

## LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

### WRITTEN QUESTION

Mr Vowles to the Minister for Economic Development and Major Projects:

#### **New Corporations Unit**

1. Who approved the creation of the New Corporations Unit (NewCo) in the Department of the Chief Minister?
  2. When was the creation of NewCo approved?
  3. When was NewCo actually established?
  4. When was the Executive Director of NewCo appointed?
  5. What is the total expenditure to date on NewCo operations?
  6. What is the break-up of NewCo expenditure to date?
  7. What is the estimated total cost of operating NewCo in fiscal years 2013-14 and 2014-15?
  8. What is the break up of the estimated cost of operating NewCo in fiscal years 2013-14 and 2014-15?
  9. How many public sector employees work in NewCo or on NewCo activities?
  10. What are the designations/levels of each public sector employee working in NewCo or on NewCo activities?
  11. Are there any consultants/advisors commissioned to work in NewCo or on NewCo activities? If so:
    - a) How many consultants/advisors have been commissioned to work in or on NewCo activities?
    - b) What is the total expenditure incurred to date on the consultants/advisors working in or on NewCo activities?
    - c) What is the name of the company or firm of each relevant consultant/advisor?
    - d) Were tenders or expressions of interest called for the work undertaken by each relevant consultant/advisor? If not, why not?
  12. What is the most recent total estimated cost determined by NewCo to split up the Power and Water Corporation?
  13. Have chairs designate been appointed to the proposed Power Retail Corporation and Power Generation Corporation? If so, who has been appointed?
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## ANSWER

1. The Chief Executive of the Department of the Chief Minister (DCM), Mr Gary Barnes.
2. 17 December 2013. This followed a letter sent to the Chair of the Power and Water Corporation (PWC) by PWC's Shareholding Minister (the Treasurer) advising the PWC Board that the Minister had asked Mr Alan Tregilgas to take responsibility for establishment of the two new corporations.
3. NewCo formally commenced on 1 January 2014.
4. Mr Alan Tregilgas took on the role of Executive Director of NewCo when NewCo commenced on 1 January 2014. An Executive Contract of Employment was entered into with DCM for six months through to 30 June 2014.
5. Government agencies are currently preparing data for verification and inclusion in end of year financial statements. Once approved by Accountable Officers and audits have been completed, end of year financial data will be available in agency Annual Reports in accordance with the *Public Sector Employment and Management Act* and the *Financial Management Act*.

Financial information included in this WQON is to 31 March 2014 and is comparable with any financial information that was tabled during the Estimates Committee Hearings.

The total expenditure incurred by DCM on NewCo's operations through to 31 March 2014 is \$205 000.

6. The \$205 000 in expenditure incurred by DCM on NewCo's operations through to 31 March 2014 comprises:
  - \$190 000 in employee expenses, and
  - \$15 000 in operational expenses.
7. The total expenditure to be incurred by DCM on NewCo's operations in the 2013-14 fiscal year is estimated to be \$315 000.
8. The \$315 000 in expenditure estimated to be incurred by DCM on NewCo's operations in the 2013-14 fiscal year comprises:
  - \$294 000 in employee expenses, and
  - \$21 000 in operational expenses.
9. DCM has contracted two public sector employees until 30 June 2014 to work in NewCo or on NewCo's activities.
10. The designations/levels of these public sector employees are:
  - Executive Director: ECO5 (part time)
  - Program Coordinator: SAO1.

11. NewCo has no budget for the purpose of engaging advisers or consulting firms to work on the structural separation of PWC and the Executive Director does not have the appropriate financial delegations. Consultants working on PWC's structural separation are instead funded by PWC or by the Department of Treasury and Finance. Not all the expertise and experience required to support an effective structural separation are accessible from within NT Government agencies.

The following questions fall within the Treasury portfolio. The answers have been provided by the Department of Treasury and Finance.

12. \$2 million with all but \$400 000 of this amount being a once off expense.
13. Upon legal commencement of the Power Retail and Power Generation Corporations on 29 April 2014, the following appointments were made to the Boards.

RetailCorp

Non-Exec Chair:	Noel Faulkner
Non-Exec Deputy Chair:	Clare Milikins
Non-Exec Director:	Caryle DeMarte

GenCorp

Non-Exec Chair:	David De Silva
Non-Exec Deputy Chair:	Leeanne Bond
Non-Exec Director:	Jon Hubbard

The Boards were formed with the assistance of Engage People, an executive search consultant engaged by the Department of Treasury and Finance. The appointments were made with regard to an appropriate mix of skills and experience and local versus interstate representation. The inaugural Board meetings took place in the first week of June 2014.