



**LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY**

**Public Accounts Committee**

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**Annual Report**

**2017-18**

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**August 2018**



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## Chair's Preface

This year the Public Accounts Committee has continued its examination of the Auditor-General's reports, inquired further into major projects and the systems that support their realisation, and concluded its inquiry on taxi licensing and subleasing.

Following the reform of committees a year ago, the Assembly added to the Committee's functions the reviewing of reports of statutory bodies and the scrutiny of subordinate legislation, which had previously been done by the Subordinate Legislation and Publications Committee. This is the subject of the Committee's *Report of Ministerial Correspondence on Subordinate Legislation and Publications June 2017 - August 2018*.

Sincere thanks to Committee members for their continued cooperative approach to this Committee's important work. I note the Committee's gratitude of the Auditor-General, Ms Julie Crisp, whose candid advice has informed and enriched deliberations. Finally, I thank the individuals and organisations who have made submissions and the Chief Executives of agencies for their responsiveness in providing information to the Committee and appearing at public hearings and private briefings.



**Mrs Kate Worden MLA**

**Chair**

## Committee Members

	<b>Mrs Kate Worden MLA:</b> Member for Sanderson	
	<b>Party:</b>	Territory Labor
	<b>Committee Membership</b>	
	Chair:	Public Accounts Committee
	<b>Mr Terry Mills MLA:</b> Member for Blain	
	<b>Party:</b>	Independent
	<b>Committee Membership</b>	
	Deputy Chair	Public Accounts Committee
	<b>Mrs Lia Finocchiaro MLA:</b> Member for Spillett	
	<b>Party:</b>	Country Liberals
	<b>Parliamentary Position:</b>	Deputy Leader of the Opposition
	<b>Committee Membership</b>	
	Social Policy Scrutiny Committee Privileges Committee Public Accounts Committee	
	<b>Mr Paul Kirby MLA:</b> Member for Port Darwin	
	<b>Party:</b>	Territory Labor
	<b>Parliamentary Position:</b>	Government Whip
	<b>Committee Membership</b>	
	Public Accounts Committee Standing Orders Committee Select Committee on Northern Territory Harm Reduction Strategy for Addictive Behaviours	
	<b>Mr Tony Sievers MLA:</b> Member for Brennan	
	<b>Party:</b>	Territory Labor
	<b>Committee Membership</b>	
	Chair	Economic Policy Scrutiny Committee House Committee Public Accounts Committee
	<b>Mr Gerry Wood MLA:</b> Member for Nelson	
	<b>Party:</b>	Independent
	<b>Committee Membership</b>	
		Economic Policy Scrutiny Committee Privileges Committee Public Accounts Committee

## **Committee Secretariat**

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## Terms of Reference

### Sessional Order 14

- (1) Standing Order 177 is suspended and the Public Accounts Committee appointed under that Standing Order shall continue with the following terms of reference.
- (2) The Public Accounts Committee has the following duties:
  - (a) to examine the accounts of the receipts and expenditure of the Northern Territory and each statement and report tabled in the Legislative Assembly, pursuant to the *Financial Management Act* and the *Audit Act*
  - (b) to report to the Legislative Assembly with such comments as it thinks fit, any items or matters in or arising in connection with those accounts, statements or reports, or in connection with the receipt or disbursement of the moneys to which they relate, to which the committee is of the opinion that the attention of Parliament should be drawn
  - (c) to report to the Legislative Assembly any alteration which the committee thinks desirable in the form of the public accounts or in the method of keeping them or in the method of receipt, control, issue or payment of public moneys
  - (d) to inquire into and report to the Legislative Assembly on any question in connection with the public accounts of the Northern Territory
    - (i) which is referred to it by a resolution of the Assembly or
    - (ii) which is referred to it by the Administrator or a Minister
  - (e) to inquire into and report to the Legislative Assembly on any matters within the executive authority of Ministers of the Territory to which the committee is of the opinion that the attention of the Assembly should be drawn.
  - (f) the reports by statutory bodies tabled in the Assembly, including the recommendations of the Electoral Commissioner tabled under section 313 of the *Electoral Act*
  - (g) in relation to any instruments of a legislative or administrative character which the Assembly may disallow or disapprove:
    - (i) whether that instrument has sufficient regard to the rights and liberties of individuals, including whether the instrument:
      - (A) makes rights and liberties, or obligations, dependent on administrative power only if the power is sufficiently defined and subject to appropriate review; and

- (B) is consistent with principles of natural justice; and
  - (C) allows the delegation of administrative power only in appropriate cases and to appropriate persons; and
  - (D) does not reverse the onus of proof in criminal proceedings without adequate justification; and
  - (E) confers power to enter premises, and search for or seize documents or other property, only with a warrant issued by a judge or other judicial officer; and
  - (F) provides appropriate protection against self-incrimination; and
  - (G) does not adversely affect rights and liberties, or impose obligations, retrospectively; and
  - (H) does not confer immunity from proceeding or prosecution without adequate justification; and
  - (I) provides for the compulsory acquisition of property only with fair compensation; and
  - (J) has sufficient regard to Aboriginal tradition; and
  - (K) is unambiguous and drafted in a sufficiently clear and precise way.
- (ii) whether that instrument has sufficient regard to the institution of Parliament, including whether an instrument:
- (A) is within the authorising law which allows the instrument to be made; and
  - (B) is consistent with the policy objectives of the authorising law; and
  - (C) contains only matter appropriate to subordinate legislation; and
  - (D) amends statutory instruments only; and
  - (E) allows the subdelegation of a power delegated by an Act only in appropriate cases and to appropriate persons and if authorised by an Act.
- (3) The Committee will consist of six Members.
- (4) The Committee will elect a Government Member as Chair.
- (5) The Committee will provide an annual report of its activities to the Assembly.
- (6) This resolution does not change the Chair, membership, or existing inquiries of the Committee.
- (7) Standing Order 176 is suspended and the Subordinate Legislation and Publications Committee is dissolved.



- (8) The Public Accounts Committee will have access to the records of the former Subordinate Legislation and Publications Committee and may continue the consideration of any matter commenced by that Committee.

# 1 Introduction

## Establishment and Functions of Committee

- 1.1 The Northern Territory Public Accounts Committee was established by the Assembly on Tuesday 18 October 2016 under Standing Order 177.
- 1.2 On Thursday 24 August 2017 standing orders 177 and 176 were suspended and the Subordinate Legislation and Publications Committee was dissolved.
- 1.3 The terms of reference for the Public Accounts Committee are now in Sessional Order 14 and include the ambit of the previous Subordinate Legislation and Publications Committee<sup>1</sup> to examine all subordinate legislation and report to the Assembly if it considers the subordinate legislation should be disallowed. The terms of reference also extends the Public Accounts Committee's inquiry into whether the subordinate legislation has sufficient regard to the rights and liberties of individuals.<sup>2</sup>
- 1.4 The previous duties of the Public Accounts Committee remain. These are to inquire into and report to the Legislative Assembly on any question in connection with the public accounts of the NT as it deems necessary as well as any matter referred to it by the Assembly, Administrator or any Minister. The Committee also examines the reports of the Auditor-General.
- 1.5 The Public Accounts Committee also has the duty "to inquire into and report to the Legislative Assembly on any matters within the executive authority of Ministers of the Territory to which the committee is of the opinion that the attention of the Assembly should be drawn"<sup>3</sup> and the "reports by statutory bodies tabled in the Assembly" including recommendations of the Electoral Commissioner.<sup>4</sup>

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<sup>1</sup>The Public Accounts Committee was also granted access to the former Committee's records and was empowered to continue consideration of any of its commenced matters.

<sup>2</sup> Sessional Order 14(2)(g)

<sup>3</sup> Sessional Order 14(2)(e)

<sup>4</sup> Sessional Order 14(2)(f)

## 2 Committee Program

### Meetings

2.1 The Public Accounts Committee met 19 times during the reporting period. The details of these meetings are set out below.

MEETING	KEY AGENDA ITEMS AND RESOLUTIONS PASSED
<p>Meeting No. 10 6 July 2017</p>	<ul style="list-style-type: none"> <li>• The Committee authorised the publication of the Department of Infrastructure, Planning and Logistics' submission, with the exception of the confidential appendices, to the Inquiry into Taxi Licensing and Subleasing.</li> <li>• The Committee resolved that the Committee Chair would write to the Speaker to seek precedence under Standing Order 229 to move a motion to refer a complaint received by the Committee to the Committee of Privileges.</li> </ul>
<p>Meeting No. 11 20 July 2017</p>	<ul style="list-style-type: none"> <li>• The Committee held a public hearing in Alice Springs for the Inquiry into Taxi Licensing and Subleasing with representatives of:               <ul style="list-style-type: none"> <li>○ Combined Cabs Pty Ltd</li> <li>○ Alice Taxi Drivers Association</li> <li>○ Taxi Drivers</li> <li>○ A Taxi Operator.</li> </ul> </li> </ul>
<p>Meeting No. 12 24 July 2017</p>	<ul style="list-style-type: none"> <li>• The Committee held a public hearing in Darwin for the Inquiry into Taxi Licensing and Subleasing with representatives of:               <ul style="list-style-type: none"> <li>○ Taxi Drivers</li> <li>○ Blue Taxi Company Pty Ltd</li> <li>○ Darwin Radio Taxis</li> <li>○ NT Taxi Council</li> <li>○ Department of Infrastructure, Planning and Logistics.</li> </ul> </li> </ul>
<p>Meeting No. 13 15 August 2017</p>	<ul style="list-style-type: none"> <li>• The Committee held a private hearing for the Inquiry into Taxi Licensing and Subleasing.</li> <li>• The Committee authorised publication of the transcripts of the public hearings held on 20 July 2017 and 24 July 2017.</li> </ul>

<b>MEETING</b>	<b>KEY AGENDA ITEMS AND RESOLUTIONS PASSED</b>
<p>Meeting No. 14 22 August 2017</p>	<ul style="list-style-type: none"> <li>• The Committee authorised the Chair to provide documents to the Committee of Privileges with regards to a complaint received.</li> <li>• The Committee adopted the PAC Annual Report 2016-17.</li> <li>• The Committee held a private hearing for the Inquiry into Taxi Licensing and Subleasing.</li> </ul>
<p>Meeting No. 15 11 October 2017</p>	<ul style="list-style-type: none"> <li>• The Committee referred relevant advice dated 27 September 2017 for comment to the Minister for Housing and Community Development regarding the Litchfield Council (Dog Management) By-Laws 2017 [No 12 of 2017], and the Minister for Health regarding the Termination of Pregnancy Law Reform Regulations [No 201 of 2017].</li> <li>• The Committee wrote to the Minister for Environment and Natural Resources regarding the timeframe for the Minister's proposed changes to the Bushfires Management (General) Regulations to address issues raised by the Committee and recommend the adoption of guidance for the provision of infringement notices.</li> <li>• The Committee invited the Auditor-General to discuss her August 2017 report and forthcoming audit program and the extent to which the Infrastructure Strategy addressed the recommendations of her June 2016 audit of the Palmerston Regional Hospital.</li> <li>• The Committee agreed to: <ul style="list-style-type: none"> <li>○ Invite the Electoral Commissioner to brief the Committee on his 2016 Election Report at a date to be determined</li> <li>○ Write to Correctional Services requesting a written update on its progress towards the recommendations in the Ombudsman's Women in Prison II Report by the end of January 2018.</li> </ul> </li> </ul>
<p>Meeting No. 16 17 October 2017</p>	<ul style="list-style-type: none"> <li>• The Committee wrote to Minister for Environment and Natural Resources to thank her for her letter and note that it addressed its concerns.</li> <li>• The Committee considered the draft Inquiry into Taxi Licensing and Subleasing Report.</li> </ul>

<b>MEETING</b>	<b>KEY AGENDA ITEMS AND RESOLUTIONS PASSED</b>
<p>Meeting No. 17 26 October 2017</p>	<ul style="list-style-type: none"> <li>• The Auditor General briefed the Committee on her August 2017 report and her forthcoming audit program.</li> <li>• The Committee considered the draft Inquiry into Taxi Licensing and Subleasing Report.</li> <li>• The Committee agreed to hold public briefings on 22 November 2017 about the following matters: <ul style="list-style-type: none"> <li>○ Warren Park Rugby League stadium development with the Department of Tourism and Culture</li> <li>○ Room to Breathe program with the Department of Housing and Community Development</li> </ul> </li> <li>• The Committee advised the Department of Infrastructure, Planning and Logistics of the portions of unpublished legal advice and private hearings it is considering including in its report on Taxi Licensing and Subleasing and ask whether it had any objections to the publication of the material.</li> </ul>
<p>Meeting No. 18 6 November 2017</p>	<ul style="list-style-type: none"> <li>• The Committee continued to deliberate on the draft Inquiry into Taxi Licensing and Subleasing Report.</li> </ul>
<p>Meeting No. 19 15 November 2017</p>	<ul style="list-style-type: none"> <li>• The Committee noted the advice of Professor Aughterson on Regulations 27, 28 and 543 of 2017.</li> <li>• The Committee adopted the draft Inquiry into Taxi Licensing and Subleasing Report.</li> </ul>
<p>Meeting No. 20 23 November 2017</p>	<ul style="list-style-type: none"> <li>• The Committee held public briefings on: <ul style="list-style-type: none"> <li>○ Warren Park Rugby League stadium development with the Department of Tourism and Culture</li> <li>○ Room to Breathe program with the Department Housing and Community Development.</li> </ul> </li> </ul>
<p>Meeting No. 21 7 February 2018</p>	<ul style="list-style-type: none"> <li>• The Auditor General briefed the Committee on her November 2017 report and her forthcoming audit program.</li> <li>• The Committee agreed that Mr Wood would represent the Committee at the ACPAC Conference in Melbourne on 5-7 April 2018.</li> <li>• The Committee considered Professor Aughterson's advice on Regulations 29, 30, 31 and 32 of 2017.</li> <li>• The Committee resolved to invite the Electoral Commissioner to its next meeting.</li> </ul>

MEETING	KEY AGENDA ITEMS AND RESOLUTIONS PASSED
<p>Meeting No. 22 13 March 2018</p>	<ul style="list-style-type: none"> <li>• The Committee was briefed by the Electoral Commissioner on the 2016 Election Report, the Consultation Discussion Paper on Electoral Reforms, and the Electronic Voting Information Paper.</li> <li>• The Committee noted the advice of Professor Aughterson on Regulations 33-41 of 2017 and 1-3 of 2018.</li> <li>• The Committee asked the secretariat to obtain from the Department of Housing and Community Development further details of the Room to Breathe program works.</li> <li>• The Committee agreed to refer Professor Aughterson's comments regarding the Racing and Betting Amendment Regulations [No 36 of 2017] to the Attorney-General and Minister for Justice for advice.</li> <li>• The Committee asked the secretariat to circulate the following reports electronically to the Committee for discussion at its next meeting: <ul style="list-style-type: none"> <li>○ NT Build, 2016-2017</li> <li>○ Electrical Workers and Contractors Licensing Board, 2016-2017</li> <li>○ Jabiru Town Development Authority, 2016-2017</li> </ul> </li> </ul>
<p>Meeting No. 23 22 March 2018</p>	<ul style="list-style-type: none"> <li>• The Auditor-General briefed the Committee on her March 2018 Report to the Legislative Assembly.</li> <li>• The Committee agreed to invite the Auditor-General to its next meeting for further briefing and discussion on the Berrimah Farm Redevelopment, NT Build and the Jabiru Town Development Authority.</li> <li>• The Committee discussed the 2016 Election Report.</li> </ul>
<p>Meeting No. 24 3 April 2018</p>	<ul style="list-style-type: none"> <li>• The Auditor-General and the Committee discussed her March 2018 Report to the Legislative Assembly. The Auditor-General took two questions on notice.</li> <li>• The Committee invited the CEOs of the Departments of Infrastructure, Planning and Logistics and Primary Industry and Resources to a public hearing on 3 May 2018 to answer questions on the Berrimah Farm Redevelopment.</li> <li>• The Committee discussed the Joint Management Plan, Watarrka National Park, February 2018 and resolved "that the Committee do not seek external legal counsel advice</li> </ul>

<b>MEETING</b>	<b>KEY AGENDA ITEMS AND RESOLUTIONS PASSED</b>
	regarding the Plan due to it being an administrative as opposed to a legislative instrument and note the briefing.”
Public Briefing Meeting No. 25 3 May 2018	<ul style="list-style-type: none"> <li>• The Committee held a public briefing with the Department of Infrastructure, Planning and Logistics and the Department of Primary Industry and Resources on the Berrimah Farm Redevelopment Project.</li> </ul>
Meeting No. 26 8 May 2018	<ul style="list-style-type: none"> <li>• The Committee considered information regarding joining the Commonwealth Association of Public Accounts Committees (CAPAC) and decided not to join at this stage.</li> <li>• The Committee wrote to the Attorney-General requesting the timelines of making a new Racing and Betting regulation as indicated in her letter dated 1 May 2018.</li> <li>• The Committee invited the Auditor-General to further discuss the Berrimah Farm Redevelopment Project at the Committee’s next meeting, and asked the Department of Infrastructure, Planning and Logistics to provide a full chronology of the project indicating key decision points up to the award of contracts with the successful tenderer.</li> <li>• The Committee considered Professor Aughterson’s advice on Regulations 4, 5 and 6 of 2018.</li> </ul>
Meeting No. 27 14 May 2018	<ul style="list-style-type: none"> <li>• The Committee had a discussion with the Auditor-General regarding the Berrimah Farm Redevelopment Project.</li> </ul>
Meeting No. 28 18 June 2018	<ul style="list-style-type: none"> <li>• The Committee considered the response from the Attorney-General regarding the timelines of making the new Racing and Betting Amendment Regulations.</li> <li>• The Committee discussed the Berrimah Farm redevelopment and the response from the Department of Infrastructure, Planning and Logistics to the Committee’s request for a full chronology tender process.</li> <li>• The Committee agreed that that the Chair would prepare a proposal for the Committee to examine whether there were sufficiently robust systems in place for the management of major projects.</li> <li>• The Committee determined to not proceed to an investigation but to include in its Annual Report a review of its work on the Berrimah Farm Redevelopment.</li> </ul>

MEETING	KEY AGENDA ITEMS AND RESOLUTIONS PASSED
	<ul style="list-style-type: none"> <li>The Committee considered Professor Aughterson's advice on Regulation 7 of 2018.</li> </ul>

## Auditor-General

2.2 The Auditor-General, Ms Julie Crisp, provided five briefings to the Committee during the reporting period which included the findings of agency audits reported to the Assembly from June 2017 to March 2018.

## Australasian Council of Public Accounts Committees

2.3 Mr Gerry Wood MLA, Member for Nelson and Mr Russell Keith, First Clerk Assistant attended the Australasian Council of Public Accounts Committees' Mid-Term Meeting held in Melbourne on 6 April 2018.

2.4 The main purpose of the mid-term meeting was to discuss and agree on an agenda for the next ACPAC Conference, scheduled to be held in Canberra in 2019.

2.5 The meeting also received a presentation on intergenerational equity from Danielle Wood of the Grattan Institute, covering such things as changes in demographics, wealth, income, home ownership, government spending on health and aged care, taxation, deficits, and the implications of these trends for the future.

2.6 Ms Kris Peach, the Chair and CEO of the Australian Accounting Standards Board consulted with the meeting on options for simplifying the financial reporting framework for the public sector, noting that most jurisdictions outside Australia target the level of reporting required by public sector bodies to the size, importance or risk of the body and public sector financial reporting costs around \$1 billion a year.

2.7 The meeting also discussed a range of issues arising in individual jurisdictions and twinning with Pacific PACs.



## **3 Reports on Hearings and Briefings**

### **Taxi Licensing and Subleasing**

3.1 The Committee held public hearings in Darwin and Alice Springs in mid July 2017. The Committee also held a number of private hearings in Darwin. These hearings informed the Committee's report on Taxi Licensing and Subleasing which was tabled in November 2017.

### **Warren Park**

3.2 The Committee held a public briefing on Warren Park rugby league stadium with the Department of Tourism and Culture.

3.3 The briefing covered:

- leasing arrangements;
- infrastructure design and build;
- project governance;
- public consultation;
- on-going and fixed project costs;
- car parking;
- construction timetabling; and
- stadium capacity.

### **Room to Breathe**

3.4 The Committee held a public briefing on the Room to Breathe program with the Department of Housing and Community Development.

3.5 The briefing covered:

- the purpose of the program;
- the targets for the program;
- the communities where the program is being rolled out;
- the tender process;
- local employment opportunities;
- procurement process for materials;
- the needs-based analysis methodology being used;
- governance arrangements;
- measuring outcomes; and
- position against the budget and timelines.

## **Berrimah Farm Redevelopment**

- 3.6 In response to issues raised in the Auditor-General's audit of the Berrimah Farm Redevelopment Project in her March 2018 report, the Committee held a public briefing on the Berrimah Farm Redevelopment on 3 May 2018 with the Department of Infrastructure, Planning and Logistics and the Department of Primary Industry and Resources.
- 3.7 The briefing covered the:
- history of the project;
  - Expression of Interest (EOI) process;
  - Government's approach;
  - negotiations with the sole proponent;
  - revenue model;
  - Request For Detailed Proposal (RFDP) process;
  - probity process;
  - changes between the EOI and RFDP requirements;
  - valuation process;
  - remaining risks to Government;
  - Territory office facility;
  - Territory and Commonwealth Government investment figures; and
  - the public interest.
- 3.8 The Committee also discussed the project with the Auditor-General.
- 3.9 The Committee wrote to the Chief Executive of the Department of Infrastructure, Planning and Logistics on 9 May 2018 requesting "a chronology of the key decision for the tender process, including any changes to the conditions, requirements or objectives of the project, the inclusion or exclusion of any tenderers, and the receipt of advice from the Probity Advisor, and any response to that advice."
- 3.10 In response the Department provided a project chronology, part of the invitation documentation for the Expression of Interest and Request for Detailed Proposal stages, two probity reports, and a Residual Land Analysis generated on 3 May 2018.
- 3.11 The Committee Chair and Mr Mills toured the Berrimah Farm site with a representative of Halikos Group on 11 May 2018.

### ***Committee Findings***

- 3.12 The Committee did not conduct a full inquiry into this matter but followed up on some of the issues raised by the Auditor-General with a view to determine whether further action was required in response to her audit.
- 3.13 The Committee's initial investigation led it to similar conclusions to those of the Auditor-General, namely that "the Agency had complied with the systems and

processes in place at the Agency to manage land development although some opportunities for improvement exist.”<sup>5</sup>

- 3.14 These opportunities for improvement appear significant. The Committee shares the concerns raised by the Auditor-General around:
- the lack of documented evidence to allow sufficiently rigorous assessment of the costs, benefits and risks of the transaction;
  - whether the changes made to the proposal at various and late stages of the tender process may have undermined fair competition between the bidders; and
  - whether an adequate assessment was conducted into whether the final proposal from the tender process represented good value for the Territory.
- 3.15 The Committee notes, however, in response to some of the media commentary around the project, that its inquiries to date did not reveal any evidence of inappropriate dealing in relation to the project. The Department provided a reasonable rationale for releasing the land as it did. The Expression of Interest documentation proposed release of the land for nil consideration but required construction of significant regional headwork infrastructure by the successful proponent. That proposal was subject to a competitive tender process, where a number of proponents participated.
- 3.16 Having come to these broad conclusions from its initial inquiries, the Committee’s priority was to ensure that the opportunities for improvement identified by the Auditor-General were taken up, and the Government has in place appropriate processes to ensure major projects are managed to provide best value and outcomes to the Territory. It therefore determined to investigate the frameworks now in place to ensure an appropriate level of analysis is provided to support decisions relating to major projects going forward.
- 3.17 The Committee considered whether to investigate the Berrimah Farm Redevelopment project further. The Committee identified two key issues arising from the information gathered by the Committee for which it did not have sufficient evidence to draw conclusions.
- 3.18 The first issue was whether the Department had undertaken sufficient robust analysis to appropriately manage the process, and to support the final decision to proceed with the project. At the hearing the Department asserted that there had been sufficient analysis of the value of the land and the costs and benefits of the proposal. The Committee notes however that the Auditor-General was not able to find documented assessments expected for a project of this magnitude, noting for example the lack of an assessment of contingent liabilities and significant caveats on the reliability of the assessment of the value of land used. The timing of the analysis was also questioned.
- 3.19 The second issue is whether the degree of changes made to the project, particularly after entering negotiations with a single preferred proponent, affected the fairness of the competitive process. This is not a simple question, as flexibility is required on the

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<sup>5</sup> P 28

detail of such a project to enable the parties to find the optimal outcomes. At the same time, too much deviation may result in a project for which another proponent could have been able to make a superior offer. The Department provided the Committee with copies of probity reports from its contracted probity officer following the shortlisting of proposals (23 December 2014) and following the recommendation to enter negotiations with two proponents (6 October 2015), both of which found that from the officer's observations and discussions, and subject to certain limitations of the work performed, there was a satisfactory level of compliance with the Probity Plan. The Committee notes that while such reports provide some level of assurance, they are quite limited in scope and subject to significant qualifications. Further, the Committee was not provided with other advice the probity officer gave through the process, including any advice on the negotiations between two proponents, and, with the role of the probity officer ceasing on the selection of the preferred proponent, no comment was provided on the changes to the proposal during the final stage. These changes included the removal of the requirement for an international grammar school, the inclusion of a non-government school site at a cost to the Territory of \$4.9 million, and the removal of the requirement for a sentinel herd.

- 3.20 The Committee determined that whilst there needed to be future improvement in such practice, the priority was not to conduct a forensic examination of what occurred in past transactions but to rather ensure past experience results in improved government decision-making and robust systems.
- 3.21 The Committee noted that in May 2017 the Government released an Infrastructure Strategy which included a new Northern Territory Project Development Framework (NTPDF). The NTPDF is a structured approach to project development that recognises competing project priorities and establishes a systematic approach to project evaluation. It provides for gateway reviews on both a strategic business case and a final detailed business case prior to an investment decision. It also provides a framework for considering the broad range of factors for determining the benefits and prioritisation of a project, including a proposed multi-criteria analysis framework to assist the long term benefits of a project for the Northern Territory. The Strategy stated that detailed guidelines in support of each element of the NTPDF will be separately promulgated.
- 3.22 Given the work that has gone into producing the NTPDF to ensure better analysis, management and decision-making for future projects, the Committee considered the best follow-up to the issues raised by the Auditor-General would be to review and investigate the implementation of the NTPDF over time.

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## 4 Inquiry Referrals

### Taxi Licensing and Subleasing

- 4.1 On 15 February 2017, the Legislative Assembly resolved that the Assembly refers to the Public Accounts Committee for inquiry and report the efficiency, effectiveness and probity of the regulation and licensing of the Northern Territory Taxi industry, having particular regard to:
- a) the allocation of taxi licences by the Department of Transport
  - b) the subleasing of taxi licences
  - c) the future of the taxi industry in the Northern Territory
- 4.2 The Committee received over 70 submissions to the inquiry and held public hearings in Darwin and Alice Springs and some private hearings.
- 4.3 The Committee reported on this inquiry to the Legislative Assembly on 23 November 2017, making 11 recommendations.<sup>6</sup> The Government provided a response to these recommendations on 10 May 2018.

### *Interference with witness*

- 4.4 In the course of its inquiry into taxi licensing, the Committee received a complaint from a taxi driver claiming that he had lost work with a taxi owner as a result of his participation in the inquiry.
- 4.5 As the complaint raised a prima facie case of a person punishing a witness for giving evidence to a committee, at the direction of the Committee the Chair wrote to the Speaker to seek precedence to move a motion in the Assembly to refer the matter to the Committee of Privileges. The Speaker granted precedence for the motion and the Assembly passed the referral motion. The Committee of Privileges investigated the matter and reported to the Assembly recommending that the Assembly resolve that a contempt had occurred and to caution the offender, to which the Assembly agreed.

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<sup>6</sup> [https://parliament.nt.gov.au/\\_data/assets/pdf\\_file/0005/462821/Inquiry-into-Taxi-Licensing-and-Subleasing-Report.pdf](https://parliament.nt.gov.au/_data/assets/pdf_file/0005/462821/Inquiry-into-Taxi-Licensing-and-Subleasing-Report.pdf)