

LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

WRITTEN QUESTION

Ms Lawrie to the Chief Minister:

Creation of the New Corporations Unit in the Department of the Chief Minister

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 year 2013/14?
 8. What is the break-up of the estimated cost of operating NewCo in fiscal year 2013/14?
 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/advisers commissioned to work in NewCo or on NewCo activities? If so:
 - a. How many consultants/advisers have been commissioned to work in or on NewCo activities?
 - b. What is the total expenditure incurred to date on the consultants/advisers working in or on NewCo activities?
 - c. What is the name of the Company or Firm of each relevant consultant/adviser?
 - d. Were tenders or expressions of interest called for the work undertaken by each relevant consultant/adviser? 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, 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 Alan Tregilgas to take responsibility for establishment of the two new corporations.
3. NewCo formally commenced on 1 January 2014.
4. 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 6 months through to 30 June 2014.
5. 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
 - Program Coordinator: SAO1
11.
 - (a) Four consultants have been engaged by the Department of Treasury and Finance (DTF) for structural separation requirements.
 - (b) Total expenditure incurred by DTF for structural separation consultancies as at 31 March 2014 is \$123 514.
 - (c)
 1. Ernst & Young
 2. Armature Pty Ltd
 3. NADCO Advisory Services
 4. Engage People Pty Ltd
 - (d) Ernst & Young – engaged under an existing DTF economic advisor tender panel.
Armature Pty Ltd (Jim Colvin) – engaged through single select quotation due to Mr Colvin's practical knowledge of the Territory's government owned corporations legislation and regulatory framework governing the Territory's electricity supply industry; and policy experience in monopoly regulation, corporate governance for government owned businesses, utilities pricing and industry re-structuring.
NADCO Advisory Services – advice provided through the Department of the Attorney-General and Justice.
Engage People Pty Ltd – engaged through a public select tender
12. \$2 million with all but \$400,000 of this amount being a once off expense.
13. Board members of the two new corporations (including the Chairs Designate) have not yet been appointed.