes consideration of all output groups relating to the Department of Infrastructure. On behalf of the committee, I thank the officers who provided advice to the minister today. Given there are five minutes to the dinner break, I am in your hands. If you want me to call on Multicultural Affairs, Seniors or Youth – no? Okay, so we will have five minutes extra for dinner tonight. We will see everyone at 7.30 pm when we will discuss Multicultural Affairs, Senior Territorians and Young Territorians. Thank you.

---

The committee suspended

---

**Madam CHAIR:** Thank you very much for the five minutes extra on dinner. That was appreciated by all of us who have been sitting here since 8.30 am this morning. I know that Output 7.0 Community Engagement and Support sits within the Department of Chief Minister. While the Chief Minister answered questions regarding Community Engagement and Support as a whole on Wednesday 11 June, I note that Multicultural Affairs, Senior and Young Territorians are a subset of Community Engagement and Support. As the responsible minister, questions relating to Multicultural Affairs, Senior Territorians and Young Territorians will be answered this evening.

Minister, I invite you to introduce the officials accompanying you and, if you wish, to make an opening statement.

**Mr STYLES:** Thank you, Madam Chair. I have with me Janet Buhagiar, Executive Director Social Policy Coordination, Department of the Chief Minister and Siobhan Okely. I do not have an opening statement.

**Madam CHAIR:** Okay, great. Are there any questions? You can ask them on all three.

**Ms MANISON:** We will just get straight to the point then. We did put in some written questions under your portfolios of Senior Territorians and Young Territorians. I am wondering if you have responded, and if you are willing to table those.

**Mr STYLES:** They are under each output area, so if you want to start off with Multicultural Affairs, we can give you those written questions under Multicultural Affairs.

**Ms MANISON:** Yes, I think it was seniors and youth, but we will start. Just for a bit of housekeeping - Madam Chair, are we going through Multicultural Affairs?

**Madam CHAIR:** There are no actual outputs – it is the whole thing. So if it is easier for the minister, we can do Multicultural Affairs, then seniors, then youth, or we can flop around. I am in everyone's hands.

**Ms MANISON:** I would not mind getting the written questions now for seniors and youth as well, if you are willing to table those, minister?

**Mr STYLES:** Yes, we are happy to table those.

**Ms MANISON:** Wonderful. Thank you very much.

**Mr STYLES:** In relation to written questions for seniors, we are currently working with Health and we still do not have the outcomes, so we will take it upon ourselves to get that to you as soon as possible.

**Ms MANISON:** Thank you, minister. I do appreciate that the Pensioner and Carer's Concession Scheme is administered there, so I appreciate that. Going into Multicultural Affairs - we have just discussed the fact the three different groups, seniors, Multicultural and youth all come under the Community Engagement and Support section under the one budget. Can you outline what the exact budget for Multicultural Affairs is?

**Mr STYLES:** In relation to grants, there are a number of ...

**Ms MANISON:** I am keen for the overall breakdown, with staffing as well, so grants, administration, what the overall budget is – what you spend on Multicultural Affairs.

**Mr STYLES:** The actual staffing costs – to try and split that out because these people actually do other things as well - in relation to Social Policy Coordination, there is time they will spend on Multicultural Affairs. I do not know whether they keep – like, 'I have done two hours and 36 minutes on this for that'. There are jobs at hand, so to give you a breakdown of that exact cost - I do not believe we can actually do that at this point in time.

**Ms MANISON:** Can you give us a breakdown of how many staff members you have dedicated to Multicultural Affairs or is it that they are all grouped together?

**Mr STYLES:** I will ask Janet Buhagiar if she can give you some details on that.

**Ms MANISON:** Thank you, minister.

**Ms BUHAGIAR:** The Chief Minister was asked for a breakdown of the Social Policy Coordination groups, so that question is being answered through that output area. With respect to the Office of Youth Affairs, that was part of your written questions.

**Ms MANISON:** Yes.

**Ms BUHAGIAR:** That has been answered and now tabled. With respect to the Office of Multicultural Affairs, we have restructured, so we have a senior manager position that is responsible for all three output areas, as the Manager for Community Engagement, Siobhan Okely. She is responsible for the Office of Youth Affairs, Multicultural Affairs and seniors. Then we have a senior policy officer within the Office of Multicultural Affairs, a senior policy officer within the Office of Senior Territorians and a shared policy officer between those two. The youth numbers - I have just handed over my written question response, so that has been taken.

**Ms MANISON:** Do you have that there? Could you just clarify the youth figures? How many staff members you have got there, while we are covering it all off?

**Ms BUHAGIAR:** So, as at 27 March the Office of Youth Affairs is 5.6 FTEs.

**Ms MANISON:** How does that look in comparison to the previous year?

**Ms BUHAGIAR:** As at 8 November 2012 the Office of Youth Affairs had 6.5. A 0.9 difference relates to the creation of the senior management position across all three, so it does not sit within that office any more, it sits across all three.

**Ms MANISON:** Okay, thank you. Going into Multicultural Affairs - we were discussing the budget, minister - would you be able to provide a full list of grants provided under Multicultural Affairs for the financial year to date?

**Mr STYLES:** You want a list of the grants?

**Ms MANISON:** Any money that you have put into the multicultural community through government through this a portfolio.

**Mr STYLES:** In relation to Multicultural Affairs grants, the first lot of grants, which is round one - the budget for that was \$750 500 and payments, as at 31 March 2014, were \$740 100. For round two, the total amount budgeted was \$40 000, the amount approved was \$54 000 and the payments, as at 31 March 2014, were \$45 300. For harmony grants there were 34 applications, 32 approved, \$40 000 budgeted - the amount approved was \$37 350 and payments made were \$32 730. The cultural and linguistic awards: there were six applications, four approved. The total budget was \$13 000, the amount approved was

\$13 000 and payments, as at 31 March 2014, were \$13 000. In relation to quick response grants there were 24 applications, 18 of those were approved, the budget was \$19 000, the amount approved was \$11 550 and to date we have paid out \$11 350. Multicultural facilities grants: nine were received, nine were approved, the total budget of \$273 000 - \$221 443 was approved and \$217 943 has been paid out, as at 31 March 2014.

The Charles See Kee Leadership Scholarship – there were three applications, three approved, a budget of \$10 500, \$10 500 was approved and those payments have not been made. The total expenditure of payments, as at 31 March 2014, is \$1 060 423.

**Ms MANISON:** Okay, would you be willing to table that information and does that break it down by each applicant, organisation and amount?

**Mr STYLES:** No, not the information I have here at the moment.

**Ms MANISON:** Would I be able to put that on notice? We had similar information provided last year.

**Mr STYLES:** Yes, we can take that on notice. I am happy to do that.

---

#### Question on Notice No 9.7

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

**Ms MANISON:** A list of any multicultural grants given in the financial year by amount, organisation, project description. Thank you, Madam Chair.

**Madam CHAIR:** That is the end? I was waiting for the comma. Minister, do you accept the question?

**Mr STYLES:** Yes, I accept the question.

**Madam CHAIR:** The question is No 9.7.

---

**Ms MANISON:** Thank you. About those capital grants which have been given out - I was looking at the *Hansard* from estimates last year and there was a bit of discussion around the Portuguese-Timorese Club and air-conditioning. Has anything progressed there?

**Mr STYLES:** I understand they were looking at making an application; it was a one hit application for a substantial amount of money. The Portuguese-Timorese Club decided to prioritise the works it required for the club, which included meeting safety and health requirements, and applied for an upgrade to the kitchen to meet health and safety requirements. That was only \$89 731, and it received \$17 230 for its outdoor lighting and recreational field considered unsafe for the general community. The total minimum applied for was \$106 961.

The current situation is that all applications for 2014-15 multicultural facilities grants will be considered by an assessment panel and recommendations from the assessment panel will be made for the minister's consideration.

**Ms MANISON:** So, was that application for \$106 000 approved or is it still under consideration.

**Mr STYLES:** It is under consideration.

**Ms MANISON:** When do you anticipate you will have a decision on that?

**Mr STYLES:** That is for 2014-15, so it is in the next budget. Do you want 2013-14 as well?

**Ms MANISON:** Information on 2013-14 would be great.

**Mr STYLES:** The Portuguese-Timorese Club applied for a \$517 010 grant for the cost of air-conditioning in the main hall. The amount requested exceeded the grants budget, and the panel was unable to see any benefit to the organisation in funding that project. The single quote provided for the air-conditioning was



considered excessive; the panel suggested that the organisation obtain two quotations for the air-conditioning, and these could be considered in future multicultural facilities grant rounds. So, it was not approved.

**Ms MANISON:** Thank you, minister. On the topic of capital works around multicultural communities, are there any applications you are aware of on the horizon for new multicultural facilities around the Territory?

**Mr STYLES:** In relation to facilities grants?

**Ms MANISON:** It would be facilities grants; I am thinking of new multicultural halls. Are any organisations in conversation with you at the moment about wanting to establish new multicultural facilities?

**Mr STYLES:** Yes, there are, but I do not know to what level of discussion you want me to go. Everyone wants their own hall. Because there is a shared arrangement and a grant which goes to existing multicultural groups that have their own facilities, and the facilities sharing grant - there are a number of those arrangements in place at the moment - but wherever I go everybody wants a bigger and better facility. The Filipinos want air-conditioning, and if you go to Alice Springs the people want land for mosques and temples. It is ongoing, but at the end of the day, all of those people have to go through the multicultural facilities grants process.

**Ms MANISON:** But there are no new specific projects on the horizon at the moment?

**Mr STYLES:** There will be, I imagine, various organisations coming to us. There are a number looking for land; they have made representations to the Minister for Lands, Planning and the Environment for land.

**Ms MANISON:** Can you outline which organisations those are?

**Mr STYLES:** I do not know where those are. That is something which has to be put to the relevant minister. I do not know exactly where the negotiations are.

**Ms MANISON:** Can you outline the groups themselves?

**Mr STYLES:** The groups? I do not know exactly how many groups have applied for them. What happens is that when they are looking for land they have to go to the Lands minister. So, I do not know how many applications he has in front of him, and I do not know which organisations have progressed to the point where they have made an application.

**Ms MANISON:** At the moment, you are not aware of any new specific organisations, groups or multicultural organisations across the Territory that have plans, at this point in time, to build any new facilities?

**Mr STYLES:** There are lots of people with ideas, but no one has put a paper in front of me and said, 'We want to do so this', it has not come to us yet.

**Ms MANISON:** So, there is nothing in that regard. As local members and ministers, we all come up against people in our ear when they see us out and about at multicultural events, about how the Power and Water tariff increases are affecting individual organisations and groups. Have you had any specific representations this financial year with regard to any multicultural organisations having difficulties in meeting these higher costs of power and water, and the impacts they have on those associations?

**Mr STYLES:** That is a matter for Power and Water. I am sure those people, if they are in existence, would have, hopefully, applied to Power and Water for some arrangement. It is not an issue that is high on the agenda of all the people I talk to. It is not something where they have come to me and said, 'We are struggling with paying the power bill'.

**Ms MANISON:** Okay.

**Mr STYLES:** I have not had any representations from any multicultural groups saying, 'We are struggling with the power bill'.

**Ms MANISON:** As the Minister for Multicultural Affairs, you have not had to undertake any activities around modelling impacts of power and water costs on these organisations?

**Mr STYLES:** No, I have not, but I am sure Power and Water has.

**Ms MANISON:** I struggled to get information out of them or to sit down with them, minister, to be quite frank. When I have asked for things like cost-benefit analyses, it is not generally forthcoming, or it has not been done.

In regard to your advisory council for Multicultural Affairs, how is that going?

**Mr STYLES:** I can say the ministerial advisory council on Multicultural Affairs was developed to be an effective avenue for engagement between the NT government and the multicultural community. Representatives from multicultural community organisations such as the Melaleuca Refugee Centre, Multicultural Council of the Northern Territory, Multicultural Community Services of Central Australia, Local Government Association of the Northern Territory and the federal Department of Social Services have been invited and have agreed to participate on the council.

In March 2014, expressions of interest were sought from the multicultural community for membership of the council. Membership of the remaining participants is currently being considered. There is a \$20 000 allocation from the Office of Multicultural Affairs' operational budget to convene the council.

One of the recommendations from the review of program funding to the two key service providers to the migrant and multicultural communities was to develop a minister's council based on multicultural community representation, with an advisory role to the minister. The council will focus on a strategic approach to deal with issues affecting the multicultural community and direct specific tasks to the relevant working groups to undertake in addressing these issues.

The working groups will be established, as necessary, on particular issues such as employment, regional issues and community safety to work directly with the community and stakeholders. Specific tasks for these working groups will be directed by the council. Other working groups may be formed if the need is demonstrated. Working groups will not be ongoing and will operate as issues-based groups focusing on completion of set initiatives.

Depending on the issues to be addressed, it is anticipated the council will meet biannually, and the working groups on a quarterly basis or as required. It is anticipated the first meeting will take place in the first quarter of the 2014 financial year.

**Ms MANISON:** Okay. Granted, you issued a media release about this on 28 February, expressions of interest closed on 21 March and we are in mid-June now. Do you know when you will announce the membership and finalise that?

**Mr STYLES:** It is imminent.

**Ms MANISON:** Very soon?

**Mr STYLES:** Very soon. Imminent is very soon.

**Ms MANISON:** That is good to hear, minister, because it has taken a while.

I want to touch on another issue fairly close to many of our hearts at the moment and very important to the multicultural community, certainly shown through the feedback that has been coming through loud and clear. It is in relation to the proposed changes to the *Racial Discrimination Act 1975* by the Abbott government, which you are well aware of. You have spoken of it in parliament. We have been to the same meeting with the Multicultural Council of the Northern Territory to look at it.

You have carriage of Multicultural Affairs. As minister, with the Office of Multicultural Affairs, what work have you been doing with the multicultural community to get feedback on its thoughts about the proposed amendments to the *Racial Discrimination Act 1975* which have been put forward by the Abbott government?

**Mr STYLES:** I was at the same meeting you were, and there were a number of people who had concerns with it. Some were quite alarmist and extremist, and others did not see a problem with it. There was a variety of people either against it or supporting it. No one has made any submissions to me at all, or to the department. It is not an issue that is raised, and I am out and about in the multicultural community on a regular basis. It is not been an issue that has been raised.

**Ms MANISON:** I am quite surprised to hear that, because, generally, I have had some representations and people are pretty fired up about it when they do speak about the proposed changes. They do effectively lower the bar and open the door in today's society to allowing more racist debate.

**Mr STYLES:** That is a matter of opinion as to how each person perceives the lowering of the bar or the heightening of the bar. I am quite surprised you have had so many people talk to you, because no one has come to me as the minister with a concern about it. I went to the meeting, I spoke to a few people there and I have spoken to others who were there after that and. When I was leaving there were a few people left. I asked whether there were any particular issues and no one has a particular problem from my perspective. I think we are as surprised as each other that you have so many and I have none. I am the minister, so one would expect that if those people hold such concerns, they would probably come to me or make some submission.

**Ms MANISON:** As Minister for Multicultural Affairs, you did not instruct your agency to consult more broadly with the Territory community and the multicultural groups about the proposed amendments?

**Mr STYLES:** It is about federal strategic policy. Because it has not been raised with me, no one has sent me an e-mail and we have not initiated any great survey, because no one has contacted me and said that it is a terrible thing.

**Ms MANISON:** As minister, do you have concerns about what was proposed by the Abbott government?

**Mr STYLES:** The issue you raise is something in the federal arena. If, once we get the advisory council up, it says this is a major problem for us, we will obviously look into it.

**Ms MANISON:** So submissions have closed, but ...

**Mr STYLES:** Yes, that is right, because that is a federal issue. We have a ministerial advisory council on multicultural affairs. If that council meets - it is going to meet early in the first quarter of the financial year - and deems this to be an issue, then a working group will be formed and we will have dialogue. If there is anything the department needs to do to follow up on that, we will do that.

**Ms MANISON:** But you, as Minister for Multicultural Affairs, have made no representations to the federal government with regard to this issue?

**Mr STYLES:** No, I have not, because I have had no contact at all, as the minister, in relation to this particular incident.

**Ms MANISON:** Does the Giles government have a particular view on the proposed changes?

**Mr STYLES:** These come under the purview of the Chief Minister and the overall capacity of the Department of the Chief Minister. I do not know what Adam Giles has done in relation to contacting the federal government. That is a question that should have been put to the Chief Minister. In my portfolio of Multicultural Affairs this has not been raised as an issue.

**Ms MANISON:** So we can say tonight that, basically, as Multicultural Affairs minister, you have made no representations to the federal government regarding the proposed changes to the *Racial Discrimination Act*?

**Mr STYLES:** That is the area of the Chief Minister.

**Ms MANISON:** Yes, but as Minister for Multicultural Affairs you have not made any representation. You have not put any views forward to Canberra.

**Mr STYLES:** No, I have not made any representations, because it has not been raised as an issue. It is something the federal government is running. It has taken submissions, but I have had no one contact me at all.

**Ms MANISON:** Granted you are going to raise the issue with your new multicultural advisory council ...

**Mr STYLES:** No, I will correct that. If it meets and raises it as an issue, it can form a working group and inform the minister there is a problem, but generally ...

**Ms MANISON:** Your views will be shaped if they do come to you?

**Mr STYLES:** I am not going to pre-empt whatever will happen, but whatever will happen as a result of a working group - if they come and give advice to the minister the department will obviously look at that and we will make a determination as to which way to proceed.

**Ms MANISON:** With the new ministerial advisory council, will there be any formal mechanisms for reporting? Will minutes be published, for example?

**Mr STYLES:** I will ask Janet Buhagiar to answer that.

**Ms MANISON:** Thank you, minister.

**Ms BUHAGIAR:** The terms of reference and the reporting mechanisms will be determined by the council once they first meet, so that will be the first matter for the agenda, and for the Chair and group to decide on, with the frequency of reporting and in what mechanism.

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

**Mr McCARTHY:** Minister, having just learnt that the spokesman for Multicultural Affairs has been approached, and it is an issue within the community - assuming people may be a little conservative about approaching a minister with this issue, do you think you should lead this discussion and get it onto the agenda of the new advisory council?

**Mr STYLES:** I do not accept the premise of your question, when you say, 'It is an issue'. You believe it is an issue. I have a four page list here of the multicultural events I have attended in just under the last year. People do not have any problem raising anything with me; I have known most of these people for many, many years. I have been out working it, and I am good friends with a lot of these people. I am surprised that you say people might be hesitant to talk to a minister. I have a far better relationship with people in the multicultural community, so if you perceive that they might be afraid to talk to you, I can say that they are not afraid to talk to me. I have long-standing relationships, and on other matters they are very quick to talk about a range of things and to criticise the government as a whole, in relation to what they may perceive as problems. However, you go right through the multicultural community here, there is a substantial number of events, and it has not been raised.

**Mr McCARTHY:** Minister, I will acknowledge your great relationship with the multicultural community, but having heard from the shadow spokesperson, who also works within that community, that there are concerns, do you think that is good advice for a minister to lead this discussion with the new advisory council?

**Mr STYLES:** Perhaps it would be behove the shadow minister for Multicultural Affairs to write to me and say, 'This is an issue out there and these are the sorts of things people are talking to me about'. That would be a good start. If I received a letter from the shadow minister saying, 'Minister, these are problems out there', we would deal with that. However, I have no idea what the extent of those problems are. If you have information, I am very happy to take it on board, and then make a determination as to which way we might proceed.

**Ms MANISON:** It does come down to where I sit in the order of the opposition. I know the Leader of the Opposition has written to every member of parliament with her proposals, and the proposals which are very strongly supported by the opposition, with regard to changes to the *Anti-Discrimination Act*, if these proposals the Abbott government wants to put through for the *Racial Discrimination Act* do go through. I suppose that has been put out for consideration, and to all members of parliament, calling for bipartisan support.

I have certainly had people approach me. I think it is a really important issue here in the Northern Territory, because multiculturalism is one of our greatest strengths. I see you with communities and you have some great relationships out there, but I am surprised you have not heard about this as a big issue. I have heard a lot of people fired up about the proposed changes.

**Mr STYLES:** I would be very happy to-if you want to give me the names of those people, that would be great, otherwise, tell me about the various communities which might claim to be disturbed about proposed federal changes. I am very happy to take that on board and if you want to give me some information, we will assess it and make a determination as to how we might proceed.

**Ms MANISON:** With your new ministerial advisory council and the discussions it will have, will the Leader of the Opposition's proposed changes to the *Anti-Discrimination Act*, if the Abbott government is successful in putting through its changes to the *Racial Discrimination Act* - is that something you will be seeking advice from them about, with regard to their views about potential changes to the *Anti-Discrimination Act* to strengthen laws to protect people from racism and vilification here in the Northern Territory?

**Mr STYLES:** I have not received information there is a problem. If you can give some information, I will gratefully accept it. What will happen is the Ministerial Advisory Council for Multicultural Affairs will meet; it is representing the multicultural community. It can set up a working group to find out what people are saying, thinking and then report back. It is then we will make a determination as to how to proceed. I cannot give you an answer tonight and try to preempt what that particular group might decide and what it might not. If it is a problem, I am sure it will probably raise it, and that will be a good thing. In the meantime, if you want to give me some information you have, I will gladly take it and we can make a determination on how we proceed.

**Ms MANISON:** I am glad you will be very open and willing to listen to your new advisory council when it comes in, and it will certainly be something on which we will be more than happy to pass on communication, regarding proposed changes to the *Anti-Discrimination Act*, if the Abbott government does succeed in changing it.

**Mr STYLES:** Excellent.

**Ms MANISON:** With regard to the overall community engagement and support budget, there has been a bit of variation this year, where it has gone up to \$9.2m. On paper that looks like a very good thing. Can you talk us through the reason for the ...

**Mr STYLES:** I will ask Janet Buhagiar to talk here.

**Ms BUHAGIAR:** The community engagement grant bucket also includes community support grants, which sit in the Chief Minister's output area.

**Ms MANISON:** Okay, so that is the key reason behind that variation. With regard to Multicultural Affairs, I have asked my questions, so do you have any, Gerry?

**Mr WOOD:** I have a couple of questions. Minister, what engagement does your department have with refugees at Wickham Point and the airport?

**Mr STYLES:** We have interaction with federal departments. My staff from the Department of Chief Minister meet with them from time to time, but we do not have any direct contact. What happens out there, through Immigration and the federal departments, is that they have people who work with them. We have people like the staff at Melaleuca. Melaleuca will be represented on the Ministerial Advisory Council. So, I would imagine that through those working groups there will be issues which come up. If they are federally-related issues, we can pass that on, but we are really interested in Territory-related ones. I think I can safely say, member for Nelson, we do not have any direct contact in providing services to refugees.

**Mr WOOD:** Do you assist any of the NGOs which may have contact with the refugees?

**Mr STYLES:** I am sure there is assistance given to NGOs at a Territory level. If you look at the Multicultural Council NT, which the government provides funds to, it has a community worker there. I am sure there is money which goes out to other various multicultural groups, which will use some of their time to help refugees who have settled here or immigrants. There is a range of services provided by the Multicultural Council NT.

**Mr WOOD:** I am specifically talking about the refugees behind the wire.

**Mr STYLES:** No. It is all Commonwealth funding and Commonwealth controlled.

**Mr WOOD:** They are still our neighbours. Some time ago there was a paper put out called 'Engagement of the African Community in the Northern Territory', and it looked at a range of issues of concern which people, especially from African countries such as Guinea, Uganda, Egypt, Kenya, Sudan, had experienced. For instance, according to this report, less than 40% of respondents indicated they had received information about employment, welfare, legal and NT government services. There was a negative rating on understanding health services, and there were quite a few other issues which this report raised. Has the

government looked at that report? It is a few years old, but how have things changed in relation to how those people from Africa - because we have a number of them coming in, I presume, on a regular basis – are being integrated into our society?

**Mr STYLES:** Through the Multicultural Council of the NT, some people work with the African community. However, as a unit in the government and in the Department of the Chief Minister, we focus on all. But, obviously, there are those - if you look at Italian immigrants, they probably do not need as much help as the Africans do. Obviously, on a needs basis, people feel the need.

There is a well-established Greek community here, and there are quite a number of Greek people who were born here and went back to Greece some years ago, and are moving back to Australia. Some of them are struggling with English and a whole range of things. The Greek community seems to have been able to pick up a lot of the slack there.

If you go to Central Australia, there is quite a large group of Africans moving into Central Australia. There are jobs there for them, which they can fill. Marguerita from the Central Australian Multicultural Council does a fabulous job. I was down there and met with them all several months ago. They all seemed to be fairly happy. Obviously, everyone wants more resources. There are a number of people there who want, as I said, new land for mosques and for halls and things, but they have yet to make formal applications for those.

Generally, the government has provided services through the Multicultural Council NT - there is a community worker out there. Melaleuca Refugee Centre does trauma counselling with some refugees. The Territory government has made facilities like Anula Primary School, for instance, available for the English as a Second Language. On top of that, the school and the community have a lot of functions there to get the community involved and make them feel comfortable.

**Mr WOOD:** Thanks, minister.

**Mr STYLES:** Sorry, can I just add that Sanderson Middle School also has a large refugee children's program running, and they are doing a fabulous job of being able to make those kids feel more at home. There is a lot of work going on out there.

**Mr WOOD:** That is great, and you probably have a better chance with the children than you have with the adults. The concern this report has highlighted, for instance, in accommodation is that they felt there was a bias against them because they were African tenants, and there were problems with getting accommodation. That might have changed. This report was done a number of years ago. Are you getting any feedback that African migrants are having more difficulty than any other refugees who are coming in?

**Mr STYLES:** It is not an issue that has been raised with me as a major concern. However, we have the Africa Australia Friendship Association NT, which works very well with the Portuguese-Timorese Social Club, where there is co-sharing of those particular groups. I get to the Nigerians, the Africans, the Sudanese - a whole lot of functions I get to. There are many Islamic people who come from some of those areas. I regularly go to the mosque in Wanguri. I think I am going next week to the mosque at Palmerston.

I get around the place and I am not hearing there is a major problem. There are, generally, problems with Thais coming in, Timorese workers, Filipinos. There are issues in every community. However, I do not think, at this point in time, Africans are overrepresented.

**Mr WOOD:** That is right. What happened with this particular review was that people doorknocked, so the review was fairly intense. They worked out where people came from, got a percentage of those people and went around and doorknocked to ask them what the issues were. As I said, it was a while ago. I thought it would be interesting to see, if there was that engagement again, whether those problems mentioned in this report had been overcome.

There were a series of recommendations, some for the Australian government, some for the Territory government. This came out of the Department of Chief Minister at that time. Obviously, that was the previous government, but if a report had come out saying there are these issues, it would have been good to follow up in years gone past and say, 'Well, most of those issues are not there anymore'.

**Mr STYLES:** We do not have any current information in relation to complaints. What may happen is that through housing issues and public housing that may go through to the Housing Commissioner. The

Housing Commissioner is, of course, the Minister for Housing. We do not have any large-scale issues and problems coming to light from the African community.

**Mr WOOD:** Are we still getting a number of people coming in from Africa on a regular basis each year?

**Mr STYLES:** I do not have exact numbers. Immigration would be able to tell us. I am reliably informed the numbers have reduced substantially.

**Mr WOOD:** Okay. I do not have any other questions.

**Madam CHAIR:** We are going to go to Senior Territorians next.

**Mr STYLES:** I am happy to go to seniors.

**Ms MANISON:** Seniors. No worries, minister.

**Mr WOOD:** He can speak from his own experience here.

**Ms MANISON:** Gerry!

**Mr WOOD:** I must have been referring to myself.

**Mr STYLES:** So many people are so unkind.

**Madam CHAIR:** You have upset the member for Daly.

**Members** interjecting.

**Ms MANISON:** Given we have limited time – minister, you are almost there – what I wanted to bring up firstly, as the shadow for seniors, was the issue of housing, as we were just discussing. I know you are not the Housing minister, but the other minister who stands up for senior Territorians out there. Certainly, one of the most confronting things I have found since taking this job has been the people who are presented to me in their later years of life who run into a bit of strife with their housing situation. Given our very high cost of housing, when something does go wrong, they have very limited options if they are a senior.

For example, with public housing - I am just looking at some dates here - if you were to look at March 2012 to November 2013 – those are the latest figures I can find on the Housing website - for a one-bedroom unit in Alice Springs, the waiting list has gone from 50 months to 71 months; for Darwin and Casuarina it has gone from 70 months to 91 months, so that is up by 21 months; in Palmerston it has gone from 60 months to 72 months; Tennant Creek has gone from 41 months to 65 months; and Katherine has gone from 34 months to 38 months. We have seen considerable increases in the waiting list, and I cannot see any new plans bringing in public housing specifically targeted at seniors.

I have heard some numbers in terms of priority housing and waiting lists where it has blown out by years as well. People at the very lower end of the scale – when something goes wrong and they need to get into public housing - I appreciate it is even longer for people on the general waiting list - there seem to be some real challenges there for them.

I am keen to hear what work you are doing with the Housing minister to look at the issue of seniors' public housing, but not just public housing, also looking at more private investment, for example in seniors retirement villages. I know there is a bit of work happening, looking around Palmerston way at the moment as well, but the sort of representations you get and the sort of advocacy you are working with your Housing minister around the Cabinet table to try to push for more housing for seniors in the Territory.

**Mr STYLES:** Thank you for the question. Firstly, that it is not my output group, as you stated earlier. There are things that occur and are discussed in Cabinet, and I am not at liberty to discuss those things, but what I can say is I work very closely with my ministerial colleagues to work on the issues you raise. There are people who from time to time brief me on what their plans might be for a retirement village. I encourage developers, whenever I get the opportunity, to build units. What we have seen in the overall development for not only seniors, but youth too, is the advent of smaller units, centrally located, where they are a lot cheaper - \$400,000 for a smaller unit. You may be aware in the recent past that developers were building nice, big three-bedroom units so there was plenty of room; what they are now doing is building smaller units. Generally, most seniors I know do not want a larger place, what they want is a smaller place which is

easier to maintain. If they are on some sort of federal health package, they want people to come in for a short period of time to assist and clean the place, get it sorted and then get out, because they do not have a lot of time.

There are people I know at the moment, in my own electorate, who are thinking of moving out; what they would like to do is move into some sort of a unit situation, which is located near where they live. To that end, I have been encouraging developers to look at where they can develop the sort of units these people want to buy, so that their kids can perhaps move into the family home, the grandkids can go to the local school and Nanna and Grandpa are right next to the local school. I have encouraged anyone who would listen to me to actually build these sorts of units on the sites of local shopping centres. In Wanguri, if you took the local shops there, it is right next to the school. You can build cheap units for older people retiring; you may find that people's parents will move in there, the grandkids will go to Wanguri school and Nanna can go and pick the kids up from school. That is the sort of thing I have been encouraging people to do, I have encouraged my ministerial colleagues and the Minister for Lands, Planning and Environment to do whatever they can to facilitate this.

There are a number of people looking at these particular developments as we speak and I am just hoping they will get them going pretty quickly. Obviously, I am aware there are issues, but as for what is discussed in Cabinet, what I can say is that I go into bat for seniors on a regular basis. I probably have more of an interest in that than some of the others in Cabinet - a bit of self-interest there in years to come. I will be looking for something like that probably a lot sooner than the member for Blain.

**Ms MANISON:** We have some big blowouts in public housing waiting times for seniors. They do represent the largest proportion of people within public housing in the Territory, so I cannot see any new plans for any new senior-specific buildings or more accommodation in the budget.

**Mr STYLES:** I understand the Minister for Lands, Planning and Environment is talking to quite a lot of people in relation to building retirement villages which will look after people out there. At Tiwi, there was construction of a number of units recently that look at ...

**Ms MANISON:** I think they had about 12 there for NRAS.

**Mr STYLES:** Given the debt the federal government is facing, there are obviously issues for the Minister for Housing and the Minister for Lands, Planning and Environment. Of course, what I can do and what I do is advocate for seniors, and I harass my colleagues to get moving.

**Ms MANISON:** Good, I am glad to hear you have been harassing your Housing minister about the public housing situation there and those waiting list blowouts. We have seen some fairly hefty policy changes with the Northern Territory Pensioner and Carer Concession Scheme in this budget. I appreciate you are not the Health minister and that the Health minister does have carriage of that scheme; however, you are the Minister for Senior Territorians. There are some fairly big changes that will lock people out of that scheme going forward with the new means testing. Did you consult with any seniors' groups, in particular, before coming to the decision to change the scheme?

**Mr STYLES:** I had some conversations with seniors' groups who approached me in relation to rumours and possible changes. I advocated for those people in Cabinet and then we made some decisions in Cabinet. What you have in front of you and what you can read is the decision we made as a Cabinet.

**Ms MANISON:** We have also heard some fairly strong language from your Chief Minister with regard to the federal cuts affecting the scheme of, I think, in the vicinity of \$1.4m this financial year alone. As you are the Minister for Senior Territorians, have you raised concerns with our federal representatives in Canberra about those cuts?

**Mr STYLES:** I spoke to one of our federal members, Natasha Griggs, about that. I know the Chief Minister has had dialogue with our federal counterparts on that, as well as numerous others, but what I can say is that the Department of Health also provides the NT Pensioner and Carer Concession Scheme. That, obviously, assists our pensioners and carers in certain categories on low incomes, and it is to meet the cost of essential services and provide an incentive for senior Territorians, that is women over 60 and men over 65, to remain in the Territory. We obviously want people to remain here. However, given escalating costs, reduced income and having to pay over \$1m a day in interest on loans and substantial debt we inherited, it is a tough call and hard decisions have had to be made. I would love to be in a position to get the chequebook out, and say, 'Well, great, thanks very much', but we are not in that position. We are in a tough financial and fiscal position, which we inherited, as is the federal government.



I know the Chief Minister has had some strong words to say about the federal government and where its cuts have come. We are not happy about that, but we continue to make representations to the federal government for more money for Territorians as a whole, and included in that is more money for senior Territorians.

**Ms MANISON:** I am glad to hear you will be putting the fight in for the funding of seniors there. Looking at grants for seniors groups in particular, are you able to provide information on those? It would be particularly helpful if you could table which grants have been given in the financial year under the ministerial portfolio of Senior Territorians.

**Mr STYLES:** The Minister for Senior Territorians has responsibility for the Office of Senior Territorians grants program, which includes Seniors Month grants and annual service agreement funding for COTA NT. With Seniors Month grants, the NT provides grants of up to \$2000 to community organisations to assist them with community events during Seniors Month in August. The total budget for the allocation of Seniors Months grants for 2013-14 was \$50 000. A total of \$47 957 in grants was provided to 35 organisations for 2013-14 Seniors Month activities held across the Northern Territory.

Due to the timing of Seniors Month and the availability of funds, \$26 809 in grants was paid in 2013-14, and \$21 148 was paid in 2012-13 for 2013 Seniors Month activities. The savings made, due to the payment timing of Seniors Months grants, were used to contribute to the Portrait of a Senior Territorian Award, and applications for 2014 Seniors Month grants open on 1 April 2014 and closed on 16 May. Those are the Seniors Months grants.

**Ms MANISON:** So, can you table the actual grants by organisation? Is that information available?

**Mr STYLES:** We can take that on notice and get that to you.

---

#### Question on Notice No 9.8

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

**Ms MANISON:** Can we please get a list of the Seniors grants for the financial year allocated by amount, organisation and description.

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

**Mr STYLES:** I do, Madam Chair.

**Madam CHAIR:** The question is No 9.8.

---

**Ms MANISON:** Thank you, minister. With aged care beds, I appreciate it is not under your jurisdiction, as it is something which sits with the Health minister. Have you been doing much work with her around that? I know she said the federal minister was in town on Friday to hold discussions about that.

**Mr STYLES:** Aged care beds are not my realm.

**Ms MANISON:** Okay.

**Mr STYLES:** So, no, I have not.

**Ms MANISON:** For Seniors, that is all.

**Mr WOOD:** I might ask a couple of questions. You mentioned aged care - I had a discussion with the minister for Planning, albeit it was on a different page to me. We need someone to push for aged care in the rural area. Many people do not relate to the suburbs. You might think we are all Territorians, but rural people like to stay with their own people, their own community. We still have not had any move by the government to use its own land, for instance at Humpty Doo, for the development of an aged care facility.

Is there any chance you could promote that? As I said, the minister believes an aged care facility was going in a certain development in Humpty Doo. I honestly do not believe that was the case; it was put there

to sweeten him up. There is Crown land at Humpty Doo, and it would be good if you could put that. Do you have contact with aged care providers?

**Mr STYLES:** Yes and no. Quite often, when aged care providers come to the Territory they talk to the Minister for Health and, no doubt, the Minister for Lands, Planning and the Environment. What generally happens is they make a courtesy call to me as the minister for Seniors, drumming up support for whatever project or provision of services they want to provide. I am very happy to meet with them, and I am very supportive of what they do.

Recently, I had Southern Cross and Masonic Lodge people come to see me. I have not had any other providers come to see recently. Basically, aged care is a very complex issue. It is not something I normally get involved in, apart from advocating for the provision of facilities.

Even though it is not my portfolio, I have an interest. I am contacted by a number of people in my electorate and the broader community for the provision of services. In Cabinet, I can assure you I go into bat for those people and I make sure their voices are heard, not only in the parliamentary wing, but also in Cabinet.

The issue in relation to Ministerial Advisory Councils is that the Ministerial Advisory Council for Senior Territorians has depth and breadth on it. I am sure these people will be raising these issues. Once you have a working group formed out of the Ministerial Advisory Council, they will be tasked to do certain things, can take on certain things and give the minister certain recommendations.

The reason we have formed these Ministerial Advisory Councils is to do exactly that - take things on and bring them to us which are occurring in the community. They are, as they are in the multicultural area, going to be the eyes and ears to bring forward many of the suggestions the member for Wanguri is talking about in relation to the *Racial Discrimination Act 1975* and what the federal government is doing. It is about bringing on aged care interests, the ACAT assessments which either are or are not happening. I can assure you your neighbour, the member for Goyder, is very active in promoting aged care in the rural area.

**Mr WOOD:** Which is good – and the member for Daly too.

**Mr STYLES:** All of those people ...

**Mr WOOD:** He needs to look to his future. Minister, how much money did the government save by cutting back those who could receive senior concessions?

**Mr STYLES:** I do not have that figure. I am sure the Health minister, if you wrote a letter or sent an e-mail, would be happy to give that to you.

**Mr WOOD:** I am being a little cynical here, but how much money did you spend on upgrading the Stuart Highway around Barrow Creek for the open speed limit?

**Mr STYLES:** Barrow Creek? We did not save anything. In relation to your original question, they did not save anything because it is ...

**Mr WOOD:** They did not have to spend any, but they had a saving on what they would have spent.

**Mr STYLES:** I am assuming - and I do not have the projected figure - if you wrote to minister Lambley, she would give you that figure.

**Mr WOOD:** You said we are struggling for money, and the Labor Party did all these terrible things when they were in government. How much money did you spend on ...

**Mr STYLES:** Did I say that?

**Mr WOOD:** No ...

**Mr STYLES:** I do not think I said they did all these terrible things. I may have used other words to describe what happened ...

**Mr WOOD:** Probably your companions in government ...

**Mr STYLES:** It was probably somebody else, Gerry, it was not me.

**Mr WOOD:** Bearing that in mind, how much money did you spend on widening and upgrading the road around Barrow Creek for the open speed limit?

**Mr STYLES:** That is a totally different output

**Mr WOOD:** I just need to ask.

**Mr STYLES:** I do not have that information.

**Mr WOOD:** About \$3.5m.

**Mr STYLES:** I do not have the information with me because those files are gone ...

**Mr WOOD:** Would I be too cynical in saying that on one hand you could find \$3.5m for something that is unnecessary - if you really want to do it, you could do it in a time when we were in a surplus. Yet on the other hand, you have cut a certain number of seniors out of these concessions. Is that not a bit unfair?

**Mr STYLES:** I do not have the figures to compare.

**Mr WOOD:** I know it is about \$3.5m, I was just asking the question. The government has cut based on, 'we cannot afford it', and yet we seem to have gone down the path of widening a piece of road so that people can drive at 200km an hour without hitting a cow. I think the priorities are wrong.

**Mr STYLES:** It is another output group.

**Mr WOOD:** I know that.

**Mr STYLES:** I cannot give you the exact dollar figure, but ...

**Mr WOOD:** You made the broad statement that things were crook in Tallarook.

**Mr STYLES:** I accept you made a statement and that is it. But it is outside what we are talking about here today.

**Mr WOOD:** Thank you, minister. That is the only question I have at present on seniors.

**Mr McCARTHY:** Are you aware of any other jurisdictions that have taken that policy position to start means testing seniors?

**Mr STYLES:** I understand that means testing goes on. I do not have the exact information. It is something you really – again, I know it has passed, but you might like to write to the Minister for Health and ask her for all that information.

**Mr McCARTHY:** Did that take effect from the parliamentary date? When did it take effect? Or when does it take effect?

**Mr STYLES:** I think it takes effect on 1 July.

**Mr WOOD:** You just put it back in to the system. I will present you with it.

**Ms MANISON:** Youth Affairs minister - I think it is a very exciting area because we all appreciate that you have got a very ...

**Mr WOOD:** We can all speak from experience on this one, can't we?

**Ms MANISON:** It is a very important area because we have a very young population here in the Northern Territory and it has been long standing here. You have the Office of Youth Affairs working within the Department of the Chief Minister and they seem to have a very busy agenda, with all sorts of events like the Chief Minister's Round Table of Young Territorians. I am just keen to find out a bit around your priority areas for youth over the next financial year here in the Northern Territory.

**Mr STYLES:** The Chief Minister's youth round table has been upgraded. Once we came in to government, we took it from the minister's youth round table, back up to the Chief Minister's youth round table. It was

elevated because it is important to hear what youth are. – they may only be 20%–25% of our population, but they are 100% of our future. Having worked with youth for 20 years, I can appreciate - having three kids and a number of grandkids I keep being reminded of issues that affect young Territorians. I can honestly say there are no old people here, there are just some of us who are not as young as we used to be.

Further to Framing the Future, there is a youth participation framework to be considered by Cabinet in July, and that details what our priorities are. Once that has gone through Cabinet, it will be released. As someone who has been involved with and taught 40 000 young people in the Northern Territory, I have a great network out there among young people. I taught half the young people in the youth round table when I was an instructor in schools.

**Ms MANISON:** You probably taught me at one point, minister.

**Mr STYLES:** Probably - I contacted and taught 40 000 young people. Over 20 years involved in that.

**Mr WOOD:** You must be getting on.

**Mr STYLES:** No, that is just over 20 years, Gerry. I worked right across the northern suburbs, down in Palmerston and right out to the rural area, Bees Creek. It was probably one of the most rewarding times of my life. I actually have a relationship with young people where they still turn up to my electorate office to talk to me, even though some of them have kids of their own. When I listen to their concerns, and what they would like to see – I get around to my shopping centres and I get around to all the youth functions. I get to hear the sorts of things they want.

There is a new initiative. It is not out there yet, but most people in my electorate, when I door knock, are aware there are neighbourhood activity centres. It is an exciting new initiative that is not quite like anything else. We are looking at a whole range of things occurring around the world to see whatever we can beg, borrow and - preferably not - steal, but there are a lot of people around who will share their ideas. This is currently being developed and it is yet to go to Cabinet, so I will not talk about the actual details. What I can say is that this is an exciting and innovative new program that is coming; it comes from my being involved in politics for many years in the Northern Territory and, of course, being involved in the community. I have talked to many young people, run programs of my own and seen the results of some of those programs.

When you can put it all together and work with a fantastic team that is in the Office of Youth Affairs in the Department of the Chief Minister - I can hardly contain my excitement about what is coming. I have been prepared to take all of my intellectual property over the last 15 years and give it to the department and give it to Territorians because I firmly believe that what will come out will get the support of both sides of politics. I remember talking to some of your colleagues when they were in government and suggesting it to them; they just said 'good luck', but I was still developing it. I expect the youth are going to have a totally new way of operating in their community. That will also involve older and multicultural people, and I just wish we had another two or three hours so I could tell you about it, but we do not.

**Ms MANISON:** You do not look like it.

**Mr WOOD:** You can stay here.

**Mr STYLES:** I could put it on the record while everyone else went home. In relation to youth right across the Territory it is fantastic. Once we actually get it passed I will be very happy to come and sit and talk to you for two or three hours to give you a total broad picture of what it is. I am sure that if you are like everyone else I doorknocked when I talked about it, you will not ask for the long version - because it takes a long time - but I would be very grateful for some time to spend with you to talk about it, because it will revolutionise the way we interact with young people and how we deal with our seniors and multicultural communities. Of course, there are those people who are out working, paying the taxes and they will get involved in it, hopefully, in the evenings and things like that.

**Ms MANISON:** It is going through Cabinet soon?

**Mr STYLES:** Yes, it is still a few months off.

**Ms MANISON:** I will be looking forward to your briefing, and hearing all about it. It will be good.

**Mr STYLES:** There is a discussion paper being prepared at the moment. The moment that is ready I would like to make sure that you get a full briefing.

**Ms MANISON:** Excellent, that will be great.

**Mr McCARTHY:** You would be aiming at Budget Cabinet 2015.

**Mr STYLES:** The resourcing of it has not been worked out yet, but one of the exciting things about this new program is how it is resourced. That is one of the things that has not happened in the past, but it has taken many years and numerous conversations with a whole range of people in our community to work out how you resource this, because this could be a massively expensive exercise to resource.

**Ms MANISON:** So effectively, in part of the budget this year, you do not have money allocated against it because it is still going through the Cabinet process?

**Mr STYLES:** That is basically it, but the interesting thing about this new program is how it is financed and the fact it does not need enormous or copious amounts of money. That is the secret as to how it works. It took me many years to work out how to do that, and I have talked to a lot of people and engaged on how it all works. That is the interesting thing and I am sure when we get to chat about it you will hopefully be impressed.

**Ms MANISON:** I am enthralled, and I am looking forward to the chat. Just going back to the Chief Minister's Round Table - part of that process is that participants produce reports, which then are fed back to government for a response. Have you taken on any of the recommendations from the reports from last year's round table?

**Mr STYLES:** I will ask Janet Buhagiar - she has actually been dealing with a lot of the recommendations which came out.

**Ms MANISON:** Thank you, minister.

**Ms BUHAGIAR:** Most of the projects actually sit across government, so every minister has received a full suite of post the presentation, which takes place at the end of the year. Each minister and CEO receives a full copy of all projects and are then tasked with following up those recommendations through their relevant agencies. We, through the Office of Youth Affairs, monitor how that is tracking. I do not have that information with me now, but certainly each minister and department take on responsibility for reviewing and implementing, where appropriate, relevant recommendations.

**Ms MANISON:** Okay, so there is no reporting back to say that any of the recommendations have actually been taken on board by government? Is there any sort of assessment you can do to show whether or not reports have been adopted in some way, and if they do have influence within agencies, in being adopted?

**Ms BUHAGIAR:** The process has been in place for several years, and it is on a case-by-case situation. Some agencies will respond back and keep the Office of Youth Affairs informed, but there has not been a formal process by which we keep track. Every year, we can have 12-16 projects in the pipeline, so it is not feasible to keep such a targeted review on progress, but the Office of Youth Affairs maintains contact with round table members of the past, and have strong working relationships with relevant agencies.

**Ms MANISON:** So, aside from the Chief Minister's round table, are there any particular groups you regularly consult with, regarding decisions which impact youth across the Territory?

**Mr STYLES:** There is Multicultural Youth NT, and then there is a host of functions you go to where you catch up with these people. There is the Starlight Ball, where I had a table, and I invited a lot of people under 30 from various groups to get them talking to one another. I talk to people in the NT music scene, I go to the university on a regular basis and talk to people there and I am generally out and about, because just about every youth function going has given me an invitation. I go to those and talk to and encourage people. You give out your phone number and you encourage them, when they need to, to talk to you.

Young people are also encouraged to talk to the Chief Minister's youth round table, in relation to some of the projects they may want to have. There is a lot of interaction with young people in relation to Quick Response Grants, applications from young people who we talk to, and if I am out and about they want to know what we can do to help them. That is just me, but in relation to the Office of Youth Affairs it engages regularly and broadly, meeting with 15 organisations - this includes the neighbourhood activity centre concept - so we are actually talking to numerous youth organisations to ascertain what their organisational needs are.

That feeds into the backroom work currently being done within activity centres, so it really is about engaging young people, and I have engaged them for years. I have a fairly good idea of what they want, but we still have to go out and verify what their current situation is. They might want to learn how to use a video cassette recorder, and that is not much good these days, is it? Part of the neighbourhood activity centre is about young people actually teaching older people how to use their phone, apart from just talking to people. They are the sorts of things that, when you see the neighbourhood activity centre come in, there will be so much of. There will be capacity building for young people, self-esteem and all of those things which young people will need. It will give them exciting things to do to keep them out of parks and stop them from smoking dope, getting into alcohol and all sorts of other trouble.

**Ms MANISON:** Absolutely, minister.

**Mr WOOD:** I hope you are right, as long as you use them properly.

**Ms MANISON:** Going back to the topic of housing, because I have heard you speak very passionately about housing for many years – being one of the biggest issues for young Territorians, I am very concerned about some of the policy changes made by your government and the impact they will have on first homeowners. Generally, the majority of those people are young Territorians, people getting their first property. It is going to make a real difference in the quality of life they can lead and staying in the Territory in the long run. In speaking to the Treasurer last week about the changes in cutting the First Home Owners Grant, they are no longer accessible for people who want to buy the two-bedroom or one-bedroom start-up in Stuart Park or the old ex-Housing Commission place from years ago in the northern suburbs.

With the First Home Owner Grant cut, Treasury had forecast there would be about a \$6m saving. If you looked at some of the figures Treasury provided, that would mean about 300 less applicants in the upcoming financial year accessing that First Home Owner Grant. People are very limited to only being able to access new properties. We are both northern suburbs representatives, and we are locking many of those people out of that area. They are, effectively, having to move down the road to Palmerston, which I am sure some of my colleagues here are very happy about ...

**Madam CHAIR:** We will take them.

**Mr STYLES:** There is nothing wrong with Palmerston, is there?

**Mr WOOD:** Try the rural area if you can afford it.

**Mr STYLES:** Or you can go to somewhere that is not east, west, or south of Palmerston.

**Ms MANISON:** We have seen the HOMESTART shared equity scheme cut as well, which was another effective program helping people to afford a start in the housing market. As the Minister for Young Territorians, I dare say you would agree housing is a very important issue for young Territorians, getting a roof over their heads and wanting to get a start owning their own property and paving the way for a long life in the Territory. Are you concerned about cuts to the First Home Owner Grant program, and the housing programs which have been scrapped? Are you advocating this to your colleague, the Housing minister?

**Mr STYLES:** Obviously, this is an output group which relates to the Minister for Housing. However, I can say, as I have done for seniors, I advocate for a whole range of issues with my colleagues, in the parliamentary wing, and in Cabinet. I am not prepared to discuss what happens in those rooms, but I am very loud and vocal in relation to housing for youth, seniors, and for investment in multicultural affairs. We acknowledge it is an issue ...

**Ms MANISON:** Huge issue.

**Mr STYLES:** It is a huge issue. Collectively, we will have to work together to try to rectify those problems. In relation to what I say and what I do ...

**Ms MANISON:** On the First Home Owner Grant.

**Mr STYLES:** ... I am not at liberty to discuss, but I can assure you, as most people who know my nature know, I am not backward in coming forward in relation to advocating for youth, seniors, multicultural affairs or even working class families struggling to get by each week. We are doing everything we can, as a government, to reduce the cost of living. But, that again is a pretty broad subject ...

**Ms MANISON:** I thought the Chief Minister said last week we did not have a cost of living problem.

**Mr STYLES:** I advocate and, at the end of the day, decisions are made.

**Ms MANISON:** That First Home Owner Grant is a real help for young Territorians, but locking them out of the established suburbs will make it a lot harder, from what I can see.

Gerry, I do not have any more questions.

**Mr WOOD:** I have one. I am on the website for Youth NT - who runs the Youth NT website?

**Mr HIGGINS:** Someone young.

**Mr WOOD:** I have to get to that.

**Mr STYLES:** There are some nice young people in the Office of Youth Affairs who ...

**Ms MANISON:** You can do it, Gary, you have great IT skills.

**Mr STYLES:** ... run that program. Multicultural Youth NT has its own website, run by Alpha and Kevin, I think. That is another good one.

**Mr WOOD:** The reason I am asking is - have you tried it? There are a lot of things here I do not understand, so I do not know how you go.

**Mr STYLES:** Maybe it is because we are not youth, Gerry.

**Mr WOOD:** I was going to ask - it has Twitter, Facebook and LinkedIn. Is there any idea how many people log onto this site?

**Mr STYLES:** I will ask Janet Buhagiar and her team to give us some figures on that. Obviously, people use that social media and these websites more than you and I do.

**Ms BUHAGIAR:** I do not have the data available, but we get monthly reports in terms of the web activity and if you get on to Facebook you can see how many 'likes' and members we have.

**Mr WOOD:** I will write that down. How do I get on to Facebook? What do I do when I get on there?

**Ms BUHAGIAR:** [www.facebook.com](http://www.facebook.com).

**Mr WOOD:** All I know is people get on to Facebook and never get off it.

**Mr BUHAGIAR:** Yes.

**Mr WOOD:** And they spend the rest of their life ...

**Ms BUHAGIAR:** You may have to like the page, member for Nelson, to be able to access it, but we have a number of mechanisms through social media to engage with young people. I do not have the numbers in front of me, but we do monitor the activity on all of those sites.

**Mr WOOD:** Without the numbers, is it well ..

**Ms BUHAGIAR:** It is well represented and we have a network distribution list across all of those that ranges to over 1000 young people. We have a number of different mechanisms where we promote activities and call for expressions of interest, depending on what the message is. It even surprises me at how effective the various mechanisms are to engage young people from across the Territory, not just the urban areas, in terms of regional and remote as well. We utilise those systems for advertising our grant rounds, promoting opportunities for comment, depending on what the request is.

**Mr WOOD:** Do you get much comment?

**Ms BUHAGIAR:** Depending on the issue, yes.

**Mr WOOD:** Political or just kid's stuff?

**Ms BUHAGIAR:** The department does not get involved in any political commentary.

**Mr WOOD:** No, do you get that sort of commentary back?

**Ms BUHAGIAR:** Well, it varies, depending on the issue, but young people are not shy in coming forward.

**Mr WOOD:** I did not know if it was a way of getting feedback on various issues.

**Ms BUHAGIAR:** We use both, so yes.

**Mr WOOD:** The thing I noticed that was not there, maybe it is – I could not find it – was perhaps a sporting site. What I meant by that is not to get the score from the World Cup, but a list of all the clubs of various sports. I think if we can get people in contact with some sort of team it helps. I could download Mindil Aces football team and click on there as a contact, if you want to go out there and join in.

**Ms BUHAGIAR:** We actually also have a Google calendar. The Google calendar is where all events, regardless of whether they are facilitated by the Office of Youth Affairs, are published to the best of our ability, but young people will contact us and we will put their event on. There should be a link for that.

**Mr WOOD:** I did not mean event. What I meant was that, if it was Aussie Rules, there are all the Aussie Rules clubs down. If it was cricket, there are all the cricket clubs down. If someone could click on - there would be a contact number and if they are interested in cricket, maybe if each club has a little bit of information – it is just that I see this site, which is great, but I think if you develop it into having more on it kids could get information that might help them get out and about.

**Ms BUHAGIAR:** Thank you for the feedback, member for Nelson.

**Mr WOOD:** That is all right, because I do not want them to end up living their life on Facebook. It is bad for their health, but if you put some sporting clubs here they might get out and run around.

**Ms BUHAGIAR:** Noted.

**Mr WOOD:** Okay.

**Mr STYLES:** Can I just add to that? What the neighbourhood activity centres are about is inviting people like yourself to come along and teach young people how to umpire a footy game.

**Mr WOOD:** I would love to do that.

**Mr STYLES:** And to teach them photography and a whole pile of things.

**Mr WOOD:** I use automatic.

**Mr STYLES:** In exchange, what they will do is teach you how to access Facebook and how to do this stuff, because, basically, what you do is find a 10-year old kid to come along and teach you how to do these things, such as using your iPhone. They have the time and they are experts at it. That is the basis of neighbourhood activity centres, where you get people from all different ages coming along and passing on their knowledge and skill sets. You then find a young person looking for a bit of self-esteem who can suddenly teach people from our generation a whole lot of things about stuff they know about. That is the information sharing that goes on and that builds the relationship between your seniors, your juniors and other people in your community.

**Mr WOOD:** That sounds excellent. Yes, I think that that has got a – the only problem I have is that the Department of Lands, Planning and the Environment now turns our villages that were district centres – they are now calling them activity centres. I do not think they were quite the same as you were ...

**Mr STYLES:** No, nothing is the same as what I am proposing.

**Mr WOOD:** I have been sitting here watching it. Does it get updated regularly, because there is a date here that is out by about a month, but does someone actually update this on a regular basis in the department?



**Ms BUHAGIAR:** Yes.

**Mr STYLES:** The answer to that is yes.

**Mr WOOD:** You do not know, minister?

**Mr STYLES:** Well, I am assuming we can rely on them.

**Mr WOOD:** It is a very attractive website and I can see why people want to get information from it.

**Mr STYLES:** Fantastic.

**Mr McCARTHY:** A constituent came with a draft submission for a youth activity in Tennant Creek, called A Bike Share – a very interesting concept. The Barkly electorate officer worked that up for that constituent. We thought we were targeting disengaged youth, so we sent it to the Chief Minister, the minister for Police. We did not get any response, so we contacted the Chief Minister about that. He said he forwarded it to you. That was a couple of months ago now. I thought, listening tonight, if it did go to you, is there any capacity other than your grant programs for you to address a good idea in a community like that?

**Mr STYLES:** I am very happy to look at good ideas. Any that engage youth will be considered, provided there is a budget for it and we can actually fund it. Obviously, if they are writing to us about these things, they are normally looking for funding. If we can do that, and it is assessed by the department as not being provided by some other means, we will look at it. I am very happy to look at it. We will follow it up and ...

**Mr McCARTHY:** Listening to the conversation tonight, it does not look like you have the budget capacity for something like that, which made me interested as to why the Chief Minister would have flicked it to you. But, with your support, we would like to find out where we could get some attention - where somebody is interested and we can get that looked at. It will have a budgetary consideration.

It is quite an innovative project, not unlike what you are developing, specifically focusing on disengaged youth. We figured the best parallel would be the juvenile diversion program. We were quite interested in why we were flicked, as we had no response from anybody.

**Mr STYLES:** I am happy to take that on board. We will follow that up and see where it is. We also do work with other agencies, and we may or may not have the budget for it. Obviously, if it is a good idea, I will lobby my colleagues and convince them it is a great idea. I am happy to follow it up and, if we can, do something with it.

**Mr McCARTHY:** Thank you, minister. You should find it will be a letter from me. That would be great for you to follow up. Thank you very much.

**Mr STYLES:** I will get the department to follow that up and see where it is.

**Madam CHAIR:** Any last bites of the cherry?

**Mr WOOD:** Yes, I would like to know why the two members over there do not have a question. We have time to spare. Surely ...

**Mr BARRETT:** Do you want me to answer that?

**Mr HIGGINS:** I was going to ask how much money we spent on the Greek Glenti in comparison to how much money we spent on the Italian function that was earlier in the year.

**Mr STYLES:** The money for the Italian Club function was given to them in the year previous to when they got it, so it was an advance. That was \$200 000, and we spent \$120 000 supporting the Glenti. The Glenti attracts an enormous number of people, both local and interstate.

We have, in general, Mindil on this Saturday night, and there are so many festivals going on. Anyone who is bored in Darwin over the Dry Season, obviously, does not live here or does not participate in what is going on.

The Glenti is a great thing, as are all the other multicultural events - the Cypriot wine festival and the Filipino Barrio festival are great events. I encourage everyone in the room - if you ever get an opportunity to go there, you will see why I love the job I have and enjoy the weekend.

**Mr HIGGINS:** Thank you. No more.

**Madam CHAIR:** On behalf of the committee, I thank the minister for attending today and thank the officers who assisted the minister.

That concludes proceedings for today, the 2014 Estimates Committee. Public hearings will resume tomorrow, Wednesday 18 June, at 8.30 am.

Thank you everyone, drive home safely.

**Mr STYLES:** Thank you, Madam Chair, and thank you to the great people who provided information.

---

The committee suspended

---