

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

ESTIMATES COMMITTEE - Tuesday 15 June 2010

The Estimates Committee convened at 8:30 am.

Mr CHAIRMAN: Good morning. I welcome the Chief Minister, and invite him to introduce the officers accompanying him and, if he wishes, to make an opening statement on behalf of the Auditor-General's office.

AUDITOR-GENERAL OUTPUT GROUP 1.0 – AUDITS AND REVIEWS

Mr HENDERSON: Thank you, Mr Chairman. We will get straight down to it this morning. First Item for debate is the Auditor-General's section of the budget. I introduce Frank McGuinness, our Auditor-General.

Mr MILLS: Chief Minister, just for clarification, the whole-of-government questions, Department of the Chief Minister, will be done after the Auditor-General and so on?

Mr HENDERSON: Yes.

Mr MILLS: What I would like to start with is Batchelor Institute. Could you please advise whether the Batchelor Institute of Technology in 2009 was operating as a growing concern?

Mr McGUINNESS: In a technical sense, the answer is yes. It does not have enough cash to pay the bills, as I told you, the answer is yes. It had positive cash balances. The problem that the Institute had is that a lot of the cash it had was committed to other programs also, so once you subtracted the cash which had to be committed to ongoing programs, is cash balances at the end of the year which were to continue into 2009 were probably under threat. As you are probably aware, both the Commonwealth and Territory governments moved, supplementary funding was provided in 2009. And you have, no doubt, seen the Commonwealth press release in the last week or so, where the Commonwealth has committed a further substantial amount which will be used to properly structure the Institute financial report.

Mr MILLS: Are you conducting ongoing reviews of the operation of the Batchelor Institute?

Mr McGUINNESS: Well, under the Batchelor act, they submit their accounts to for audit. We have just signed off the audit for 2009, and the audit opinion has a matter of emphasis, if you like, which, again, drawing attention to the position at December 2009, and its continuation as a growing concern rests on the assumption that both the federal and Northern Territory governments will provide ongoing support. So what you might call the free cash position at December 2009, and then looking at a budget in 2010, which suggested that that free cash would be consumed in 2010, and that, in 2010, the Institute would need the continuing support of both governments, but then it was shortly after that the Commonwealth press release announced further funding for the Institute to assist with its restructure.

Mr MILLS: Did your review identify the amounts that will be required to create viability and stability going forward for the Batchelor Institute?

Mr McGUINNESS: I have work that was done by Korda Mentha. I think the money that has been provided by the Commonwealth will see probably a focus, some restructure in terms of numbers of staff employed and courses that are offered, and Charles Darwin University will also look at areas where you have common systems, where CDU can perhaps provide a service to Batchelor, reducing Batchelor's costs. But there is some work to be done on those systems to enable them to service both institutions.

Mr MILLS: Just going back then, if as we can see Batchelor is moving into a new phase, what role

are you expected to play in that transition?

Mr McGuinness: I play a direct role. Under the Batchelor Act my role is really limited to auditing the accounts they are required to present to me each year. So, the Auditor-General is not a management consultant in this context, so I really have to sit back, I am afraid, and just let others do their job and then come back to parliament at a subsequent point.

Mr Mills: And, I assume, this time next year you will be asking further questions. Given we have a short amount of time; I would like to now move to the BER. Auditor-General, can you describe the processes that have been developed to monitor the effectiveness of large scale projects under the BER program?

Mr McGuinness: At this stage I had a look at BER early in the year, but I advised the department that I would step back from it on it a bit until they had a chance to get most of the projects rolled out, so that I could then have a look at the way in which they could manage and whether the taxpayer got sufficient value for dollar. As I recall, the Estimates Committee last year asked me whether I had looked at what schools were doing and my response was the *Education Act* precludes me from interfering with school councils. So all I can do is look at the process from the departmental side, follow the money through to the point where it leaves the Department of Education and Training and goes out to the school councils.

In the last few weeks the department has provided me with a very comprehensive set of folders which set out the process they have used, where the money has gone, and I am really looking at 2011 to (inaudible).

Mr Mills: Auditor-General, what are your key findings in relation to the SIHIP debacle?

Mr McGuinness: It is almost a textbook case of what not to do with getting a project off the ground. One of the things that are obvious is a lack of good project management in the NT government. The CDU offers no programs in that area compared with, say, some of the institutions interstate, and it really showed, because when you look at the process they went through, instead of deadlines which were probably a bit unrealistic, there was a lot of pressure on the department in the Northern Territory to get these houses out as quickly as possible, and I think these project management skills it would have been very useful right at the outset.

Mr Mills: Given that, as you have described it, do we have anything potentially from waste to looking at a system? Do you have the capacity or the confidence there is the means to determine levels of waste, albeit perhaps at the other extreme, a misuse of funds and fraud?

Mr McGuinness: Well, certainly I am concerned about waste because there is always a risk when these things are rushed that jobs will go wrong, but I had said to the department that one of the good things they had done right at the outset was to put a very important control in there. They appointed one of the big four accounting firms as a financial auditor. Their job was twofold, one was to set benchmarks against which claims for payment would be accepted, and the second was as each claim for payment from the alliance members came in was to go through those and determine whether they met the criteria.

Now, what that does is at least make sure that nothing is spent unless there is agreement that the payment has been made in accordance with predetermined and pre-agreed criteria and, from anecdotal comments people in some of the alliances, though perhaps were disappointed at times they did not get everything they asked for, but I view that as an important control at least keeping some rein on spending; but there are certainly, I think, a lot of other issues out there as the firms grapple with the issues, as well, of getting materials and people to site, and building and construction work, keeping crews there.

When this project got under way, we had the classic case where I think that decisions being made in Canberra which were affecting this program by people who may not have understood what was

required to get this program onto the ground. That in itself can create waste.

Mr HENDERSON: Member for Blain, just to put this in a bit of context as well. In regards to it, it was Canberra that insisted, and the previous Commonwealth government that insisted, that we enter into alliance contracting methodology for this project. That was against the advice of the Northern Territory government, strong advice from the Northern Territory government, given that there had been no experience either within government in the Northern Territory or within the private sector in the Northern Territory of the alliance contracting methodology.

So in terms of the delivery of this project, the Commonwealth and Canberra were always of the very strong advice from the Northern Territory government that this introduced a significant element of risk to this project given the lack of experience in the Territory, in government, and also in the private sector. It was the Commonwealth government which did not accept that advice and insisted on this contracting methodology.

Mr MILLS: Okay. Can you then describe and perhaps table the details of the alternative proposal that was provided by the Territory government in response to that request for the Commonwealth.

Mr HENDERSON: Just the standard procurement model. The standard procurement model by which we procure the contracting of houses. It is the standard procurement model that the Territory uses, the Territory government, the Building Division in terms of the department that everyone is used to, including the private sector. A standard procurement model would have been more effective in getting this project rolled out.

Mr MILLS: At what level did the representations from the Territory government in regards to the administration of SIHIP take place?

Mr HENDERSON: This was done under the previous Chief Minister when Mal Brough was the federal minister. In regards to the process, it was at a direct ministerial level as well as a departmental level - very senior departmental level.

Mr MILLS: Which ministers, Chief Minister?

Mr HENDERSON: It would have been the previous Chief Minister.

Mr MILLS: I request, therefore, you table the representation from the former Chief Minister to the federal government.

Mr HENDERSON: I do not have that documentation here. There was a number of discussions, there were numerous discussions involved in the establishment of this program that the alliance contracting methodology would introduce a significant element of risk.

Mr MILLS: That is fine. It may well be the case, but can you prove that there was that level of representation and an alternative proposal presented to the federal government?

Mr HENDERSON: I was not the Chief Minister at the time so I was not privy to exact conversations that took place. But within government there was very significant representation made that this level of contracting would introduce a significant element of risk given that it had not been used in the Northern Territory before. I was not the Chief Minister at the time so I do not know specifically what conversations took place with whom, but certainly there was significant advice provided to the Australian government.

Mr TOLLNER: You are talking through your hat.

Mr MILLS: Therefore we need, to accept this – we need to be certain that there was some rigour

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

applied behind the statements that you have made. Is it ...

Mr HENDERSON: Well, it is not a new statement. It has been made on numerous occasions in the House.

Mr MILLS: ... yes, well, evidence, evidence, Chief Minister.

Mr HENDERSON: This is not a court of law. This is a committee.

Mr MILLS: What proof do you have of the statement that you have just made?

Mr HENDERSON: I am telling the truth to the committee. There was significant representation made. It was all over the media at the time as well that this would introduce a significant element of risk.

Mr MILLS: No, no. It may well be the case but to settle this – what detail was around the alternative position taken by the Territory government and its complaint against that which was being imposed by the feds? Was there something more substantive than conversations that you have heard may have occurred?

Mr HENDERSON: Well, I am not ...

Mr MILLS: Any press releases?

Mr HENDERSON: As I am saying, the Territory put forward that the standard procurement model that all government departments were fully accustomed to, our private sector here is used to delivering against, would be the preferred model for delivering the program. Now that was the position that the Territory government took. It was not a substantive submission. It was that we have a standard procurement model to deliver infrastructure programs throughout the Northern Territory, and that methodology should be used in this instance.

Mr MILLS: Can you describe what form that submission took?

Mr HENDERSON: As I am saying, the advice of the Territory government to the Commonwealth government was not to go down the path of alliance contracting ...

Mr MILLS: No, I understand that.

Mr HENDERSON: ... because it introduced an element of risk that was not being taken into account by the Commonwealth government.

Mr MILLS: I have that, Chief Minister. You have mentioned it was not a substantive submission. What form did that submission take? Was it a phone call? Was it a document?

Mr HENDERSON: As I said, I was not the Chief Minister at the time ...

Mr MILLS: No, I understand that.

Mr HENDERSON: However, I am very aware of the position the Territory government took in regard to this particular program. It makes sense. If you introduce a new methodology for contracting an infrastructure program to the Northern Territory which had been little used around Australia - I think once or twice in Queensland, once in South Australia - no experience of delivering under that procurement methodology in the Territory, no understanding of that methodology by Territory business, then it is not rocket science to deduce from that, that would introduce a significant element of risk.

Mr McGUINNESS: If I may, Chief Minister, you may be aware, in the last 12 months or so, the Western Australian, Victorian, New South Wales, and Queensland Treasuries collaborated on preparation of a document looking at this whole alliance contracting methodology, which was carried out by the University of Melbourne for them. One of the areas it looked at was this whole question of governance in an alliance model and, basically, concluded that no one really knows how to - I think the words were there was no clear model for governance, which is really a code for saying no one knows how to manage these things properly yet. No one has worked out how to manage them, and that still carries a high degree of risk.

Mr MILLS: I accept all of that. Chief Minister, I am not wanting just to keep backwards and forwards about it was clear at the time. It is just to substantiate the level of representation made by the Territory government to back up what you say because, in the face of that, we have ongoing commentary regarding the alliance model. You speak that up and, yet, we now know there was some kind of resistance mounted by the Territory government at the request of the federal government to run an alliance model. So, there was not a substantive submission. What form did that submission take?

Mr HENDERSON: What I am saying here today is nothing new in regard to what has already been well canvassed on the public record ...

Mr Tollner: Table the documents.

Mr HENDERSON: I was not the Minister for Housing or the Chief Minister at the time. I am not aware of what documents were prepared for the Commonwealth. What I can say, as the Chief Minister ...

Mr Tollner interjecting.

Mr CHAIRMAN: Order!

Mr HENDERSON: Oh, shush! What I can say is there were substantive discussions around at the time that this method of procurement would introduce a significant element of risk. You have already heard from the Auditor-General of the study which has just been conducted and put forward that absolutely confirms what I am saying; in regard to the governance of this type of contracting, given it is relatively new in Australia in term of the delivery of major infrastructure projects, introduced a significant element of risk.

That is not rocket science ...

Mr MILLS: No, but ...

Mr HENDERSON: It is not rocket science, but the Commonwealth decided, off its own for whatever reasons, the project would not go ahead unless the Territory government accepted this contracting methodology. So, it was a gun to the head by Brough, and that was the position that was put.

Mr TOLLNER: Prove it. That is all we are asking; prove it.

Mr HENDERSON: Well, I am saying ...

Mr TOLLNER: Prove it. Don't talk through your hat; prove it.

Mr HENDERSON: I am saying that is absolutely - and the Auditor-General's report certainly canvasses and discusses, as the Auditor-General was just saying, given the total lack of understanding and knowledge of this level of contracting, the project did not get off to a great start. It is not rocket science.

Mr TOLLNER interjecting.

Mr MILLS: So, there was not submission; it was a conversation, perhaps, on the fifth floor?

Mr HENDERSON: I am saying I am not able to say whether there was or was not a substantive submission put to the Commonwealth because I was not the minister at the time, and I was not the Chief Minister. However, I was a Cabinet minister at the time, and there were very significant views put in and around - at the time; this is not new information that is being put out here today, that this level of contracting would introduce a significant element of risk.

Mr MILLS: Okay, I will just leave it at this. To substantiate the assertion that is being made again and again, can you table, therefore, it is not a former government, it is the Labor government, as a Cabinet member, and now as Chief Minister, are you able to table any material that substantiates the representation made to the federal government in response to their request that it be an alliance model?

Mr HENDERSON: As I am saying, because I do not wish to mislead the committee, I was not the minister at the time, I was not the Chief Minister at the time, so I am not aware of what documentation passed between ministers and the Chief Minister in the former government. But what I can say is, there was significant representation made, that, in terms of the establishment of this program, that there was significant risk by insisting on an alliance contracting methodology.

Mr MILLS: So I am asking you, will you take that on notice? Will you, I ask you, Chief Minister, will you undertake, as Chief Minister now, to substantiate that claim that there was substantive representation made to the federal government?

Mr HENDERSON: There has already been significant public debate ...

Mr MILLS: I take that as a no.

Mr HENDERSON: You are not, it is not rocket science ...

Mr TOLLNER: It is a cover up.

Mr HENDERSON: ... and I am surprised that you do not understand it.

Ms SCYRMGOUR: Mr Chairman, I just heard the word 'cover up' and I think the member for Fong Lim should watch what he says. There is no cover up.

Mr MILLS: Well, we do not have anything to substantiate the claims that are made.

Members interjecting.

Mr CHAIRMAN: Rather than debate amongst the committee, I suggest we ask the Chief Minister a question.

Mr MILLS: Sorry?

Mr CHAIRMAN: I said, rather than having a debate amongst the committee, I suggest we ask the Chief Minister a question.

Mr MILLS: Well, I have been trying. I have asked repeated questions, and we get the same answer, which is not an answer to my question. We will move on.

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

You assert that it is not a cover up, provide the material. It is just a grand statement - again and again.

Mr TOLLNER: Take it on notice.

Mr MILLS: You are now the Chief Minister, It was not a Country Liberal government, it was Clare Martin.

Mr HENDERSON: I am saying that I was not, I do not wish to mislead this committee, I was not the Chief Minister at the time, but there was significant debate ...

Mr TOLLNER: Take it on notice.

Mr HENDERSON: ... there has been significant debate about this ...

Mr CHAIRMAN: Order, order!

Mr HENDERSON: ... I am surprised you do not remember it.

Mr TOLLNER: Prove it.

Mr HENDERSON: There has been significant debate in the House, there have been numerous debates about this in the House, where ministers have stated that the alliance ...

Mr Tollner interjecting.

Mr CHAIRMAN: Order!

Mr HENDERSON: ... methodology introduced an element of risk to the program. Now, it is delivering now, but in terms of the way this program got off to the start that it did get off, that has been subject to a number of inquiries, that this is the reason why the program did not get off to a great start. Now it is not rocket science to understand this deliverance method of procurement had never been conducted by the Territory government before, there was a lack of expertise and a lack of understanding in the private sector as well.

Mr MILLS: And no ...

Mr CHAIRMAN: Sorry, Leader of the Opposition, I do remind members of the committee of Standing Order 51 - No interruption:

No Member may converse aloud or make any noise or disturbance which, in the opinion of the Speaker or Chairman is designed to interrupt or has the effect of interrupting a member speaking.

Member for Fong Lim, I just need to remind you of Standing Order 51. There have been a number of times today so far that you have interrupted the Chief Minister. We need to have questions and then answers, and other members of committee need to respect the Leader of the Opposition who is asking the questions, and the Chief Minister who is answering them.

Mr MILLS: To be continued, Chief Minister. Next question. It is up to the Auditor-General, I would assume, the best place to go. Auditor-General, can you please advise, this is the Rosebery school, why the fifth tenderer who submitted their documentation to the Rosebery school project was excluded for consideration?

Mr McGUINNESS: I will need to take that one on notice, if I can, Mr Chairman, because I will need to

go back to my working papers. It may also be a question which may need to be directed to the department, the Department of Construction and Infrastructure and the relevant minister.

Mr CHAIRMAN: So will we take that one on notice, or is it question more appropriate to the other output?

Mr MILLS: Well, I will take that on notice, because I understand that there was consideration of this issue, and ...

Question on Notice No 3.1

Mr CHAIRMAN: For *Hansard*, could you please read it again?

Mr MILLS: Auditor-General, can you please advise why the fifth tenderer who submitted their documentation for the Rosebery school project was excluded for consideration?

Mr CHAIRMAN: And that is question No 3.1.

Mr MILLS: We have quite a bit to go through, and I am sure, member for Nelson, do you have questions?

Mr CHAIRMAN: I think the member for Arafura has some questions before the member for Nelson.

Mr MILLS: Okay, I will just do one more and then we can move. It is a curious one, Auditor-General, if you could explain, the Power and Water Corporation has written back their assets onto the ledger of the corporation, I understand there was a reduction of value, and now it has increased, which appears on the books to look a bit better, around their assets, so could you explain how that could occur?

Mr McGUINNESS: Yes. The application of accounting standards which, you are aware, are issued by the Commonwealth, but the carrying amount of an asset on the balance sheet cannot exceed the present value of the cash flows which that asset generates. So, an asset, to hold its value, has to be able to generate more in cash now and into the future, which discounted that, exceed the carrying amount of the asset.

It got to a point with Power and Water where the corporation was not able to satisfy me that the earning capacity of its assets was greater than their carrying amounts. So, as you may recall, I qualified the corporation's accounts for a couple of years on the basis that I was unhappy with asset values, I thought they were overvalued. The corporation then wrote them down and, partly, because there was a problem of a tariff freeze for several years and the real cash coming into the organisation was declining. Its costs were rising in line with inflation or other indices, while its earnings are declining in real terms. Something has to give; you cannot run a business for long under those circumstances.

Cabinet then agreed that prices for Power Water would be increased, and then the corporation was able to satisfy me that now with the price increases, the earning capacity of the assets measured by the present value of the future cash flows, was greater than the historical costs, or the deemed values which the assets were originally being recorded at. On that basis, they were justified in bringing those asset values back to their original figures. So you saw \$160m write-down, and \$160m write-back.

Mr MILLS: All hinged upon the increased tariffs?

Mr McGUINNESS: Yes.

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

Mr MILLS: So as a simple man; is the generator now worth more?

Mr McGUINNESS: Another thing. Remember, you can end up in a debate about what is value.

Mr MILLS: Exactly!

Mr McGUINNESS: But, for accounting purposes, the organisation carries its assets at deemed value and, to hold them at that value, the assets have to be able to generate more in terms of earnings than the values their assets are carried at.

Mr MILLS: Great way to start the day; it is mind expanding.

Mr WOOD: It is called accounting science.

Mr MILLS: I have plenty of others.

Mr McGUINNESS: A written explanation can be provided.

Mr MILLS: I will put it on the pile of other things to read.

Ms SCRYMGOUR: Just one question for the Auditor-General. Auditor-General, you have had a close look at SIHIP and you have made suggestions and your report was tabled in parliament last week. In your investigations, have you found anything that would lead you to suspect fraud, either by the contractors or public servants; or anything that you saw, that would justify a reference to the federal police?

Mr McGUINNESS: Well the short answer to that is 'no'. My act only permits me to follow the trail of money to where it leaves the department, but where the department does need some credit is very early in the piece it appointed a firm to act as its financial auditor. That firm had two jobs. One was to establish benchmarks against which claims for payment would be assessed and, as each claim for payment comes in, it is assessed against those benchmarks and accepted or rejected.

You may have noticed in my report I did draw attention to a number of issues that had been raised by that firm which had led to overpayments being recovered and, what had happened was claims had been agreed to and paid, but as the auditors went through, they then found areas where they disagreed and those monies were clawed back either by direct repayment or by reducing the next claim. So I think that is a fairly useful control in terms of making sure that the firms are not claiming more than has been agreed.

Ms SCRYMGOUR: So you are saying that most of the overpayments that were made have now been recovered?

Mr McGUINNESS: At the time of the audit, all the overpayments had been recovered.

Ms SCRYMGOUR: And that the systems of control internally in the department, do you think are satisfactory?

Mr McGUINNESS: Okay, I think at the start, if I was critical, there was a complete lack of project management systems, but they were making strenuous efforts to redress that issue. At the time the audit was completed, I was satisfied that they would get to where I thought they should be in this area. I have had comments made to me by people from the Commonwealth that they think that the person who has been taken out of the department and put into SIHIP is doing a very good job. It is interesting to hear that when the project got under way they appointed a private firm as the project manager and the costs of that firm was astronomical and the department was less than happy with the quality of service it got.

That arrangement with that firm was then terminated, and they have now taken a public servant, put him in as project manager for about a fifth of the cost that the private sector counterpart was being paid. They have taken the CFO out of Housing and put him into SIHIP to build these project management systems. So once those systems are in place, I think the department will have much better control.

Where I was critical, is the ability to be able to know at any given time, not just what was being spent, but you need a finer classification in terms of what is being spent between earthworks, utility services, construction. That is on the financial side. Also, on the physical side, you need to know at any time how many houses are under construction, what stage of completion they are at, so you can also then you have your physical progress and your financial costs juxtapose one against the other, and then start to get a feel for how this whole project is travelling.

Until all of those systems are in place, it is much more difficult to manage. You are relying on advice coming through from alliances and on the progress claims. That is no substitute for good project management systems.

Mr HENDERSON: In regards to this, I think this is a very important point, given where we are at with SIHIP. The Auditor-General has tabled his report in parliament last week. In debate in the parliament last week, the member for Braitling made direct allegations of fraud and maladministration and even corruption within this program. That is a very, very serious allegation to make. You have just heard the Auditor-General saying that he uncovered no evidence of fraud or corruption in this program. It is the responsibility of the Leader of the Opposition to table in this committee ...

Mr Tollner interjecting.

Mr HENDERSON: ... a substantiation of these allegations. In regards to fraud, and you might find this funny, member for Fong Lim, in regards to fraud, you are making a direct allegation that there has been an inappropriate or an illegal gain by a business or a public servant that is illegal. Now in regard to the businesses we are talking here, we are talking about well regarded, well respected Territory businesses, well regarded, well respected Territory businessmen whom I am not going to name around this table, but are extraordinarily well regarded and respected around the Northern Territory. Very senior public servants who are well regarded and well respected.

The allegation being made is one of fraud and corruption and maladministration which is a direct reference to someone illegally benefiting and profiting from this program. The Auditor-General was unable to find any evidence of fraud or corruption, and you need to put on the record here, if you have any substantive evidence, you need to ...

A member interjecting.

Mr CHAIRMAN: Order! Order! Standing Order 51!

Mr HENDERSON: ... business people are being smeared, businesses are being smeared, public servants are being smeared, and there is absolutely no substantive evidence to the allegations ...

Mr TOLLNER: A point of order, Mr Chairman! Mr Chair, the questioning earlier ...

Mr CHAIRMAN: The Chief Minister was asked a question; the Chief Minister is answering the question.

Mr MILLS: Okay, Mr Chairman, it is a peculiar approach taken by the Chief Minister. I, therefore, respond by asking the Auditor-General, given then reference ...

Mr CHAIRMAN: Sorry, you can respond to the Chief Minister's statement; I will allow that latitude. But the question was for the member for Arafura.

Ms SCRYMGOUR: I asked a question of the Auditor-General ...

Mr CHAIRMAN: We cannot come back; we have moved on from ...

Mr TOLLNER: When do I get to ask a question?

Mr CHAIRMAN: The member for Fong Lim, as a member of the committee, can have a question later. But, in terms of ...

Mr MILLS: Yes, no worries.

Mr CHAIRMAN: If you wish to respond ...

Mr MILLS: We are a team. The same question will come out one way or another.

Mr CHAIRMAN: Have you concluded, member for Arafura?

Ms SCRYMGOUR: Yes, I have concluded.

Mr WOOD: Thank you. I should say that question is on fraud, interestingly enough, also spoken in the same breath as the agreement if you look in the *Hansard* - and one suspects something else might be at play here. However, I move on.

Chief Minister, you said the government, in the did not support the alliance program but, on page 14 of the Auditor-General's report it says:

The alliance model was selected as the preferred contracting methodology following a detailed assessment process, with the advice to Commonwealth being that the consultant 'and the members of the working group representing FaCSIA and the Northern Territory government unanimously consider that the alliance panel is the contracting methodology that gives the program the opportunity to deliver program objectives for the Strategic Interventions Housing Program.

Chief Minister, I also have a note here that the working group met six times between 22 May 2007 and 18 July 2007. There was a presentation made to the Territory Housing on 19 July and FaCSIA on 24 July. The panel decided on a preferred approach on 18 July 2007 and, on 14 August, it says the alliance panel contracting methodology had been considered, and received endorsement of the Northern Territory Housing Board. Chief Minister, in light of what you said earlier, was the position of the Northern Territory government relayed to the Northern Territory Housing Board, or are you saying the Northern Territory Housing Board did not endorse the program or was, basically, overridden by the Commonwealth government at that time?

Mr HENDERSON: Thank you, member for Nelson. As I said previously, the early advice that was given to the Commonwealth government was that entering into this alliance contracting methodology would introduce significant risks, given the total lack of any exposure to this contracting methodology in the Northern Territory, either in government or in business. That was the early advice that was given.

However, the Commonwealth government, at the time, had two drop-dead points in regard to SIHIP. One was the alliance contracting methodology was non-negotiable, and the other in regard to the funding for outstations was that if the Territory government was to receive any funding at all for additional Indigenous housing, we had to take responsibility for outstations from the Commonwealth.

That was non-negotiable as well. The Commonwealth would pay the Territory \$20m a year for three years to take over. So, these were the non-negotiable points.

Having accepted that as the Commonwealth position, of course, we then went into negotiations about how the program was to be delivered, because we, as a government and the Chief Minister at the time, were not going to walk away from the Commonwealth at last acknowledging its responsibility for Indigenous housing in the Northern Territory and contributing significant funding. That funding has been expanded under the current Commonwealth government. We were not going to walk away from an opportunity to secure significant funding from the Commonwealth for housing on an issue such as the contracting methodology. As I said, you do not have to be a rocket scientist to understand that introducing a new contracting methodology on a project as large and as complex as this project in the Northern Territory, that had never been delivered in this fashion before, would introduce an element of risk over and above a standard procurement methodology the Territory uses.

Mr WOOD: Just to get it clear, are you saying - and I presume the Northern Territory Housing Board was the representatives of the Northern Territory government at this working group which was set up to find out which was the preferred option for building the houses? - that after there had been an agreement on the preferred approach on 18 July and also endorsed on 14 August by the Northern Territory Housing Board, are you saying that even though the Northern Territory Housing Board agree with the alliance process that, in later discussions, the Northern Territory government has disagreed with that alliance methodology?

Mr HENDERSON: These discussions, as to my understanding of them, as I have said, I was not the Chief Minister at the time, but obviously I had, like every other minister, significant conversations, were at a political level and a very senior level within the bureaucracy at the early stages, so these particular meetings that you are referring to, I have no idea what discussions took place there, but, very substantively, early in the discussion around the offer from the Commonwealth, and the recognition of the Commonwealth, at last, the Commonwealth recognised it had a responsibility for Indigenous housing. The advice was given that to do it by this methodology would introduce an element of risk, a significant element of risk, over the delivery of this program, given the lack of experience.

Now, that is not a rocket scientist position to take, and certainly it is interesting to note, given the Auditor-General's reference to a current study that is being done, it is a method of delivering projects around Australia that is not well understood, has only been used on a number of occasions on large projects of this size and scale, and the jury is still out, according to the reference study referred to by the Auditor-General, in regard to governance models around alliance contracting.

So, when you are told there is \$500m available for Indigenous housing, it has to be delivered by this methodology, and by the way, you have also got to take responsibility for outstations as well, take it or leave it, at a political level, were we supposed to walk away from \$500m? I do not think so.

Mr MILLS: There is another step ...

Mr HENDERSON: I do not think so.

Mr MILLS: ... question it.

Mr WOOD: Just one more question then. This is more a general audit question. Chief Minister, there has been a reduction (inaudible) of \$240 000 in the amount of money for audits for this year, and the variation is argued in the main Budget Paper, from page 12, that the audit output decreases due to one-off funding in 2009-10 for audits associated with the *Building the Education Revolution* and the Strategic Indigenous Housing and Infrastructure Program, offset by additional funding to increase the capacity of the office.

Would you say that that is probably a bad step, bearing in mind that we are still going to be *Building the Education Revolution*, there still will be the SIHIP program, there will be issues like the

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

amalgamation of councils, there is *A Working Future*, that the government is sending out the wrong message that it is reducing the amount of money for audits which, in the light of all this money that is going around, needs to be audited so it is being used properly?

Mr HENDERSON: I will hand over to the Auditor-General in a minute, but the broad principle, I suppose, of the way that the Auditor-General reports to the parliament, but obviously budget requests come through me as Chief Minister to Cabinet. In discussions that I have had with the Auditor-General, he is comfortable with the current budget position. I have had no submissions from the Auditor-General for increased allocation in regard to these particular programs, and I might hand over to Frank to answer.

Mr McGUINNESS: Thank you very much, Chief Minister. Mr Chairman, I think the question being posed in earlier committee hearings is whether my office has sufficient resources. Now, I think in the responses I have said yes, but I could probably say yes now in a resounding manner. I am probably sitting on more funding now than I have had in the past. There are two factors. One is, at the start of this financial year, I received a one-off \$200 000 injection towards specific projects which are to be done. The other is, about three years ago, I introduced a limited cost recovery model which is now starting to take effect. So I am now, rolling in towards the end of 2009-10, in a better financial position than I think the office has ever been in, and I am well positioned to move forward into 2010-11, and therefore the slight reduction in output revenue is, against the previous year, not an issue, and I think the budget papers probably mask the effect that the \$200 000 I received this year was by way of a capital injection rather than by output revenue. So to look at the year-on-year output revenue is probably misleading.

Mr WOOD: Thank you, Mr Chairman.

Mr CHAIRMAN: Before I hand over to you, member for Fong Lim, I want to clarify the question process. We start with the shadow, in this case, the Leader of the Opposition, then we go to members of committee where there is a rough protocol of how order works, we are still at members of the committee stage now the member for Fong Lim indicates he wants to ask some questions, after that we go to local members of electorate issues if there are any.

Mr TOLLNER: Chief Minister, are you really telling this committee that you, the Chief Minister, cannot lay your hands on any written information at all that substantiates your assertion that the alliance model was forced on the Northern Territory government against its wishes?

Mr HENDERSON: What I am saying is there was significant discussions and, at a political level, advice given that this contracting methodology. As I have said, I was not the Chief Minister or the Housing minister at the time, this is not new information it is not rocket science and I am surprised you do not understand it, member for Fong Lim, that the alliance contracting methodology was not only new to the Territory but new within Australia in terms of the project management methodology to deliver projects would introduce a significant element of risk over and above a straight procurement method.

Now, that is not rocket science in regards to understanding that, but the Commonwealth was insistent on going down this path.

Mr TOLLNER: What you say contradicts a range of other people, most notably Mal Brough, but I mean ...

Mr HENDERSON: A man of great substance and integrity; a man of enormous integrity.

Mr TOLLNER: That is right, Chief Minister, you sit here and take it out on him, he cannot defend himself, but you refused to provide any written information to this committee that substantiates what you are saying.

Mr HENDERSON: What I am saying is I was not the Chief Minister at the time and I do not know why you do not understand that? Why do you not understand that?

Mr TOLLNER: Anyhow, we will move on. First, Auditor-General, you said in your report that you sought information about SIHIP that the government could not provide. What was it you wanted further information on?

Mr McGUINNESS: At the time, I could see what was flowing out to the alliance partners what I was really trying to get was a more fine-grained set of information in terms of: okay, I know what is being spent but now split it up between earthworks, utility services, footings - that was really what I wanted. What I really wanted to know was: okay, there are 81 houses under construction, what stage is each house at? I know how much you have spent, but taking a simplistic approach in trying to divide the number of houses either completed, under construction, or in refurbishment into the total amount spent, just gave me numbers which were ridiculous. I really wanted to know what those early, upfront costs were and, as I made the comment to the committee earlier, what was lacking was it a good project information system. Now, my view was that is something you build very early in a life of a project so you have control of the project right from the outset; and now making strenuous efforts to address the issue - better late than never.

Mr TOLLNER: Auditor-General, you questioned some of the invoices, you said there were invoices which would appear differently, in different, amounts paid were different to the invoices provided, and people had different numbers on invoices and so on.

Can you explain exactly what that was about? Who was paying the differences, and how much was paid? And, finally, I am curious in my own mind, is providing false invoices a crime?

Mr McGUINNESS: The invoices were coming in from the alliance partners and what it suggested was the alliance partners were also trying to get their systems into place; some invoices that came in were rejected because they did not comply with previously agreed benchmarks for payment; in other cases invoices with arithmetic errors, or the invoices were not supported by some of the underlining documentation. And to SIHIP credit, one of the first things it did was engage one of the large accounting firms to act as a financial auditor, and as each invoice or claim for payment comes in, it is scrutinised by that group. It can be rejected on the basis that it does not comply with the previously agreed benchmarks; or the second stage is then, you have said you have spent this much, prove it. And so, the underlying documentation in support of the invoice can be scrutinised and in some cases, invoices are being modified or rejected on that basis. Now you will see reference there, there have been overpayments, but as each one is being uncovered, it is either being recovered directly from the alliance partner, or the subsequent payment is being reduced.

Mr TOLLNER: Look, we are running out of time. I only have one more question. Auditor-General, can you categorically - categorically - rule out fraud or criminal activity within the SIHIP program?

Mr McGUINNESS: I saw no evidence of any fraud or criminal activity. Now, bearing in mind ...

Mr TOLLNER: That is not the question, Auditor-General.

Members interjecting.

Mr CHAIRMAN: Order! Order!

Mr McGUINNESS: The audit constrains me. I cannot wander beyond the confines of the NT government. I cannot go into the firms and look at their records or books.

Mr MILLS: Cannot rule it out.

Mr McGUINNESS: I can say at the NT government level, I am very confident that it is under control.

But you are relying then very much on the financial auditors. Also, each of the firms I have had complaints through, well not complaints, but one firm has had an endless succession of auditors coming in to look at SIHIP records. I think people are very conscious of what is being spent on this program and they are looking at it very closely. That reduces the opportunities for fraud because people know that they are being watched, and watched closely.

Mr HENDERSON: So very clearly, because this is an important point, the Auditor-General has uncovered no ...

Members interjecting.

Mr CHAIRMAN: Member for Fong Lim! Member for Fong Lim!

Mr HENDERSON: You are quick to throw the mud around. You are quick to smear people. You are quick to smear, but this is important. You are smearing directly Territory business.

Mr CHAIRMAN: Order! Order! Member for Fong Lim! Order! Order!

Mr HENDERSON: You are smearing long-standing, well regarded Territory businesses accusing them of fraud. That is an outrageous allegation and you need to substantiate it. And Leader of the Opposition, if you had any leadership credibility at all, you would require the member for Fong Lim and the member for Braitling to substantiate the allegations that Territory businesses are defrauding the Territory government and the Commonwealth government on this program.

That is a direct allegation that is being made. It needs to be retracted.

Mr CHAIRMAN: Okay, so if I can just explain, member for Fong Lim, when a question is asked, the minister, and in this case the Chief Minister, does have an opportunity to answer that, both the minister, in this case the Chief Minister, and the departmental officer present.

I believe that concludes consideration of Output Group 1.0 – Audits and Reviews.

Mr CHAIRMAN: Before we have a change of witnesses, we need to pause for five minutes. There is a complicated technical Hansard issue. Apparently, they are recording us. That is not a problem for the Auditor-General's spot, but do need the opportunity to fix a few things up.

The committee suspended.

OMBUDSMAN'S OFFICE
OUTPUT GROUP 1.0 – OMBUDSMAN'S OFFICE
Output 1.1 – Ombudsman for the Northern Territory

Mr CHAIRMAN: We now move on to the Ombudsman's Office. I invite the Chief Minister to introduce the officials accompanying him, and if he wishes to make an opening statement on behalf of the Ombudsman's Office.

Mr HENDERSON: Again, in the instance of moving forward, our Ombudsman, Carolyn Richards, and General Business Manager in the Ombudsman's Office, Sarah Schultz.

Mr CHAIRMAN: Thank you.

Mr MILLS: Just some generic questions for starters, Ombudsman. How much was spent on advertising by the Ombudsman's Office this year? On what projects and what medium was used?

Ms RICHARDS: If we are talking 2009-10, \$130 000. \$22 582.73, plus travel expenses,

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

accommodation expenses, travel allowance of \$5276.

Mr MILLS: So all that you mentioned after the \$22 000 is \$5000?

Ms RICHARDS: Yes, that is right.

Mr MILLS: How many staff does the department have as full-time equivalents?

Ms RICHARDS: We have an establishment of 22. As full-time equivalents, we have 18.

Mr MILLS: Okay, and are you able to provide the classifications and levels, the numbers against those levels?

Ms RICHARDS: Yes, we have an ECO5; two ECO2s; one ECO1; five filled out of seven positions, one vacant; one AO6; two AO5s; two AO4s; and two AO3s, and included in those two AO5 positions, we have another vacant AO5.

Mr MILLS: Okay, so there are two vacancies?

Ms RICHARDS: Yes, in full-time equivalents.

Mr MILLS: Yes, all right, and what is the rate of separation at each level?

Ms RICHARDS: Sorry, that is question number what, of the 77 questions, it would help me.

I think, roughly, it was 38% - 33.5% separations; AO3 - 36%; the AO5s - 50%, that means one left out of two; and AO7 - 58.9%. We had a reclassification by the JES panel of someone from an EO1 to an EO1C, in other words, a permanent position for a contract position.

Ms MILLS: Thank you, Ombudsman. My last question in the general section is, what is the cost of media monitoring and transcription services?

Ms RICHARDS: We do not incur costs for any of those. I do buy the paper every day, and have been known to look at 'Crikey' as well.

Mr MILLS: Are there any shortfalls, Ombudsman, in personnel costs anticipated in 2009-10 financial year and, if so, by how much and what has caused the shortfall?

Ms RICHARDS: Yes, there are. About \$162 000 is the total shortfall, which has been caused by the personnel allocation that will allow – at last year's budget, which was known to be \$58 000 short of what was actually needed for staff we had then.

The main reason for it is there have been two classifications which were raised by the JES panel and, if someone's duties are increased or the responsibility they are carrying, they are entitled to ask to have their position reclassified for its value. There was one position of Director of Investigations at AO7 level asked to be re-JES'd. I was rather hoping, to keep that person, it would turn out to be an AO8 but to my surprise it turned out to be an EO1; the value of that job was assessed as an EO1. That, of course, meant that the person who was supervising that AO7 person, then asked for their position to be reclassified, and that was reclassified as an ECO2.

OCPE has done away with the permanent appointment beyond the EO1 level, and even an appointment at EO1, as opposed to a contract level, is only for short placements. So, as a result of these two reclassifications, both these officers had to become contract officers. That means, of course, that you are paying them more on a cash flow basis because their package includes

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

superannuation, a car and other things, as opposed to a permanent officer who you pay a lower salary level each year, but they have long-term benefits as public servants.

So, the main reason for the shortfall was the reclassification of two positions, and the rest of it is accounted for at above 3% of sufficiency dividend and the EBA increases.

Mr MILLS: Ombudsman, was additional funding sought from Treasury to make up that shortfall?

Ms RICHARDS: It is actually sought from Budget Cabinet, and process is that you make a submission to your minister, and it is the Chief Minister who has the ministerial responsibility for the Ombudsman's Office and, if the Chief Minister approves it, you then make a submission to Budget Sub-Cabinet and if Budget Sub-Cabinet approves it, you then make a full submission to Cabinet.

Mr MILLS: What stage are we at?

Ms RICHARDS: We did not reach the stage this year of getting permission to go to Budget Cabinet. The Chief Minister approved an increase of about \$400 000 we were asking for, and when it went to Budget Sub-Cabinet they did not approve it going any further.

Mr MILLS: I understand what was sought was \$400 000 increase and the actual increase was none?

Ms RICHARDS: None.

Mr MILLS: What additional costs are associated with implementing a new *Ombudsman's Act*?

Ms RICHARDS: There has been a change of website, brochures and education programs. We have done the advertising program and going forward now, I do not think there is any further oncost, that was just a one-off cost for that year.

Mr MILLS: Were those additional costs incorporated into the requests for \$400 000.

Ms RICHARDS: No, they were paid for, basically, by closing the Alice Springs office.

Mr MILLS: Are there any current investigations into the failure of government to provide the required level of services to a child (inaudible) community services or another government agency?

Ms RICHARDS: Sorry, the noise behind me, can you repeat the question.

Mr MILLS: Are there any current investigations into the failure of government to provide the required level of services to a child by Family and Community services?

Ms RICHARDS: I think I can go so far as to say that there is an Inquiry into method by which Children and Family Services provide child protection, but I cannot agree with the rest of your request.

Mr MILLS: In past year, how often do you fail, Ombudsman, to receive material from agencies in the course of your investigations?

Ms RICHARDS: If it is an investigation, and I do not receive what I want, I can issue a summons to receive it.

Mr MILLS: Have you issued any summonses?

Ms RICHARDS: In the last year?

Mr MILLS: Yes.

Ms RICHARDS: Yes.

Mr MILLS: How many?

Ms RICHARDS: About 50.

Mr MILLS: Have they all been concluded?

Ms RICHARDS: No, there are two major matters still under investigation. You also have to understand I sometimes issue summonses to protect witnesses from retaliation and relieve them of the stress of thinking they are doing something wrong by giving the information. The *Ombudsman Act* says any confidentiality requirement is waived when providing information to the Ombudsman. Many people do not understand that and get really upset. We give them a summons to satisfy them. Probably a third of those summonses are done for that purpose.

Mr MILLS: How many complaints are being currently investigated about police?

Ms RICHARDS: I have those figures here. As at 12 April 2010, 99 complaints, and still open. Of those that are investigations into serious allegations of serious misconduct, there are 14.

Mr MILLS: How many community services?

Ms RICHARDS: I do not have those figures with me. No, we cannot break it down to that level with the information I have with me. My estimate would be no more than 10.

Mr MILLS: That is complaints you are currently ...

Ms RICHARDS: That is complaints we have files for. It does not mean people involved.

Mr MILLS: I understand. Do you have a view on this, under the new legislation sufficient resources and powers to investigate police conduct?

Ms RICHARDS: No.

Mr MILLS: Was that part of the request for the additional 400?

Ms RICHARDS: No, no, no. To properly investigate police conduct, independent of police, you need to have the same skills, the same resources and the same experts as police have. You have to be able to tap phones, you have to get into bank accounts, and you have to follow people. That means you have to have people who are trained to do that. The basic powers are there to request information, but to do a job you are talking about - you are really talking about having something like a crime commission, or a police integrity office, and you are looking at another, I would think for the Territory, equivalent of what the professional standards command has, plus all the matters conciliated direct between police officers and members of the public. You are probably looking at the establishment of something like 20 people with all the powers, equipment and resources police themselves have - vehicles, cameras, technology, all those sorts of things.

Mr MILLS: Thank you, I will leave it there.

Mr WOOD: Thank you Mr Chair. Ombudsman, are you inquiring into child protection matters.

Ms RICHARDS: Certain matters related to child protection, yes.

Mr WOOD: Will any of those matters focus on the same issues the present inquiry is looking at? The one by Commissioner Bath, and two other people whose names I cannot remember? Are you looking at it from a different perspective?

Ms RICHARDS: There is some inter-lap over the terms of reference for that inquiry and what I am looking at. I have been cooperating with the inquiry. We are finding certain common themes, but of course, that inquiry is going to be much more extensive than mine and they would have the expertise to make proper recommendations for change. All I can do is establish the facts, expose the real minutia of the problem. I would then have to go to an expert to help me frame the recommendations.

I am rather hoping I can put out my report in time for the inquiry to pick up the facts I disclose, and use that as a basis of their recommendation.

Mr WOOD: Will you be using the results of your inquiry to add to the larger child protection inquiry?

Ms RICHARDS: I would hope that would be the result, yes.

Mr WOOD: In relation to your inquiry, are you able to say what specific areas you are looking at as distinct from the other inquiry?

Ms RICHARDS: No, I cannot. I could not release that at this stage.

Mr WOOD: I did not want whether in general terms, not asking for specific details of people's cases. If you are doing an inquiry, do you have enough funds to do that inquiry? Is there enough money set aside in the budget for that inquiry?

Ms RICHARDS: Yes, because the inquiry is all being done using staff I already have.

Mr WOOD: They are all my question, thank you.

Mr CHAIRMAN: That concludes consideration of Output 1.1.

Output 1.2 – Health and Community Services Complaints Commission

Mr CHAIRMAN: We now move on to Output 1.2, Health and Community Services Complaints Commission.

Mr MILLS: Is it possible to ask just one question that came to mind, in the allocation of time. It is really the AO5 positions, Ombudsman. How long have they been vacant for?

Ms RICHARDS: One has been vacant for 326 days ...

A witness: 321 days.

Ms RICHARDS: 321 days, something like that, nearly a year.

Ms SCHULTZ: There are two positions that have been vacant for nearly a year, one five and one seven.

Mr MILLS: And the seven?

Ms SCHULTZ: It is almost a full year for both.

Mr MILLS: Both a full year. Thank you.

Mr CHAIRMAN: Is that question in addition to the output 1.2?

Mr MILLS: Indeed. On page 25, Ombudsman, Budget Paper No 3, there is an estimated 25 access and awareness sessions for 2009-10, but there are no access and awareness activities estimated for the 2010-11 financial year. Can you help me understand why that is the case?

Ms RICHARDS: At the time that budget paper was prepared, there had been an exercise by the government to reprioritise activities, which had occurred, I think, in September. Each agency was made to ask a particular amount of savings, and to put it to the Budget Cabinet, as to how they were going to meet this reduction target they had been given. In the case of our agency, it was \$40 000. As I said, we spent \$30 000 on access on awareness and visiting 70 communities last year. So, for us to save \$40 000, that was the only area we could possibly save it. So when we reported that to Cabinet, Cabinet said: 'Well, do it. cancel all those activities'.

However, since this budget paper was prepared - in fact it would have been prepared in February, April - since then anyway, government has removed the requirement on the agency to save that \$40 000. So, that will probably be reflected in that access and awareness - we hope

Mr MILLS: You will be back out there into the marketplace again?

Ms RICHARDS: Well, it depends upon who gets pregnant, who goes on long service leave - you know. The ability to operate and they have some awareness – really, it is the lowest priority when we are short of money.

Mr MILLS: This allocation for two staff members. let us say, and they are not filled for two years - what happens to that money?

Ms RICHARDS: It is not money; staff establishment was made several years ago but, each year as your budget goes on, you get a 3% dividend, you get an EBA increasing prices, you get reclassification of positions, to pay that same number of people, if your salary allocation is not increasing, the only way you cannot keep running over budget constantly is not to fill positions. That is what I have done.

Mr MILLS: So, if those two positions had remained vacant for a total of two years - one plus one - were filled, then you would be in greater difficulty in running ...

Ms RICHARDS: Yes, instead of having an overspend of \$163 000 on salaries, we would have an overspend of nearly \$400 000 on salaries.

Mr MILLS: Okay. So, it is not just a matter of just not being able to find someone?

Ms RICHARDS: Oh, no. It is a matter of not having the money to pay for them.

Mr MILLS: Right. So, the plot thickens. Ombudsman, when was the *Health and Community Services Complaints Act* last reviewed?

Ms RICHARDS: There was an independent panel set up three years after it started. So, that was 1998, 2001. I think that committee reported to the then Minister of Health in 2004.

Mr MILLS: Are you aware of the recommendations contained in the report? Whether they were implemented or not?

Ms RICHARDS: Yes, I read it, but I am not aware that they have not been implemented, in fact, I would say they have not been implemented.

Mr MILLS: They have not been implemented. Are you able to advise us to why those recommendations were not implemented?

Ms RICHARDS: No, I do not, once the report went to the minister, this was before my time, once the report went to the minister, the process is for the government to decide, are they going to adopt any recommendations and how they are going to respond, and there has not been any response.

Mr MILLS: Are you aware of any plans for another review?

Ms RICHARDS: No. The last time this was discussed with the minister, and we were awaiting the introduction of the National Registration Scheme, legislation for that had just gone through, due to start on 1 July. I had requested the two went together, because that would have made one set of the legislation lead to the changes to the act, but it was not feasible because of the short time frame between the national legislation being passed in Queensland and the need to introduce it here on 1 July.

Mr MILLS: Thank you, Ombudsman.

Mr WOOD: Thank you, member for Blain, you have asked one of my questions about the awareness being zero, it was also zero for the Ombudsman as well.

Ombudsman, can I get it clear, because I asked this question through the Treasurer, that part of the reason you have not been able to recruit, or have filled, the vacancies that you have, is because of the 3% dividend efficiency required. It is not the only reason, is it?

Ms RICHARDS: The effect of that 3% dividend, and it is varied between 2% and 3%, over the last 10 years, has been quite severe because we are such a small agency. Now, the parameters under which that is applied are stated in the Budget Paper, that, if your agency has a very high level of personnel expenses compared to other expenses, certain agencies do not pay that dividend, they pay a quarter of 1%, and I think that includes Police, Education Department, they all, and another one, because they have such a high level of staff and salary expenses for people, there are other operating expenses, they pay a 40% dividend. The previous Ombudsman had made submissions that the dividend for the Ombudsman's Office ought to be equivalent because our staff salaries represented about 78% of our operating expenses.

Mr WOOD: My understanding from what the Treasurer's response, and I do not want to quote her out of place, but my understanding was, if it is, and I was referring to small departments, that you could actually put a case to the Treasury that this does not apply. Is that occurred, or has it occurred?

Ms RICHARDS: I certainly applied it this year and got nowhere.

Mr WOOD: So it does actually happen then?

Ms RICHARDS: It has been happening in the Ombudsman and Health Finance Commission for the last 10 years. Previous Ombudsmen made at least three submissions that I have seen, and I myself made one this year.

Mr WOOD: All right. Thank you.

Mr CHAIRMAN: That concludes consideration of the Output Group. On behalf of the committee, I thank the Ombudsman for coming along today.

The committee reconvened.

Mr CHAIRMAN: Members, I flag that we will be going to 12:30 pm in this session and, Graham, if you could let other ministers know there is a half hour lag, and we will still have an hour for lunch, so ministers and members, we will not be coming back until 1.30 pm. Sorry for that delay we had some technical issues, but we will now recommence.

**NORTHERN TERRITORY ELECTORAL COMMISSION
OUTPUT GROUP 1.0 – ELECTORAL SERVICES**

Mr CHAIRMAN: I invite the Chief Minister to introduce the official accompanying him, and if he wishes to make an opening statement on behalf of the Northern Territory Electoral Commission.

Mr HENDERSON: Given the circumstances we will move straight ahead; our Electoral Commissioner, Bill Shephard, before the Committee.

Mr MILLS: Thank you, Chief Minister. What act is used to facilitate local government elections?

Mr SHEPHEARD: There are two pieces of legislation, the *Local Government Act* which has very high level information about compulsory voting, timing of elections and that type of thing. But, the vast majority of rules and regulations and procedures that govern local government elections are contained in the Local Government Electoral Regulations.

Mr MILLS: Are there any inconsistencies between the two?

Mr SHEPHEARD: There are no inconsistencies between those two pieces of legislation, the carriage of which is with the departments of Local Government and Regional Services. The consistency factor in electoral systems lies with inconsistencies with, say, Legislative Assembly election and a Local Government election.

Sometimes there is a need, or it is preferable, to have some variation but, by and large, there are some benefits in having a consistent approach to procedures at electoral events and, in answer to your question, there are a few minor things we have addressed after that recent general election in a report to the Minister for Local Government.

Not only suggestions about a few small inconsistencies that might be worthy of looking to improve processes and adopting a consistent approach, but also some of the logistical and operational needs and that type of thing; so that report has gone to the Minister for Local Government.

Mr MILLS: Thank you, Bill. Correct me on this. Are you not, therefore, directly responsible for local government elections?

Mr SHEPHEARD: No, we are not. It might come as a surprise to people because normally we are running them but, essentially, the legislation dictates that the councils have the option of appointing anyone to run their election. I think what it says is:

That in the absence of that, the CEO for Council shall run them.

And there is an overriding provision there that the minister can appoint someone as well.

That part of the legislation is the new 2008 legislation. That is not totally inconsistent with what was in place before. It is, essentially, the same thing in that Councils could engage anyone they wanted; it fell to the CEO. The only difference in the change of legislation 2008 is it has done away with the capacity for Councils to leave a position vacant. I should say too, in the previous legislation there was a note in the legislation to say that whilst the legislation did not dictate that the then Chief Electoral Officer runs those elections, it was the government's position that that should occur, that that was

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

desirable. So, since that time of course we now have an independent Electoral Commission. At the moment, and in answer to the question, we do not, as a result essentially a tender process occurs, but in actual fact it is not particularly competitive. In our case, the charges we apply are just marginal costs, so no one can compete with us on price. The only other real available alternative is probably the Australian Electoral Commission, but in essence, they are not particularly interested in those elections. They have tendered in the past, but again, I do not know exactly what the tender was. It would have been miles more than we would have ever asked. There was a case, I think, where someone tendered from interstate as well, a few years back, but that did not get legs either.

The other point about it is that we have a very strong cooperative relationship with the Australian Electoral Commission, more so in this jurisdiction than in others. We work on a daily routine basis with them, in terms of driving enrolment education and election programs. We rely on each other at times to perform election functions. When we actually put in, we call it an estimate of charges; we do not call it a tender even though everyone likes to think of it as some kind of quote. But when we put the estimate of charges in, in fact, that would involve any secondment arrangements or sharing arrangements we have with the AEC any way.

Mr MILLS: You have actually answered three of my questions. That is good. So how many local government elections has the Electoral Commission managed?

Mr SHEPHEARD: Since the new legislation?

Mr MILLS: Since the new shire arrangements.

Mr SHEPHEARD: We think it is 20, which basically means we have been running one by-election every month since the 2008 rural and remote shires general election.

Mr MILLS: Are there a number that the Electoral Commission has not been involved in?

Mr SHEPHEARD: There have been two elections in the shire of Barkly, which have been run by the CEO. Apart from that, all the others have been; they have engaged us to do so.

Mr MILLS: Is that correct, all bar two?

Mr SHEPHEARD: And it was the same shire. In that case, the further away you are from our services the more it will cost, even though we are only charging marginal costs. So there is, in Barkly itself we have to set up an office in Alice Springs now and are resourcing that at the moment. Obviously to provide services from there it is a little bit more expensive than from either Alice Springs or Darwin. And that might have been a consideration of the council concerned. But then again, it comes down to the council; they do not have to give their reasons for that. I think the person down there actually had some previous experience running elections as well. That is a matter for them.

I should say though, in answering that question fully, it is not only about us running an election. Even if in the case of Barkly the CEO chose to run it, they would still look to us to provide a whole lot of services and advice. In actual fact, some people in our office would think that we were half running it anyway because we have to provide all the information, the training information, by legislation we have to provide the roll and the forms; we have to provide advice. The only thing we do not have is control over the actual services and the selection services they require. The returning officer, in fact, is responsible for setting mobile polling booths, that sort of stuff. So all those things that make up a fair election we do not have responsibility for them, but we still have responsibility in providing equipment and stuff like that to them.

Mr MILLS: Thank you, Commissioner. The level of in-servicing and training that is needed by local shires; since the change has there been an increased demand for the provision of that type of training?

Mr SHEPHEARD: For the governance training, yes.

Mr MILLS: Governance, running elections?

Mr SHEPHEARD: Clearly, from the little we hear, there seems to be a large appetite out there for governance training for these new shires. We only have a sharp focus, naturally, on electoral events and running elections particularly. However, in terms of that, there seems to be an appetite for having someone come out and run instructional sessions for candidates - that sort of stuff. Of course, it is a very fine line for an Electoral Commission to walk because the role we play is one of an umpire; we do not want to get too much involved with encouraging, if you like, people to nominate or not to nominate, or giving them advice on how to run a campaign, and all those sorts of things.

Mr MILLS: Just on that, if you are in the role of an umpire, you would then be called upon to explain the rules of the game. I am wondering - you indicate there is an increased appetite for that in-servicing, that learning about governance and so on - how do you determine there is that increased appetite and, in determining it, are you providing increased in-servicing at the request of local shires?

Mr SHEPHEARD: We determine it, I guess, because of our involvement at the general election. There were a lot of issues that came up when the shires were looking to define their roles and what jobs they had to do; what jobs the Department of Local Government had to do; what jobs the Electoral Commission had to do. The reflex, I guess, is the Electoral Commission is running this election so they must be the port of call for everything. Of course, we are not resourced to do that on that scale, particularly with that sort of time frame that was involved in the general election.

Which probably leads back to your question. This is one of the dilemmas for our office, I guess; that whilst we are working in an environment where we have no guarantee of running an election, it leaves us not only doing a lot of work to service that model, but also it restricts us in our responsibilities in providing that service out there. If we were sole providers then, obviously, we would seek to play a bigger role in that. I should say, in a sense, we welcome that because any opportunity to go out there and create networks to actually understand how to get the public awareness message out there, to improve the electoral education, is when the sharp focus in the community comes - when you actually have an election. To have that as an ongoing responsibility would certainly aid us very much in programming our own electoral education programs, and would lead to probably better quality elections.

Mr MILLS: I agree with you. Have you made any submission to the Territory government for increased resourcing to provide that service to the local shires?

Mr SHEPHEARD: Well, not so much in terms of resources for that particular facet because, as I say, these are longstanding regulations that must have been looked at 2008 in what our role would be. What I can say is, in the normal course of events when the roll-out of these large shires became publicly known - and it was also done in connection with setting up an office in Alice Springs which we are doing as part of other program developments - we did ask for more funding for that. We were given it for staffing. We were given what we asked for on a temporary basis, whilst the actual need could be assessed, because a lot of that was guess work involving how much that is going to roll out in terms of work load for us.

We have recently made another submission which, when that temporary funding was due to expire, and we have been given that same amount of funding again on a permanent basis. It is a little less than what we asked for in terms of what we think the roll-out might be. But again, it is very difficult to actually predict what might happen with these local government by-elections, whether it will be a settling in period, whether something will die off, whether we will start to see elections that are uncontested, or whether we are going to start to see them being contested. There are a whole lot of factors that kick in here that make it very difficult. In a sense, I can understand the government's position in saying we want to see some demonstrated activity before we fund it on a permanent basis. But that whole issue that I think you are driving at, that, what could you be doing, is an issue that has not really been addressed in those developments, but I have mentioned it in terms of some of the

perceived needs and requests in that government report that went to the minister. So that is with the minister under consideration at the moment.

Mr MILLS: Well, to me, it is glaringly obvious that if we are going down the path of reform, there has to be a greater investment in education and providing that service, so I would encourage you to continue down that line if we are going to capitalise on what is called a reform.

The next thing is, not having direct responsibility for local government initiatives, can you explain to me about electoral redistributions in local government, and what role is played by the Electoral Commission in the changing of boundaries, on a government level, if you are not directly involved. How does that work?

Mr SHEPHEARD: Again, this is legislation we do not have carriage with. That is another issue, I suppose, it is a specialist sort of area, but basically, the only role we have in it is that there is a line in there that says, well basically, what happens is that the councils have to run their representational reviews, as they call them, which is like what members around the table would know as a redistribution, but it is a bit wider than that, because it actually takes into, it has to consider things like, do you want wards or do you not want wards? And if you do have wards, how many members are they going to have?" So all those representation issues that are also weaved into the whole redistribution process, if you like ...

Mr MILLS: Sorry, who manages the redistribution process?

Mr SHEPHEARD: The councils.

Mr MILLS: The councils themselves? What role does the Electoral Commission play in this?

Mr SHEPHEARD: That is not clear, well, it is not clear to me. There is a line in there that says that, 'in conducting these reviews, the council, or whoever is doing it, has to consult with the Electoral Commission', but it does not define what 'consult' means. It also does not give much prescription to the actual reviews themselves. Again, members will know that, with Legislative Assembly, it is quite prescriptive about a timetable, about the processes of public notification and public involvement in the process. That is not so with these representational reviews. I think I am right in saying that there is no requirement for them to actually call for public submissions. They may well do that, they can do that, and then local government are in the process, I understand, of being involved a little bit with it in putting out some guidelines, like suggested models, but, in actual fact, the councils themselves can determine where the boundaries are, whether they have wards or not. I should say, because these reviews have really started in some areas, Darwin City Council has engaged a service provider from South Australia to do theirs. I understand at least one other council is contemplating engaging that same service provider. I also understand, anecdotally, that one of the other councils has just engaged a local person to drive - from our point of view people are looking to us especially with that phrase in their consultation on the NTC, we have interpreted well, my view is, certainly we would see ourselves in a role of providing data on enrolments because that is a critical thing.

Mr MILLS: But if you do not have direct responsibility for running those elections, where is the data kept in a complete way?

Mr SHEPHEARD: On enrolments?

Mr MILLS: Well, I probably do not need to go any further with this; it is quite clear that there is major plank of reform has certain details which need to be attention. One is the education, the other one is how you manage these redistributions, we as a community and the role you play, I think in the interest of time I would have to move on. Because it strikes me as an unusual situation to say that if it comes to the Territory level the good citizens of my electorate could go into negotiations separately and change the boundaries and take out bits of other parts. So, we need a tidy up by the sound of it. I just I do have to move on. At the Territory level, when is the next redistribution?

Mr SHEPHEARD: It is due to commence in February. It has a timetable in the *Electorate Act*, and that is flexible in a couple points in the timetable, but it would generally be expected to last about seven months.

Mr MILLS: Okay. It formally commences February?

Mr SHEPHEARD: Yes.

Mr MILLS: The current state of enrolments?

Mr SHEPHEARD: What about them?

Mr MILLS: What is the current state of enrolments?

Mr SHEPHEARD: The current state of enrolments is about 117,000-odd, I think, in the Territory at present. The enrolment actually fluctuates markedly at times, if you track at it, it will swipe at times and decline sharply at times as well. The reason for that is the way the roll management system works, I guess, in the way public reacts to enrolment. Spikes generally occur where we have electorate events or some particular promotion is occurring, and those electorate events can provide a spike in the lead-up to a poll and, sometime later, of course, we have a non-voters process which leads to many people taken off, so again there would be a sharp decline.

Mr MILLS: Are there more or less on the roll now than there were in 2008?

Mr SHEPHEARD: I know where you are going. The answer is yes, and that does look, on face value, to strange because population must be growing all that type of thing. Basically, that is a result of some of those removal types of arrangements being put in place; in particular, the Australian Electorate Commission which manages the roll, actions and transactions of putting people on the roll and taking them off. They have had a policy for some time where removal of names was not coming off quickly. Their policy was, you would be aware, there are various data exchanges they get from various agencies and such, where the Divisional Returning Officer, in their case, had information that lead to the belief that somebody was living at another address, and they were not taking objection action against the old address. So, there was a large backlog of objections which I think came off in about September of last year; I think about 5000 came off, which made it plummet. Really, that is I should say on this score that the Australian Electoral Commission has since revised this policy, with a bit of pressure from states, and we now have a system where the objections are coming off on a monthly basis. There has certainly been a big clean up, especially in preparation for their election.

Mr MILLS: Would it be tidier if someone had an NT driver's licence, they change their licence and the details automatically activate their enrolment. There is a connection between the driver's licence and the enrolment? Would that be a cleaner system?

Mr SHEPHEARD: There are other considerations as well. What you are suggesting is related to some of the new legislation passed in New South Wales, where they have moved to legislate for automatic enrolment from trusted agencies. Quite obviously it is a cleaner operation, however it depends what your trusted agencies are, and other people might have arguments about whether or not that really represents real place of living in certain circumstances - it depends what data you are using.

What we can say is the current system the AEC employs for roll maintenance is, by its own admission, is not working very well. It is heavily slanted towards mailing people. What we are finding these days is people do not respond to mail. We are finding, particularly the younger cohorts, are moving around. In fact, everybody is moving around much more, and I think in the public psyche there is a mindset they do not need to update their enrolment until an election is called. A strategy of data minding and sending out huge amounts of letters - the response rates are extremely poor; you would

not believe how poor they are, by their own admission.

They are reviewing this to think more about going back to doorknocking, that sort of stuff. The AEC run the roll and they do not have fixed elections, but certainly a degree of focus in advertising and doorknocking to clean up the roll is more available to jurisdictions which have a fixed role, when things can be timed and get good value for money.

Mr MILLS: Thank you, Commissioner. In the interests of time I will pass to other members, however you indicated you asked for something and you did not get as much as you wanted. Have you put forward any requests for funding which have been denied?

Mr SHEPHEARD: No, that is the only one. I would not call that absolutely denied.

Mr MILLS: No, I understand.

Mr SHEPHEARD: Yes, but ...

Mr MILLS: You wanted more, but you got something ...

Mr SHEPHEARD: No, generally speaking I can say that ...

Mr Tollner: We all want more.

Mr SHEPHEARD: Generally speaking, we have not had problems with funding.

Mr MILLS: Thank you.

Mr CHAIRMAN: Do other members have questions?

Mr WOOD: Yes, thank you, Chief Minister. My question is in relation to education programs, specifically to understanding the preferential voting system, and I will put it into context. I recently took part in an education program run by the Australian Electoral Commission for Aboriginal communities in my area relating to preferential voting. For many people it is confusing, even though it is a very good system. What do you do, in a proactive way, in communities or in schools, to help people understand what preferential voting is all about.

Mr SHEPHEARD: We work closely with the Australian Electoral Commission in that regard. In fact, more closely than other jurisdictions because we are both small agencies with resources that are going out in the field regularly and many areas of need are remote places. We do school visits; the AEC has a program of school and community visits. We help them out with that. At times, we run them if they cannot, if they do not have the resources to do it. We have a relationship where we try to do everything down near the Centre now we can, now we have an office and staff there; just for cost effectiveness apart from anything else.

One of the initiatives we have actually put in place with government support is the creation of a one-stop shop in Alice Springs. We have moved premises fairly recently, and the infrastructure has been put in place in having a space there for education and community-type education facilities, and we will be rolling out programs in that in the coming years.

Regarding the Australian Electoral Commission, they have also been funded something like \$13m or \$14m over the next four years. They have engaged a number of remote field officers who will be performing the role of driving enrolment and education.

I can also say we also have an opportunity with the local government elections. This is what I was talking about before, I guess. From our point of view, a lot of these things have integrated. That same

system we are speaking of rolls out to local government elections as well as the Legislative Assembly elections, and also to federal elections. The opportunity to do this in a cost-effective manner is often when there is an election. There can be a local government election where it means something to the people in the community. The candidates are familiar to them, the area in which going to vote is familiar to them, and all that sort of thing. So, there is added interest when something like that occurs.

Mr WOOD: In relation to local government – and this is where it applies – is you have multi-member wards such as in Darwin and some of the new shires. One of the methods they use is the exhaust of preferential whereas, in Tasmanian local government, where they have multi-member electorates, they use the proportional system. Has there been any work done on whether that is the better option for multi-member electorates, or wards, as against the straight-out exhausted preferential systems?

Mr SHEPHEARD: That is really a question, I guess, for the Department of Local Government. I can only say what we have been involved in. We have not been in any discussions of any note with Local Government in regard to the pros and cons of voting systems. In fact, without [inaudible], that is one of the recommendations I have made to the minister; since that generated such a deal of public comment at the last election, it might be something they might like to review. I think they have intentions of doing that in some time frame, and we would be more than happy to lend our expertise to doing that.

I just say one other thing, member for Nelson, I did forget in the education process. One of the big things our agency has done is we have worked closely with the Legislative Assembly in the Parliamentary Education Unit. In fact, we have reached something like 3200 schools students who come in here, with a joint program of electoral education, in which our session looked at the voting system and run mock elections. So, that is well above. It is those sort of mechanisms within our resources that we have been trying to explore.

Mr WOOD: My last question relates to what a few people have asked me. Why do we not require ID before we vote? If we do not require ID, are there any cases, or do you get many cases, where you get fraudulent voting - either the person is not the person they said they were or people have gone around several places and voted? Or do you think there was a need for the presentation of ID before voting?

Mr SHEPHEARD: In my experience, I would say there is no demonstrated evidence that suggests that sort of fraud is particularly worth worrying about in our own community standards and our own processes. Occasionally, it does happen. Occasionally, someone will make a point of trying to vote at several polling places. To my knowledge, it has never happened in this jurisdiction in terms of Legislative Assembly elections or local government elections. In the federal sphere, I know, once or twice, over a long period of time, someone has been taken to court over that. One of the issues, I suppose, is that, in the absence of any known problem, do we make it so rigid that we actually will be excluding people from voting? That is a big consideration. I think that most jurisdictions would take the view that it is not an issue that is substantial enough to actually move down into that area.

Mr WOOD: Thank you for that.

Mr CHAIRMAN: On behalf of the committee, I thank the Electoral Commissioner for attending.

Committee suspended

DEPARTMENT OF THE CHIEF MINISTER

Mr CHAIRMAN: Chief Minister, we might start.

I invite the Chief Minister to introduce the officials accompanying him, and make an opening statement on behalf of the Department of the Chief Minister if he wishes to do so.

Mr HENDERSON: Thank you, Mr Chairman; I have a short opening statement.

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

First, I would like to introduce Mr Mike Burgess, to my left, Chief Executive of the Department of the Chief Minister; and Mr Phil Vivian, to my right, Chief Financial Officer. Other officers of the department are available to assist the committee as required.

The Department of the Chief Minister provides a leadership and central coordination role in facilitating government priorities, positioning the interests of the Territory at the local, national and international level, and supporting the business of government. Major achievements this year have been substantial. Most importantly, the release of the NT's first 20 year strategic plan, *Territory 2030*, has been a significant achievement and a milestone in Territory government planning. Implementing and monitoring the outcomes of this plan form a significant workload for the Chief Minister's department, and the government as a whole.

I am also proud of the release of the NT's first climate change policy, and the groundbreaking work achieved by the Green Energy Task Force. Major projects group, Asian Relations and Trade continue their vital work in attracting investment to the Territory and facilitating economic development. There is much work in the continuing preparations for major offshore and onshore gas development projects.

The department has also been busy this year on other significant matters, including commencement of a new five year international trade strategy, projects under the Alice Springs Transformation Plan, and coordinating strategies to ensure the Territory remains a great place to live and work. All sections of my department work long hours and hard days.

The Policy Coordination Group responds to the myriad of issues emanating from the COAG process. Protocol is well known for the extensive and thorough work they do, and Strategic Communications work to a very tight and demanding deadline, and do it well. Finance and administration elements of the department keep us functioning properly in a well audited and transparent way. I am proud of the efforts of every single staff member in my department.

In relation to questions on the Department of the Chief Minister, I inform the committee I will be taking questions on Australian and Northern Territory government relations, multicultural advancement, major projects, 2030, management of the Darwin waterfront, ministerial offices and community support.

Questions on the Alice Springs Transformation Plan output, Central Australia, climate change and the Arafura Games will be handled by minister Hampton on Thursday. Questions on the Asian Relations and Trade output will be covered by minister Knight on Friday.

That is the opening statement. I welcome questions from the committee.

Mr CHAIRMAN: Any questions on the opening statement?

Mr MILLS: No.

Mr CHAIRMAN: No questions from the member for Nelson?

Mr WOOD: No.

Agency Specific (Whole-of-Government Related Questions) Budget and Fiscal Strategies

Mr CHAIRMAN: The committee will now proceed to consider questions relating to Agency Specific (Whole-of-Government Related Questions) – Budget and Fiscal Strategies.

Mr MILLS: Thank you, Mr Chairman.

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

The first question relates to HR – how many personnel are employed to perform human resources functions within the department, and at what level are they employed?

Mr VIVIAN: Six staff are employed in the HR functions in the department.

Mr MILLS: What position levels?

Mr VIVIAN: There is an ECO1, an AO7, an AO6, an AO5, an AO4 and an AO3.

Mr MILLS: Are all those positions filled with people, or are they allocations?

Mr VIVIAN: They are currently filled.

Mr MILLS: How many personnel in that group are employed to perform or assist in payroll functions?

Mr VIVIAN: The payroll functions are performed by DBE, Department of Business ...

Mr MILLS: There are no payroll functions performed within the Department of the Chief Minister?

Mr VIVIAN: Correct.

Mr MILLS: None at all?

Mr VIVIAN: Correct.

Mr MILLS: How many complaints have been made in the department in relation to workplace bullying and harassment?

Mr VIVIAN: None.

Mr BURGESS: There was one complaint laid in this year.

Mr MILLS: The Commissioner for Public Employment NT Public Sector Employee survey report 2009 spoke of the Department of Chief Minister areas of concern. It said some concern is to find out one in five staff reported they have been bullied and harassed in their workplace.

Mr BURGESS: Is there a question?

Mr MILLS: Well, obviously, there is a question. If there is only one, and this survey in 2009 said there is one in five.

Mr BURGESS: There has been one formal complaint laid. I understand the Office of the Commissioner's report was based on a sector-wide survey, so it was a survey result rather than a formal process.

Mr MILLS: Well, overall it says the Department of Chief Minister scored marginally higher than the public sector average. That is fine. However, 'the lower scores for the concept of fair internal review system'. Then, it goes on to say: 'Of some concern is that one in five felt they had been bullied or harassed in their workplace'. So, that does not quite match. Could you help me understand this survey and what I have just heard, then?

Mr BURGESS: The facts are there has been one formal complaint made. We are aware of the results of the survey. They have been extensively reviewed by our management board, because we found

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

some of those figures surprising to us, as well. There is a range of measures that we are putting in place so we can better understand the figures; why the results might have turned out that way, and to see what approach we should be taking in those spheres so we can ameliorate it.

Mr MILLS: Initially, this was a description of this survey being a general, or a wide-sweeping survey. But, this one is specifically directed to the Department of Chief Minister. Could describe the specific response to matters that were given through this survey? What is actually done to address this?

Mr BURGESS: If you just let me refer to my notes, we have a specific response.

The NTPS Employee Survey results for the Department of the Chief Minister identify the following areas listed as opportunities for improvement: quality leadership employment based on merit, managing performance, fair internal review system, employee consultation, and input encouraged. The department is developing a program that will enhance our capabilities in all of those five areas nominated for improvement. To do this, our Deputy Chief Executive in conjunction with the Human Resource Unit has committed, and has commenced undertaking staff forums throughout the months of June/July focusing on the survey results to promote effective dialogue of employees to draw out relevant information so DCM can accurately identify the real issues and how they impact on DCM's work environment.

The information gathered will be analysed by our human resources group and priorities identified which will inform the development of appropriate programs for delivery to DCM employees in August. So, the approach we want to take - as you will see from that result, it is a very high-level report. What we discussed in our executive management group was each executive director and the deputy sitting down with groups of people who elect to talk about these issues to find out, in those responses coming forward in the way in which they did, what were the things on people's minds when they were making that response, so that we can find out what that is and be very specific around targeting programs to address the causes of the way in which those people respond.

Mr MILLS: Would it be right to say that it would be concerning that if a survey reflected one-in-five feel that they had been bullied and harassed in the Department of the Chief Minister, and only one person made a formal complaint, would not that be greater cause for concern that the processes are not sufficiently trusted to allow a complaint of that nature to be properly assessed? Would that be a fair assessment to make?

Mr BURGESS: It is certainly one of the things I would want to explore, because I do not know the answer. I mean, that was an issue that we discussed as well, because we want to make sure that people feel free to complain and use formal processes.

Mr MILLS: Why would they not feel free to make a complaint about workplace bullying?

Mr BURGESS: They are precisely the issues that we want to understand.

Mr MILLS: Was this a complete surprise to you, that is, you had never heard that there was this level of concern within the Department of the Chief Minister before?

Mr BURGESS: Yes.

Mr MILLS: Had surveys been conducted before?

Mr BURGESS: This, I understand, was the first enterprise-wide survey.

Mr MILLS: And coupled with this is the, it says one in a third of the staff feel confident that if they lodge a grievance they will not suffer any negative consequences. Do I assume from that that two-thirds would hold back because they fear the consequence of making known concerns they have in the workplace?

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

Mr BURGESS: Again, that is the sort of issue we want to explore further, because those sorts of questions were not asked in the survey and we think that is the sort of detail we need to get into as well.

Mr MILLS: So what is going to happen in August to shine some further light on this and address these concerns?

Mr BURGESS: Throughout the next few months, we will be conducting fora throughout the agency to try and ask the sorts of questions, ones similar to what you have been putting here, so that we can actually get to the detail of why people have responded in the way they are. We will then design specific programs around addressing that.

Mr MILLS: And what reporting on those activities will be made?

Mr BURGESS: The things that we do would normally be reported in our annual report in this area, and I am sure that the Commissioner will again be conducting his survey. I am not sure of the frequency of the survey, but I would hope to see substantial improvement over that period.

Mr MILLS: So therefore it will be a feature of this annual report?

Mr BURGESS: It is an issue that must be addressed in the annual report.

Mr MILLS: Chief Minister, as of 1 April 2010, what is the current full-time equivalent staffing of the department and ministerial officers by level?

Mr VIVIAN: I will just ask for the date again that you asked?

Mr MILLS: As of 1 April this year.

Mr VIVIAN: The full-time equivalent number that we have here as of May, end of May - 283.

Mr MILLS: Two hundred and eight-three. And are you able to break that down, please, by department and ministerial officers, and by level?

Mr VIVIAN: I can give you a breakdown on the output groups, if you would like. At the first step in this, there are 29 – if you would like a breakdown by output group?

Mr MILLS: Yes.

Mr VIVIAN: The Policy Advice and Coordination Output Group was 29.4. Territory Development was 30.5. Government Business Support, which includes ministerial, was 144.1. Community Support was 14.5. And a range of input areas, including committees and boards, was 64.5.

Mr MILLS: That is like a miscellaneous group, is not that 64.5?

Mr VIVIAN: The range of corporate support functions that will be captured in that include finance, HR, Alice Springs regional administrative support, the Executive, and the Strategic Communications Group is in there as well. So, it is the functions that support the rest of the output areas, and boards and committees are encapsulated in that number as well.

Mr HENDERSON: Excuse me, just a point of clarification, sorry Terry. I understand if these are questions that go to the 77 that were on notice that information was provided last Friday; I am just interested in time, that is all.

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

Mr MILLS: Well, the problem is, I just before I commenced asking these questions, I received notification, a matter of five minutes before, that those 77 had just been provided.

Mr HENDERSON: I am advised they were provided on Friday. Anyway, it is just curious ...

Mr MILLS: It is curious they arrived, from my information, five minutes before I commenced here. It is very interesting timing.

Mr HENDERSON: My advice is Friday.

Mr MILLS: Yes, of course.

Mr CHAIRMAN: So, because it is through the questions process rather than the Estimates Committee process, but the answers are provided through the written questions process to the Legislative Assembly on Friday.

Mr HENDERSON: Well, I am not sure what the process was. I was just surprised.

Mr MILLS: Yes, Friday, Friday afternoon.

So how many increment levels, we are talking about the executive contract officers; how many increments are there to those levels for an executive contract officer?

Mr VIVIAN: Increment levels, there are six executive contract officer levels - Level 1 through to Level 6. Does that answer the question? Or are you saying are there ...

Mr MILLS: Give me an idea of that range and how those decisions are made with regards to the upper levels.

Mr VIVIAN: How do the decisions about ...?

Mr BURGESS: Mr Mills, do you mean how are individual salary levels set?

Mr MILLS: So there are six different levels for an executive contract officer; can you just walk me through those six levels and how they operate? How it is determined that someone be on a 1, 2, 3, 4, 5 or 6.

Mr BURGESS: All those levels are subject to a JES process which is the same as applies to all positions across the public sector.

Mr MILLS: Who has the authority to decide on those levels? Once the JES process has occurred. Who then makes the decision?

Mr VIVIAN: The Chief Executive.

Mr MILLS: How many department positions were substantively filled, and how many were filled by persons acting in positions, or are temporary appointments?

Mr VIVIAN: Could I ask, if that was in the 77 questions asked earlier ...

Mr MILLS: I got that notification five minutes before, so ...

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

Mr VIVIAN: ... my question was going to be, do you know the number of it so I can find the answer?

Mr MILLS: Maybe Hendo, we could get that sent down.

Mr HENDERSON: It would probably make it easier if you say the question number.

Mr VIVIAN: ... three, and we can go to the answer then, rather than chopping through ...

Mr MILLS: ... we had sort of given up hope that was actually arriving, so we have not married it. Now it has just arrived, so ...

Mr HENDERSON: It was sent over Friday.

Mr MILLS: Yes, I have got that. I have that covered off. What time on Friday?

Mr HENDERSON: I am not sure what time on Friday, but there was a lot of detail asked.

Mr MILLS: Exactly, there is a lot of detail asked and ...

Mr HENDERSON: The fact you do not work weekends is your problem.

Mr MILLS: I was working weekends. When did it leave your office?

Mr HENDERSON: Well, someone was not working on these questions.

Mr MILLS: When did it leave your office?

Mr HENDERSON: I do not know that it actually went through my office, on the bias it was sent to your office on Friday.

Mr MILLS: From your office, Friday.

Mr HENDERSON: I do not know what the process was; it was sent to your office on Friday.

Mr MILLS: I received notification five minutes ago.

Mr HENDERSON: Well, that is a problem in your office, not a problem here.

Mr CHAIRMAN: Just to clarify, we are talking about a written committee question process through parliament as opposed to the Estimates Committee process which we are in at the moment; for people listening who are not quite sure.

Mr HENDERSON: All right, can you read it again?

Mr MILLS: I think there needs to be some clarification. There are six levels ECO. Okay. Now in each one of those, is there a range?

Mr BURGESS: Yes, there is a nominal range for each of those levels.

Mr MILLS: So if you are an ECO6, what are the ranges in ECO6?

Mr BURGESS: I do not have that material with me, Mr Mills.

Mr MILLS: Are you able to provide that on notice?

Mr BURGESS: The Commissioner for Public Employment is the better person to answer those questions because it is within their remit to manage those issues.

Mr MILLS: You are the one who makes the decision on those things. I just want some detail on those different levels.

Mr CHAIRMAN: To clarify, if it is regarding a specific position within the Department of the Chief Minister then the chief executive can answer. However, a broad question about ECO6 which applies to all departments and all agencies, that is the OCPE's remit. If there is a specific question to an officer within DCM Mr Burgess is capable of answering that. If it is about ECO6 per se then ...

Mr MILLS: I am talking about the department of the Chief Minister, yes.

Mr CHAIRMAN: You are talking about ECO6.

Mr MILLS: In the department of the Chief Minister.

Mr CHAIRMAN: Are you talking about a specific position within the department of Chief Minister?

Mr MILLS: Correct.

Mr CHAIRMAN: Which position?

Mr MILLS: ECO6. How does it work? What are the different levels?

Mr BURGESS: For each executive officer level there is a range. The JES process establishes whether you are an ECO1, ECO2, ECO3 whatever. Within each band there is a range, and to move within that range individual submissions need to be made to the executive remuneration panel. That panel, based on the submissions it receives, makes a decision about whether or not a person should be on the bottom, the mid point, or the top of that range.

Mr MILLS: Are there three levels?

Mr BURGESS: In a notional sense, yes, that is the general way in which it works.

Mr MILLS: Notional sense, so there could be more than three?

Mr BURGESS: There are generally three levels.

Mr MILLS: There are more than three?

Mr BURGESS: I can not be more specific than I am being without access to ...

Mr CHAIRMAN: I think this is where it is going to the OCPE. ECO6 applies across all agencies - that is my understanding. Is there a specific position within DCM you wanted to ask a question about, or is it how ECO works full stop. How it works in DCM is how it works in health or education.

Mr MILLS: That is what I am trying to determine; whether that is actually the case.

Mr BURGESS: For example, if I wanted to seek recognition for someone who had performing at the

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

ECO2 base level for many years and had been doing well, and was in fact performing at a higher level but the position was not jessed at an ECO3, I would write a submission, submit it to the executive remuneration panel, and they would decide whether or not that person would move within the bands available for that level.

Mr MILLS: I need to put on the record right now; I have received notification, check with my office. My office received - and here is the e-mail - the written responses arrived at 9:48 am this morning, in my office. As my office does not work on weekends, it came to 'legis' at 7:24 pm Friday, and arrived here this morning at nearly 10 am.

Mr HENDERSON: That is an issue the Legislative Assembly needs to look at.

Mr MILLS: It is fine by you; it has all been batted away. I do not think that is a fair position for you to take - that we have already had that information in such a timely manner, to advantage yourselves and to disadvantage the opposition.

Mr HENDERSON: I think you are misconstruing events.

Mr MILLS: It is going to be difficult for me to match the numbers submitted to you some time ago. I will push on.

Mr HENDERSON: Nothing has been submitted to me. This has been a process through the department ...

Mr MILLS: I will have to do the best I can with what I have in front of me.

Mr HENDERSON: ... Legislative Assembly did not forward it to you until 10 am that is an issue for them to explain.

Mr MILLS: That is fine; I am not going there. I am going to push on and acknowledge there may be some difficulty in assisting you people in getting to the place where those questions may have already been answered. That is all I am saying.

As of 1 April 2010, what is the policy of the department and also the Executive Contract Officers in relation to recreation leave? In particular, how many weeks are allowed to be carried over between years with the Department of Chief Minister?

Mr BURGESS: Mr Mills, I believe it was question 40 in the ...

Mr HENDERSON: They are your questions, we are just trying to make it easy.

Mr MILLS: You are just trying to make it easier?

Mr HENDERSON: If you were to say question No 40, we can give you the information.

Mr MILLS: Chief Minister, I have just been through that.

Mr HENDERSON: All I am asking is you can refer to which question number, that makes it ...

Mr MILLS: I explained why that is not easily done right now.

Mr HENDERSON: But you submitted question 1 through to 77.

Mr MILLS: Correct. With no expectation we were going to get a response, and now we have.

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

Anyway, this is the end of it. I believe their game has been played. We will put that aside and let is just get on and do the best we can.

Ms Scrymgour: You talk about playing games.

Mr MILLS: Oh, pipe down!

Mr CHAIRMAN: Order! The answer is with Mr Burgess.

Mr BURGESS: Mr Mills, recreation leave is managed in accordance with the Northern Territory Public Sector 2009-10 Union Collective Agreement provisions. Clause 45(7) of these provisions relate to excess leave. Where an employee has available recreation leave in excess of 60 days or 90 days, in the case of a compulsory transferee, the CEO may, on giving a minimum of two months notice, direct the employee to take up to one-quarter of the total available recreation leave. Our policy is to remind managers twice a year of the rec leave liability.

Mr MILLS: How many staff have more than this amount carried over?

Mr BURGESS: Forty-three employees.

Mr MILLS: Have more than that amount carried over? And what is the cost of this leave that is being held?

Mr BURGESS: We calculate that at around \$437 000.

Mr MILLS: Right. This is quite unsatisfactory. In fact, I have this material here that does not match - nor do I expect this is arriving and, least of all, expect it to arrive at 10 am. So, I am going to have to move on and we will have to come back to this.

I will just go back to one issue. Are you absolutely certain, in your position, there is no payroll facility within the Department of Chief Minister?

Mr BURGESS: I have an answer here which is slightly different from the answer I gave earlier, member for Blain. The answer is 0.4 of an AO5 and 0.1 of an AO4, so there is a slight ...

Mr MILLS: So, there is a payroll function performed within Department of Chief Minister?

Mr HENDERSON: Very tiny ...

Mr MILLS: There is a payroll function performed with Department of Chief Minister? We were previously told there was not.

Mr HENDERSON: A very tiny one, though.

Mr MILLS: Why would there be two cell? Why is there a cell in the Department of Chief Minister ...

Mr HENDERSON: A 0.5 of a position.

Mr MILLS: Why is there a cell in the Chief Minister's Department, managing ...

Mr HENDERSON: A 0.5 of a position, not a cell, not a ...

Mr MILLS: Why is there a facility or capacity within the Department of Chief Minister to manage

payroll in addition to the payroll function for the broader public sector? Why is that?

Mr BURGESS: Mr Mills, all I can anticipate was, within the agency, there would be some need to look at and manage allowances to make sure they are on track. We have a number of physical workers, drivers, and they are subject to a range of allowances so, it might just be a checking function. But, I am happy to take the question on notice and get back a detailed description.

Question on Notice No 3.2

Mr MILLS: Yes, okay. I will put it on notice. I want all details surrounding the payroll function within the Department of the Chief Minister.

Mr CHAIRMAN: For the purposes of *Hansard*, that is question No 3.2.

Mr HENDERSON: We are happy to take that on notice, but I suppose I am interested, because these questions go right across the public service, and we have got small agencies, we just had the Ombudsman and Auditor-General, other small agencies, where very specific and detailed questions around recreation leave, staff leave, people who are eligible for return flights, how many people are on the Commonwealth super scheme, who has got what sick leave owing, the budget for HR, classification levels. This is all very consistent with, and I know Leader of the Opposition, that you have a plan to slash numbers in the public service, and these very same issues, very same questions, were asked during ...

Mr MILLS: I do not have a plan.

Mr CHAIRMAN: The Chief Minister has the call.

Mr HENDERSON: ... the ERC process, where around 1200 public servants lost their job. I do note, because you have put it on the public record, that the architect of those cuts, which were effected during the ERC and Planning for Growth, now is working in your particular office here as Leader of the Opposition, so I am concerned that this information, which is very specific, very detailed, can actually identify individual public servants, is being used and will be drawn up as a hatchet job for you to effect public service cuts should you ever move to the government benches, because these are exactly the same questions, exactly the same information that was gathered to facilitate the ERC cuts that led to 1200 people losing their jobs, that led to a freeze on police recruitment, that led to 200 nurses losing their jobs, and I find it aghast when we are talking out the \$5.1bn budget, and that is what this process is supposed to be about, you want to get into the detail of who has got sick leave. The sick leave for Indigenous staff, I would refuse to answer, I think that is absolutely offensive for you to be putting a question on notice across all government agencies wanting to know about the sick leave being taken by Indigenous staff and ...

Mr MILLS: Mr Chairman, a point of order! Is this an answer to a question, or just a political tirade?

Mr HENDERSON: ... certainly I think that these issues and questions, that the public service has gone to extraordinary lengths to give you very detailed information ...

Mr MILLS: In a timely manner from the Department of the Chief Minister.

Mr HENDERSON: ... about, will be used to put together a hit list to slash the public service in the same way that it was done back in the early 1990s, and the architect of that particular hit list is now working in your office.

Mr MILLS: That is a sign of a very desperate, desperate man.

Mr HENDERSON: Well, why do you want to know about the sick leave that people are taking? What possible reason would you need to know the sick leave that is being taken by public servants?

Mr MILLS: Excuse me, this a reaction ...

Mr HENDERSON: Why would you need to know that?

Mr MILLS: ... from a very insecure man, and just listen, this is ...

Mr HENDERSON: No, I am aghast. Enormous amounts of effort have gone to collect it. Why would you need to know that, particularly for Indigenous staff?

Mr MILLS: So you are going to ask me questions, are you?

Mr HENDERSON: Why would you need to know that?

Mr MILLS: Chief Minister, are you asking me questions?

Mr HENDERSON: It is across the public service, hundreds of thousands ...

Mr MILLS: So attack is the best method of defence that you can find.

Mr HENDERSON: ... hundreds of thousand of dollars to collect ...

Mr MILLS: You are defending the indefensible, Chief Minister.

Mr HENDERSON: Well, I am asking you, why would you want to know ...

Mr MILLS: You are asking me? So this is Estimates?

Mr HENDERSON: So a small government agency might have one or two Indigenous staff ...

Mr MILLS: What has he got to hide?

Mr HENDERSON: ... one or two Indigenous staff members and you want to know what sick leave they have taken. Why would you need to know that?

Mr MILLS: What have you got to hide, Chief Minister ...

Mr HENDERSON: Why would you need to know that?

Mr MILLS: ... that you want to ask the opposition questions during Estimates?

Mr HENDERSON: I am asking you, why would you need to know that? I can think of no other reason than to target people who take large amounts of sick leave for the chop. Why would you need to know that, as Opposition Leader?

Mr MILLS: Because if that is the only consideration that you can make, you are a very cynical man and you are endeavouring to protect and defend that which needs to be exposed. We are asking questions, this is Estimates.

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

Mr HENDERSON: Why do people's sick leave need to be exposed, for what public policy reason?

Mr MILLS: That is not the issue.

Mr HENDERSON: Well, it is, because you have asked the questions.

Mr CHAIRMAN: Can I suggest that while Estimates is conversational in nature and we have had a conversation, can I suggest that we now return to questions and answers.

Mr MILLS: If the concern of the Chief Minister in clutching at conspiratorial straws to defend your position, such questions could go well to the quality of the leadership that is being provided to those members who work in the public sector. That is the sort of approach that we take. We are concerned about the level of bullying that has been clearly identified within the Department of the Chief Minister. Why are you not so concerned about that, Chief Minister?

Mr HENDERSON: You have asked these questions across the entire public service, all seven questions across the entire public service.

Mr MILLS: You are the Chief Minister and, at the moment it is, if you could just calm down a bit, it is agency specific, whole-of-government, Department of the Chief Minister.

Mr WOOD: A point of order, Mr Chairman! I am lost. I thought we were doing generic questions and the agreement on generic questions was they would be limited. Have we moved from generic questions to ...

Mr CHAIRMAN: We are currently at questions relating to Agency Specific (Whole-of-Government Related Questions) Budget and Fiscal Strategies. We have moved from questions to the opening statement and we are at Agency Specific. This is where generic questions to the running of the whole department are asked. There are no formal time limits within the terms of reference, and this is where we are asking questions currently.

Mr WOOD: So these are generic questions?

Mr CHAIRMAN: These questions are relevant to the output.

Mr WOOD: But are they generic questions?

Mr CHAIRMAN: Yes.

Mr WOOD: 77 generic questions are more than I ...

Mr MILLS: I am not asking 77 generic questions, irrespective we get an answer, we get it at 10am this morning. so that is a story for another day.

Mr WOOD: I just wanted to know where we were at, I had lost the place. I did not lose the plot, I lost the place.

Mr CHAIRMAN: We are currently at Agency Specific (Whole-of-Government Related Questions) Budget and Fiscal Strategies, and the Leader of the Opposition has the call.

Mr MILLS: Department of the Chief Minister. I want to leave this area because I do have to go back now and to see what has actually been provided; but the payroll function within Department of the Chief Minister, specifically, can you describe who it reports to?

Mr BURGESS: I do not know where that position is, whether exists in the departmental officers or in ministerial officers. So, I am not sure. One of the points about the need to have this resource is probably based around many of the employment contracts for people in your office, in ministers' offices, in Independent ministers offices, are not actually public servants and so their contractual conditions of employment are slightly different, and so that probably needs to be managed.

I am just not sure where that resource is, but we are happy to take in notice and get back to you.

Mr MILLS: So, I am curious you are saying probably, are you not certain of the role of this agency?

Mr HENDERSON: No, it is 0.5 of a position. It is not an agency, it is not a cell, it is 0.5 of a position out of 261 or 271 within the Department of the Chief Minister, so stop spinning and get down to the fact that it is 0.5 of a position. It is not a cell, it is not an agency.

Mr MILLS: My question, Chief Minister, what was my question?

Mr HENDERSON: The question was what was the role of this agency, and who it reports to? It is not an agency it is 0.5 of a position, so stop trying to spin it into some great big thing.

Mr MILLS: Chief Minister my question was that your Chief Executive Officer said: probably it does this, and I am curious that the Chief Executive Officer can only come to it is 'probably' doing this. Are you not concerned the Chief Executive Officer does not really know what this facility is, probably?

Mr HENDERSON: I would not expect the Chief Executive Officer to know the exact level of detail in every single job description, in fact it was 0.4 of one position and 0.1 of another position in terms of duty statements; there are layers of management and I think you are deliberately being mischievous in the language that you are using in regards to calling this a cell, calling this an agency, it is 0.1% of one position and 0.4% of another. So it is in the duty statement somewhere. I am happy to find out for you.

Mr MILLS: Chief Minister, perhaps you would be happy enough to answer this question.

Could it be that it is probably a facility to manage the highest paid members on senior contract positions within the Department of the Chief Minister, of course including the opposition, if you want to widen it out there to deflect a bit from what goes on at the highest ranks; could it possibly, or probably, be directed in that area Chief Minister? Do you think it probably might be?

Mr HENDERSON: I have got no idea.

Mr MILLS: No idea at all as the Chief Minister?

Mr HENDERSON: No idea.

Mr MILLS: You employ high ranking people that work around you to provide all types of ...

Mr HENDERSON: Not what 0.1% of someone's job is, no I do not know.

Mr MILLS: You do not know, Chief Minister

Mr HENDERSON: I am happy to give you the information.

Mr MILLS: You do not know, Chief Minister.

Mr HENDERSON: We have received some additional information.

Mr MILLS: This has come in at 11:50.

Mr CHAIRMAN: Mr Burgess has the call

Mr BURGESS: 0.4 of an AO5 and 0.1 of an AO4 are located in the HR section of the department. The program used public sector wide called PIPS, which manages salary, is not set up to deal with a range of employment contract matters that need to be dealt with through the agency. These include non-PSEMA contracts, employees of the Major Events Company, the Waterfront Corporation, and other boards. Those two positions manage those issues.

Mr MILLS: In the interest of time, and it has thrown the opposition I have to say by the provision of these answers at this very late hour, can I ask questions related to the other offices of the Chief Minister such as Palmerston, Katherine. Would they fall into 3.1?

Mr CHAIRMAN: Output 3.1?

Mr MILLS: I am referring to Alice Springs, Katherine, and Palmerston offices of the Chief Minister

Mr CHAIRMAN: I understand in the past it had been answered under the specific Output, 3.1, rather than whole-of-government.

Mr MILLS: Before passing to the Member for Nelson, I need to ask questions about the Palmerston, Katherine and Alice Springs office of the Chief Minister. What output group should they fit in? I do not want to get there and find I should have asked at another place.

Would you prefer those questions ...

Mr BURGESS: I am seeking advice as to which output group it is.

Mr CHAIRMAN: There is an Output 3.1: Support to Ministers and Leader of the Opposition. That is where those questions should be asked.

Member for Nelson, do you have any questions about agency specific or whole-of-government related questions?

Mr WOOD: Yes, thank you.

Chief Minister, I understand you might say these questions are in other minister's portfolios, however I think they are also very broad policy whole-of-government questions. The area I am concerned about is the health reform changes you announced earlier this year. Do you believe these changes will not cost the Northern Territory government any extra money? Are there any Treasury based documents, or documents from your department, which can support your argument?

Mr HENDERSON: Thank you, Member for Nelson. First, can I say in regard to the lead up to COAG that signed off on the national health reformed plan at the COAG meeting that went for the best part of two-and-a-half days, I was accompanied by the Treasurer and senior Treasury officials, as well as Mr Burgess, who heads up the Department of Chief Minister, and the detail of that reform package is still being put together in the funding over the first four years of the agreement. I can advise the Territory will receive additional - so not a cost to the Territory - funding for a range of initiatives, including \$16.9m for additional sub-acute care beds, \$6.1m to reduce elective surgery waiting times, \$7.2m to reduce emergency department waiting times, \$1.2m for a multi-purpose service, \$2.9m of funding for long-stay older patients in hospital, and a further \$5.9m will be provided for capital purposes. The total funding in that package of measures is \$40.2m. Regard the additional benefits to the Northern Territory over the five years of the program, with the Commonwealth taking on 60% of

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

the recurrent costs of the hospitals and the capital cost, the Territory will receive an additional funding injection of a minimum benefit of \$167m over five. So, that is, in essence, the agreement. The specific details of how that funding will flow over the four years is still to be concluded - it is very nearly there - and the implementation of the agreement will be monitored through COAG. Implementation processes have already been established. But, as I said, this whole process was totally oversighted by Treasury, and senior Treasury officials and the Treasurer were at the particular COAG meeting.

Mr CHAIRMAN: Member for Nelson, I missed the actual question, but by the answer it sounds like something that should actually be under Output 1.1, Policy Coordination rather than agency-whole specific.

Mr WOOD: I was not sure because it is policy advice ...

Mr CHAIRMAN: That is all right. I actually ...

Mr WOOD: ... policy advice ...

Mr HENDERSON: You have asked the question and I have answered it.

Mr CHAIRMAN: You have asked the question and it has been answered.

Mr WOOD: I know it is policy advice. I was not really asking what your advice was, I was, basically, saying we have already signed up so the advice is well and truly gone here. What I need is the details because what I am getting at, Mr Chairman, is 14% of our GST will now be kept by the Commonwealth government. I am not sure what that figure represents over those four years. We will get some money in return, according to what the Chief Minister said. I suppose what I am asking is: can someone show me those figures so, you might say, so we can see the proof is in the pudding? So far, we have had a PowerPoint presentation. When I asked the Treasurer these matters as well, I got, 'Well, we have not quite got anything yet'. However, I will get a briefing but, surely by this time – and it is a few months since this announcement was made – we should have some documentation that people can read which says these are clearly the benefits, although the actual bits might be worked out on how it will be done over those five years? Surely, someone has done the nuts and bolts, done the mathematics, and shows the Territory will be better off by signing this particular agreement?

Is that documentation available and, if so, could it be tabled at some time, or can we see those documents?

Mr HENDERSON: You have asked the specifics of the Treasurer. The nett financial benefit to the Territory of this reform - the minimum benefit - is additional funding of \$167m. That is with the overs and unders taken into account. I am more than happy to provide a briefing for you, member for Nelson. As I said, the specific details that will be in a national partnership agreement signed off between the Territory and the Commonwealth, as I understand it, are very nearly concluded. There are a whole heap of definition details around primary health care, the specifics of how that is going to work in a jurisdiction like the Territory with a high Indigenous needs in the primary health, the interface between the Indigenous primary health care providers, the Territory government, and Department of Health and Families primary health care providers; the interface between those providers and the hospital and on discharges.

There is a lot of complexity here to get to a final agreement that is unique to the Northern Territory given the different natures of service providers here in the Territory. Once that is concluded, I am more than happy to provide a briefing. However, there is a significant nett financial benefit to the Northern Territory of a minimum of \$167m over five.

Mr WOOD: Well, could I ask you a general question then? I am always wary of government's bearing gifts. A classic example might be the government said it would supply funds for CDEP and, at the end

of those three years, there are no more funds. We have this, I suppose, example where the federal government is saying, 'Yes, we will give you all this money for all these particular parts of our health program. You will get benefits from here and there'. What happens at the end of the four years? Do we end up worse off if there is no extra money still coming in?

Mr HENDERSON: Do we get done over by the Commonwealth, I think is what you are saying.

Mr WOOD: Well, that is probably putting it – yes.

Mr HENDERSON: This is a five-year agreement. It will be an intergovernmental agreement that will last for five years. Who knows what the state of play is going to be in five years time? It is a five-year intergovernmental agreement that is legally binding. I would have thought the politics, in five years time, will certainly play out given the focus on health funding; and that would be the baseline for a new agreement. Certainly, that is what the Commonwealth has signed up for in transparency going forward – and it is a good reform, anybody who argues it is not, really does not understand this.

The fact that the Commonwealth has signed up for 60% of the recurrent costs in hospitals, when hospital costs normally run at around an increase of 8% to 9% a year, in terms of the costs of hospital care, but the fact that the Commonwealth government has signed up to that, and to fund that 60%, which will obviously include that escalating cost factor over the years, is significant. Now, if any Commonwealth government in the future, in five years' time, wants to break that nexus, I think it politically would be howled down, particularly by the health sector, because, again, you would get into issues where, you know, the previous federal government, when it was negotiating a new health care agreement, took \$1bn out of the hospital system. This is going to be much more transparent. I cannot hypothesise what is going to happen in five years' time, but I think it is a new base, and any government in Canberra that wants to reduce that base in five years' time, I think would be held to account by the health sector and the people.

Mr WOOD: Is there any guarantee that we will not lose in other areas of government assistance, federal government, it is a bit like, when you go to certain supermarkets that give you a tag to get cheaper fuel, how do you know that your cheaper fuel is not set by increasing costs in the supermarket?

Mr HENDERSON: Well, that is certainly a possibility, member for Nelson. But again, I cannot hypothesise what those agreements will be. We have got something like 40 different national partnership agreements through the COAG with the (inaudible) process. Now, all of those have financial commitments within those national partnership agreements between the Commonwealth and the states relating to specific policy outcomes. When those agreements cease, what is going to be in those agreements, again, will be negotiated between the Commonwealth and the states, but for the life of those agreements, the funding is secured.

Mr WOOD: One last question about *A Working Future*. Am I in the right area?

Mr CHAIRMAN: Currently we are not in the right area at all, Gerry. We will be allowing your current questions to go, but they are not in the right area. Output 1.1 is Policy Advice and Coordination, and that is where these sorts of questions will get asked, but we have been indulging you, member for Nelson.

Mr WOOD: That is very kind of you, but it does say whole-of-government related questions ...

Mr CHAIRMAN: That goes for those things that Mr Mills was asking before, not part of Policy Advice.

Mr WOOD: All right, I will take your ruling. In the interests of peace and harmony, I have a few questions ...

Mr CHAIRMAN: A few, oh, in that case, I will suggest that we move on to Output Group 1.0, Policy

Advice and Public Sector Coordination.

Mr STYLES: It is to do with this output that we are working on, Output ...

Mr CHAIRMAN: Sorry, to explain, the shadow gets questions, which is the Leader of the Opposition, then members of the committee get questions, so in your case, that is member for Fong Lim and member for Port Darwin, and then after that, and obviously the member Nelson is a member of the committee, then Independents get questions, and then we move to local members asking electorate questions.

Mr MILLS: Can I ask a supplementary question? What the member for Katherine really wanted to know is, the timeframe that was agreed to was 30 days for the provision of answers to written questions. Chief Minister, how is it that 61 days have transpired, and we have just received them. They were sent from you 8 o'clock on Friday night and arrived here at 10 o'clock, 61 days later. Is that a breach of your agreement? Something about open, honest, transparent, is that the briefing that has been received at the moment? Unlike the CLP? Something about, perhaps, Mal Brough? Go on.

Mr HENDERSON: Yes, thank you, whilst you were just wind-bagging away there. The amount of information that was requested was very specific, very detailed, and took an extensive amount of time to accumulate.

Mr MILLS: Did you seek an extension of time? No.

Mr HENDERSON: Apparently a letter was, hang on, a letter was provided back through the process saying that it would take across government. When you want to know the level of detail ...

Mr MILLS: I think we have the answer.

Mr HENDERSON: ... in regard to individual classifications of public servants, how much sick leave they have taken, how much long service leave are they entitled to, and you are going down to that level of detail across 17 000 public servants, it takes longer than 30 days to accumulate that level of detail about personnel records of individual public servants, and the letter was provided through the process, I am advised, it would take longer than 30 days.

Certainly, we endeavour to answer questions within 30 days, but when you want to get into the personnel records of 17 000 public servants, down to a level of detail about the sick leave they have taken, it is going to take more than 30 days to get that information together.

Mr MILLS: Right, okay, thank you.

Mr CHAIRMAN: That now concludes questions on the issue of Agency Specific (Whole-of-Government Related Questions). We now move on.

OUTPUT GROUP 1.0 – POLICY ADVICE and PUBLIC SECTOR COORDINATION
Output 1.1 – Policy Advice and Coordination

Mr MILLS: Thank you, Mr Chair, and I acknowledge the question asked earlier, member for Nelson, that is an area I was going to look at, so I will leave that be. I go to 2009-10, Chief Minister, you spent \$427 000 negotiating a settlement on Blue Mud Bay. Can you tell exactly what that money was spent on?

Mr HENDERSON: Well, whilst that information, if we have it to hand, is brought to the table, I can say we did establish a working group comprised of the land councils involved, the recreational fishing interests, commercial fishing interests, and the public service to work towards a negotiated agreement. So part of that cost would obviously be to facilitate that arrangement. There were also other payments, as I understand, made to the Northern Land Council and the Tiwi Land Council.

Alastair Shields, maybe if you have some more specific information; but it certainly was putting the structures together and the working group together, and payments to the land councils to sustain an agreement. As I have said previously, I would continue to negotiate in faith with the Northern Land Council and Anindilyakwa Land Council in those negotiations as well. Alastair Shields has been the senior public servant who has been overseeing that; he is at the table and maybe can add some additional information.

Mr SHIELDS: Thank you, Chief Minister. The \$427 000 in the Chief Minister's budget for Blue Mud Bay negotiations was to pay an extrapolation of original amount that was paid by the Department of Justice in consideration for the interim arrangements that were agreed to by the three land councils when the Federal Court decision was made in 2007. Basically, by working out a period of months we extrapolated that amount to cover the extended interim arrangements which now go through to the end of December this year for the NLC and the ALC and, as we all know, the TLC have elected not to extend the interim arrangements beyond April this year.

Mr MILLS: So why then, Chief Minister, is there zero provision in 2009-10?

Mr SHIELDS: The actual costs of the negotiations are being borne by the Department of Resources through a Treasurer's Advance and they have spent just under \$500 000 on the costs of negotiations over the last couple of financial years. In terms of a longer term settlement, is that what you are ...?

Mr MILLS: What provision is made for the ongoing negotiations?

Mr SHIELDS: We are in the process of negotiating those at the moment, and we have requested that the federal government pay some of the costs of the implementation of a settlement, so it is a range of settlement options that involve things like expanded marine range of programs, economic development opportunities for indigenous people. There are a number of Commonwealth programs that we could tap into to provide that but, until the exact amount is known the contribution which might be made by the Territory budget, there is nothing been provided for in the forward estimates.

Mr MILLS: If the call is made, where would you get an amount of money from to satisfy an agreement, if no provision has been made?

Mr HENDERSON: In regards to any agreement that is made, we obviously cannot budget for specific costs in the absence of an agreement, so the way government works is, if agreement is reached that does require additional appropriation from the Territory then that would go to Cabinet as a Cabinet submission seeking additional appropriation, as happens on many and numerous occasions during the course of a financial year, but we are not at that point yet.

Mr MILLS: Is there provision made, even in a hypothetical sense, for what could possibly be required to resolve this issue?

Mr HENDERSON: What I can absolutely and categorically rule out, in regard to a question you asked in the House last week, is there will be no bribe paid to the land councils to the tune of tens of millions of dollars for this settlement. Any inference the land councils are seeking to bribe the Northern Territory government is offensive to both the land councils and the Territory government, and costs associated with any future settlement are not going to be anywhere near the numbers you were alluding to. What I can say is the usual processes of government will apply; any additional appropriation will be by way of a cabinet submission and will be accounted for publicly. I am not going to speculate on what that outcome may be because we are still negotiating.

Mr MILLS: Chief Minister, I understand the sensitivity of these matters, and I am not asking you to nominate the amount - it is the issue of good governance and preparation. Is provision made for a hypothetical amount somewhere within the instruments of government resolve this issue?

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

Mr HENDERSON: Every year budgets are put together and are accounted for come budget time. Any additional amount would be an issue for the government, through the cabinet process, to look at the competing priorities and requests across government, and make a decision about whether this priority is going to be funded, not funded, partially funded or put aside for consideration the next financial year. What I can say is the usual transparent, accountable processes of government will apply. It will be by a cabinet submission, however I am not going to speculate what will be in that cabinet submission because we are currently negotiating.

Mr MILLS: No, it is quite right you should not speculate on that amount. I just wanted to be certain there is capacity, and where that capacity would be drawn from, Chief Minister, whatever the amount is?

Mr HENDERSON: There is capacity within the Westminster system, and flexible budget management, to make decisions about priorities regarding the government budget.

Mr MILLS: Where would you go to get that amount of money?

Mr HENDERSON: I am not going to speculate on where that might come from because we do not know the quantum we are talking about. As I have said, it will be a transparent process; it will be fully accounted for through the usual way government makes decisions about funding and competing priorities. It will all be accounted for in budget papers, in annual reports, and if the Auditor-General wants to look at it he has the capacity to do so.

Mr MILLS: Can we expect an announcement on fishing permits in the coming months?

Mr HENDERSON: I am not going to speculate about the status of negotiations, apart to say they are progressing well.

Mr MILLS: Chief Minister, how much will be spent on Territory Day fireworks this year?

Mr HENDERSON: I have no idea, but they are much loved right across the Northern Territory. I do not have that figure. We have thousands of people attend the fireworks.

Mr CHAIRMAN: Does that fall under ...

Ms SCRYMGOUR: That is Parks and Wildlife, Mr Chairman.

Mr HENDERSON: Hang on, I have another book. I hope you are not suggesting we should not spend it on coordinated fireworks displays, Leader of the Opposition?

Mr MILLS: No, no.

Mr HENDERSON: That is good, that is good. I would hate to think that we would scrap ...

Mr MILLS: Just relax, it is okay. Just in the interests of good governance

Mr HENDERSON: That is fine, that is fine. I just hope that it is not going to be apart of your razor gang, slashing government expenditure.

Mr BURGESS: Mr Mills, I have a number here for a contract with supply, of pyrotechnics of \$137 989.

Mr MILLS: Sorry, again.

Mr BURGESS: \$137 989.

Mr MILLS: Up or down on last year?

Mr BURGESS: Last year was \$131 000.

Mr MILLS: Right. Are we doing better? Gun powder ...

Mr HENDERSON: Sounds like CPI to me.

Mr MILLS: Are you aware, Chief Minister, of any additional restrictions applied to the sale and use of fireworks this year?

Mr HENDERSON: That is really an initiative for WorkSafe. I was minister for WorkSafe at the time when we looked at that. That really is an issue under WorkSafe, I respectfully suggest.

Mr MILLS: What contribution has the Chief Minister made to the Sprint Car Titles this year?

Mr HENDERSON: It certainly was a fantastic event - a national event ...

Mr MILLS: No problem there.

Mr WOOD: I am still getting the dust out of my ears.

Mr HENDERSON: It certainly brought, I think, about 700 people to the Northern Territory as a part of the teams, and stayed in our hotels ...

Mr MILLS: It is good; there is no problem there. But how much?

Mr HENDERSON: Yes, well, while we are just looking for it, I am just talking about the importance of these major events ...

Mr MILLS: You are going around and around.

Mr WOOD: That is how most races go.

Mr HENDERSON: ... to the economy of the Territory. I know you said you would cut this ...

Mr MILLS: Oh, that is right, yes.

Mr HENDERSON: I think you have said that. That we spend too much money on major events and ...

Mr MILLS: No, no, we simply asked the question. Just calm down. We are trying to ...

Mr BURGESS: Mr Mills, my figures indicate there was an amount of \$1.1m for the V8 Supercars through the NT Major Events ...

Mr MILLS: No, the sprint cars, sorry.

Mr BURGESS: Sorry, the sprint cars ...

Mr WOOD: Yes, these do not have a roof on them

Mr HENDERSON: No, we will have to take that on notice.

Question on Notice No 3.3

Mr CHAIRMAN: For the purposes of Hansard, can you repeat the question?

Mr MILLS: What financial contribution was made to the Sprint Car Titles?

Mr CHAIRMAN: That is question No 3.3.

Just as a quick matter of housekeeping, when officials are taking notes of a question on notice, could you please note the question number and, to give us an opportunity to answer that later in estimates, could you please quote that number so that Hansard can easily find them?

Mr MILLS: It is related to that question, and I assume it would be taken on notice: did the Northern Territory government employ any outside contractors or consultants for work in relation to the Sprint Car Titles?

Mr CHAIRMAN: That is taken on notice? Sorry, can we just quickly repeat it.

Question on Notice No 3.4

Mr MILLS: Did the Northern Territory government employ any outside contractors or consultants for work in relation to the Sprint Car Titles?

Mr CHAIRMAN: That is question No 3.4.

Mr MILLS: Further, if so, who and how much and what were they responsible for?

Mr HENDERSON: We will have to take that on notice.

Mr CHAIRMAN: Sorry, I know it sounds

Question on Notice No 3.5

Mr MILLS: It is all right, I understand, I have done this before. If so, who and how much and what were they responsible for?

Mr CHAIRMAN: That was question No 3.5.

Mr MILLS: My last question in this output group is to do with leases. Chief Minister, can you tell how much is currently paid by the Northern Territory government for – oh, excuse me, it is the second last question, I have missed one - for occupying areas on any place with a lease to a land trust or other Indigenous organisation; for example, the Tiwi Islands?

Mr HENDERSON: I am advised that question should be directed in the output group for the Office of Indigenous Policy. It would not come through the Chief Minister.

Mr MILLS: So, if a school or even, say, if I have heard, through the Ministers Fraternal of Churches, and community buildings that are on leased land, payments are being required to made – it is still the same ...

Mr BURGESS: Oh, sorry, Mr Mills.

Mr HENDERSON: Second clarification.

Mr BURGESS: The Service Delivery Coordination Unit and the Office of Indigenous Policy are leading discussions with the Australian government around lease payments through the EDTL. I do not know that they have been concluded yet, but that is the appropriate area to respond in a policy sense.

Mr MILLS: Okay, thank you. Last question: what feedback has the Territory government had in its efforts to convince the Commonwealth to admit the Northern Territory as a seventh state?

Mr HENDERSON: Again, I think that question should go to the Minister for Statehood for a more fulsome answer, but I am aware that the Minister for Statehood, and I think it was a bipartisan delegation, someone from the opposition, did visit Canberra and did the rounds of senior ministers in regard to progressing statehood in a bipartisan way. I think that was last year some time. The parliamentary office of the Statehood Steering Committee is facilitating debate on statehood, there are forums being held around the Northern Territory, leading to a possible convention.

Mr MILLS: With respect, Chief Minister, it is the feedback specifically from the Commonwealth. I know what is happening with statehood at a local level, but what can you advise us of in terms of feedback from the Commonwealth?

Mr HENDERSON: I would refer that question for the Minister for Statehood.

Mr MILLS: Okay.

Mr CHAIRMAN: Just for process clarification, minister McCarthy does not have an output for statehood, but I believe she might be able to take a question on that to her opening statement.

Mr MILLS: Yes. I would have thought it fits in with the role of Chief Minister in terms of Commonwealth and Territory relations, so I thought it should all sit here.

Mr HENDERSON: We are leaving this as a community-led debate, progressing towards statehood, and not seeking to politicise the issue.

Mr MILLS: No, I understand that, it is all right, it is all right.

Mr HENDERSON: That is why I am saying, it is being led by the community and, as such, when the community decides that it is an appropriate time to approach the Commonwealth more formally, then I will receive advice to that effect, although I am aware, as I have said, that there was a delegation that was bipartisan that went to Canberra last year.

Mr MILLS: Chief Minister, I have been on one of those delegations, so I guess it is probably not too hard to say there has been no feedback, understandably so, because of the activities here. So that is all, it was an opportunity to say, has there been feedback? The answer is clearly no. Thank you.

Mr HENDERSON: Not at my level.

Mr MILLS: You are the Chief Minister.

Mr HENDERSON: I have a Minister for Statehood, and I am seeking not to politicise statehood ...

Mr MILLS: It is Commonwealth, Territory relations, pretty significant. Thank you.

Mr HENDERSON: ... in the same degree that a former Chief Minister did and saw the defeat of statehood in the referendum as an insult.

Mr MILLS: Oh God, get over it.

Mr CHAIRMAN: Before we move to the member for Nelson, just a point of clarification of process. We took some questions then, some were answered and some were on notice, to sprint cars, which I think might be more appropriate, if you have any, member for Nelson, in that area, to Output Group 4.1, Community Support, which is where the NT Major Events Company, etcetera, falls. So we took them there.

Mr MILLS: They are actually not Major Events.

Mr WOOD: That is one all.

Mr MILLS: Yes, but that is not Major Events.

Mr CHAIRMAN: There were other things within the output besides that, member for Nelson. Anyway, we took them there. I am just saying, if the member for Nelson has additional questions of a similar nature, I think that is where he should ask them.

Mr MILLS: We are square now.

Mr WOOD: Some people tell me that anyway. Minister, in relation to *A Working Future*, *A Working Future* is a fairly gigantic agenda, but I think there are a couple of key issues that I would be interested to know what the government is thinking, and in relation to *A Working Future* specifically, you have this idea of growth towns, and the policy is, more or less, if I can sum it up, that the government wishes to 'Normalise these towns'. What is the government's policy in relation to permits for these growth towns, and also in relationship to access by road? Has the government got a policy on whether road access to these communities, that is major roads, not talking about minor roads, will also be permit free?

Mr HENDERSON: Thank you, member for Nelson, and you are correct in saying that this is a huge policy agenda for the Territory government and also the Commonwealth government. Just quickly, we have identified our 20 growth towns, the Commonwealth government has 15 priority towns identified in the remote service delivery National Partnership Agreements, and 15 of those towns are the same as our growth towns. The growth towns not covered in the joint arrangement with the Commonwealth are Ali Curung, Borroloola, Kalkarindji, Daguragu, Elliott, Papunya and Ramingining. We are progressing on our own without specific Commonwealth partnerships.

In regards to the definitions, I think we need to be careful. This reform is about the way government plans for growth in these towns in a coordinated way across government with very clear objectives in terms of services which need to be delivered, not only to these growth towns, but from these growth towns into the surrounding regions; having a very clear audit of infrastructure, capabilities, deficits around the growth towns to assist in government budgeting and planning to bring these towns to a level of functionality with regards to services, employment opportunities, and economic outcomes we would expect to see in other similar sized towns around Australia. So, that is the broad policy objective, and it is as much about changing the way government thinks about these places as well as these places and these towns changing themselves.

In regards to permits, the Territory government's policy position is still to support permits, specifically and implicitly where traditional owners and people in these towns want a permit system to apply; it is not about forcing open these towns. I have had a number of conversations as I have been getting around over the last month where people have explicitly said: 'Does that mean we are going to have a pub in our town? We do not want a pub in our town'. And saying: 'No, it does not mean you are going to have a pub in your town'. These are issues which really belong to decisions being made by local people and we are working to have local implementation plans for all of these towns and fulfilling the objectives of the National Partnership Agreement. So, where these towns are on ALRA land and ALRA provides for permits and people want permits, then we will support their aspirations. If individual towns were to agree through the local implementation plans and the relevant land council that they want to open their town up further, that would be a decision for them to make. It certainly would not be a policy position that government would force on people. I think that is a very clear policy differential between the Territory government and, as I understand the position of the opposition.

In regards to roads, again, where the roads are traversing over Aboriginal land administered under ALRA, and permits are required, then they will be required. But what we want to do through A *Working Future* policy is to have a conversation with indigenous people in these towns about the reality of how the economy works, how investment works and to attract investment, private sector investment, into these areas. People need some security of tenure over land and it is a whole different conversation but, who knows, at some point this may lead to some different thinking about permits. But from a policy position of the government, where towns are on ALRA land and traditional owners want permits, and the land councils are supporting them, then we support them in their aspirations. In terms of conversation and where it might go in the future, I think that is a journey we have begun.

Mr WOOD: The question I have asked the government a number of times and I still get a little confused, in relation to who pays for those roads on the communities which require a permit, is it the role of the Federal Assistance Grants road money, because that money is normally applied to public roads? What I see from the grants commission is they are funding those roads that require a permit. Is it not the case that unless those roads are gazetted and free from a permit, they are private roads and therefore are not entitled to money under the federal assistance grants, no different than I would be required if I asked for money for my driveway, or pastoral property - asked for a road to be funded, and I know historically there was some funding - no different than if a pastoral property asked a shire to maintain its roads using federal assistance grants.

Mr HENDERSON: I have to admit to not having all the policy issues in my head around this one. I do not know if you can help me there, Alastair? It probably relates to the minister for roads or local government, but regarding the priority sites identified under the National Partnership Agreement, that may be an issue worth talking about. One of the opportunities the incorporation of the Territory into the shires has provided is the fact land is incorporated, and the shires have access to a larger pool of Commonwealth funding for roads than there was in the past. Exactly how this works is really a question either for the minister for local government or minister for roads.

Mr WOOD: I suppose the philosophical question I have is we have set up local governments over a large area of land. Local governments are funded by the Commonwealth to provide services. Those services are not normally provided for anything private. You get money to do parks, which are open to the public, for the roads, which are open to the public, to pick up the rubbish and put it in a dump, which is open to the public. You now have large amalgamated councils covering large portions of private land. Are those councils entitled to use those funds from the Commonwealth, which cannot be used normally on private property, on those parcels of land? I am not saying the Commonwealth government could not decide to give them a grant to maintain those roads as separate from the federal assistance grant. I would have thought it is not the role of councils to use that money for roads which are basically private.

I still have difficulty getting an answer out of anyone. Is that money being used, as it is entitled to be used, or do we have an issue around what is federal assistance grants money used for? What is its role? I would have thought it is only for public roads and public facilities. When you have to get a permit, you do not have a public road - you have a private road. When you come to my place, you

have to ask permission.

Mr HENDERSON: I would like to be helpful however I do not have the detail. We have the minister for local government or transport - people are monitoring this debate, and we will hopefully have some clearer information for you, member for Nelson. Philosophically, as you have said, the issue that differentiates us in the Territory from any other state around Australia is the Aboriginal Land Rights Act. The way the Commonwealth funds local government around the rest of Australia, and the portions of land in the Northern Territory that are Indigenous freehold title under ALRA, are different issues. How they are being accommodated through Commonwealth grants funding I cannot answer, hopefully the minister for local government or the minister for roads will be able to give you an answer.

Mr WOOD: I think it is more than that; it is a whole-of-government position. There is a philosophical debate that needs to be sorted out. I am not saying roads should not be fixed on Bathurst Island, but where that money comes from is the issue I have.

Mr HENDERSON: The Commonwealth should fund it.

Mr WOOD: I am saying they should fund them out of federal assistance grants money, because that is ...

Mr HENDERSON: I do not care where they fund it, but they got away with it for many, many years in providing funding to the Northern Territory for remote roads because we were not incorporated under local government. There is a huge deficit the Commonwealth was able to avoid in much the same way they did for many years by not funding additional houses. Now they have stepped up to the plate for that, they need to be thinking about the roads under the National Partnership Agreement we have because by the fact of their legislation, and the fact the Territory was not incorporated, the Territory missed out, going back to self government, for funding for regional and remote roads available to other state but not available to the Territory. So that is where the philosophical argument ...

Mr WOOD: That is right. The issue is what is a private road and what is a public road. We can go on.

Mr HENDERSON: The chicken and the egg.

Mr WOOD: That is right. Just a quite small question. What are stimulus action squads? That is called the SAS. Now, are they ...

Mr HENDERSON: The SAS, a good name, hey?

Mr WOOD: I know it is a great name.

Mr HENDERSON: Fantastic name.

Mr WOOD: Are they doing what it sounds like they are supposed to be doing, and where are they?

Mr HENDERSON: I will refer this question to our Coordinator-General, Mr Alastair Shields, who had oversight of the rolling out what was and is a very important stimulus for the Northern Territory economy, particularly in the Building of the Education Revolution funding, that is seeing 100-plus schools around the Northern Territory receiving significant upgrades. Coordinating the roll-out of that Commonwealth funding through those programs was facilitated through the work that Alastair Shields did as our Coordinator-General. I will flick the question to Alastair.

Mr SHIELDS: Thank you, Chief Minister. Mr Wood, Alastair Shields, Executive Director Policy, Department of the Chief Minister.

This all started with the 5 February 2009 Commonwealth Nation Building and Jobs Plan, the second financial stimulus package the Commonwealth government had to stimulate the economy after the global financial crisis. Under that plan, the Territory is expected to receive about \$574m-worth of benefit and, of that, about \$284m is for works being undertaken through the Territory. So, there is the Building the Education Revolution, the money that is going to schools; social housing - about \$60m there to undertake new social housing in the Territory and to do some repairs and maintenance on social housing; and about \$17m for road black spots, boom gates, and repairing regional roads.

My role as Coordinator-General was to coordinate it across government and also liaise with the Commonwealth Coordinator-General and resolve any implementation problems that might occur. In rolling it out within government agencies, the Chief Minister announced the establishment of Stimulus Action Squads, or the SAS, in each of the agencies responsible. We have an SAS in the Department of Education and Training, an SAS in the Department of Housing, Local Government and Regional Development, and an SAS in the Department of Lands and Planning. They are all being supported through, I guess, a semi-SAS in the Department of Construction and Infrastructure.

Mr WOOD: I am just watching the time. Could I just ask a follow-up question there? There has been a lot of discussion in newspapers about wastage in relation to the Education Revolution and the money spent on buildings. Does this SAS have any role in monitoring whether there is any wastage in the construction of some of these facilities?

Mr SHIELDS: Yes, it certainly does. One of the, I guess, clear goals we have had is not only spending the money quickly - and that has been one of the requirements of the national partnership agreement with the Commonwealth; it is very much a 'use it or lose it' set up - but we have also balanced that with the need to get value for money. Being a small jurisdiction has enabled us to achieve some better results in that than in some of the other jurisdictions.

We have a much closer relationship between the department and schools, and a different role and methodology. We have not used project management firms in the same way as Queensland and New South Wales have.

Mr WOOD: Is there flexibility? Again, what has been highlighted in some of the media is that some schools were told they had to build a set of toilets, which they did not need, where they would rather have an extension to a library. Has that flexibility been allowed in the Territory?

Mr SHIELDS: Yes, generally speaking, it has. There have been some guidelines from the Commonwealth but, again, knowing the schools better, being a smaller jurisdiction, has enabled us to fit a lot of the solutions to the particular schools. The main schools have the sorts of things they have wanted to do. Also, again, we have timing issues but, also, the remoteness of our schools has made it difficult. For example, in Yilpara, it a very small amount of School Pride, which is the small amounts of grants, and it would have cost as much money to send people out there as the grant was, so there would not have really been much work. So, we have worked with the Commonwealth government to stagger the time frames so that work is now being undertaken at the same time as the major primary school work will happen, so we will be able to achieve a better value-for-money outcome.

Mr WOOD: Is it possible to get an update of where the money has been spent? What was actually built and the time frames in which they were completed, and what is still to come?

Mr SHIELDS: Certainly, and I have some detailed briefings here which have been prepared for the Department of Education and Training. I think the plan was that those detailed questions would be asked of the Minister for Education and Training. But, I do have a list of schools here, when the work has been done, what the work was ...

Mr WOOD: Is it possible to table those documents, and we might be able to ask the Minister for Education and Training any questions relating to it.

Mr HENDERSON: I am sure he would be glad to take them. There is not a school in the Territory that

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

I have been to that is not very, very happy with their allocation under the BER. It is a magnificent project for the Territory, no it is wonderful.

A member: Oppose?

Mr MILLS: I was waiting for it.

Mr HENDERSON: You opposed, but find a school in the Territory that has not been happy with it.

Mr WOOD: Next question. Howard Springs certainly needs some infrastructure, it is a bit old.

Mr SHIELDS: I have two documents to be tabled. One is a list of the National School Pride. They are the small elements of Building the Education Revolution, so each school, not just primary schools, the sum of money they sort of unrestrict, so I table that one first.

The second is the Building Primary Schools for the 21st Century, which is a bigger project for each primary school in the Northern Territory, again, based on school population generally.

Mr WOOD: Thank you.

Mr HENDERSON: Let us hope that whoever wins the federal election is not going to cut this program, because there will be a lot of schools who will be very angry if Mr Abbott gets his way and abolishes this program.

Mr CHAIRMAN: That concludes consideration of Output 1.1. We now break for lunch. When we return, we will be with Output 1.2, Multicultural Advancement.

The committee suspended.

Mr CHAIRMAN: Before we commence: a matter of housekeeping. I remind people that the Estimates Committee is a public hearing. The roped off areas represent where officers and members of the parliament can come, however, members of the public, members of the media and staff need to stay on the public gallery side of the committee. We had a minor, unimportant incident earlier. People need to stay on that side. The Speaker has granted permission for cameras to film. Other than that people need to stay on their respective sides of the ropes.

Output 1.2 – Multicultural Advancement

Mr CHAIRMAN: It is 2.40 pm, and we are going to recommence the Estimates Committee hearing at Output 1.2, Multicultural Advancement. Are there any questions?

Mr STYLES: Chief Minister, as part of the key ALP policy in the 2000 election, it was stated the government would consult communities and ensure the ethnic community's voice would be heard. With police pulling resources from crime prevention and community policing, can you inform us of the future of police participation and the Police Multicultural Advisory Group?

Mr HENDERSON: Thank you, member for Sanderson. This question is probably more appropriate - I am happy to answer it now, however you will have to opportunity to discuss these issues with the police commissioner because internal staffing allocations are made by the police commissioner under the *Police Administration Act*, as you well know. Regarding my government's support for multiculturalism, that support is very plain for all to see. The multicultural side of the budget in grants has significantly grown over the years, and the support for multicultural groups will continue into the future. Regarding specific decisions taken by the police commissioner and the allocation of staffing resources, that is an issue for the police commissioner.

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

Mr STYLES: Chief Minister, it is not in relation to the allocation of resources, what is the government's policy in relation to having a voice. It is called the Police Multicultural Advisory Group; what is the government's view on having police as part of that group?

Mr HENDERSON: Obviously it is supportive of police having a voice on that group.

Mr STYLES: Thanks, Chief Minister. I note the ALP Ethnic Affairs 2008 platform states you will continue grants and aid funding, yet when inflation is taken into account, the allocation in Budget 2010-11 is, in reality, less than the allocation in Budget 2009-10. Would you agree with that, Chief Minister?

Mr HENDERSON: I would say it is a significant amount. We are looking at a \$1.05m estimate in grants paid in 2009-10, and \$1.04m in 2010-11. That is a very significant amount.

Mr STYLES: When we look at the amounts allocated, I note this year for multicultural advancement, we have \$1.88m, which is, from my calculation, a 0.011% increase. When you consider inflation, would you say that is a greater amount in real dollar terms, compared with inflation and CPI? Would you say that is an increase?

Mr HENDERSON: I say it is a very significant amount, and when I speak to multicultural groups across the Northern Territory, and multicultural groups who come to the Northern Territory, they are astounded at the level of support the Territory government gives multicultural organisations in the Northern Territory. You could always spend more, however we are running a deficit budget this year, to the tune of \$268m. We have maintained the effort and expenditure in the multicultural area. That has been well regarded and well received by those communities.

Mr STYLES: Chief Minister, my understanding is the Treasurer has already stated the borrowings are to keep services up. I am assuming, if you look at the amount of allocation in previous budgets, the amount allocated in 2009-10 was \$1.878m. If we go back to 2008-09, it was \$2.161m. If we go back to 2007-08, it was \$1.85m, and 2006, it was \$2.454m. If you go all the way back through to 2005 \$2.3m roughly, and 2004 \$2.347m. If you go back and have a look at the amounts that have been allocated to multicultural advancement, it appears as if we are going backwards.

Mr HENDERSON: We had this debate last year. As a result of a move from interpreters from one agency to another, it has impacted on those budgets. There was a particular year, then, when the government was running significant surpluses, when we had applications for community facilities come in. We had the capacity in the budget, given the surplus that year, to meet all of those requests. Some years, you do have capacity in the budget when you are running surpluses, but this year, we are running significant deficits, and there have been no cuts in this area. However, in regard to that year-on-year funding differences, I will get Mike Burgess to give you the same answer this year as we gave you last year.

Mr BURGESS: There was a significant shift in budget application when the interpreter services moved from Multicultural Affairs across to a different department. No, I do not have the exact number. That would take us some time to go back and check our records. But, that was one of the big changes in earlier budgets. There were substantial amounts set aside for infrastructure as well. We are in, I think, the third year now of \$250 000 per year infrastructure grant fund, which is less than it was in previous years before that. So, those changes come together to bring about those changes in overall application of budget.

Mr STYLES: Thank you. Chief Minister, I still think there seems to be a general downturn, even from the year before last. I accept some of that may be in relation to the translators moving, but the figures I am seeing here do not seem to keep up with inflation. I would just like to get your view on that, please.

Mr HENDERSON: As I said before, member for Sanderson, there have been no cuts to the multicultural budget. The government has taken that decision into account, even though we are

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

running a \$268m deficit. I know the opposition would have substantial budget cuts they have already flagged - that you would sack thousands of public servants ...

Mr GILES: Oh, that is rubbish.

Ms PURICK: Rubbish!

Mr CHAIRMAN: Order! Order!

Mr HENDERSON: In pursuit of bringing the budget to a neutral position, you would either slash thousands of public service jobs, or you would do ...

Members interjecting.

Mr CHAIRMAN: Order! The minister has the call. Order!

Mr HENDERSON: ... cut services or you would do both. We are maintaining our effort; you would reduce the effort. It would be the only way you could meet your budget position, as you announced in your budget reply.

Mr STYLES: Well, I do not agree with that, Chief Minister. But, that is fine, that is what we are here for. I still think people who I have spoken to see that inflation has gone up and, to sustain the same levels of what they have been able to achieve in previous years, that it is going to become very difficult for them. Chief Minister, what is the break-up of the 2010-11 Budget allocation by regions? Do you have that figure available?

Mr HENDERSON: The multicultural budget?

Mr STYLES: Yes.

Mr HENDERSON: I am not sure whether we have it by region. Do we have it by region? No, but certainly grants do go to all regions. Most of these are grants based on an application basis, but I am sure we can detail all of the grants. We can give you all of that information on who gets what, and I suppose you could do your own regional picture of that.

Mr STYLES: Yes, I would appreciate that; if you could supply that information to us.

Mr CHAIRMAN: Is that on notice, or is it ...

Mr HENDERSON: Well I think grants, every year it is in the annual report, is it not? We report on grants that are paid and which organisation gets what funding. It certainly will be in the annual report that has just been tabled. It is all there, member for Sanderson, so you could look at your own regional breakdown.

Mr STYLES: Thank you. Do you have any break up by ethnic groups over what you may be giving out in the 2010-11 Budget?

Mr HENDERSON: Well, again, most of that is done on an application basis, so we have a new funding round for 2010-11. Certainly, all of the grants that were issued during the previous financial year will be acquitted again in the annual report, so there is a total breakdown there, member for Sanderson, every year in the annual report, who gets what and, as I say, you could do you your, you know, it is not a huge list, you could do your own extrapolation from that. But we do not segment the multicultural budget into so much for this group, so much for that group, it is based on applications that come in and that are assessed.

Mr STYLES: Do you have a number of how many applications have actually come in? Is there a total number of applications that have come in? Do you actually break down how many applications come in, how many approved, how many disapproved?

Mr HENDERSON: I will just direct you to speak to Alastair Shields.

Mr SHIELDS: There are a range of different grant categories for the Office of Multicultural Affairs. So we have a Multicultural Affairs Sponsorship Program, and that covers things like festivals, the Glenti, India at Mindil, the Barrio Fiesta, Persona, and smaller Independence Day cultural events. It covers peak body funding and community support worker programs. So, for the Multicultural Affairs Sponsorship Program, two rounds. In the first round, we received 29 applications, and 25 were funded for a total of \$624 000. For round two, we received seven applications, all of which were funded for a total of \$34 000. For Harmony Day grants, we received 39 applications, 38 were funded at a total \$28 000. For the Cultural and Linguistic Awards Grants, we received 11 applications, seven of which were funded for a total of \$50 000. We have received 25 quick response grant applications, which were funded for a total of \$34 000, and there was one award for the Charles See Kee Awards, totalling just under \$1000.

Mr STYLES: What was that, the last one?

Mr SHIELDS: Just under \$1000, it was \$1200, I am sorry. That gives you a total of \$771 000 which have been awarded to date in the 2009-10 financial year.

Mr STYLES: Thank you. Chief Minister, we have seen an influx of asylum seekers and people smugglers into Darwin. There are three parts to this question, the first being, what affect has that had on resourcing the portfolio area? The second part of the question, is there any direct cost to the Territory for housing these asylum seekers? And the third part is, is there any additional funding from the Commonwealth allocated for the additional use of resources and infrastructure by the asylum seekers, for example, power and water, medical services, security, etcetera?

Mr HENDERSON: The answer to the three part question is: no; none; and the Commonwealth picks up all of the costs associated with asylum seekers.

Mr STYLES: Does that include all costs associated?

Mr HENDERSON: My advice is all costs are met by the Commonwealth.

Mr STYLES: So that will include people going to the hospital, asylum seekers going to the hospital – t our hospitals?

Mr HENDERSON: There would be a transfer or a payment requested of the Commonwealth to accommodate any of those costs.

Mr STYLES: What is the total of that cost?

Mr HENDERSON: I have no idea.

Mr GILES: Do you send a bill off to the Commonwealth for those sort of things?

Mr CHAIRMAN: Sorry, the questions are with the shadow. The shadow minister has questions at this time, then it goes to members of the committee, and then it goes to local members for electorate questions.

Mr STYLES: Do we have, or is there available, a total cost that we have to bill the Commonwealth?

Mr HENDERSON: Well, as I said, the Commonwealth, as I am advised, meets all costs. Now, in regard to how those financial transactions relate in regard to the hospital, you would need to ask the Health Minister, but the Commonwealth meets all of the costs associated with the asylum seekers.

Mr STYLES: So, in relation to our Multicultural Office here, is there any request for services by our office to assist these asylum seekers?

Mr HENDERSON: No, it is a Commonwealth issue. It is a Commonwealth policy and service delivery issue, it does not relate to the Territory government budget; we have no budget allocation for this purpose.

Mr STYLES: So, there is no cost to the Territory at all for these asylum seekers.

Mr HENDERSON: My advice is no, all costs are met by the Commonwealth.

Mr STYLES: In relation to community services we might be called upon to use, that we fund locally here, my recollection is there is some Territory government funding to places like Melaleuca, are their services called upon to assist?

Mr HENDERSON: Our funding to Melaleuca is through agreements with the Commonwealth government about housing refugees. There is a committee that works across government and the funding we provide, as a government, to Melaleuca is specifically in regards to the refugee intake, not on asylum seeker issues.

I know what you are trying to do here, you are trying to do the dog whistle and it is not going to work. We know what the Liberal party's attitude is to the asylum seeker issue and that is one for you to explain, but do not try and sheet any of this to the Territory government. All costs are met by the Commonwealth.

Mr STYLES: Chief Minister, this is one place where we do actually get to ask these questions and find out if there is any costs to the Territory and the Territory taxpayer.

Mr HENDERSON: And I am telling you there is not.

Mr STYLES: I am curious if an asylum seeker uses any of our facilities, how do we actually charge them? We have services here for our own multicultural people and legitimate people who come to this country, if it is an illegal refugee or an asylum seeker and they use our facilities, how do we actually charge them? Is there a facility in place or does the Commonwealth have someone at the hospital who says: this is an asylum seeker so we will pay the bill here. How does the process work?

Mr HENDERSON: You would have to ask the Health department. I am not aware of what financial transactions take place between Royal Darwin Hospital and the Commonwealth, but I am advised that all costs are met by the Commonwealth. How those transactions take place, you need to ask the Health minister?

Mr STYLES: Chief Minister, what are the future plans for the Marrara multicultural district?

Mr HENDERSON: Future plans for the Marrara multicultural district. Can you be a bit more specific about – I am trying to be helpful here.

Mr STYLES: There is an area where we are going to have some housing and some issues out in the Marrara area; maybe one for Housing, but there is a multicultural aspect to this. There are people asking me what is going to happen out there at this housing complex in relation to asylum seekers. Will they be getting housing out there? These are questions that I am asked.

Mr HENDERSON: That is why I asked you to be more specific. I am not aware of any plans by the Commonwealth to request of the Territory government land in that area to house refugees. I am not aware of any plans.

Mr STYLES: Thank you, Chief Minister. Can you give us a figure of how much is being provided for multicultural facilities development in 2009 and for 2010-11, and what were they for?

Mr SHIELDS: We have a program called the Ethnic Communities Facilities Development Grant Program. In 2009-10 there have been two projects awarded to date; one is to the Alice Springs Islamic Society for extension of the mosque in Alice Springs for a total of \$130 000; and the other is for the Buddhist Society in the Northern Territory for the construction of an accommodation centre for the monks, for \$56 000, so that is a total of \$186 000 so far this financial year.

There is one other project which is under consideration at the moment from this year's funding, and for 2010-11 the Ethnic Community Facilities Development Grants Program will have a budget of \$250 000 and involved with that we are looking at setting aside some of the funds for an incentive scheme to promote the shared use of existing multicultural community facilities with other communities.

Mr STYLES: Are there any arrangements in place already for the shared use of facilities?

Mr HENDERSON: I can answer that, member for Sanderson. There are ad hoc arrangements in place between some of the smaller ethnic groups and the groups that have facilities. They have a more ad hoc on request type basis. I know the agency has conducted a workshop with most of the multicultural groups to workshop how we can get more efficient use of those facilities to help with running costs. I am not aware of any final position, we were just facilitating some discussions around - instead of every single small group having its own building they find it hard to upkeep and manage - how we can get better efficiencies. It has been at discussion stage and ad hoc arrangements at this point.

Mr STYLES: Chief Minister, given the statement in the ALP Ethnic Affairs 2008 platform which states all Territorians have an opportunity to achieve competence in English, how will the NT Office of Multicultural Affairs, and the various multicultural agencies, provide these services to those in the multicultural community who need that service to improve their skill set, improve their capacity, social interaction abilities, and job prospects within themselves and their communities, when there appears to be no increase in funding - and some of these services are currently in place, but some are unavailable. How are we going to do that if we do not fund these people to do it?

Mr HENDERSON: There is funding available through various grants and programs which Alastair outlined to support arts, cultural and linguistic awards. Those grant programs are in place. They have not been cut, and as Alastair was able to demonstrate, the vast majority of requests for funding, are met within the allocation.

Mr STYLES: Thanks, Chief Minister.

Mr CHAIRMAN: Have you finished your questions, shadow?

Member for Nelson, do you have any questions to this output?

Mr WOOD: No.

Mr CHAIRMAN: Are there any local member questions?

Mr GILES: I have a question, Chief Minister. Based on what the member was saying before, if an asylum seeker had to use a hospital or a Territory infrastructure facility, and the Commonwealth foots

the bill, how does government put together the invoice to go to the Commonwealth?

Mr HENDERSON: Member for Braiting, that really would be an issue for the Health minister and departmental officials to address. I do not have that information. What I can say from a policy position between the Territory government, the Commonwealth government, the Western Australian government and the Commonwealth government, is the Commonwealth picks up all the costs. Exactly how those transactions take place, I do not have that information. I am sure health people listening to this debate will be able to answer.

Mr CHAIRMAN: Can I clarify, member for Braiting, I allowed that question, however this is an opportunity for members asking electorates questions at this point. Does this make sense?

Mr GILES: Yes, I have a hospital in Alice Springs.

If an asylum seeker needed surgery in a hospital in Alice Springs, in my electorate, hypothetically, Chief Minister, would they go straight in, or would they have to go on a waiting list like Territorians?

Mr HENDERSON: I find this line of questioning offensive. All people who present to hospitals are triaged by clinicians based on the level of care they need. They are clinical decisions; they are not policy decisions for governments. All costs associated with asylum seekers are borne by the Commonwealth.

Mr GILES: Thanks very much.

Mr CHAIRMAN: That concludes consideration of Output Group 1.2.

OUTPUT GROUP 2.0 – TERRITORY DEVELOPMENT

Output 2.1 – Major Projects

Ms PURICK: Chief Minister, which projects in the Territory have major status and what does it mean?

Mr HENDERSON: Major projects are accorded that status given the potential significant positive impacts they would have to the Territory economy if they were to come to fruition. They are established, particularly for projects that span multiple agencies. Mike has a list of those current projects that have been accorded that status.

Mr BURGESS: The specific projects that have been endorsed for inclusion on the major projects list include the following: development of Weddell; residential land release programs; Darwin and Palmerston regional land use plan; East Arm development; Middle Arm development; the Defence hub; INPEX; GDF Suez floating LNG; Blacktip; marine supply base; BOC helium plant; Methanex; the port master plan; signature lodges; Infrastructure Australia funding; economic stimulus package coordination; Wonarah Phosphate deposits; Tennant Creek common user facility; the Roper iron ore project; Arafura Resources; the development of Nhulunbuy and Jabiru; Casuarina Square redevelopment project ...

Ms PURICK: Is it possible to get a copy of that list?

Mr BURGESS: Sure, we will make sure we get you the updated list.

Ms PURICK: Okay. So, if it is a project that has great potential – economically, socially, all of those aspects – what is happening with projects like Phosphate Australia's highlands project? Why does that not have major status? What about Energy Metals Bigrlyi project? Are they not moving towards greater status, given they both have great potential for the Territory? Is it a case of application, or do you seek them out?

Mr BURGESS: Each project is assessed on its viability, on the necessity to coordinate a whole range

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

of government services, so for the project there are no artificial blockages. That will all depend on the circumstances of each project. Projects will reach a certain stage where we need to ensure, for example, the Department of Lands is properly engaged, that Justice is engaged, a whole range of players are engaged, so we can facilitate it easily.

In the very early development stages of some projects, that is not required. We rely on the advice of the department of Resources about just what stage the project is at and, at the appropriate stage, those things are brought forward for us to provide advice to government about elevating their status.

Ms PURICK: Have either of those two companies made approaches, or you approached them - Phosphate Australia and Energy Metals - about their projects?

Mr BURGESS: Not at this point.

Ms PURICK: So, they have not approached you and you have not approached them?

Mr BURGESS: Not at this point, no.

Ms PURICK: Are you considering it?

Mr BURGESS: We would do that in consultation with department of Resources to see what stage they are at, and whether they need additional support.

Ms PURICK: Okay. Chief Minister, has Paul Tyrrell contracted at all to major projects, Territory Development ...

Mr HENDERSON: Sorry, I missed the beginning.

Ms PURICK: Has Paul Tyrrell contracted or doing any consultancy work? What is his role, and how much is the contracts?

Mr HENDERSON: First of all, before I get Mike to answer the question, I can say Paul Tyrrell has made an enormous contribution to the Northern Territory . When people retire, if they are available, and their skills are required, I have no hesitation, through the department, encouraging those uses to be put to the benefit of the Territory community. Paul has made an enormous contribution and still has a lot to offer. But, I will hand over to Mike

Mr BURGESS: Mr Tyrrell is currently contracted to the agency to assist in the development of the expressions of interest for the proposed Marine Supply Base.

Ms PURICK: Is it a long-term contract, or is it short-term, three months, six months, or is it an ongoing contract that he is employed under?

Mr BURGESS: We already have an arrangement in place with Mr Tyrrell. He was previously assisting us as Chair of the Gas Task Force, and also helped in the bringing together of the Oncology project. So those arrangements were on foot. I am not sure of the status of just where we are at in terms of that consultancy with us, but I know that that one has been on foot and we are using the same arrangements.

Ms PURICK: So it is an open-ended consultancy that he is employed under?

Mr BURGESS: It is reviewed in conjunction with Mr Tyrrell every year about one, whether or not he wants to keep doing work or not, and I did such a review with him in the last six months, and we both identified this as a project, for the Marine Supply Base, that he would be available to assist us on.

Ms PURICK: Are you contracting him in regard to the Weddell development at all, to give advice on that?

Mr BURGESS: No, I have not.

Ms PURICK: Chief Minister, Minemakers is an optimistic phosphate project near Tennant Creek, and on 17 May this year, the managing director expressed the company's disappointment on the lack of capacity at the port to handle their product. What are you doing to assist the company in that regard?

Mr HENDERSON: Yes, well certainly I was very pleased, after meeting with representatives from Minemakers, to talk to Mr Burgess about this project being accorded major project status, so that is what we have done. In regard to those issues, I will pass over to Brian O'Gallagher.

Mr O'GALLAGHER: Brian O'Gallagher, Executive Director Major Projects, Asian Relations and Trade. We have certainly been working very closely with Minemakers on their project, and just to recap, one of the reasons it was given major project status was, it does involve a number of phases, including the mining operation at the mine itself, road transport, the development of a transport hub around Tennant Creek, as well as the interaction with the port for the export of the product.

The company has just completed its feasibility study, which they have come out to the share market with, and I think, if I can quote:

The feasibility study into production and export of direct shipping ore from Minemakers 100%-owned Wonarah rock Phosphate Project has been completed with positive results.

But they are certainly talking about initially commencing production with 0.5 million tonnes per annum, which, my advice with the Port Corporation, can be handled through existing capacity. It is about ramping it up over time to three million tonnes per annum, and I know they are in discussions, and we have been helping to facilitate discussions, with the Port Corporation as to how that can be achieved.

Ms PURICK: Whereabouts are they going to stockpile the ore down at the Port Corporation? Is there land being allocated to them, made available to them, and what ship loading facility will be available to them, given that it is rock phosphate and does have dust?

Mr O'GALLAGHER: I think those discussions have been going on with the port. They have been working through the process, and I think that is still to be finalised.

Ms PURICK: So this land has not been allocated yet or available to them? I mean ...

Mr O'GALLAGHER: Yes, there has been tentative land, notional land, allocated for stockpiling.

Ms PURICK: Okay. Chief Minister, just to move off from mining more to perhaps some oil and gas, what effort has the department or yourself put in with the federal government and Timor-Leste to get the issues associated with the Greater Sunrise project resolved, and is the federal government actually actively engaged and involved?

Mr HENDERSON: I suppose there are two parts to the answer to this question. The first part is that the Territory government, myself included, worked extensively to secure the Sunrise project for the Northern Territory, and certainly, I was involved on numerous occasions, lobbying the various joint venture partners, not only in Perth, but overseas, to that effect. At the end of the day, they have made a commercial decision to process the gas offshore.

In regard to the jurisdictional issues between Timor-Leste and the Australian government, those really are issues for the Australian government and for Timor-Leste. It is highly inappropriate for the

Northern Territory to get involved in those issues because we have no jurisdictional say, and all the legal issues relate to the Commonwealth government and the sovereign nation of East Timor. So, it really is the Australian government that is playing that role.

In regards to development in the region, and through ministerial delegations we have had a number of to Timor Leste over the last few years, we are certainly supportive of and working with Charles Darwin University hopefully to provide training for Timorese nationals who want to work in the oil and gas industry in the region; they are at early discussion levels, but the sovereign issue are really issues for the Australian government and the government of Timor Leste, not the Northern Territory government.

Ms PURICK: That may be the case, Chief Minister, but given the best benefit would be if we could get the Sunrise Gas to come ashore, in which case it pretty much is a lobbying role of the Northern Territory Government, so what ...

Mr HENDERSON: We have done that.

Ms PURICK: But it is still not here.

Mr HENDERSON: Well, as I have said, they have made a commercial decision. I have had numerous meetings; the treaty actually requires the joint venture partner to develop this gas in the most commercial way beneficial to the joint venture partners. That is what the treaty actually requires, the joint venture to do. In regards to demonstrating that, I have had a significant briefing from the CE of Woodside Australia, Don Voelte who went through the numbers with me demonstrating the commercial viability of both of those options. He has to satisfy the Australian government of that; it is a legal requirement of the treaty that the gas be processed in the most commercially viable way. That is what the joint venture has done, as I said at the time, second prize ain't bad; first prize would have been fantastic, second prize is not bad and the commitment to work with the joint venture during the procurement phase, during the construction phase, during the ongoing service and supply phase, will still see significant benefits to the Territory economy.

Ms PURICK: Okay. Chief Minister, the federal environment minister, Mr Garrett, has suggested that the Koongarra mineral lease be taken away from the company and turned into a national park, the surrounding national park. Do you support the Koongarra mineral lease being compulsory acquired and the land be absorbed into the surrounding national park?

Mr HENDERSON: Yes, that has been long-standing government policy; we see the future for that area is very much in tourism, not in mining, and there is nothing new in that position; it has been a stated policy position of the government from day one.

Ms PURICK: Even though previously the traditional owners did agree to proceed with that project, but sadly, the main traditional owner passed away, so the people on the ground actually wanted to proceed with that project.

Mr HENDERSON: As I have said, the policy position of the government particularly in that area, not only in terms of the environmental issues for the area, but the tourism issues and respecting the wishes of the traditional owners, is that land should be incorporated into the park. That has been a long held position, and nothing has changed.

Ms PURICK: That does not send very good signals to the uranium industry about the risk of doing business in the Northern Territory.

Mr HENDERSON: It has been the position since 2001. There is absolutely nothing new in that position.

Ms PURICK: On a related matter, Arafura Resources' Nolans Bore Project, is phosphate, rare earths

and some uranium as you know, and they did talk about having the processing operation in the Darwin region. What has the government been doing about that? Why has it not got over the line in regards to government support? And is it true, I have had contacts in South Australia telling me that because of the difficulty of working with government here in just getting access to land, finding facility to put their processing plant, they will probably go to South Australia, which will be a great loss to the Territory.

Mr HENDERSON: I am not privy to commercial decisions, but I think something called the Global Financial Crisis may well have affected some decision-making processes internally within that company. It is one of the major projects and I do not know whether ...

Mr O'GALLAGHER: Yes, we have been in continual contact with Arafura Resources and just recently I know they have had further discussions with the Land Development Corporation and so on, about access to possible land. The issue has been the amount of land they want, and we are talking hundreds of hectares here, and they want close proximity to the harbour and so on. It is about whether the Territory can cater for that, and there are some issues where we cannot with other pressures on the harbour. We have been talking about other potential sites with them, and working that through, and dialogue is continuing.

Ms PURICK: Chief Minister, when ALCAN and McArthur River were undergoing their major expansions your government set up task forces to work with the companies to facilitate efficient and effective dealings with the government agencies, a bit like a one-stop shop. Have you set up any other task forces for major projects or projects on the drawing board at the moment?

Mr HENDERSON: Major project status has been accorded and moves through various phases, and I am sure if and when final investment decisions are made regarding some of these projects the level of activity within government steps up another notch again, but I will hand over to Michael.

Mr BURGESS: We have a number of task groups inside the major projects context. We have a gas task force group which does all the gas projects; we have one on economic infrastructure. In the task force we put together the right chief executive and support staff so they are dealt with basically on a sub committee basis and brought back to the major projects group on a monthly basis for discussion and analysis.

Ms PURICK: Another question regarding the port, if and when the port is expanded, where is the fill going to come from to expand the port, given it was going to come from the INPEX dredge material? Where will the infill material come from now INPEX is two years behind?

Mr HENDERSON: Let us get some terminology straight before we go to the question. Achieving final investment decision on a project the size and scale of the INPEX project is always going to see certain milestones are missed. That is what happens in every single major project of this size and scale. We are talking about a project to the value of around \$23bn to 25bn USD. For this project, the time lines have moved out regarding a final investment decision explicitly because of the complexities of the technical and engineering design process being worked on at the moment. This project has not been delayed, what we are seeing is the normal process of achieving final investment decision being undertaken by any company on a project of this size and scale.

Regarding where the fill is going to come from for the port, I say that is an issue for the minister for ports, and when he is in here you can ask him.

Ms PURICK: It is a major project - -the port corporation and the port.

Mr HENDERSON: Getting down to specifically where the fill is coming from - Brian, you might be able to help?

Mr O'GALLAGHER: Yes, we are certainly continuing with INPEX as part of their feed process,

working through their various requirements, and we bring the port corporation into that. The fact is they are yet to complete feed although they are getting very close to completing the onshore feed. We need that information for the amount of construction and the final boundaries and so on, to get all that determined. They are still working through the pipeline route and so on. All those factors will come into finalising, or determining the total amount of fill required. As part of that, there are various options being explored, but that is part of an ongoing discussion with INPEX.

Ms PURICK: I will leave it there. I have more questions but in the interests of time we need to go ...

Mr CHAIRMAN: Member for Nelson?

Mr WOOD: Thanks, Chair.

Chief Minister, one of the future priorities is to work with the Darwin Port Authority and the Land Development Corporation to identify infrastructure development required to meet demand. What consideration is being given to handing over the port to the Land Development Corporation and leaving the DPA to run the shipping side of things? What future infrastructure development has been identified?

Mr HENDERSON: Certainly there has been no discussion or consideration that I am aware of for handing the port over to the Land Development Corporation. I am not aware any discussions.

Regard planning for that area, the Land Development Corporation has an extensive prospectus in the market seeking expressions of interest and bids to develop areas of land at East Arm they are responsible for. Within the budget this year – excuse me for not having the detail – there is infrastructure funding in the budget this year to enable the Land Development Corporation to turn off more land at East Arm to support the development of businesses around the railway and the port. So, there is money in the budget this year; I just do not have it off the top of my head. It is in the budget papers for infrastructure.

Mr WOOD: I suppose I was raising that question because there is land available on the port for the stockpiling of various resources belonging to various companies. Whether that is more an area that would be better covered by the Land Development Corporation rather than the port is where I was coming from.

Mr HENDERSON: Just following that up, member for Nelson, the port is required to operate on a commercial basis, and any expenditure on capital that the port makes requires, obviously like any business, to get a return on that capital. It is an interesting point that you make. They work very closely together, but there is no consideration of handing the port to the development ...

Mr WOOD: In relation to the marine supply base, is that inside the port or is it inside the Land Development Corporation land?

Mr HENDERSON: Well, we are about to go out to expressions of interest but, for the detail on that, Brian or Mike?

Mr O’GALLAGHER: Conceptually, the way it is evolving - and we are still working this through with Mr Tyrrell and others - we are certainly working with the port and the Land Development Corporation. For the marine supply base, conceptually it would involve land at both parts. At this stage, it would involve land at the port, but also some additional hard land which is currently under the control of the Land Development Corporation.

Mr WOOD: Is the marine supply base going to be privately run, or will it be a government service to shipping? What I am concerned about is if it was handed over to private industry - and it could be handed over to say, Toll or whoever - would there be potential for conflict or monopoly there? Or is it going to be, basically, a government controlled service that anyone can turn up to?

Mr BURGESS: The expressions of interest process we are about to go through will highlight all the combinations that are possible in this. We see it as something the government needs to maintain an interest in so the government's strategic interest can be protected going forward. But, in operational efficiency, a marine supply base of the type we are envisaging would need to have experienced international operational capacity brought to bear. So, the final structure of the management arrangements for the facility will need to be carefully worked through so the Territory's interests are protected. But, we certainly need to ensure we have the best capacity being brought into the place.

Mr WOOD: Looking at it as it would work, I imagine it would be a piece of land that juts out into the sea, hopefully, in water deep enough for marine supply vessels to park up against and simply load and unload. You would not have thought that was going to require too much in the way of high-tech equipment because it is simply a case of loading and unloading on to, more or less, a flat vessel?

Mr BURGESS: The officers from the port, and ourselves and Treasury, did quite an extensive site investigation of marine supply base facilities across the world in the last 12 months. What has come back from that is the technology for these things in the loading and unloading is actually advancing quite rapidly, just as the size and shape of the boats that are used for rig tendering purposes. For example, in Norway they have come up with a new way of doing this precisely that increases the efficiencies and, therefore, lowers costs enormously. We will see there will be some fairly sophisticated loading and unloading procedures, equipment and technologies apply because they will have to be.

The land component certainly is one of the strategic bits of collateral that the Northern Territory government brings to this future partnership, and will form part of our controlling interest in how things occur.

Mr WOOD: Does the company that owns some vessels, and has its own equipment to unload and load them, will it be allowed to use their own loading and unloading equipment to do that?

Mr BURGESS: It is more likely that these vessels will use the common user facilities available in the Marine Supply Base, because they will not just be a simple loading mechanism. We are talking about gantry cranes that are running along tracks that move up and over the boats. There will be specific mechanisms for loading all the drilling muds, all the normal supplies, water, so it would be a different process to probably what is employed at the moment in Darwin.

Mr WOOD: Chief Minister, on the Defence Hub, my favourite piece of land, the member for Goyder might know it well. The first stage has been developed, thankfully, not amongst the magnetic ant hills. I know it is well on its way to being developed. Have you any customers for that Defence Hub?

Mr HENDERSON: Well, certainly in the budget this year, there is \$3m for stage two of the Defence Hub. In regard to, are there any specific customers yet, that would really be an issue for the Minister for Defence Support to answer.

One of the barriers has been that it has taken the Commonwealth an extraordinary amount of time to land on a through-life support contract for their armoured vehicles and other plant out at Robertson Barracks. That contract was only just recently awarded, and that certainly has been one of the barriers, because there has been a lot of uncertainty about who was going to win that contract, so certainly, I would imagine that the Defence Support Unit in the Department of Business is currently negotiating with the contractor that has won that contract about establishing within the Defence Support Hub, but I think that contract was only announced two or three weeks ago.

Mr WOOD: And any other ...

Mr HENDERSON: I am not really sure, Gerry, you would need to ask the minister.

Mr WOOD: I will ask questions in relation to INPEX, in relation to the construction village. Chief Minister, my understanding from discussions with INPEX in relation to what the design of that construction village will be, is what will be the future use of it? Has the Northern Territory government had any detailed discussions with INPEX in relation to what possible uses the government might put to the end use of the construction village?

Mr HENDERSON: Well, certainly, I suppose, the level of discussion, you know, at my level, has been that we certainly want to see whatever infrastructure there is there benefits the community after the workers village has decamped. I suppose, depending what is in that facility, would help determine at that point in time what use it could be put to. We do not have landings on that, but maybe Brian has got a bit more information in terms of the specifics of where we are at.

Mr O’GALLAGHER: Essentially, I can only really report back from what the Department of Lands and Planning can give you in terms of progress, and they could probably give you much further information.

As you are aware, they are currently negotiating the conditions of a draft lease of the proposed INPEX project for the construction village. I am advised that INPEX are currently working on a footprint for the village to establish if the identified land is sufficient for its needs and so on. They have already lodged the application for the lease. It is still being considered by government. I know the application was distributed to relevant service authorities, and including Litchfield Council, and I know there are some issues around maps and roads that still have to be worked through, and that also, I guess, is being negotiated with the Litchfield Council as well, member for Nelson.

In terms of the other issues, I know they are probably at a higher level policy level, there are discussions with the Department of Lands and Planning about legacy uses of the building and so on. I do not have the exact details on that.

Mr HENDERSON: But suffice to say I think there would be a broad community debate at the time, member for Nelson, about what that might be put to, but I suppose, one step at a time, we have to get all of the design and consent done in the first place, but I think there is broad agreement by everyone that it should not be a traditional mining camp, once it is finished it is just put down and put on a truck and taken away, and it would be good to be some sort of legacy and community use for it, but what that is, is up for discussion.

Mr WOOD: The impression I have from INPEX is to help them design it, they would be interested to know what the government thought the end use would be so the design is not completely incompatible with what should happen. But now we have a delay, this is an opportune time for those discussions to occur,

Mr CHAIRMAN: That concludes consideration for Output 2.1.

Output 2.3 – Management of the Darwin Waterfront

Mr CHAIRMAN: The committee will now consider Output 2.3, Management of the Darwin Waterfront.

Ms PURICK: Chief Minister, when the waterfront project was being developed a large amount of petroleum or hydrocarbon product was extracted from the site, something in the vicinity of 50 000 litres of diesel in the soil. Where was it disposed of, or was it treated and the diesel extracted? If so, at what cost was the refined product sold, and if so, to whom and at what cost?

Mr HENDERSON: I am not trying to be obstructionist; perhaps Pat Coleman has that level of information, we are talking about the 2010-11 budget here, which is what this process is all about ...

Ms PURICK: It could also involve ongoing costs ...

Mr HENDERSON: I am trying to be helpful; this project has actually been completed for nearly two

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

years now. I am not trying to be obstructionist here, but I am just not sure whether that information is available or not, and whether there are any ongoing costs, I suppose is the substance of that; but over to you, Pat Coleman.

Mr COLEMAN: I can answer some of it. All hydrocarbon impacted soil has been site remediated so it has not gone anywhere; it has been bio-remediated generally, stockpiled on site, treated as required and reused within the site. In terms of cost that is a little difficult, the amount of remediation which is required at any particular point in time depends on the actual use it is being put to in terms of the development program, to date I think we have probably spent on a little over \$6m dollars in remediation of all soils, and not hydrocarbon impacted, and there will be an ongoing requirement which, if I had to put a number on it, is probably in the vicinity of \$1m a year depending on the development program.

Ms PURICK: Part of the development agreement for the Darwin Waterfront was that there would be a lock access for boats, what is the timetable for the construction of that lock?

Mr COLEMAN: On the current program it is showing us 2016. There is no actual contractual requirement for a date. The timing of the lock was wholly dependent on the private sector's view of the marketability of the precinct. It is our view, the Waterfront Corporation's view, however, that we would rather prefer to see the lock sooner rather in later, to that extent there already is in the order of \$1m worth of cheap piling to facilitate construction of the lock sitting on site. But the decision to proceed with the lock has not been taken by the private developer yet, but we continue to work to get that to happen.

Ms PURICK: Chief Minister, the structural integrity review undertaken into Stokes Hill Wharf, I think it was finished towards the end of last year when it was reported. Has the report actually been finished, who did the report, was it outsourced, if so, at what cost? And is it a public document?

Mr HENDERSON: That really would be an issue for the minister for Ports; it is not something the Chief Minister has been engaged in.

Ms PURICK: I guess then you can answer this question which is repairs were meant to start in 2010 to the Stokes Hill Wharf and go over a three year period. My question is have these repairs been started and, if so, have costs been allocated for the next three years?

Mr HENDERSON: Again, I am not trying to be difficult, but that level of detail would be with the minister for Ports; there would be an infrastructure budget for ports this year, for Stokes Hill Wharf, and minister McCarthy would have that information.

Ms PURICK: Okay. In regards to the cruise ship terminal, how many ships have used the terminal in the last 12 months, and how does that compare to the previous 12 months.

Mr HENDERSON: Again, I am not trying to be difficult, but that would be for the minister for Ports who would have that information.

Ms PURICK: You do not see it as a part of the waterfront that there is a cruise ship terminal there that you would have information on it?

Mr HENDERSON: That is not part of the Waterfront Development Corporation responsibilities.

Ms PURICK: How many patrons have used or attended the convention centre for the past year? How many were broken down into local events, national events, and international events? Also, on the convention centre, how much is the NT government subsidising events there?

Mr HENDERSON: That is a sort of a hybrid between Tourism and yourselves, but Pat, if you can be helpful, that would be good. It has been a great success, I know that.

Mr COLEMAN: I probably have enough information, but it may not be summarised in the form to give you the exact answer straight away. Since July last year up until May this year - we do not have June figures yet - there have been 26 conventions, eight exhibitions, 52 meetings, 54 functions, total patronage – that is delegate patronage – 49 849.

By type, would be 8684 convention delegates of national, local and international; 19 536 attendees at exhibitions; 4824 delegates at meetings; and 16 805 delegates for functions. I can break that down a lot more, but I only have the information month by month.

Ms PURICK: Is it possible to table that document?

Mr COLEMAN: Yes, if I can get a copy made.

Ms PURICK: Is it correct that Stage 2 and 3 are on hold of the waterfront development? If so, for how long? And why?

Mr HENDERSON: Before I hand over to Pat for a specific answer, you would have to say that the private sector financing situation today is a lot different to when agreements were initially struck with the developer. Certainly, the developer is keen to progress with Stage 2, but unless people have been hiding under a rock, you would understand that the financing of these projects has got significantly more difficult since the global financial crisis. Pat Coleman might have some other information.

Mr COLEMAN: Stage 2 and 3 - Stage 2, more correctly, is not on hold. A development permit was issued last November for Stage 2. The threshold and requirements in terms of proceeding with commencement of construction have not been reached at his point. We are now going through the required process under the project delivery deeds to mark a test. As soon as the threshold levels are reached, it will just continue.

Ms PURICK: Thank you. Chief Minister, I understand that the CEO of the Waterfront Corporation, Mr Coleman is not based in Darwin, and relocates each week to his home base and up to Darwin for his job. What is that costing taxpayers?

Mr HENDERSON: I do not know what you are trying to get to here. We have the best possible people to do the job. Pat has been doing an excellent job.

Ms PURICK: That is not the question. I do not have an issue with his job. What is the cost of his job?

Mr HENDERSON: I am prefacing the answer because I know where you are heading, by saying that we take the view of always getting the best possible person to do the job. Pat has had a long history from the beginning with this project. The terms and conditions of his contract, I will take advice on as to whether that is appropriate to discuss.

Mr COLEMAN: I am happy to talk.

Mr HENDERSON: Okay, Pat is happy to talk.

Mr COLEMAN: I do not return home weekly. I return home for one week per month. So I spend three weeks in Darwin and one week in Alice Springs which I work while I am down there. The only cost to government is one airfare per month at a discounted rate of \$500 or \$600. There is no other cost. If I return home any other time, which I occasionally do for a weekend, I pay that at my own cost.

Ms PURICK: Thank you. Chief Minister, in regard to the bulk fuel that is handled at Fort Hill Wharf - the Defence Department has the deed of licence with the Darwin Port Corporation and, I understand it is expired - what discussions have been taking place in regard to Defence and their bulk fuel? What if

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

Defence says, 'No, we are not going to relocate'?

Mr HENDERSON: I am advised again, I am not trying to be difficult, that it is the Darwin Port Corporation that is leading those negotiations.

Ms PURICK: Okay. In regard to the wave pool, in the budget this year, there is an allocation of \$1.5m. What is that for?

Mr HENDERSON: Can you clarify that for me?

Ms PURICK: In the budget papers - I think it is in the major projects - there is \$1.5m that has been allocated this year for support for the waterfront – Waterfront Support is what it is called. Is that for the wave pool?

Mr COLEMAN: It is not for the wave pool, that is for the whole of the waterfront operation.

Ms PURICK: Okay.

Mr HENDERSON: I was going to say, it sounded a lot of money. Can you explain that?

Mr COLEMAN: Do you want that explained a little?

Ms PURICK: Yes, please, just what it is used for.

Mr COLEMAN: Yes, well, the \$1.5m is over and above the original budget amount. It has come about because of – I can give exact figures if you wish - approximately \$560 000 shortfall in revenue which we expected to get, or had planned to get from rates. We were unable to collect rates for two reasons: the buildings were not finished and titles were not issued until November last year, which is, basically, this financial year; and also it has taken somewhat longer than expected to enact the by-laws and regulations to allow us to strike rates. That is roughly \$560 000.

We have had almost a \$300 000 increase in insurance premiums due to a whole bunch of things like the global financial crisis and so on and so forth. The remainder of it is, basically, taken up in additional unexpected costs for surf lifesaving guards ...

Ms PURICK: How many surf lifesaving guards do you have for the pool during the day?

Mr COLEMAN: Well, it varies.

Ms PURICK: On the number of people attending?

Mr COLEMAN: It varies on the number of people attending and the difficulty up until now - we now have 12 months worth of operational data, so we have a much better idea of what is going on - has been that Surf Life Saving itself could not agree, at its national level, as to how many lifeguards there should be per person in the wave pool. They ran into problems with their insurers. It went from being one per 150 to, at one stage, the argument was it should be one per 80. It is now sitting at about one per 120.

Anyway, the bottom line there is, for quite a while, because we had no other ability to manage that number, we had to go with the worse case, which was one in 80, which pretty much doubled the lifeguard costs.

Ms PURICK: Okay.

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

Mr COLEMAN: What I can say is we have now locked in for the next five years an hourly-based contract, which is half the amount we spent.

Ms PURICK: Does the government underwrite any insurance associated with the wave pool and the lagoon?

Mr COLEMAN: Sorry?

Ms PURICK: Does the government underwrite – sorry, Chief Minister. Does the government underwrite any insurance in regard to the operation of the wave pool and the lagoon?

Mr COLEMAN: I am not sure underwrites is the right term. We pay for the insurance. The wave pool belongs to us, and we run it and we obtain the revenue so, yes, we do.

Ms PURICK: Okay. Is it possible to get an annual cost of operations of the wave pool and the lagoon into different areas. Electricity for example - how much electricity costs are included to run the wave pool and the salt ...

Mr COLEMAN: I cannot ...

Ms PURICK: ... cleaning products?

Mr COLEMAN: I can give you the all-up electricity costs ...

Ms PURICK: Yes, please.

Mr COLEMAN: ... which are about \$350 000.

Ms PURICK: Okay.

Mr COLEMAN: That is for the whole of the precinct. I cannot split out, right this minute, the amount for the wave pool.

Ms PURICK: Okay.

Mr COLEMAN: It is about \$220 000.

Ms PURICK: Probably just one last question, because I know time is of the essence. Chief Minister, I know I am coming back to the position and the person. Is it correct that the government is providing the CEO a unit at the waterfront as part of his contract as head of the waterfront?

Mr HENDERSON: Again, there is obviously some very mischievous person floating rumours around, but I will hand over.

Mr COLEMAN: I wish that was the case. Pat Coleman, CEO of the waterfront. It is true that I bought a unit in the last two months, and I paid market price.

Ms PURICK: Good on you. Yes, that is fine. Thank you. That is all, Mr Chairman.

Mr WOOD: I have a couple of questions. Chief Minister, I do not know whether Kezia touched on this but, since the wave pool started up, can you give us an idea of how much it has cost to run, and how much has been received in entry fees?

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

Mr HENDERSON: Pat?

Mr COLEMAN: Just bear with me a minute.

Mr HENDERSON: Have you been in it, Gerry?

Mr WOOD: I cannot swim! Oh no, it is too dangerous.

Mr HENDERSON: You should take your grandkids there.

Mr WOOD: Yes, but children might get frightened at the sight of me in a pair of board shorts.

Mr HENDERSON: As long as it is not a pair of budgie smugglers.

Mr WOOD: Oh, I do not have the physique.

Mr COLEMAN: The approximate cost is in the order of \$1m, that includes for lifeguards insurance, water and power.

Mr WOOD: What date is that from? From what date to ...?

Mr COLEMAN: That is 12 months. And, as I said, we expect that to reduce slightly, coming in. Revenue in, directly from the wave pool, we have had 118 818 people through the wave pool since May 1 last year.

Mr WOOD: How many thousand people?

Mr COLEMAN: One hundred and eighteen thousand.

Mr WOOD: People?

Mr COLEMAN: People.

Mr WOOD: So, nearly every person in the Northern Territory has had a swim.

Mr HENDERSON: Apart from you, Gerry.

Mr WOOD: So we multiply it by five, roughly?

Mr COLEMAN: Revenue from the wave pool is \$511 155. That is just from entry fees.

Mr WOOD: You should be charging a little bit for the Leanyer recreation park, Chief Minister.

Mr HENDERSON: Oh, ...

Mr WOOD: Yes, just a little bit, not much. It just goes to show. Thank you, Pat. My other question is, as the board members, it is basically, I suppose, the pseudo-council for the waterfront area, are any of the members permanent residents within the area they rate?

Mr COLEMAN: I am.

Mr WOOD: You are just now here, are you?

Mr COLEMAN: That is right, and probably the only one.

Mr WOOD: Well, I am glad there is somebody, because there would be nothing worse than people not living in the area they rate, I think. Is there any intention to expand the Darwin Waterfront Corporation board, bearing in mind it now takes on municipal functions, to include, perhaps, a residential component?

Mr COLEMAN: Under the terms of the act, we are required to review operations 12 months after the first residents move in. So, in November this year, we will do a complete review of where things are at, and that is specifically targeted at how best to get representation to residents. I do not think it would be, but it could be the case that they are on the board. It is more likely the case there will be a separate management group with representation from various businesses and residents.

Mr WOOD: I suppose I was looking at taxation without representation, so you will look at trying to give people some say in their own ...?

Mr COLEMAN: ... one way or another, they will have representation.

Mr WOOD: And my last question is in relation to the Convention Centre. The government contributes \$16.82m for the management of the Convention Centre. What does it receive back from the Convention Centre?

Mr COLEMAN: Could you just clarify where you got that figure from? I do not think it is correct.

Mr WOOD: I knew there would be one.

Mr COLEMAN: The operational cost for the Convention Centre last year was \$13.04m.

Mr CHAIRMAN: Did you say \$16.82m, Gerry?

Mr WOOD: Yes.

Mr CHAIRMAN: That is in Budget Paper No 3, page 33.

Mr WOOD: It is the contribution and management of the precinct and Convention Centre, that covers the whole thing?

Mr COLEMAN: Yes. \$4m is for the operation and maintenance of the precinct.

Mr WOOD: So, \$12.82m is roughly for the Convention Centre?

Mr COLEMAN: Approximately.

Mr WOOD: How does it all work? They collect money from people who use the Convention Centre, and then you get a portion of the profit, or all of the profit? How does it actually work?

Mr COLEMAN: No, we do not get any of the profit. The benefit, if you like, is the wider economic benefit that that number of delegates, that I mentioned earlier on, generates and spends, plus putting (inaudible), which is not insignificant. The general multiplier used for these types of things is anywhere between 6 and 10, in terms of revenue. So, that is what we actually get. What we pay is basically a fixed subsidy which does not change unless we want it to change for some particular reason.

Mr WOOD: So the convention centre pays a certain amount back?

Mr COLEMAN: They do not pay anything back. We pay four payments, a thing called the TAP, the availability payment, which is basically the capital and interest on the building, paid over the 25 years.

There is the Territory operating payment which is the operational shortfall in revenue and costs, the basic premise being, which is always the case - convention centres always lose money in an operational sense. So, we have a fixed cap, \$1.1 m, which is paid as an operational subsidy, if they require any more above that, that is their problem; if they require less than that, they in the gains. So far, we have only had the one full operational year, which was the year gone, where there were substantial savings in that \$1.1 m, which we got 65% of the benefit from.

Over and above that, there are two other payments, an incentive payment which is based on, it can go up or down, maintaining the equity in the facility, and that is based on the number of delegates they achieve compared to what was proposed at the time of financial close. That is the base measure. If they get more delegates, then they get an incentive payment and, I should add, that it is not a payment that is over an above anything else, it is part of the actual total cost of the borrowings; so, theoretically, they can earn a bit more on that, or they can actually earn quite a bit less, if they have a shortfall.

The fourth payment is the one that relates to the fixed operating subsidy, that is the Territory efficiency payment. If they run the facility so they do not require the full \$1.1 m then, as I said, we get 65% of the savings, and the operator, not the bank, but the actual operator, Ogden, receives 35% of that. So, they are incentivised to try to do better than we fixed.

Mr WOOD: Thank you, minister, that is all.

Mr CHAIRMAN: That concludes consideration of Output 2.3, Management of the Darwin Waterfront.

OUTPUT GROUP 3.0 - GOVERNMENT BUSINESS SUPPORT
Output 3.1 – Support to Ministers and Leader of the Opposition

Mr MILLS: Chief Minister, how much does it cost to run the Palmerston office of the Department of the Chief Minister?

Mr HENDERSON: Ongoing costs are estimated at \$525 000 per annum, personnel \$435 000 and operational \$90 000.

Mr MILLS: Those figures again, please, Chief Minister.

Mr HENDERSON: \$525 000 per annum, personnel \$435 000, and operational \$90 000.

Mr MILLS: And how many employees does the office have?

Mr HENDERSON: Three employees.

Mr MILLS: At what levels, Chief Minister.

Mr HENDERSON: One ECO, one EO1, and an AO4.

Mr MILLS: What does it cost to rent the office?

Mr CHAIRMAN: While you are getting an answer, I flag the member for Nhulunbuy is going to take the Chair.

Mr HENDERSON: NT Properties would have that information, which is part of the Department of

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

Business and Employment. All properties are managed through NT Properties.

Mr MILLS: It is not included in these figures.

Mr HENDERSON: I will seek advice on that. The leasing costs are included in those operational costs, I am advised. Within that \$90 000, \$3733 a month - it is part of the operational costs of \$90 000.

Mr MILLS: Of the 90.

Mr HENDERSON: Yes.

Mr MILLS: What does the \$525 000 cover?

Mr HENDERSON: As I said, it is the personnel costs of \$435 000 and operational expenses \$90 000. That is the advice I have.

Mr MILLS: That office, I understand, is currently moving. How much will rent be at the new office?

Mr HENDERSON: It is not finalised yet; it is still being negotiated.

Mr MILLS: Any idea of the cost for fit-out of a new office?

Mr HENDERSON: Still being negotiated.

Mr MILLS: The reasons for the move?

Mr HENDERSON: The existing office is very small, and people in Palmerston want an opportunity to meet with me and other ministers when we are there. There is no meeting space available in that office. There is nowhere to have meetings; it is very small and cluttered.

Mr MILLS: You are more than welcome to use my office, Chief Minister. There are three electorate offices there as a result of a decision of the people of Palmerston. Did you canvass the people of Palmerston before making the decision they needed a place to meet you?

Mr HENDERSON: The functions of the office, the work of the office, have very much been to the benefit of the people in Palmerston.

Mr MILLS: Not the question. Did you canvass the people of Palmerston concerning their need for an office to meet you in?

Mr HENDERSON: I make no apology whatsoever in the Department of Chief Minister having an office in Palmerston, having an office in Katherine, and having an office in Alice Springs. I think it is important for the people in those regions, especially Palmerston being the fastest growing region – one of the fastest growing regions in Australia - for the Department of Chief Minister to be represented. I make no apologies for that.

Mr MILLS: How much did it cost to – similar question concerning the Katherine office, how much does that cost?

Mr HENDERSON: It has been very well received, the Katherine office.

Mr MILLS: That is a completely different matter, Chief Minister, and once again you have done an extensive survey. Have people told you they needed an office to meet you in, in Katherine.

Mr HENDERSON: Very pleased are the people of Katherine.

Mr MILLS: They were given a range of options?

Mr HENDERSON: That is all right, if you are going to cut it - if that is going to be part of your cuts, that is fine.

Mr MILLS: Answer the question, Chief Minister?

Mr HENDERSON: You are obviously saying it is not a valuable piece of community ...

Mr MILLS: No, I am holding you to account with open, honest, transparent accountable government. Answer the questions please.

Mr HENDERSON: The ongoing costs are estimated at – because we have not had a full year yet – at \$419 000 per annum.

Mr MILLS: How many personnel?

Mr HENDERSON: Two employees, EO1 and an AO3 assistant.

Mr MILLS: What about the Alice Springs office of the Department of Chief Minister?

Mr HENDERSON: The Alice Springs office has five employees, two EO1's, two AO6's and an AO3. Ongoing costs are estimated at \$716 000. Personnel, \$334 000 and operational \$382 000.

Mr MILLS: Okay. We now have Palmerston, Katherine, and Alice Springs. Could you detail the costs of the Tennant Creek office?

Mr HENDERSON: At this point in time, we do not have an office in Tennant Creek.

Mr MILLS: What about Nhulunbuy, Chief Minister? Can you describe the costs associated with running the office in Nhulunbuy?

Mr HENDERSON: Well, we do have a senior government employee at Nhulunbuy who coordinates government service delivery in Nhulunbuy. Nhulunbuy is, obviously, somewhat different, given the town is accommodated on lease and the lease is - I do not know if the terminology is correct - owned by Nhulunbuy - I think it is the Development Corporation? Town Corporation? Town Ward. So, the circumstances there are somewhat different to elsewhere in the Northern Territory. Issues in regard to land tenure, a lot of the service delivery issues, are as a result of the mining companies lease, as opposed to government operations.

Mr MILLS: Does the Chief Minister have a presence in Timber Creek?

Mr HENDERSON: Not at this particular point in time, and I make no apology for having an Office of the Chief Minister in one of the fastest growing towns in Australia, in Alice Springs. If you want to have a position that you would cut those offices and put that to your cuts, that is fine. That is the position you have. The position I have, it is important, as representation for the Chief Minister in our major growth areas.

Mr MILLS: Growth in Country Liberals' support, it would appear, because those three jurisdictions are the ones that are held by the Country Liberals. They are the ones that have a presence of the Chief Minister. They also have electorate offices, but we do not have one in Tennant Creek because we

have a Labor member. Is that a fair conclusion to make on your decision, Chief Minister? Run an office in the three places where you do not have political representation, and you get taxpayers to fund your presence in these places where you have lost support in the community? It is appalling!

Mr HENDERSON: Dear, oh dear, oh dear. I point out to the Leader of the Opposition that the Department of the Chief Minister, under the previous CLP government, had an office in Alice Springs for many years. There was always a presence of the Chief Minister's Department in Alice Springs. That is fine, if you want to say that you would cut that office if you got the government benches. That is fine. In regard to Palmerston, I absolutely have no apologies in saying one of the fastest growing regions in Australia should have a Department of Chief Minister's Office to assist in working with the community around not only the delivery of services, but the expansion of that particular town.

In regard to Katherine, again, I make no apologies for having an office in Katherine. It has been warmly welcomed by the community ...

Mr MILLS: Okay, demonstrate that. Verify that.

Mr HENDERSON: Okay, I am sure ...

Madam DEPUTY CHAIR: Leader of the Opposition, if you could just allow the Chief Minister to answer the question.

Mr HENDERSON: I know that the Mayor of Katherine is substantively on the public record welcoming and supporting the Office of the Chief Minister in Katherine. I know for a fact the Mayor of Palmerston is very supportive of the Office of the Chief Minister in Palmerston, in regard to better facilitating whole-of-government relationships and working relationships between Palmerston City Council, Katherine Town Council and government departments.

If you doubt my word on that, then I suggest you talk to the Mayor of Katherine and the Mayor of Palmerston. They will say what an asset those offices have been.

Mr MILLS: Did you canvass the community to determine their need for your office in their community?

Mr HENDERSON: It was a decision taken by the government to increase the representation of the Chief Minister. It is a decision we have taken ...

Mr MILLS: In the lead-up to the last election.

Mr HENDERSON: ... warmly supported, regarded, and appreciated by the Mayor of Katherine and the Mayor of Palmerston on behalf of the local residents ...

Mr MILLS: Okay, I will let you get on.

Mr HENDERSON: If you want to say you would cut those offices, that is fine. It is a point of difference, so I make no apology.

Mr MILLS: Your explanation is fairly wanting.

Mr HENDERSON: In your view.

Mr MILLS: Absolutely my view.

Mr HENDERSON: That is okay. We will put that on the cut side of the ledger.

Mr MILLS: No one believes you.

Madam DEPUTY CHAIR: Are there any further questions to Output 3.1? That concludes consideration of Output 3.1.

Output 3.2 – Legislation Production

Madam DEPUTY CHAIR: The committee will now consider Output 3.2, Legislation Production. Are there any questions?

Mr MILLS: Yes. Chief Minister, there has been a welcome increase for the number of GBD days, General Business Days, yet the budget has been cut to the Parliamentary Counsel by \$31 000, not a great cut, but it is a cut nonetheless, with an increase in work. Why the reduction in the budget for Parliamentary Counsel?

Mr HENDERSON: Well, as I said earlier, we are in deficit country. As a government, we made a very deliberate decision to enter into deficit this financial year to support the economy, so all government agencies have been required to tighten their belts, and certainly, I do not have any advice that Parliamentary Counsel does not have the resources to do the job that it is required to do. I have had no advice to that effect.

Mr MILLS: So it was just an amount that was determined to cut it by ...

Mr HENDERSON: There was an efficiency dividend across all government agencies, it would be their share of that.

Mr MILLS: Okay.

Madam DEPUTY CHAIR: Are there any further questions to Output 3.2? That concludes considerations of Output 3.2.

Output 3.3 – Support to Administrator and Government House

Madam DEPUTY CHAIR: The committee will now proceed to Output 3.3, Support to Administrator and Government House.

Mr MILLS: The budget for 2010-11 was decreased by \$81 000 from the estimate of 2009-10, and by \$55 000 from the estimate for 2008-09. What cuts in support to the Administrator and Government House have been put in place that made these reductions possible?

Mr VIVIAN: The changes between 2009-10 and 2010-11, was that the focus of that question?

Mr MILLS: Yes. There has been a reduction in this budget, and there was a further reduction in the previous budget, what changes have there been in Support to Administrator and Government House as a result of those cuts?

Mr VIVIAN: The changes, just to explain the variations that occurred between 2009-10 and 2010-11, amount to \$80 000. It is a sharing of corporate overheads, where the input costs to that particular output is shared across, or the input costs for the whole agency are shared across all outputs. As the proportion of staff unit areas change over the course of the year, there is a different proportion of that corporate overhead, and so that accounts for the vast majority of that change. There have also been, as I mentioned earlier, the bearing of efficiency dividends across the agency, so that picks up on the remainder of the reduction, and they are mainly through areas of operations such as vehicle usage and telecommunications, IT costs. There have been, across the agency, quite a good savings in those particular overhead categories over the last few years.

Mr MILLS: Thank you. What has been budgeted in 2010-11 to ensure the ongoing upkeep and

refurbishment of the public rooms?

Mr HENDERSON: I will take advice on that.

Mr VIVIAN: In terms of R&M spending, in terms of the total budget, there is a whole range of minor new works and R&M spending. We have \$469 000 this year, and it is moving in the budget papers to \$869 000. There is some revote in that, but the majority of that is for new work in the coming year. There is some continuing work for some fence repairs and other minor new works that were happening during part of this year and continuing into next year. They are works in relation to upgrades of sewerage and pumping; there are some refurbishments happening in relation to the Administrator's apartment; and there are some fixes happening to verandahs and some water garden works.

Mr MILLS: Thank you. I have other questions, but I will leave it there for the time.

Madam DEPUTY CHAIR: Are there any further questions for Output 3.3? That concludes consideration of that particular output.

OUTPUT GROUP 4.0 – COMMUNITY SUPPORT
Output 4.1 – Community Support

Madam DEPUTY CHAIR: The committee will now consider Output Group 4.0, Community Support, Output 4.1, Community Support.

Mr MILLS: How were the tickets that were made available for *BassintheGrass* paid for? There were tickets made available for community groups; how were they paid for, Chief Minister?

Mr HENDERSON: They were all paid for, so which ...?

Mr MILLS: How were they paid for? Those that were given to community groups: how were they paid for?

Mr HENDERSON: Out of my office expenditure, through the general operational costs of the office.

Mr MILLS: How many were given out?

Mr HENDERSON: The advice is there were 10 for Total Recreation out of the office.

Mr MILLS: How much funding is provided to Territory Events Company? I will just go back to *BassintheGrass*, Chief Minister. How many people attended?

Mr HENDERSON: In terms of the overall numbers?

Ms MANZIE: Tiffany Manzie, Northern Territory Major Events Company. For *BassintheGrass* our final figures are not in, but we had approximately 7500 in total.

Mr MILLS: The cost of putting that event on?

Ms MANZIE: The total budget for putting that event on ends up around the \$600 000 mark.

Mr MILLS: The cost of those tickets?

Ms MANZIE: There is a pre-sale ticket and there is an at-the-gate ticket; \$60 is the pre-sale which includes the hat and sun protection for the kids; and then we have the gate ticket which is \$80.

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

Mr MILLS: Okay. How many of the pre-sales were sold?

Ms MANZIE: 6000.

Mr MILLS: 6000, that is good. And, of course, the 1500 at the gate?

Ms MANZIE: Over the duration of the day, yes.

Mr MILLS: What is the cost to government to run *BassintheGrass*?

Ms MANZIE: The cost to government is \$358 000.

Ms MILLS: Did the event make a profit?

Ms MANZIE: Obviously our finances are still wrapping up and we are still absorbing some invoices, but we anticipate that the event will make a slight deficit.

Mr MILLS: When will that amount be made known?

Ms MANZIE: It is really waiting for our final suppliers to send in their invoices and then we will be able to give final information on that. As you can appreciate, many our suppliers are rolling over into the V8s, so they are busy.

Mr MILLS: It is a busy time of the year. So, that would be in the annual report, I would imagine?

Ms MANZIE: Yes.

Mr MILLS: What about *BassintheDust*, did that happen this year?

Mr HENDERSON: We changed it last year and had a major concert which was very successful; more successful in patronage than the *BassintheDust* program, so it was a big success. Tiffany, you might have those numbers there.

Ms MANZIE: Yes, as the Chief Minister mentioned, we changed the name of the event from *BassintheDust* to the *Concert* with the intention of addressing the feedback we received from the Alice Springs community as to what they wanted as their product in Alice Springs specifically for them.

Mr MILLS: Okay, numbers?

Ms MANZIE: Our numbers there were 2200 approximately.

Mr MILLS: The cost of putting the event on?

Ms MANZIE: The cost of putting the event on is approximately \$150 000.

Mr MILLS: It is a one day event, is it?

Ms MANZIE: It is a concert of activities, it has a commencement – gates open at 5 pm and it is finished by 11 pm.

Mr MILLS: Ticket sales – cost of the tickets?

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

Ms MANZIE: Cost of the tickets was \$50 presale, and \$65 at the gate.

Mr MILLS: The cost to government? Well, the government contribution to the event?

Ms MANZIE: The Northern Territory government's contribution was the \$100 000.

Mr MILLS: \$150 000 is the cost of the event, and \$100 000 is from the Territory government. Is that \$250 000?

Ms MANZIE: I stand corrected. The operational cost of the event is around the \$300 000. As we have done in the past, if *BassintheGrass* does make a surplus that is rolled over and we contribute that to the Concert in Alice Springs as well.

Mr MILLS: I understand that \$150 000 is the cost of the event; \$100 000 from the Territory government is that added - are they combined as the cost of the event?

Ms MANZIE: That is correct, yes.

Mr MILLS: Right. I assume the same with *BassintheGrass*? \$600 000 to run the event, the Territory government stumps up \$350 000, does that make it \$950 000?

Ms MANZIE: No, the operational budget for *BassintheGrass* is approximately \$650 000, with \$350 000 coming from government, then the ticket sales.

Mr MILLS: The ticket sales cover the rest?

Ms MANZIE: Yes.

Mr MILLS: Plenty more questions, however I will have to leave it at that. Thank you.

Madam CHAIR: Any further questions?

Mr WOOD: Chief Minister, some questions in relation to the 2008-09 grants program. There is a grant for \$330 000 for the NT show council. Do you have a break-up of how that money is distributed to all shows, presuming that is what the money is for?

Mr HENDERSON: The advice is that goes to the show council, the overarching body, they distribute it.

Mr WOOD: There is \$150 000 grant to the South Australian Motor Sport Board – the Global Green Challenge. Can you say what that money was used for, considering it is a South Australian company?

Mr HENDERSON: It is our contribution to the solar challenge - the cockroach cars that go down the highway. That is what my kids call them - they call them cockroach cars.

Mr WOOD: It actually was not, that was the Global Green Challenge which was different than the solar cars.

Mr HENDERSON: That is what I am advised.

Mr WOOD: What was the \$200 000 for the Railway Club for?

Mr HENDERSON: I think it burned down. There was a significant structural fire and they did not have the financial capacity, and we assisted them in rebuilding it.

Mr WOOD: The Barunga Park Speedway Association - the Neil Anderson Memorial Burnout 2009 – \$500. Was that for tyres?

Mr HENDERSON: Good question. I will pick up on that one.

Mr WOOD: No details? That is all my questions, thank you, Madam Chair.

Madam DEPUTY CHAIR: That concludes consideration of Output 4.1.

Non-Output Specific Budget-Related Questions

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

Mr MILLS: Yes, I have one. It is to do with Jetstar, Chief Minister. Before you batted into tourism, it is only on the issue of the principal agreement which you announced on 1 August 2008. You announced, at that time, the Territory government will provide \$5m to support the establishment of a hub, and \$3m to support marketing of routes and destinations. You said it would be a five-year agreement. You said there would be seven planes based in Darwin. A little while after that, there was an announcement that 50 pilots would be based in Darwin. There would be \$160m injection into the Territory economy, 570 jobs, and a quarter of a million tourists. Are you able to outline some of the details of the agreement that was struck at that time that you announced on 1 August?

Mr HENDERSON: You are right in saying the administration of that agreement lies between the department of Tourism, and the Department of DBE, in regard to the industry development component of it. What I can say, is the advice I have received is Jetstar is in compliance with the terms and conditions of that agreement. There were certainly claw-back provisions written into that agreement in the event Jetstar did not meet certain targets and certain time frames. My advice is they are in compliance with the agreement. However, the details of the tourism and the industry development sides, those ministers have carriage of that.

Mr MILLS: That is fine. We are going to the principal agreement, Chief Minister. Who knows the details of this agreement?

Mr HENDERSON: As I have said, the Minister for Tourism will have the details in regard to the funding for marketing the routes, and she will have the details in and around that. In regard to the commitments to base pilots, to base crew, to base planes here in Darwin I think the plane side is with Business as well.

So, the commitment to base the planes is with Tourism but, in regard to pilots, crew, the department of Business.

Mr MILLS: So, are there seven planes based here?

Mr HENDERSON: My understanding is there are three at the moment. We have not concluded the five-year agreement, but there are three planes based here, a significant number of pilots and crew - I do not have the exact ...

Mr MILLS: You did say there would be 50. So, how many pilots are there here?

Mr HENDERSON: I am saying, if you ask that question of the appropriate minister, you will have the advice ...

Mr MILLS: With respect, Chief Minister, this is your media release, the announcement you made

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

about the negotiations that you entered into and outlined to the Territory community.

Mr HENDERSON: You would appreciate the Chief Minister certainly speaks across all portfolio areas. This is an Estimates Committee process that is in charge of the scrutinising of the government account. Those functions in that agreement rest between the department of Tourism and the department of Business; they do not rest in my portfolio areas. Those ministers will have the answers to those questions.

Mr MILLS: So, which is the principal minister who has oversight of the agreement that was struck between you and Jetstar?

Mr HENDERSON: I do not know how you would define which had the principal ...

Mr MILLS: I assumed it would be the Chief Minister.

Mr HENDERSON: Most of the money is with Tourism, so it will be within Tourism.

Mr MILLS: Who holds Jetstar to account if there is slippage on the agreement?

Mr HENDERSON: Well, as I have said, there are claw-back provisions in the agreement which the department of Tourism, if those targets are not met - and that is where the money is coming from in the marketing. It would be Tourism which would claw back the funding that has been provided if those targets have not been met.

Mr MILLS: Who did Jetstar make the agreement with?

Mr HENDERSON: With the Northern Territory government.

Mr MILLS: So, if there is slippage, who will hold them to account?

Mr HENDERSON: And the lead minister, as I am advised, and the lead agency, is Tourism, not the Department of Chief Minister.

Mr MILLS: But, ultimately, as the Chief Minister, the one who brokered the agreement and announced the agreement, surely the buck stops with you, Chief Minister?

Mr HENDERSON: I am saying my advice is that Jetstar is meeting the targets. Now, in regards to ...

Mr MILLS: Who is that advice from?

Mr HENDERSON: It is the advice that I have received.

Mr MILLS: Who from?

Mr HENDERSON: Through appropriate government agencies.

Mr MILLS: And these appropriate government agencies are?

Mr HENDERSON: Through Tourism and through DBE. My advice is to my office ...

Mr MILLS: Seriously, you do not understand. If this is an agreement, which was described as a five-year agreement, seven planes, 50 pilots, \$0.25m, \$160m, Territory economy, 570 jobs, you put

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

Territorians' money on the line, and I do not know who is responsible. It is divided between two other ministers, not you.

Mr HENDERSON: Well, I have told you that the principal minister who can answer the detail of your questions, as is absolutely appropriate under the Administrative Arrangements, is the Tourism Minister, but my advice is that Jetstar are in compliance with their agreement. That is the advice I have.

Mr MILLS: I think you are misunderstanding. You are trying to chase me off to chase detail about certain aspects of the agreement – it is the agreement itself. If there is a breach of that agreement, who holds Jetstar to account, the Tourism Minister?

Mr HENDERSON: Absolutely.

Mr MILLS: The Tourism Minister?

Mr HENDERSON: That is where – it is the Tourism Minister, under the Administrative Arrangements, that is where the money flows through the Department of Tourism. So, under ...

Mr MILLS: Who signed the agreement, Chief Minister?

Mr HENDERSON: Well, that would have been done at a government level.

Mr MILLS: Who signed it?

Mr HENDERSON: We will have to take that on notice. It was not me. It is a government agreement, it is not a political agreement.

Mr MILLS: Who is the head of the government?

Mr HENDERSON: The principal officer under the Administrative Arrangements for this agreement is the CEO of Tourism, as is absolutely appropriate.

Mr MILLS: I find it extraordinary, dealing with an airline, that you ...

Mr HENDERSON: It is a tourism initiative.

Madam DEPUTY CHAIR: Leader of the Opposition, will you just let the Chief Minister finish.

Mr HENDERSON: And under the Administrative Arrangements, and the Administrative Orders that are tabled in the parliament, the Administrative Arrangements and the Administrative Orders for airline development live with the Tourism Minister.

Mr MILLS: Okay. Jetstar are probably going to get a hold of its pants, skip and they will be rubbing their hands with glee, because no one is really able to hold them to account. It is one minister or another minister, it is not the Chief Minister, someone else signed it, we do not know who that is, and yet \$8m on the table.

Mr HENDERSON: If you were to understand how government works, there is an Administrative Arrangements Order that identifies legislation that the ministers are responsible for, and identifies policy areas that ministers are responsible for. Airline development, and the policy and the administrative arrangements are with the Minister for Tourism.

Mr MILLS: Okay.

Mr HENDERSON: It could not be clearer.

Mr MILLS: Okay. You could not be clearer, I challenge you, Chief Minister, to go and stand out at the airport the next time there is a delay with Jetstar and explain how all this works to those who are waiting for Jetstar. You make your explanation.

Mr HENDERSON: If you want to bag, and use this forum to bag companies in the same way that you have used this forum today, to smear well regarded Territory business people and accuse them of fraud and corruption, you are adding to that today, a smearing of a major Australian company, well, that is up to you. If you want to use this forum to smear individual businesses, that is an issue for you, and I wish you well in explaining it to those business people and those businesses.

Mr MILLS: Oh, well I prefer to, Chief Minister, I tell you what, we have got the same symptoms here. We have got incoherent governance, no accountability on government's point of view, no responsibility being accepted, and then blaming someone else, and offloading responsibility in another direction. Appalling.

Mr HENDERSON: So you say, so you say.

Mr MILLS: So, who is standing up for the Territory?

Mr HENDERSON: Well, you can ...

Mr MILLS: Two ministers, one is not here, the other one says, not me.

Mr HENDERSON: You can come in here and, in an unsubstantiated way, and smear well regarded Territory businesses ...

Mr MILLS: Incompetent administration, no responsibility is the issue.

Mr HENDERSON: ... accusing them of fraud and corruption ...

Mr MILLS: Same ...

Mr HENDERSON: ... and incompetence ...

Mr MILLS: Same symptoms.

Madam DEPUTY CHAIR: Order!

Mr HENDERSON: ... if you wish to use this as a vehicle to do that without putting any evidence on the table to support those allegations, that is an issue for you.

Mr MILLS: It would be helpful if you were able to put some details on the table about the agreement that you announced to Territorians, then we would have a discussion. We have got nothing but assertions.

Mr HENDERSON: I have asked, I have said to you, that if you ask the appropriate minister, you will be provided with those answers.

Mr MILLS: I thought that was you, Chief Minister, but clearly it is not.

Mr HENDERSON: No. If you had looked at the Administrative Arrangements Orders, you would have seen very clearly that it is the Minister for Tourism that is responsible for aviation.

Mr MILLS: One thing that is absolutely clear, the buck stops somewhere else with this government.

Mr HENDERSON: The Westminster system is very clear that the Administrative Arrangements Orders that are assented to by the Administrator of the Northern Territory, if you understood how government works, show very clearly that aviation policy is the responsibility of the Minister for Tourism and the Department of Tourism, not the Department of the Chief Minister.

Mr MILLS: Thank heaven, that will do.

Madam DEPUTY CHAIR: Are there any other non-output specific budget related questions? On behalf of the committee I would like to thank the officers who provided advice to the Chief Minister this afternoon. The committee will now move on to the Northern Territory Police Fire and Emergency Services.

We will just take a three minute break to change over.

The committee suspended.

NORTHERN TERRITORY POLICE, FIRE AND EMERGENCY SERVICES

Madam DEPUTY SPEAKER: Chief Minister, do you have all of your officers here?

Mr HENDERSON: Yes.

Madam DEPUTY CHAIR: We will recommence. For those interested, I have been advised by Hansard all evidence given this morning until lunch time is now available on the Legislative Assembly website. Given some loss of time, we will be going through until 5.10 pm in this area.

Madam DEPUTY CHAIR: I now invite the Chief Minister to introduce the officials accompanying him and, if he wishes, to make an opening statement on behalf of Northern Territory Police, Fire and Emergency Services.

Mr HENDERSON: Thank you, Chair, I will be brief. I welcome Commissioner John McRoberts, Grahame Kelly, Acting Deputy Commissioner; Audrey Ko, Executive Director of Corporate Services to the Commissioner's right, Greg Nettleton, Director NT Fire and Rescue Services; Peter Davies, Director of Emergency Services, and to Audrey's right, Rose Hallett, Director of Finance and Procurement within the agency.

Police, Fire and Emergency Services is a tri-service organisation comprising the three services. The Commissioner of Police exercises chief executive authority over all three services. The mission of the agency is to work with the community to reduce crime and the effects of emergencies and disasters. Budget 2010-11 provides record funding of over \$310m to the tri-service - a 127% increase since 2001. As at 30 April, police staffing numbers have increased by 43% since this government was elected. This number includes police officers, ACPOs, and police auxiliaries. Fire fighter numbers have increased by 38% in the same period.

Highlights of the Budget 2010-11 include \$6m funding to complete and maintain police beat offices in Alice Springs, Casuarina, Palmerston, Karama in the northern suburbs, Parap, Nightcliff and Katherine. Police beat offices are now officially open in Casuarina, Alice Springs, Nightcliff, Katherine and Palmerston. The objectives of those offices is to tackle youth crime and deliver a highly visible police presence around shopping centres in the Northern Territory, and the beat officers are proving successful in achieving these outcomes.

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

The budget also delivers \$1.44m to maintain CCTV systems, and \$1.4m to maintain and support key information and communications technology systems; all tools to assist front line officers to keep people safe. The government's commitment to closing the gap is maintained with \$6.5m provided to enhance policing services in remote communities and maintain the child abuse task force.

Funding of \$2.71m is delivered to continue the first phase of the initiative to resource the fire and rescue service to meet current and future fire and emergency risks, and \$1.49m to expand the community fire safety division. The budget also provides for our commitment to establishing Territory growth towns, with \$1m approved to establish and maintain fire and emergency services in these towns. \$8m new capital works funding is provided in this budget to upgrade the Tennant Creek police station, upgrade existing and construct new cyclone shelters across the Territory coastal communities, and for various minor new works. With those few words, I am pleased to take questions from the committee on behalf of the agency.

Madam DEPUTY CHAIR: Are there any questions directly related to the statement? No? The committee will now consider the estimates for proposed expenditure contained in the appropriation bill 2010-11 as they relate to the Northern Territory Police, Fire and Emergency Services. I will now call for questions on agency specific, whole-of-government related questions, budget and fiscal strategies.

Mr MILLS: Similar to last year, and granted we will not be starting with, as I mentioned before, fleas. We have been provided with the information last year. We need an update and that is to provide the NT police establishment full time equivalent broken down by rank, command, division and section, for the whole of the Northern Territory police force. We actually have a bit more time this year, Chief Minister. Then they will be tabled? Yes, thank you.

Through the Chief Minister, what was the police attrition rate including dismissals, retirements and deaths during 2009-10?

Mr HENDERSON: I welcome Commissioner McRoberts. This is his first appearance before the Estimates Committee. I know that this is an ongoing and pretty good story in terms of the attrition rate, but I will hand over to the Commissioner for this first question.

Commissioner McROBERTS: Thank you, Chief Minister and thank you Leader of the Opposition. The attrition rate for the period 1 July 2003 for constables and above was 8.11%. For the period 30 April 2010, I am pleased to see it has reduced to 3.96%, giving us an overall of 4.56% for the period.

Mr MILLS: That is 2009-10?

Commissioner McROBERTS: Yes.

Mr MILLS: Okay. If it is all right, I will just direct the following question straight to the commissioner?

Mr HENDERSON: Yes.

Mr MILLS: Thank you. How many police left the NT Police Force last year?

Commissioner McROBERTS: Just bear with me.

Mr HENDERSON: I suppose you could do the sums; 3.96% of the establishment, whatever that number is.

Commissioner McROBERTS: We should be able to give you that shortly, if you continue while my colleagues prepare it.

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

Mr MILLS: That is fine. I will move on. The number of recruits taken into the NT Police Force last year?

Commissioner McROBERTS: Yes, 73 constables, as well as nine others who had been reappointed, have graduated since 1 July 2009. As we speak, a further 45 are in training. Thirty police auxiliaries have graduated since 1 July 2009, and nine Aboriginal Community Police Officers have graduated since that date.

Mr MILLS: How many recruits failed to graduate?

Commissioner McROBERTS: Three. Two of them resigned, one was what we call 'back-squaded' – so did not graduate on the due date for a particular reason, and has remained in our employ, usually for some additional training. I cannot tell you the reason that individual has been back-squaded.

Mr MILLS: That is fine. Commissioner, how many police are currently employed as a part of the emergency response in the Territory, and where are these police seconded from?

Commissioner McROBERTS: The police who are seconded into the Northern Territory for the emergency response at the moment are all from the Australian Federal Police. The officers who were seconded from other jurisdictions have now all returned to their place of domicile.

Mr MILLS: So how many are there?

Commissioner McROBERTS: As at today, once again, I wonder if I could get that figure calculated for you. We are slowly removing – thank you. Thirty-three from the Australian Federal Police.

Mr MILLS: Thank you. Moving along from that ...

Commissioner McROBERTS: If I can go back, Leader of the Opposition, the separations, year to date, is 43.

Mr MILLS: Commissioner, how many sick days were taken by police in the Territory last year, and how does that average out per police member?

A witness: We do not have that; it is not a standard question.

Commissioner McROBERTS: We will have to take that question on notice

Mr HENDERSON: Is that not part of your 77 questions? To trawl through every police officer's personnel record to find out how much sick leave they took?

Mr MILLS: A question on notice, thank you.

Madam DEPUTY CHAIR: Would you repeat it for Hansard please?

Mr MILLS: How many sick days were taken by police in the Territory last year? And what does that average out at per police officer?

Mr HENDERSON: I am just seeking clarification here, because these are the Leader of the Opposition's question on notice. I thought this question in regard to sick leave was part of the 77 questions, and that answer has been provided.

Mr MILLS: So, therefore, it should be ...

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

Mr HENDERSON: You should have it in the response. I do not know why you want to know how much sick leave ...

Mr MILLS: Oh, do not worry too much about this. I am asking the questions. Do not worry about that sort of stuff, Chief Minister.

Commissioner McROBERTS: Question 46.

Madam DEPUTY CHAIR: So do we need to disregard that question on notice that has been asked?

Mr HENDERSON: We have already answered it. Question 46 out of 77 ...

Mr MILLS: Yes, I got that. It is just that ...

Mr HENDERSON: I wish you would remember which questions you have asked

Mr MILLS: When was that provided, Chief Minister?

Mr HENDERSON: Oh, I am not sure.

Mr MILLS: Chief Minister, when was that provided?

Mr HENDERSON: The extensive search of every single police officer's personnel record ...

Mr MILLS: No, no, when was it provided?

Mr HENDERSON: ... was, and for 77 questions, were finished yesterday by Police. When it was provided to your office, I am not sure, but it has been provided.

Mr MILLS: All right.

Mr HENDERSON: Okay. I am just surprised that you are not aware that you had already asked that question.

Mr MILLS: Well, Chief Minister, I am surprised that the answers have now been made available, and I have had no time, as it was in the previous exercise ...

Mr HENDERSON: That is okay.

Mr MILLS: ... and you know darn well what I am talking about, so to make a churlish comment such as that, as though I should know, there was even no expectation that these things would be provided, they were provided at the eleventh hour.

Mr HENDERSON: Well, they have ...

Mr MILLS: So leave it be, okay, and I will just ask the questions.

Mr HENDERSON: They have been provided.

Mr MILLS: Obviously, you have the answers to the question.

Mr HENDERSON: And they have been. Every single police officer's personnel file has been

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

scrutinised for the amount of sick leave that they have taken, and that has been provided to ...

Mr MILLS: It is Estimates, Chief Minister. Calm down.

Mr HENDERSON: ... the Leader of the Opposition.

Mr MILLS: Calm down.

Madam DEPUTY CHAIR: So just clarifying, Leader of the Opposition, that there is no need for that question on notice?

Mr MILLS: There is no need, and I will go back and check, probably the office now.

I understand that the NT Police, Fire and Emergency Services carry about \$30m in unused recreational leave, is that the case?

Commissioner McROBERTS: Unused recreational leave. If I can direct you, Leader of the Opposition, to question 42, or the answer to question 42, it is \$30.794m.

Mr MILLS: That would be about what percentage of the entire budget for ...

Commissioner McROBERTS: For the next budget, it is 10%.

Mr MILLS: That is right. That is rather high, would you not say?

Commissioner McROBERTS: Look, this is a legacy issue, but there is leave, and we have a robust leave management plan in across the tri-service to reduce that entitlement.

Mr MILLS: Is that an indication of the pressure that the service is under, that there is this growing amount of unused recreation leave? Is it difficult to take leave these days?

Mr McROBERTS: I have never heard of anybody being denied recreation leave when they have asked for it. Of course, we need to balance our resource allocation at any one time. In fact, my experience over about 32 years policing, is it is difficult to get cops to go on leave, so I do not see that as something that is unusual.

Mr MILLS: This would not be an answer that has been provided to me last night, but I got a call yesterday morning. A constituent went to the Palmerston Police Station with a concern, to find that it was not open, saying that someone was sick, and it could be then diverted through to the Peter McAulay Centre. Should the Palmerston Police Station be open during regular working hours, even on long weekends?

Commissioner McROBERTS: Yes.

Mr MILLS: All right, well, it apparently was not yesterday at the time that this constituent called.

Commissioner McROBERTS: Do you mind if I take some advice?

Mr MILLS: Yes, please do.

Commissioner McROBERTS: Thank you for your indulgence. The police station is normally manned. Yesterday, a police officer booked off sick. As it was a public holiday and there was an expectation that there would not be a great deal of customers who would present at the police station, a decision was made not to bring somebody in on overtime to operate the station but, of course, there

is a tough phone outside the premises upon which people who present at the police station requesting police assistance can call through to the GES.

Mr MILLS: Is it difficult to get an officer to come in on overtime, say, yesterday? Would there be some pushback on that line, difficult to get someone to come and take that spot?

Commissioner McROBERTS: Not to my knowledge.

Mr MILLS: Now, an important question, I think this will go to the Chief Minister. Chief Minister, can I confirm that, as from 1 July 2009, a different methodology for calculating crime statistics was adopted by the Northern Territory

Mr HENDERSON: Well, certainly any decision would have been an operational decision, and this goes to recording crimes in a nationally consistent manner, and I will refer that to the Commissioner.

Commissioner McROBERTS: Leader of the Opposition, currently in the Northern Territory crime is counted and reported in both the Northern Territory quarterly crime statistics and our annual report using what is commonly referred to as a unique offence counting methodology. That means there is effectively discrete counting of offences. For example, the same incident, for want of a better term, can be counted as multiple offences depending on exactly what happens during the incident and what the victim reports. For example, an assault, by more than one person, or where a weapon is used, is recorded as more than one offence. We are now moving to the national crime statistics where offences will be recorded as victim based.

Mr MILLS: Will this have the effect of, obviously, reducing the number of incidences reported?

Commissioner McROBERTS: This will not reduce the number of incidences reported, the report will still be made, we will simply adopt the national standard and for very good reason, that an offence or a victim as reporting an offence.

Mr MILLS: I can understand, and a different approach is fine, I can understand the logic of it; however, by changing from one model to the other, what could have been counted as three distinct offences, an assault, aggravated with a weapon, plus injury, could be three, now it is one. Is that correct?

Commissioner McROBERTS: Yes.

Mr MILLS: Does that not have the effect of potentially reducing the crime statistics?

Commissioner McROBERTS: It is a case of whether you are talking about incidence or raw data. What we really want to know, particularly from the national perspective, is how many people, for example, might be assaulted in any one jurisdiction, so we can make comparisons; and the decision has been made that all jurisdictions will collate data in the same way.

Mr MILLS: But changing methodology certainly is going to have the effect of if you are going to reduce the count of three to one, it has the potential of decreasing the number rather than increasing the number. What I fear, obviously, is that the Chief Minister will be standing out there saying what a great job we have done, when really the methodology has changed, that is my concern.

So, Chief Minister, my question is to you: when did you announce that your methodology had changed?

Mr HENDERSON: Certainly this is a decision that has been taken at a national level that all crime will be reported in a nationally consistent way now, that decision was not taken at my level, that decision was taken at the Commissioner's level, in regards to the national agreement that crime be reported in

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

a consistent way, so entities such as the ABS, such as the report on government services, which the Productivity Commission puts that report together, is comparing apples with apples across state boundaries. Now, that is the logical position, and it was not taken at my level.

Mr MILLS: Chief Minister, I understand the logic of the decision, but what is illogical is without advising the Territory community, that has a deep concern about crime, that the methodology had changed. The goal posts have been narrowed; there has been a significant change, so that is illogical. The question I ask you was what means you used to explain this to the Territory community so that they can compare apples with apples. It is about their concern about crime, not about falling into line with the national, that is fine, but the communication to the Territory community. Was there any?

Mr HENDERSON: Let us start again. This decision was not taken at my level; it was taken at the Commissioner's level.

Mr MILLS: You have explained this.

Mr HENDERSON: No, no let me finish. In regards to the reporting of crime that is done by the police commissioner reported through justice and the police commissioner would produce an annual report that will explain how the figures have been collated and if there are any significant variations why those variations are there. That is the police commissioner's annual report. It is not my annual report.

We say very clearly that we have quarterly crime statistics that are promoted. In terms of community concern about crime I certainly do not run around and say and misrepresent the figures that are produced by saying that there has been an 80% increase in violent crime around the Northern Territory over the period of this government. You know and we have had this debate over and over again that the reason that those numbers have actually increased is because police for the first time, as a result of a domestic violence strategy, additional powers being given to police, additional resources being given to police that have been allocated to domestic violence units in Alice Springs, Tenant Creek, Katherine, and Darwin, women are more confident to report violent assaults and domestic violence assaults.

It is the opposition that has been running around misrepresenting those figures, implying that crime has escalated and violence against Territorians has increased by 80%. Nothing can be further from the truth and what we have agreed to do and what the commissioner and his predecessor have agreed to do amongst all commissioners is to report crime in a nationally consistent way so people like you cannot be mischievous with the figures that are provided.

Mr MILLS: And the purpose of asking these questions Chief Minister is so that people like you cannot be mischievous with these figures .

Mr HENDERSON: Well, you are alleging that the previous police commissioner is being mischievous with the figures when we have explained and it is called national consistency in reporting.

Mr MILLS: I will say this really plainly. There is no problem with changing from one methodology to another, no problem at all. I understand the logic of that, it makes sense. My concern is with you, Chief Minister. Can you tell me what public announcement was made by you describing this changed methodology. Was there any?

Mr HENDERSON: Any change will be made in the reports that the commissioner will provide so I am happy ...

Mr MILLS: Okay, so there was no public announcement?

Mr HENDERSON: Because it was not a decision made by the government.

Mr MILLS: That is all right. You are the Chief Minister.

Mr HENDERSON: It was not a decision made by the government. It was made by the CE of the agency so ...

Mr MILLS: I understand that. Nothing seems to be your responsibility but you have a responsibility, I would say, to explain to people that there has been a change of methodology. Now I understand from FOI that it says here that the Northern Territory police will adopt a victim count most serious offence commencing 01 July 2009. So it has already commenced, correct? Okay, I thought you said you were moving to it. Has it already started?

Mr HENDERSON: This is an operational issue for the commissioner. I do not log the data.

Mr MILLS: You can see how there would be ...

Madam DEPUTY CHAIR: Leader of the Opposition, you asked a question that the commissioner is about to answer.

Commissioner McROBERTS: Thank you. Indeed there was an agreement that the Northern Territory police would commence the national model on the 01 July 2009 but I understand the justice who effectively have the custodial role of the crime statistics in the jurisdiction are still going on incident based counting and we need to amalgamate both systems to have the common national model and I am hopeful that it will be achieved very soon.

Mr MILLS: Do we have some sort of idea of when we could expect that? Are we going to see this new approach reflected in the next crime statistics?

Commissioner McROBERTS: I think that is a question that needs to go to the relevant minister.

Mr HENDERSON: I will pick up on the observation from the member for Nelson. It is one of the issues that have been identified through the CTC report the government is currently considering. It is an issue that needs to be cleaned up. Let us get some consistency and get some certainty in regards to how these incidents are recorded.

Mr MILLS: Chief Minister, when did you learn that there was a change of methodology?

Mr HENDERSON: The decision was taken by the previous Police Commissioner and that was advised to me probably 12 months ago. But ,obviously, it takes time to implement.

Mr MILLS: Yes, sure. In the interests of responding to the concerns the Territory community has, you would have, obviously, done some modelling to be able to explain what effect this new methodology would have in the collection and measurement of that data. So, could you explain what modelling was done to help bridge the gap between one approach and another?

Mr HENDERSON: Well, I am not aware of any modelling that has been done, because to back-cast over reported and recorded incidents would have been an enormous amount of work. I am unaware of any modelling that had taken place. We have no commenced the new system yet, and I am sure that will be discussed in the commissioner's annual report once it is commenced.

Mr MILLS: What plans do you have, Chief Minister, of helping Territorians understand this changed methodology, and what effect it would have in the reporting of crime?

Mr HENDERSON: That would be an issue for the Justice Department that collates the quarterly crime statistics, and the Police Commissioner who is responsible for operational directions to police officers as to how crime is recorded. It is not an issue for me, as the Chief Minister, to debate the finer points of how crime is recorded. That would be an issue for the commissioner in his annual report. I will hand

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

over to the commissioner.

Mr MILLS: But, with respect, I asked the question of you, Chief Minister.

Mr HENDERSON: You obviously do not want to hear the answer, but ...

Mr MILLS: I have not really got it yet; that is the issue. I am just wondering - you are the Chief Minister and minister for Police, and the community is very concerned about crime and the perceptions that are ...

Mr HENDERSON: Because you continually misrepresent the issue of crime. But, anyway, moving on.

Mr MILLS: Do I assume, from all you have said in response to this, there will be no effort made on your part as Chief Minister, as a local member, as Police minister, to explain in a public way, the effect of this changed methodology from this system to the next?

Mr HENDERSON: That would be an issue for the Police Commissioner to address because he is responsible for it.

Mr MILLS: Okay, I understand, so that is a no. Thank you.

Mr HENDERSON: We do not make mischief with crime figures. We are not the ones running around saying there has been ...

Mr MILLS: Why did you announce this, then?

Mr HENDERSON: ... an 80% increase in violent assaults across the Territory, trying to put fear into Territorians that they cannot walk their dog in the neighbourhood park because violent crime and assaults are running out of control, when you know those figures have increased as a result of the domestic violence strategy, the increased resources, and the increased confidence of women who previously were not reporting domestic violence who are now reporting domestic violence. You are the one who is misrepresenting the crime figures.

Mr MILLS: Chief Minister, this is the old scenario, the old methodology. A motorist is physically assaulted with a weapon whilst being carjacked. I want you to count how many offences are being committed here. Motorist physically assaulted with a weapon whilst being carjacked and, inside the car is a handbag which is stolen, as is the car's CD player before the car is wrecked and dumped. How many offences have been committed under the old system?

Mr HENDERSON: I will ask the Police Commissioner to answer that. I do not record these ...

Commissioner McROBERTS: To the best of my knowledge, we are talking four offences as we speak at the moment.

Mr MILLS: And under the new system, Chief Minister?

Mr HENDERSON: I will ask the Police Commissioner who is responsible for reporting crime ...

Mr MILLS: No, do you know?

Mr HENDERSON: I am asking the Police Commissioner to answer this question. He is the one responsible for the figures.

Commissioner McROBERTS: My preliminary assessment is there would now be one offence.

Mr MILLS: Can you see the need for public information, Chief Minister?

Mr HENDERSON: I am sure when we move to the new system, the Police Commissioner, who will be the person who puts out an annual report with the crime statistics in it, will identify the change of methodology, as is totally appropriate.

Mr MILLS: I do not know what your job is, actually. Thank you.

I will give you, Chief Minister, credit for FOI. If it was not for FOI, we would not know this, if such was the absence of public information around this. So, I am grateful for the freedom of information.

Mr HENDERSON: Because the change has not occurred yet.

Mr MILLS: Oh, there you go.

Mr HENDERSON: Well, it has not. You just heard the commissioner say there has been a delay in implementing it ...

Mr MILLS: That is right.

Mr HENDERSON: ... so, the change has not occurred yet. I do know what you are carrying on about.

Mr MILLS: Don't you? Anyone listening would.

Commissioner, in the last year, how many times have tasers been fired by NT Police?

Commissioner McROBERTS: We will have to take that question on notice.

Madam DEPUTY CHAIR: Would you just repeat that please, Leader of the Opposition?

Question on Notice No 3.6

Mr MILLS: In the last year, how many times have tasers been fired by NT police?

Madam DEPUTY CHAIR: Happy to take that question on notice, Chief Minister?

Mr HENDERSON: Sorry, was it about the tasers?

Madam DEPUTY CHAIR: I was just checking that you are happy to take that question on notice regarding tasers?

Mr HENDERSON: Yes, yes.

Madam CHAIR: For the benefit of *Hansard*, that is question No 3.6.

Question on Notice No 3.7

Mr MILLS: Thank you, and I would assume this next one will also be taken on notice. As a result of those taser shots, how many hospitalisations have occurred?

Commissioner McROBERTS: We will take it on notice. The advice I think I would provide is none to my knowledge.

Madam DEPUTY CHAIR: Chief Minister, are you happy to take the question on notice?

Mr HENDERSON: Yes.

Mr MILLS: That concludes the Agency Specific (Whole-of-Government Related Questions).

Madam DEPUTY CHAIR: For the benefit of *Hansard*, that last question on notice was No 3.7.

Madam DEPUTY CHAIR: Are there any other questions? That concludes consideration of that output.

OUTPUT GROUP 1.0 – COMMUNITY SAFETY AND CRIME PREVENTION

Output 1.1 – Community Safety and Crime Prevention

Madam DEPUTY CHAIR: We now move to Output Group 1.0, Community Safety and Crime Prevention, Output 1.1, Community Safety and Crime Prevention. Are there any other questions?

Mr MILLS: I need to describe this scenario, which is, I think, one that would resonate with a lot of Territorians, and I set it as a scene for a response. It actually occurred. December 30th, 2009, a group of three young men, Luke McLoughlin, Jacob Dunbar and James Eliget, were returning to their cars at Casuarina Shopping Centre car park when they were set upon by a number of drunken males. During the course of the attack, a metal pole was removed from the back of a car by one of the attackers and thrown at 18-year-old Mr McLoughlin. The bar narrowly missed Mr McLoughlin's head and slammed into his car, causing significant damage to the side panel of the vehicle. Police were called, and when they arrived at the scene, the three victims identified their attackers as being a group of itinerants sitting nearby at Hungry Jacks outlet. The response from police was that the young men were lucky not to have been injured, and that they should not expect any justice as a result of the attack.

Is it true, Chief Minister, that, despite the vicious and unprovoked nature of the attack, the damage inflicted on the car, the potential for serious injury, that nobody was ever charged over this incident?

Mr HENDERSON: Well, I suppose, there were a couple of issues at play here. One, this is a budget process, you know, it is not an episode of crime scene investigations, and this is a very specific incident. Allegations have been made in terms of advice that was provided to people. I am not in a position to test those allegations, but I would have expected police to have done their job, and to have followed through and investigated the allegations. Now that is what I would have ... and the incident, that is what I would have expected of police. If these three individuals have any complaints about the professionalism of police in terms of dealing with that particular incident, they should make a complaint, either through the official police complaints division, or to the Ombudsman, but I am unable to talk about the specifics of that particular incident.

Mr MILLS: In response, it is not necessarily a criticism of the police, in fact, the police responded and there has been no consequence, no one has been charged over the assault.

Mr HENDERSON: Well, that is your allegation and your assertion. I am unable to testify whether that assertion is correct or not.

Mr MILLS: Well, Chief Minister, in a phone call made to police the day after the attack by a parent of one of the three young men, a police spokesman admitted that the sole punishment handed out to the people involved in the attack was that their grog was poured out. Do you think this constitutes adequate punishment?

Mr HENDERSON: Well, what I can say is, I think this is a totally inappropriate line of questioning when we are supposed to be discussing the appropriation to Police. You are talking about a very specific issue. My advice would be that if those people have got any complaints, they should make

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

them to the Ombudsman and the issue will be investigated.

Mr MILLS: The line item here, Chief Minister, is Community Safety and Crime Prevention.

Mr HENDERSON: Absolutely, and if an individual has a complaint about police performance, there are well established procedures for that person to make a complaint. To expect me to have those answers in regard to a very specific issue is just, it is not practical in this forum.

Mr MILLS: Chief Minister, how many contacts did the First Response Patrol have during last year?

Mr HENDERSON: I will hand over to Commissioner McRoberts for that.

Commissioner McROBERTS: We will have to take that question on notice.

Madam DEPUTY CHAIR: Could you just repeat the question, please, Leader of the Opposition?

Mr HENDERSON: Any way I will ask the commissioner to speak to this because obviously it is all about definitions here I think.

Commissioner McROBERTS: Leader of the Opposition as you know the First Response Patrol is a unit established to work from 6am to 2pm to essentially address many of the itinerant issues and contribute to the *Return to Country* program. I am not quite sure if your, by way of definition, is a contact where the First Response Patrol engaged with 10 people on the foreshore, 10 contacts, or would you call that one?

So, I am just not sure how we might do that and, of course, if the First Response Patrol with respect engages some people by way of establishing and building good relations to bridge gaps, that may not necessarily be recorded as a contact history, but it is them going about the very good work they do.

Mr MILLS: I guess the question comes from spending some time with Larrakia Nation and it was clear they were keeping records of their contacts and the data. So, what type of data is then collected by the First Response Patrol?

Commissioner McROBERTS: I would need to inquire into that myself. I know absolutely that there would be records particularly where people are taken to a sobering up shelter or are taken to the watch house as protective custody individual, but we would need to do some work on that.

Mr MILLS: Chief Minister, would you be aware of the importance of that data and how it is collated and fed into some global response to a problem.

Mr HENDERSON: As I have said, it was a government initiative and has been successful in terms of cross agency response to antisocial behaviour. In terms of how much data is collected and where that is recorded, that would be, obviously, an operational issue. I want people out interfacing with and working with itinerants and service providers, not sitting back in the office writing reports.

Mr MILLS: Chief Minister, you have just said that it is a great success. What do you base that assertion on?

Mr HENDERSON: In regards to liaising with other government agencies in working with police the feedback I have is it has been a useful initiative. The Commissioner, as a new Commissioner we had a discussion about this the other day, I have asked him to look at this particular initiative in terms of effectiveness and that is something that the Commissioner is going to do, but explicitly what data is recorded, where is it reported, that is an operational issue, and I will hand over to the Commissioner.

Commissioner McROBERTS: Thank you, Chief Minister. Certainly anything that the First Response

Patrol does that needs to be recorded is entered onto our PROMIS system, which I am sure you are familiar with, Mr Mills, and that is corporate knowledge and corporate recording system. We will interrogate that and provide you with the data.

Mr MILLS: Having spent that time with the Night Patrol, I wondered about the activity of, say, the Night Patrol, the activity of the First Response, the activity of the sobering up shelter, is all that data going to one place, or is it kept by different agencies? Does it come together, Chief Minister, in one place?

Commissioner McROBERTS: I am advised yes, it does. It comes together through the Community Safety Working Group which is a subcommittee of the Coordination Committee that all government CEO's sit on, and we are using that data best deliver services particularly to itinerants who are in Darwin from their own country.

Mr MILLS: Chief Minister, which minister is that exercise under? Which minister is directly responsible for that?

Mr HENDERSON: This is a structure that has been put in place within government to respond to whole-of-government issues in regard to itinerants. So, it is an internal government structure that has representatives from all affected government departments in regard to the antisocial behaviour aspects of itinerants. Of course, that is reported to me as police minister. The health issues that are issues for itinerants, obviously the Health Department is responsible for them. The Return to Country program is, I understand, is administered through the Department of Justice. If there are any FACS issues in regard to children living in the long grass, for want of a better term, that would be an issue for FACS. So, in regard to criminal behaviour, antisocial behaviour, obviously that is an issue for the Police Commissioner and ultimately for myself as police minister.

Mr MILLS: Thank you. Now, I understand how coordination works. It is just that all of those threads should come into a single place and I wanted to know which minister is directly responsible and I assume it is you, Chief Minister?

Mr HENDERSON: Well, we do not have a minister that is specifically responsible for itinerants. It is the behaviour that is being addressed at different levels and if there is antisocial behaviour or criminal activity associated with the issue of itinerancies then that issue is for the Commissioner and ultimately myself as police minister. But FACS issues are issues for FACS. Health issues are issues for Health.

Mr MILLS: Okay, I will leave it. If I refer to Night Patrols, am I referring also to First Response?

Mr HENDERSON No.

Mr MILLS: They are different things all together?

Mr HENDERSON: Yes.

Mr MILLS: Okay. So does a First Response unit pick up someone and take them into protective custody?

Commissioner McROBERTS: They do not do that. They would call upon a police patrol to do that if it is during the hours that they are operating.

Mr MILLS: Right. So, we now move to Night Patrol. How many individuals were taken into protective custody by Night Patrol in the past year?

Mr HENDERSON: The issue with the Night Patrol is that Night Patrol in terms of Darwin, Larrakia

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

Nation, that is funded and the contract is administered through the Department of Justice. The First Response Patrol are public servants. It is a division that has been created within police and report, ultimately through the ranks, to the Police Commissioner. The Night Patrol is, as I understand it, a contract with Larrakia Nation and that flows through Justice and my understanding is that those Night Patrol people do not have powers to take people specifically into protective custody against their will. That is ...

Mr MILLS: Yes, I understand that, but how many were, is the question. I understand how the process works. How many were taken into protective custody, Chief Minister?

Mr HENDERSON: On advice from the commissioner, you would have to ask Justice because they report to Justice. They do not report to Police. But I do not know ...

Mr MILLS: But I thought you were the coordinating minister. It comes to you.

Mr HENDERSON: No, I did not say that. The issue of the Night Patrol is a contract from Justice to Larrakia Nation. Now, there would be reporting requirements within that contract. There would be terms and conditions that the Larrakia Nation would be obliged to acquit and they are issues for Justice. They do not report through police.

Mr MILLS: Okay. I sense the push back here and I am actually talking to you, Chief Minister, because I thought these threads come together in a whole-of-government approach to deal with these social problems. I just go then to something specific. You have made your little talk about the crime stats, domestic violence and distortions to numbers and so on. To help clarify one element of this, Chief Minister, can you tell me how many people have been charged with failing to report domestic violence incidents? How many people have been charged with failing to report?

Mr HENDERSON: I think that is a pretty ludicrous question. How would you know if somebody has failed to report? It is a community obligation in terms of mandatory reporting, but if somebody is belting up their missus at home in Nakara and no one witnesses that, and it is not reported, then how would you know?

Mr MILLS: Well, you have new tough laws and someone presents ...

Mr HENDERSON: It is community expectation ...

Mr MILLS: I will unpack it for you. If you are going to put a law in place, it has to have some capacity to be enforced. This is just one scenario that comes to mind. It is assisting you to substantiate your strong claim ...

Mr HENDERSON: Thank you for your concern.

Mr MILLS: Someone presents to hospital and they are clearly a victim of domestic violence. You have a law in place that says you have to report it, and it happened in a public place. What efforts have been made to prosecute anyone who saw that and never reported it?

Mr HENDERSON: There are certainly requirements. You probably recall a very extensive public debate, at the time, where there was significant push-back from people in the health field in regard to the mandatory reporting requirements. There was significant push-back, and there was significant debate around that. My advice is the legislation that provides for mandatory reporting is Justice legislation; it is not legislation that, under the Administrative Arrangements Order, is the responsibility of police or the Police minister. So, in regard to how many charges would have been laid, that would be an issue for Justice.

Mr MILLS: This line item is Community Safety and Crime Prevention. So, you cannot report how many charges have been laid on any citizen who has failed to report domestic violence?

Mr HENDERSON: In regard to that legislation, that is the responsibility of Justice. What I can say, in government policy there has been very significant investment in additional police resources and the establishment of Domestic Violence Units in Alice Springs, Katherine, Tennant Creek, and Darwin. I am quite happy to debate the statistics the police have in regard to the increase in domestic violence and the use of police powers in regards to domestic violence. All of that data I have - and I am happy to have that discussion here - very clearly demonstrates an increased confidence in women throughout the Northern Territory to report domestic violence because of the focus police have on domestic violence, the fact that they do ride the backs very significantly of repeat perpetrators of domestic violence to ensure compliance with Domestic Violence Orders.

All of that data, I am happy to debate with you and flick to the Police Commissioner for an explanation of that. How many people have been charged under legislation that is the responsibility for Justice, I do not have that particular data with me. That is an issue for the minister for Justice.

Mr MILLS: Chief Minister, you refuse to take that on notice?

Mr HENDERSON: I will take the question on notice, but I do not know where you are going with it.

Mr MILLS: Do not worry about that, I am just ...

Ms SCRYMGOUR: He does not know himself; that is why he is asking you.

Mr HENDERSON: Let us talk about, whilst we are here, the domestic violence reduction strategy ...

Mr MILLS: With respect, Chief Minister, this is ...

Mr HENDERSON: No, you want to talk about crime and public safety, let us talk about ...

Mr MILLS: No, this is estimates. Chief Minister ...

Mr HENDERSON: ... policing in regard to policing domestic violence.

Madam DEPUTY CHAIR: Please pause.

Mr MILLS: This is an answer to a question that has not been asked. It is a time waster and a distraction from a very important issue, Chief Minister.

Mr HENDERSON: Which you do not want to discuss; you just want to play around with semantics.

Mr MILLS: I do want to discuss it. Okay, if you can hide behind process and say 'Well, here it is Justice', Chief Minister, minister for Police, are you able to tell me how many investigations are afoot at the moment around the issue of non-compliance with the legislation' that being, failure to report domestic violence? How many investigations are afoot by the Territory police on that issue? How many investigations? Surely, you cannot hide that one away?

Mr HENDERSON: Well, that would be - and I am happy to ask the commissioner to comment in a moment. The whole issue - I point out it was supported by the opposition in the House about mandatory reporting for domestic violence - was about raising community awareness in regard to the horrific impact of domestic violence in the Northern Territory. Raising community awareness, raising community standards, raising the bar in public debate about the absolute tragedy and trauma of domestic violence and the responsibility of all of us in the community, where we know of domestic violence occurring, not to hide that under the carpet, not to have it seen as an issue that is a domestic issue behind closed doors, but to report the incidents of domestic violence. There was never an expectation of police officers running around the Northern Territory, charging people for failing to

respond and report in the same way that it is mandatory to report the abuse of children in the Northern Territory and around Australia.

The issue has always been around raising community awareness, community standards, community debate, not about running around the Northern Territory charging people for failing to report. And I would not expect the police spend significant amounts of time investigating people for failing to report. What I do understand is police have a considerable amount of time, considerable amount of resources dedicated to actual reports of domestic violence, protecting women throughout the Northern Territory and charging offenders, particularly repeat offenders. Having said that, I will hand over to the Commissioner.

Commissioner McROBERTS: We are committed to reducing the impact of family violence throughout the Northern Territory under our vision, or our mission of keeping people safe. The most important thing for us to do, therefore, is to adopt a zero tolerance approach to family violence, and indeed, we intervene even when a victim is not willing to make a complaint, particularly where there is a prima facie case against the individual concerned. We do know, historically, that sometimes family violence victims are loath to become true complainers, because they fear the consequences thereafter. Once a matter becomes known to us, then the focus of our effort is to investigate the allegation, or the complaint, to establish if a prima facie case exists against an individual and, if it does, to prosecute.

I do not know how many live investigations we may have, as we speak, for people who have failed to report, but once the matter does become known to us, then our emphasis is on a prosecution of the primary offender rather than a secondary who did not report it. But the issue, of course, is that family violence, regrettably, is often an offence that takes place behind closed doors, and unless a third party has been able to witness it, then it is very difficult for us to know whether or not an incident occurred and somebody failed to comply with the legislative obligations.

Mr MILLS: I feel like I am battling here. The simple question is, how many investigations are there into cases where domestic violence did occur and it was not reported by someone who was a witness to it? Would I assume that the easy way out is to say that there are not any?

Commissioner McROBERTS: With respect, I do not know. I am happy to investigate and report that, but I do not know the total number of investigations for any particular category of offence.

Mr MILLS: I have, with respect, a reason for going down this particular line, because the role of the opposition is to test the public assertions that are made by government. You would assume that, if it is now a crime to fail to report, that there would be some response to the failure to report. One way or another, if nothing has occurred, well, that needs to be weighed. So, take it on notice, then I gather it is accepted as a question on notice.

Question on Notice No 3.8

Madam DEPUTY CHAIR: Would you repeat the question please?

Mr MILLS: Could you tell me the number of investigations and prosecutions for those who have failed to report incidences of domestic violence?

Mr HENDERSON: In terms of taking that on notice, I will, again, not for the semantics of argument in here, but for people who will read the *Hansard* and maybe who are listening, I am unsure whether we are broadcasting over the Internet as we speak. This issue came to light as a result of, and I will defer to the member for Arafura if I get the name wrong, a coronial inquiry into the pala ...

Ms SCRYMGOUR: Palipuaminni.

Mr HENDERSON: Palipuaminni incident where a woman tragically died, was a victim of serial

domestic violence who had presented over many years to health clinics in the Northern Territory and the coronial made some very significant findings in regards to the tragedy of that incident and the fact that agents, health professionals, in particular, whether they be in government run health clinics, whether they be in the hospital system, whether they be through non-government run health clinics, that the tragedy of this particular woman's death could have been prevented had there been mandatory reporting and early intervention into the domestic violence and repeat perpetrator of domestic violence. This was a woman who did not report assaults to the police.

This is what this was all borne of, and the whole issue in regards to mandatory reporting was very much to lift standards and obligations and reporting requirements, particularly amongst health practitioners who would have strong suspicions in regards to injuries sustained by people seeking medical treatment. That is the framework through which significant public discussion was had, particularly with health providers, in regards to mandatory reporting. Significant budget allocations have been made in response to promoting the reporting requirements in regards to community standards. It is not about hunting down people for failing to report.

Mr MILLS: Chief Minister, I am just wondering whose question you are answering?

Mr HENDERSON: I am answering your question to put it into perspective, that a policy initiative was never aimed at hunting down people and prosecuting people for failing to report, but was particularly aimed at Health officials and lifting the bar to their responsibilities to report suspicions of domestic violence. And I would hope, in light of the public debate at the time, all the discussions that took place with peak health organisations, that there has not been any prosecution of any health provider here in the Northern Territory for failing to report, because the standards have been lifted, the bar has been lifted, obligations are clear which were previously unclear. And I would expect that health practitioners and other professional people who come into contact with victims of domestic violence are very clear about their reporting obligations as professionals; and I would be very confident that it would be a good result if no prosecutions had been levied. That would show to me that the bar has been lifted and health practitioners are now complying with their obligations under law.

Madam DEPUTY CHAIR: That question on notice for the benefit of Hansard is No 3.8.

Madam DEPUTY CHAIR: Are there any further questions in this output?

Mr WOOD: Yes, certainly. We have just been in investigations which, theoretically, is really the next 2.1. So, strictly we are out of time.

Ms SCRYMGOUR: It is 2.2 not 2.1.

Mr MILLS: I have questions about litres of grog, infringement notices for dry town legislation, and so on. Do you have questions on that?

Mr WOOD: Mine are more youth, and you have asked some of mine.

Mr MILLS: I have a series of questions here and I will stop at that and leave the door open for you. We may be able to get through this quickly, Chief Minister. How many litres of grog were poured out in the Territory in the last financial year?

Mr HENDERSON: Thousands of litres.

Commissioner McROBERTS: I do not have the litreage.

Mr MILLS: Is it available?

Commissioner McROBERTS: Yes.

Mr MILLS: Thank you. Will you take that on notice?

Commissioner McROBERTS: Yes.

Question on Notice No 3.9

Madam DEPUTY CHAIR: Just repeat that question.

Mr MILLS: How many litres of grog were poured out in the Territory in the last financial year?

Madam DEPUTY CHAIR: Are you happy to take that question, Chief Minister?

Mr HENDERSON: Yes.

Madam CHAIR: For the purpose of Hansard, I allocate that question No 3.9.

Mr MILLS: Thank you. The next question is: how many infringement notices were issued for breaching the dry town legislation in Alice Springs?

Commissioner McROBERTS: How many infringements?

Mr MILLS: Yes, how many infringement notices were issued for breaching the dry town legislation?

Commissioner McROBERTS: A total of 2737. You are not restricting it to Alice Springs, are you?

Mr MILLS: Yes, Alice Springs.

Commissioner McROBERTS: I beg your pardon. I thought you meant across the Territory – 870.

Mr MILLS: How many infringement notices for the same offence in Katherine?

Commissioner McROBERTS: 1547, but it includes the whole of the Northern Regional Command.

Mr MILLS: Okay. Tennant Creek?

Commissioner McROBERTS: That is in the Alice Springs figures.

Mr MILLS: Is it? Okay. Mataranka, I guess Katherine figures, are they?

Commissioner McROBERTS: Yes.

Mr MILLS: East Arnhem?

Commissioner McROBERTS: That would be in the Katherine and Northern Region.

Mr MILLS: Darwin?

Commissioner McROBERTS: 264.

Mr MILLS: How many infringement notices were issued to people for breaching the two kilometre rule?

Commissioner McROBERTS: There are a number of categories that are all lumped into one, so we would need to define each one quite separately. So bring liquor into a special restricted area, bring liquor into a prescribed area, bring liquor on to a restricted premises.

Mr MILLS: All of those would be fine. In that, is the breach of the 2 km zone?

Mr HENDERSON: Well, we can break it down by what police are currently recording that by, the terminology has changed, but commissioner if you just run through ...

Mr MILLS: I am happy for that to occur.

Commissioner McROBERTS: Between 1 July 2009 and 31 May 2010, nine infringements were issued for bringing liquor into a special restricted area; 329 for bringing liquor into a prescribed area; 36 for bringing liquor onto restricted premises; 547 for consuming liquor in a prescribed area; 841 for consuming liquor in a public restricted area; 146 for consuming liquor on restricted premises; 27 for consuming liquor in a special restricted area; 41 for controlling liquor in a prescribed area, five for disposing liquor in a special restricted area; seven for disposing of liquor in a prescribed area; 609 for possessing liquor in a prescribed area; 119 for possessing liquor on restricted premises; 21 for possessing liquor in a special restricted area; giving a sum total of 2737.

Mr MILLS: Thank you, Commissioner. The last question is the litres of grog. Could you, alongside of that, put the number of incidences? Have you got that?

Commissioner McROBERTS: I do not know. By way of example, if it may help you, if we speak to two people and tip out two litres each, we may record that as one incident of four litres. But, with respect, I need to go back and take some wise counsel on exactly how we do that.

Mr MILLS: All right. Knowing the great work the police do I do not want to add an extra burden. The litres will be fine. Thank you.

And apologies, member for Nelson.

Mr WOOD: That is all right. It was a non-dreamer; I was falling off to sleep there for awhile. No, I was not.

Chief Minister, a question in relation to PCYC. I read from the Senate Committee Report on Regional and Remote Indigenous Communities, and it mentions:

The committee was impressed by the activities of the Queensland Police-Citizens Youth Welfare Association, (PCYC) in regional and remote Indigenous communities in Queensland.

That is what they were visiting. I understand, of course, that Wongabilla is not necessarily remote but, would be interested in what is the future of the PCYC at Wongabilla and at other places where it is active?

Mr HENDERSON: It is government's intention to continue to support the activities of PCYC and Wongabilla. The issue in regard to the location of the new fire station; a decision has not been made yet on the location of that fire station. I have encouraged the commissioner to have discussions with the Board of Management of PCYC in regard to how we maintain our effort of supporting that organisation and Wongabilla into the future. But, no decisions have been made on the future of that particular site or the location of the new fire station as yet.

Mr WOOD: Chief Minister, bearing in mind the Police Commissioner said he was trying to get as many sworn police out on the beat as possible, which is a good thing, do you still see a role for police being directly involved in PCYC, Junior Police Rangers, school-based constables, Blue Light Discos, ethnic services, Neighbourhood Watch, or youth at risk programs?

Mr HENDERSON: Absolutely, it is appropriate for police to have an involvement. But, the nature of that involvement and how that occurs is really an operational issue for the Police Commissioner. But, it is certainly government's intention to continue to support PCYC, Wongabilla, and not reduce the support by government for those particular programs.

How that support eventuates in regard to arrangements police have with those organisations, I suppose, is really for the commissioner. There has been significant debate recently in regard to the future of school-based constables, and school-based constables will continue into the future as a significant part of policing responsibilities in the Territory. But, in regard to the specifics of what those officers do on a daily basis, that is an operational issue for the commissioner. Maybe the commissioner might outline some of your thinking in this area.

Commissioner McROBERTS: Thank you, Chief Minister. Well, I start with school-based constables. I made the decision earlier this year that I thought the school-based officers could make a better and more significant contribution to frontline policing by rearranging, to some degree, the way they work and operate.

Up until 1 July this year, the officers, effectively, start work from home in a police car, go directly to the school, do their business in and amongst the school community and, at the end of their day, they go home. I was not satisfied that is the best use of our sworn police resources, and I was concerned there was a potential for there to be a void between a police station and, indeed, the school-based officer that is based in or near that particular police precinct.

So, as of 1 July this year, there will be no reduction to the number of officers engaged in school-based policing activities. What will happen, however, is those officers will be required to report and commence duty at the police station closest to the school in which they are based. They will take some briefings from the shift Sergeant or the senior officer on duty so they are better informed as to events which are occurring in and around the area in which they operate. They will then go to the school, or schools, they service and interact with the school community - parents, teachers and students, and do whatever they have to do. They will maintain the facilities that have been provided for them at the school to do their business but, at the end of the day, they will be expected to return to the police station, share intelligence with their colleagues, talk about issues that are of import to other police colleagues, so that there is effectively a constant relationship building up in a particular policing subdistrict. They will cease work from the police station, and that is the new end to end solution for school-based constables. I think it is a far better way for the school-based officers to interface with the wider police population.

Mr WOOD: Can we get Humpty Doo opened before 8 o'clock, because it does not open until 10 o'clock. Will the police constable who goes to Taminmin College be able to access the police station earlier?

Commissioner McROBERTS: Yes.

As far as the commitment to the Blue Light Disco goes, that occurs with great success throughout the Northern Territory. In remote stations, only in the last few weeks, I have visited police stations where there are two officers based, and they have a Blue Light Disco set up in the garage at the police station that operates every Friday night, often in the officer's own time, so we are committed to that.

As far as the Police and Citizens Youth Club goes, and yes, I am on the public record as saying that I think sworn police assets are better used on the front line. At the moment, by way of negotiation, we are looking at an agreement with PCYC to withdraw the two police officer positions that are there, one

ESTIMATES COMMITTEE PROCEEDINGS – 15 JUNE 2010

of which is an office manager's position, which I really do not believe needs to be occupied by a trained and sworn police officer and, indeed, as you know, there was a position there to deliver equestrian activities to young people, which is a terrific program, but, once again, I do not believe that it needs a trained and sworn police officer. My colleague, Assistant Commissioner McAdie, has been asked to negotiate with the PCYC board of management to enter into a funding arrangement whereby we will provide a grant to the PCYC so that they can employ people to fulfil those roles, and we restore the constables into frontline positions.

Mr WOOD: Minister, could I ask then, if that is the case, and Wongabilla is used for a diversionary program, is there not some benefit in the police having a relationship with some of these younger people? I understand where the Police Commissioner is coming from, but one of the things that I saw that would benefit the police, a PCYC way back, even when they were just over the road here many years ago, in Darwin, it was that it gave a contact between the youth and the police, so it was a two-way relationship between youth gaining trust with the police, and police also gained the trust of the young people, and I suppose, from a policing point of view, intelligence gathering as well.

Mr HENDERSON: Look, again, I suppose policing is a whole lot more than just catching thieves, it is about building community relations, and I think that is the role of all police officers, not specific officers. I will flick to the Commissioner for his thoughts on this.

Commissioner McROBERTS: In fact, member for Nelson, there is actually an abundance of material now that disputes whether or not police participating in diversion programs at that level is, in fact, beneficial, as opposed to the service being provided by a non-sworn police officer or, indeed, staff from non-government organisations, so I think the tide has turned in terms of the success or otherwise of sworn police officers doing that, and I think that the jury is out. There is an argument that, for some children, interaction with a sworn police officer may be of benefit and, indeed, there is a case that, for some young people, interaction with a sworn police officer is the last thing they want. We believe that the most effective way for Wongabilla, in terms of the services we are delivering, is for a non-sworn police officer to deliver it. It provides some degree of certainty. After all, the constable who is there at the moment is very skilled in delivering equestrian activities, but if she decides to transfer or, indeed, leave our employ, I am not confident right now that I indeed have a person who would fill her boots. PCYC, by receiving a grant from us, would be able to employ a person who is passionate about that type of work in the long term.

Mr WOOD: Chief Minister, what is the future of the PCYC at the McAulay Centre? Is that the same issue, that it would move away to being privatised?

Commissioner ROBERTS: No, not at all. The PCYC will remain at the Peter McAulay Centre. But the sworn police officer position that was established to act as an office manager, would be filled by a civilian employee, and it is currently being filled by a civilian employee who, once again, is skilled, trained, talented, passionate and enthusiastic about being an office manager as opposed to using the valuable resource of a trained and sworn police officer in an office management role.

Mr WOOD: To you, again, Chief Minister, do you see any future to increase the number of PCYC's and I put it in context. The McCauley Centre is a long way from what you might call the target audience in the sense of people who can drop in, it is generally people who have to drive there as it is slightly out of the suburbs. There is only The Shack at Casuarina Shopping Centre, and that is about it for the whole of the Darwin Region when it comes to youth services. Do you believe there is room, or do you think the jury is out on effectiveness of PCYC, or do you think we need to establish one in the Darwin area.

Mr HENDERSON: I can say, member for Nelson, there is no active consideration at the moment to a PCYC in the Greater Darwin Area. I suppose if budgets were unlimited we could consider all types of initiatives, but there are plenty of opportunities for youth who want to engage to engage in sporting and artistic endeavours. What we are talking about here is youth who have difficulties who do not engage and what is the best way of doing that. We visited The Shack together and saw the work that they were doing, and I put forward some ideas about better use of government facilities to expand those types of programs; I have not had anything come back to me on that, but at the moment there is

no active consideration of a PCYC for the Greater Darwin Area, but no one, apart from this discussion, suggested it either.

Mr WOOD: I have many questions, but I will ask one more. The Junior Police Rangers, what consideration are you giving to their future, or are you looking at an alternative arrangement for encouraging young people to get into the police force?

Commissioner McROBERTS: Thank you, member for Nelson. That is something that my colleague, Deputy Commissioner Grahame Kelly, and I are actively considering at the moment and we have had some considerable debate about it. At the moment, the Junior Police Rangers, in my view, do not provide the best long-term opportunity for young people. There is effectively an end when they get to the stage where they want to move on and there is no transition capacity from Police Rangers into policing. We are keenly looking at the moment at how we might better service young people's needs who have a genuine interest in policing as a career long-term, and we are also particularly keen to look at how we might fulfil some *Closing the Gap* initiatives by targeting some Indigenous young people into a cadet scheme, but it is early days. We are looking closely at how this might work, but we hope to be in a position to brief the Chief Minister in the near future.

Mr WOOD: Sounds good, I will be interested to hear what comes out of that.

Mr HENDERSON: Madam Chair, just briefly, because I think it is important in concluding this particular section and there has been significant debates recently in regards to school based constables. Whilst the member for Sanderson is here, I would like the Commissioner to advise the committee as to whether the Commissioner has any plans for school based constables to go armed, as a matter of course, on school premises as the member for Sanderson alleged in parliament during the last sittings on debate; I think it is very important that the Commissioner advises what his policy is in this area, as opposed to the assertions made by the member for Sanderson.

Commissioner McROBERTS: Thank you, Chief Minister. The issue of going armed to schools by school based officers has never been something that I have personally discussed with them. As I said earlier when responding to the member for Nelson's question, there is little change to the day-to-day business of school-based officers as I see it going forward. There is simply a better connecting of a police station's business and the officer in the police station. But the idea of them going to the police station is not for the purpose of going to get a gun and then go to the school. It is for the purpose of better understanding everything that is going on in the patch. It has never been something that I have considered and it was certainly not the reason that I decided that as of 1 July – in fact, I stand to be corrected - it is the first day of the next school term which I think may, in fact, be 19 July, but, this issue of guns in schools by school-based officers is not something that I have discussed.

I think it is also important to note that I think attitudes have changed and continue to change. Police officers in the Northern Territory have been armed for a very long time and if there was a critical incident at a school a police officer would go armed and I think it is better accepted in the community now that children see police officers in that way. In fact, school-based officers are often asked to bring a gun to the classroom because the kids really want to see it.

Madam DEPUTY CHAIR: Thank you, Commissioner. That concludes consideration of Output Group 1.0.

OUTPUT 2.0 – GENERAL POLICING, CRIME DETECTION, INVESTIGATION AND PROSECUTION

Output 2.1 – Response and Recovery Services

Madam DEPUTY CHAIR: We now move to Output 2.0, General Policing, Crime Detection, Investigation and Prosecution; Output 2.1, Response and Recovery Services. Are there any questions?

Mr MILLS: I just have a few in this area. I have chosen a group.

Chief Minister, how many complaints have the police received about the use of fireworks outside of

Territory Day? I have just said goodbye to some relatives and they thought there were gun fights in the Palmerston community. I said: 'Don't worry, it is just some crackers going off. Cracker night is coming.' How many complaints, Chief Minister, have been received about the use of fireworks outside of Territory Day?

Mr HENDERSON: We will just have to take that on notice. We do not have it here.

Mr MILLS: Right. Okay.

Question on Notice No 3.10

Madam DEPUTY CHAIR: Could you just repeat that question please?

Mr MILLS: How many complaints have the police received about the use of fireworks outside of Territory Day?

Madam DEPUTY CHAIR: For the purposes of Hansard, I allocate that question No. 3.10.

Question on Notice No 3.11

Mr MILLS: How many infringement notices have been issued for people found in possession of fireworks outside of Territory Day?

Mr HENDERSON: I will take that on notice as well.

Madam DEPUTY CHAIR: For the purposes of Hansard, I allocate that question No. 3.11.

Mr MILLS: The next one is related. I assume it is going the same way. How many infringement notices have been issued to people using fireworks outside of Territory Day?

Mr HENDERSON: I will take it on notice. I was not expecting this line of questioning. It is the first time. Maybe you are formulating a policy to ban cracker night based on this appalling use of fireworks.

Mr MILLS: I think it is time for your medication, Chief Minister.

Mr HENDERSON: That is okay.

Madam DEPUTY CHAIR: Order! Leader of the Opposition, can you just please repeat that question.

Ms SCRYMGOUR: Madam Deputy Chair, can we just, for the member of Nelson's benefit, are we still on 2.1?

Madam DEPUTY CHAIR: Yes, we are.

Mr MILLS: The next one is: how many infringement notices have been issued for people using fireworks outside of Territory Day?

Madam DEPUTY CHAIR: That was question 3.11.

Mr MILLS: Okay. The very last one is: have there been any convictions of retailers selling fireworks to minors?

Mr HENDERSON: Again, we will take that on notice. I think the Commissioner has some advice that

we took before so just to help out.

Commissioner McROBERTS: With your leave, Madam Deputy Chair, I will go back to the issue on the First Response patrols about which I think there were some questions on notice. For the transcript, the Inter-agency Tasking and Co-ordination group are the sub-group of them called the Patrol Network Group, has recently been established to bring each together to co-ordinate efforts better.

The First Response Patrol's primary role is targeted interventions to minimise the impact of itinerants and camping on the community. They have received 6045 calls. They created 13 888 promise jobs. They have engaged with 49 296 individuals. They have placed 1318 on return to country. They have placed 93 persons into alternate accommodation. There were 1182 Larrakia interventions. There have been 319 medical assistance, 106 into town camps, 502 welfare assists, 513 offences detected, and 106 into CAAPS rehabilitation.

I may, with your leave, also answer the question on the use of tasers. There have been 24 incidents year to date, five was the use by - and we call a use even pulling it out of a holster and pointing it at an individual - so there were five of those; the drive stun on four occasions - that is using the apparatus against an individual, rather than firing the probes; draw and no fire or, indeed, the use of the laser, six occasions; and it was deployed with the use of probes on nine occasions.

In terms of the hospital, from the 24 incidents, hospital no injuries from the taser, four; police first aid, four; ambulance attended twice; remote clinic attendance one; and nil injuries or assistance, 13 times.

Mr MILLS: Thank you, sir. The first answer, there is a number of 43 000 people referred to. I assume ...

Commissioner McROBERTS: 49 296 individual contacts. They have engaged, they have interacted, with 49 296 people.

Mr MILLS: I am assuming it is not nearly 50 000 different people?

Commissioner McROBERTS: No, it could be the same person seven days of a week.

Mr MILLS: I know it is probably a bridge too far, but how many ...

Mr HENDERSON: No, no!

Mr MILLS: ... repeats - because I have been in the back of this thing, and I see, go to the sobering-up shelter, it is every night, the same bod. Okay. It will be interesting to distil that down and know actually how many we are dealing with.

Mr WOOD: 'Distil', was that a pun?

Mr MILLS: Yes, well, you are right. Anyway, thank you very much, commissioner.

Chief Minister, you were permitted the space to move in regard to the suggestion that I might be thinking about banning fireworks. No, that is not the case. What the investigation is about, in case you cannot pick it up, is one thing stating a strong position on law and order, the next thing is actually backing it up and doing something with it. That is what this is about; collecting back data. So ...

A member interjecting.

Mr MILLS: Not you, by the sound of it. Okay, I will stop there, just so there is a bit of time for ...

Madam DEPUTY CHAIR: One last question, member for Nelson, under Output 2.1.

Mr WOOD: All right. Chief Minister, has there been a review of the Humpty Doo Police Station? Has any consideration been given to the police station being open on weekends and some evenings, especially Friday evenings and Saturday evenings, when there is an awful lot of rubber activity? I mean that about tyres, by the way.

Mr HENDERSON: Yes, I see.

Mr MILLS: A point of order!

Mr WOOD: I clarified.

Mr HENDERSON: A previous member of parliament has made allegations of ladies of the night traipsing through the streets in Howard Springs. I said at the time it is very unlikely. I am sure that does not happen in the rural area.

Mr WOOD: This is about four-wheelers.

Mr HENDERSON: Okay. Commissioner, it is an operational issue.

Commissioner McROBERTS: Thank you, Chief Minister, and thank you, member for Nelson. No, there has not been a review of the opening times of the Humpty Doo Police Station. It is not something I plan on doing right now, but I am on the record as saying we will assess a resource profile across the Northern Territory on a continual basis. Where there is evidence that resources or the resource profile needs to change, then we will do that very quickly, based on established needs.

Mr WOOD: Thank you. Any time for any more?

Madam DEPUTY SPEAKER: Sadly, no, member for Nelson – 5.10 pm was the conclusion of this session. That being so, on behalf of the committee, I thank officers from Police, Fire and Emergency Services who have provided advice to the members of the committee this evening. Thank you very much.

Members: Thank you.

The committee suspended.
