

The Estimates Committee convened at 8.30 am.

**Mr CHAIR:** Good morning, everyone. I welcome everyone present to the public hearing of the Estimates Committee. I acknowledge that we gather this morning on the land of the Larrakia people and pay my respects to elders past, present and emerging.

This is the 20<sup>th</sup> year of the Estimates Committee process. The procedures of the committee have become well established over that time, as outlined in the Estimates Information Manual, which is available on the Assembly's website.

I will, however, highlight a few procedural points. Sometimes I have to interrupt to slow down the hearing, as we found last time. The hearing agenda gives the order of the outputs and how they will be considered. I remind members to seek clarification from the minister at the beginning of a hearing if they are unsure of which output the matter falls under.

It is important that each question on notice is given a number and repeated so its terms are clear. At times I will interrupt whenever a question is taken on notice to ensure this occurs. Mr Keith will remind me, of course. I will also interrupt when answers are given to clarify the question number it refers to.

Questions on notice must be answered by 19 July 2021. Under the Assembly's resolution, the committee is not able to accept any answers after that date.

The need for a COVID-19 safety plan has meant that we will need to continue these measures that were introduced last year. As required by the Assembly, the committee has developed a COVID safety plan that has been approved by the Chief Health Officer. The plan includes room restrictions for this room, Litchfield, and the Elsey, Ormiston and Nitmiluk Rooms. The Litchfield Room limit is 20 persons. There are 16 seats in here, which means there should be no more than four other people in the room at any time.

The plan also provides that only the staff of the agency currently before the committee will be on level three and staff from the next agency to appear before the committee can wait on level four in the Nitmiluk Lounge. I ask that the agency staff leave level three promptly when the hearing is complete so we can admit the next agency while maintaining appropriate physical distancing.

There will be a short break between each agency for the transition.

## **MINISTER GUNNER'S PORTFOLIOS**

### **AUDITOR-GENERAL'S OFFICE**

**Mr CHAIR:** The committee will now proceed with the consideration of estimates of the proposed expenditure in the order set out in the Estimates Hearings Agenda commencing with the Chief Minister. Welcome, Chief Minister and the Auditor-General's Office. Welcome, Ms Crisp.

**Mr GUNNER:** Welcome all. I very much respect the Office of the Auditor-General, as I do all the independent offices. I invite her to make an opening comment.

**Ms CRISP:** This year the office is scheduled to deliver 125 audit tasks and table three reports to the Legislative Assembly, compared to 139 tasks and four reports in the prior year.

The audit program enabled a detailed and robust review of the financial and compliance matters affecting the public account and ensured sufficient audit work was undertaken in order for me to form an opinion on the Treasurer's Annual Financial Statements.

The audit program continued to focus on performance management system audits and data analytic exercises which are designed to contribute to improved public sector governance performance reporting and transparency.

As at 31 March 2021, total income recognised for the financial year was \$4.075m, which is \$130,000 above the original budget. Output appropriation for the year to date was \$2.315m. The remaining revenue is from the recovery of audit costs from statutory audits and is the cause of the increase of budget.

The office is dependent on adequate appropriation funding to deliver audit services and to continue to provide an appropriate level of assurance of the public account.

As at 31 March 2021, total expenses incurred for the financial year were \$4.11 m, which is \$6,000 below the original budget. Actual audit costs are affected by the number of audits, the nature and scope of the audit, the time an audit takes to complete, the composition and experience of the audit team assigned to the audit, annual contractual price escalations and the increasing market rates associated with audit services. The increase in cost was also driven by the need to audit the impacts of new accounting standards pertaining to revenue and leases.

As at 31 March, the office had recognised a small deficit of \$35,000. As at 31 May, we had a surplus of approximately \$14,000 and we expect to realise a small operating surplus as at 30 June.

The office has five full-time equivalent employees. We had lower employee costs this year. The prior year incurred additional costs to temporarily backfill employees who were on extended paid leave. The current year also saw a number of personnel take extended annual leave to reduce growing accrued employee entitlements.

The 125 audit tasks scheduled for this year is a reduction from the prior year and that reflects machinery of government changes which reduce the number of agencies although the functions and level of transactions remain largely the same.

Charles Darwin University also disposed of five entities meaning five less audits. We are required to audit their subsidiaries under their legislation. Resourcing constraints have resulted in less performance management system audits being scheduled.

The new panel audit contract effective from 2 January this year will see increased costs associated with delivery of the audit program due to higher professional service rates. We also expect to see some increased costs associated with the introduction of new and amended Australian accounting and auditing standards and impacts of increased regulation on the professional services industry as a result of findings from the Commonwealth Parliament joint committee inquiry into audit quality.

At the risk to delivery of audit services, appropriate segregation of duties and succession planning as highlighted in past strategic reviews were realised during the prior year and have continued into 2021. The machinery of government changes saw significant changes across the Northern Territory Government.

I give my thanks to Jodie Ryan, who has assisted me on numerous occasions in locating functions and programs under changed administration arrangements. There are also a couple of chief executive officers I acknowledge as machinery of government changes have impacted their agencies significantly and they have proactively supported continuous improvement and the independent audit process.

Kathleen Robinson, from the Department of Corporate and Digital Development—which is subject to more audits than any other agency. When you think you are getting it tough, these guys get it tougher. They had at least 12 audits conducted this year. Arguably, any process efficiencies and savings in this department can noticeably impact the financial position of the entire Northern Territory Government. Kathleen and her team are always responsive and transparent in their dealings with my office.

Ken Davies from Territory Families, Housing and Communities was considerably impacted by machinery of government changes and proactively sought to identify all outstanding issues from audits of functions and entities that have been subsumed into his agency so that any legacy matters could be addressed as soon as practicable.

The acting CEO of Health, David Braines-Mead, and his finance team initiated early conversations with me in preparing for the 2021–22 audit program which will see significant change to the accounting ledger structure and audit of the health service.

In closing I acknowledge the outstanding commitment of the four permanent staff within my office who continue to deliver above expectations in the public interest. I am happy to take any questions.

**Mr CHAIR:** I now call for questions relating to the statement. The committee will then consider any whole-of-government budget and fiscal strategy-related questions before moving onto output-specific questions and finally non-output specific budget-related questions. I now invite the shadow minister to ask the first questions, followed by committee members. Finally, other participating members may ask questions. Other members may join in on a line of questioning pursued by a shadow minister rather than waiting for the end of the shadow's questioning on an output.

**Mrs FINOCCHIARO:** Thank you, Julie and your team, for what you do and for being available and prepared for today. You mentioned machinery of government changes; what are they in relation to, given that we did not have a change of government? I am wracking my brains to think of what they were.

**Ms CRISP:** We saw some structural changes. For example the Department of Corporate and Digital Development took on the IT systems. We have worked with them for a period of time on that. We also saw some movements between agencies. We saw elements of Housing go through to Territory Families but other elements went through to the Department of Infrastructure, Planning and Logistics. There have been a few.

**Mrs FINOCCHIARO:** You mentioned that there will be fewer reports this year because of MOG and CDU. Can you explain that in a little more detail?

**Mr CRISP:** There are two aspects to that. The first is around the number of reports. The number of audits has reduced and that is due to Charles Darwin University disposing of some of its entities and machinery of government changes impacts from the prior year.

**Mrs FINOCCHIARO:** What does that mean with the five entities disposed of by CDU?

**Ms CRISP:** The legislation that gives rise to Charles Darwin University requires the Auditor-General to audit Charles Darwin University but also its subsidiaries. By disposing of their five subsidiaries, that is five less audits that my team has to undertake. As far as the number of audits reducing goes, that is one aspect. The second is a number of reports to parliament. In the prior year there was an election.

August is traditionally when we report on the first six months of audit activity. We brought that report forward to June last year, which meant that we moved from three reports to four. That means we do not have the same number of reports starting off the year. This year, we expect to see three.

**Mrs FINOCCHIARO:** You mentioned in your opening statement the need for correct appropriation to be able to fill the role of the Auditor-General. How does your budget support the role you need to undertake across government?

**Ms CRISP:** There are a couple of aspects. For statutory entities, they will recover the costs of the audit. For entities such as government-owned corporations, government business divisions, the audit costs that we incur, we directly pass on to those entities and they pay the office.

The appropriation covers the audit of the public account, which is arguably getting to form an opinion on the Treasurer's Annual Financial Statements. The appropriation funding is sufficient at this point for forming an opinion on the Treasurer's Annual Financial Statements. It means that when we have some overruns on audits at agencies which are funded through appropriation, we have to reduce other discretionary-type audit work that we do, such as performance management system audits. There are times when we have to cover the costs of overruns associated with agencies just because of changes to structure and complexities in the audit.

**Mrs FINOCCHIARO:** What percentage of the workload would you attribute to audits compared to the performance management assessment?

**Ms CRISP:** Primarily, if you were to look at the key reason for being for the Auditor-General, it is to form an opinion on the Treasurer's Annual Financial Statements. The amount of work that goes into that covers off the interview reviews and the agency compliance audits that we do at every agency. Whilst they are not considered financial statements audits, they contribute to the Treasurer's Annual Financial Statement, which is a financial statement audit.

Performance management system audits are a relative small part of what we do from a dollars perspective, but they are the audits which enable us to make recommendations on corporate practices and are an opportunity for us to contribute that way. It is a small proportion and would probably be under a quarter of a million.

**Mrs FINOCCHIARO:** If your appropriation was larger, you would be able to undertake more of that performance management work?

**Ms CRISP:** Yes.

**Mrs FINOCCHIARO:** Auditor-General, in your December 2020 report, you found that the government had made statements in relation to its COVID-19 Financial Report from July 2020 that were misleading. Can you please explain your findings?

**Mr GUNNER:** We respect the work of the Auditor-General, and Treasury took the Auditor-General's report very seriously. It is important to note up front that the Auditor-General did not identify any error in the calculation of financial data in the report but wanted more information on definitions and sources of data. As a result, the Department of Treasury and Finance published the COVID-19 Financial Report July 2020 Supplementary Explanatory Information next to that report to make sure that we addressed all the concerns the Auditor-General had.

It is important to be up front so that there is no doubt in the room that there were no errors found in the calculation of the financial data.

**Mrs FINOCCHIARO:** I did not ask you, but I appreciate that this got you caught out prior to an election with a farcical document in replace of what should have been a budget. Auditor-General, I would be grateful if you would answer the question. Thank you.

**Ms CRISP:** To put some context to the response, the COVID-19 Financial Report was not subject to audit. I did not audit the report. I conducted a review in accordance with the *Public Information Act 2010*. The *Public Information Act* enables me to review information that is presented to the public and funded out of the public account, and form an opinion on whether that information contravenes the act.

When the COVID-19 Financial Report was released, some of the immediate content raised in the media was about the level of debt and it was quite evident that perhaps there was not a good understanding of debt and net debt, being two separate terms. This drew my attention to the report and how well some of the terms were defined in that report.

In reading it, another point that stood out, knowing that my agency is one that starts with A and comes first, is that the outcome presented as a deficit of several hundred thousand—which I do not think the office has ever done. It drew my attention to the fact that perhaps the headings and some of the definitions associated with the content also were misleading, not necessarily by design but to anyone reading that report.

I chose to look at that report in the context of the *Public Information Act 2010*. I contacted the Department of Treasury and Finance straight away and said I had some concerns about some of the terminology that is being used. Arguably, they worked with me and it took some time to churn through the report and for them to be happy that they had all my concerns and addressed them. They did, as the Chief Minister pointed out, release a supplementary.

It is arguable that if you are working in the area you will understand the terms, but for those in the public who are not used to the terms that we use when we are talking about state and territory government finances, certainly the definitions could have been better presented.

**Mrs FINOCCHIARO:** Chief Minister, do you accept that the report you published prior to the election instead of delivering a budget was misleading to Territorians?

**Mr GUNNER:** There are a couple of things to clear up. Every government around the country was dealing with an emergency and a number made decisions to move the timing of the budget to when we had the ability to do a budget. Whatever government was elected at the last Territory election—they elected a Labor government—would be the one to deliver the budget, and we did. That was an unfortunate consequence of the global pandemic that we were dealing with.

We absolutely respect the Auditor-General's report and I think, in many respects, the answer to your question is in the fact that we published the supplementary explanatory information which addressed all the issues that the Auditor-General had. I agree with the Auditor-General that too often those of us who are familiar with the information we are working with can maybe fall into shorthand. The difference between debt and net debt is an important one to clarify. I agree with that.

We published that supplementary information online with the original report, which meant that anyone who read the report could have a greater understanding of what was in the report.

**Mrs FINOCCHIARO:** When was that supplementary report published?

**Ms CRISP:** The representatives of the Department of Treasury and Finance advised me that a publication, the supplementary explanatory information, had been made publicly available on the website on 19 August 2020 and could be accessed on the same webpage where the initial report was made available.

**Mrs FINOCCHIARO:** A week before the election, the real information started to come out. Chief Minister, do you think it is a coincidence that Treasury used the wrong words? This is a political document that had your hands all over it—the hands of the fifth floor. Will you legitimately throw Treasury under the bus and say they used the wrong titles in this document or will you take responsibility for the fact that you purposely tried to manipulate this document to read a certain way as you were clinging for life in the lead-up to the last election?

**Mr GUNNER:** There is a significant number of imputations in that which I reject entirely. I find them completely unnecessary. If you read the report and the supplementary reports you will recognise that none of what the Leader of the Opposition has said is worthy of that kind of allegation. It was a straightforward supplementary explanation to provide greater clarity on the debt versus net debt issue.

I took a significant number of questions on debt and net debt in a number of formats—we were at that stage having monthly PAC meetings as well. The tenor of the Leader of the Opposition's allegations are wrong and unnecessary—taking cracks at Treasury that do not need to be made.

**Mrs FINOCCHIARO:** I am not. I am asking you to clarify who made the mistake? Was it Treasury or was it your office?

**Mr GUNNER:** We released the COVID-19 Financial Report July 2020. That report was written by Treasury and it is pretty obvious when you read the report it was written by Treasury. The document was not capably been designed or drafted by anyone other than Treasury, and we took the advice from the Auditor-General seriously—rather Treasury did—when we were in caretaker, and Treasury provided the additional information.

**Mrs FINOCCHIARO:** Did your office change any part of that report after Treasury had briefed it to you?

**Mr GUNNER:** Treasury provided and published that report. Treasury published the supplementary information to that report.

**Mrs FINOCCHIARO:** At no time was any political influence or changes made to the final document that Treasury provided you prior to it being published?

**Mr GUNNER:** I reject that this was a political report or that this was a politically written report.

**Mrs FINOCCHIARO:** When Treasury sent it up to your office for final approval, did you or anyone else on the entire fifth floor change any part of that document before it was published?

**Mr GUNNER:** It is a Treasury report, Leader of the Opposition. It was published by Treasury, the supplementary information that was generally asked for was published by Treasury.

**Mrs FINOCCHIARO:** That does not answer my question. Did your office change any part of the report prior to it being published, or ask Treasury to change any part of the report?

**Mr GUNNER:** It does answer your question because I said very clearly it is a Treasury report. That answers the question pretty succinctly.

**Mrs FINOCCHIARO:** I believe its genesis is from Treasury. Did at any time anyone other than Treasury make amendments to that report prior to it being published?

**Mr GUNNER:** I have thoroughly answered this question and we can do it again when Treasury are here. I have thoroughly answered that question. There is no doubt in any of the answers I have given about who wrote the report, who published the report and who published the supplementary explanation to that report.

Unfortunately, the report did reflect the grim nature that we were facing during the Coronavirus, which we still face. We have now delivered a budget, and a second budget which reinforces the situation that we face in terms of fiscal deficit and our net debt. While we are able to make significant improvements in this budget, there is still a considerable way to go.

There is a very consistent series of reports now from the Coronavirus fiscal report in the first and second budget that showed the fiscal circumstances that we face as a Territory.

**Mrs FINOCCHIARO:** With respect, you have not answered the question. Did that document remain unchanged once it came up to your office and went back down? Was the version that Treasury sent you for publishing the version that ended up being published?

**Mr GUNNER:** That question has been asked and answered now about seven or eight times.

**Mrs FINOCCHIARO:** It has become pretty obvious why you do not want to answer the question, Chief Minister. It feeds back into this transparent and open and accountable government that you allegedly ...

**Mr GUNNER:** We will see this today, Mr Chair, all the way through. The Leader of the Opposition talks monologues and rants that she will like to ask the question, but no matter what I answer she gets, she will want to choose her own answer.

**Mrs LAMBLEY:** It is called scrutiny, Chief Minister.

**Mrs FINOCCHIARO:** We know you do not like estimates. You will give answers to the questions.

**Mr GUNNER:** We will answer all the questions. I recognise the Leader of the Opposition will come in in advance with the answer that she wants and then she will go away ignoring the answer that is given by hard-working people all through the day.

You cannot do that—you ask the question and we will answer it. You will not always like the answer; it will not always be the answer you have prepared in your head that is the answer that you want to hear. We will answer our questions all the way through to the best that we can, and I ask you to please treat the public servants with respect when you do not like the answer.

**Mrs FINOCCHIARO:** I am treating Treasury with respect because I do not believe for one second that the version that they sent up to your office is the version that got published. I am actually defending Treasury from what 100% had to have been political intervention.

**Mr MONAGHAN:** A point of order, Mr Chair—she just keeps talking whilst I have been given the floor.

**Mrs FINOCCHIARO:** Sorry, Member for Fong Lim. Are you talking over the top of me?

**Mr MONAGHAN:** No, I was talking to the Chair, who gave me the call.

**Mrs FINOCCHIARO:** Okay, I will listen to the Chair. Thank you.

**Mr CHAIR:** A point of order has been raised, honourable members. I will remind everyone about Standing Order 109, which we will work from today—the manner and form of questions. You are all acutely aware of it. One of them is do not ask for an expression of opinion. We are here for estimates about the outputs, so no imputations or insults, please.

**Mrs FINOCCHIARO:** Auditor-General, your job-creation audit from the March 2021 report found that processes in place to calculate and determine the reported jobs supported, as major projects were not comprehensive or consistent.

Some of those examples you cited included the Alice Springs Hospital, with 575 jobs reported by government, but it only created 154 actual jobs. The Gunn Point Road upgrade—government touted 160 jobs, but there were actually 133 jobs. Katherine emergency services—240 jobs reported; 130 actual jobs. Can you please explain this finding?

**Ms CRISP:** The performance management system, audit I undertook on job creation was in response to how we articulate performance measures coming out of government and how we manage our process and progress against those.

We often see the announcement of a project, and with that announcement a number attributed to the jobs that are to be created, in some instances, and supported in others. My thought was that those terms by themselves had not been particularly well articulated or explained. There is a question about what it would mean to an external user of the progress reports on job creation.

We looked at a number of significant projects conducted under a variety of frameworks, whether that was a local jobs fund, major projects or whatever it might be, to see what had been announced in regard to job creation or jobs supported and, ultimately, what had been reported—if it had been reported—about what was achieved.

It is focused on making sure we are measuring the same thing, measuring it consistently and irrespective of the type of project. There needs to be recognition that that number of jobs created is not always an appropriate measure for a significant project. You can have a significant project that costs a lot of money and arguably does not have many jobs, but if we are to use it as a performance measure it should be understood by those external to the NTG and the project.

The conclusion was that there was not a consistent approach or terminology. There was no consistent measure or reporting at the conclusion of those projects. The recommendations I put forward were more about consistency than anything else. There was also a recommendation that a central agency would be best placed to deliver a methodology and a range of consistent definitions for defining that.

Following on from that, in the interests of transparency and reporting back against how we have gone against those—there are big differences between the Northern Territory Government nominating a figure for jobs created and asking a contractor to put up a figure for jobs supported.

I was of the view that there might be some more guidance necessary for those tendering when it came to putting in a tender response that articulated the number of jobs.

**Mrs FINOCCHIARO:** Chief Minister, what do you have to say about the exposure that the jobs calculation is inaccurate?

**Mr GUNNER:** I think it is very important to have an understanding of the estimated jobs on a project as you agree to it. It is an important measure. We can all agree that the way a construction job works—because most of these are construction jobs—across the life of that job does not always go exactly as the original tenderer thinks, so you will do different phases different ways, which can cause a lumpy result.

If someone says 150 jobs and delivers 130, or they say 160 and deliver 120—it is the nature of construction. I agree with the Auditor-General on consistency and methodology; we have no problems with that. Anything that leads to improvements is a good thing. I do not have any dramas with it.

The Auditor-General made a good point towards the end that sometimes it will be a proponent putting up a job estimate number, and sometimes it will be government. How do you work through that consistently? We have not made a decision about the idea of a central agency or not; most of that sits with DIPL, which is a big and major agency but is not technically central—I am assuming, by definition.

A central agency to me would be Treasury, CMC and AG. There is no decision made, but recognising that DIPL are the ones associated with it all and in some respects, it would be a change for ACM and CL Treasury to take up that as well. It is something I am mindful of and I am not ruling it out. We have to think it through.

We all want to know and understand job estimates. I acknowledge the Auditor-General's point that jobs are a very important measure. The most important measure for me is having jobs I create, but ongoing as well. We talk about construction-side jobs—for me it is also how many jobs that project created ongoing. It is even harder to assess or measure, but economic-enabling investment often goes to that part of the equation.

There might not be many jobs in getting a road built, but there will be many jobs because the road is built. I am sure the Auditor-General will agree that it is harder to measure, but is often the important point of doing a lot of the work government does. It is the economic-enabling activity and the additional jobs you create after the project is completed.

The jobs we are talking to here are important, but I would argue that they are not the most important jobs associated with a project. It is the bit after that which is even harder to measure or estimate.

**Mrs FINOCCHIARO:** How do you account for the 421 jobs that did not exist on the Alice Springs Hospital build? You were very happy to run out and say there would 575 jobs, with 154 actually being delivered. How do you account for 421 missing jobs?

**Mr GUNNER:** That will be answered by the minister for Infrastructure. She will have all the information in front of her about those different projects: jobs estimated; jobs created; the difference between direct and indirect; the lifespan of a project; and what led to the difference in estimates. Those questions are more appropriately asked to the line minister who has carriage of that entity.

**Mrs FINOCCHIARO:** Given the Auditor-General's report is from March, why have those recommendations not been adopted? You said before that it needs more conversation. It is mid-June, so what kind of conversations have you had about implementing the Auditor-General's recommendations?

**Mr GUNNER:** Chair, it is in the Auditor-General's report at the back:

*A whole of government approach to job measures will be developed in collaboration with agencies.*

What I said in my answer was, whether that sits with a central agency or not is still to be determined. To go to the intent of the Auditor-General's commentary, a whole-of-government approach will be developed. That is the very first line of the Chief Minister and Cabinet's answer.

**Mrs FINOCCHIARO:** That is great, but when? How long does it take to do that?

**Mr GUNNER:** As the Auditor-General would appreciate, that is a significant body of work. We can talk to it further with Chief Minister and Cabinet, who are up today, about where we are at in that body of work. It is not something where you just snap your fingers and have a whole-of-government approach. It takes a bit of work.

**Mrs LAMBLEY:** Given that the Auditor-General has found your job-creation figures to be inconsistent and lacking in any sort of methodology, is this not a priority of government? We hear you talking in parliament, at every opportunity, about jobs, jobs, jobs. Now we are hearing that your claims about job creation do not have any basis or methodology.

**Mr GUNNER:** The word missing there is 'consistent'. It is not that there is an absence of one, it is just that different ones are used in different projects, which is why we are doing the whole-of-government approach. We would all agree that the job estimate number at the start of a project is highly unlikely to land on that number at the end of a project—that is the changing nature of construction projects.

It is something we need to work through with the whole of government approach to—taking the point of the Auditor-General—get a consistent methodology. It is not that there is none, it is more that different ones are used in different projects. Sometimes from government and sometimes from the proponent themselves. You could argue the proponent might have a better idea of how many jobs they will use during the project's lifespan.

The jobs are still there and there is no doubt these projects create jobs. It is just that there are, at times, differences between the job estimate and the final job number, which I do not think would come as a surprise to anyone.

**Mrs FINOCCHIARO:** Auditor-General, what is your report card on this whole-of-government approach to implementing your recommendations? How is that tracking?

**Ms CRISP:** It is important to acknowledge that without defining the terminology—the first point is really to define the terminology. Are we talking jobs created or jobs supported? If we are talking jobs created, is that for the project? Some projects are construction, to the Chief Minister's point, and others might not be. They will still have the jobs number. There has to be a landing point on the definitions first. I understand that it is a difficult number to land on when you have to take into account all of those measures, particularly when you are thinking longer term. I do not underestimate the amount of work that has to be done to put this into place.

That is not something I have gone back to follow-up on or ask, 'Where is your methodology and is that what you are using?' There is a big piece of work as well on working with contractors and tendering parties. If we were to ask them to nominate a number they have to perform against, we need to give them some guidance and present a framework for them to understand what we are talking about.

Arguably I would question how well-equipped the average respondent is, to work out if the job they are building will create jobs outside the construction contract. It is a big piece of work and it means we are bringing those outside the government on the journey as well.



I have not gone back to ask, 'Are you done yet?'

**Mrs LAMBLEY:** I have a question on the opening statement. Auditor-General, the work you do is incredibly important, increasingly so over the last 12 months. All mechanisms available to scrutinise the government have been diminished by the Chief Minister and his team.

As one of the most powerful remaining people employed within government to scrutinise and provide transparency for the public, have you also been stripped back? Has your budget been reduced or any part of your office or resourcing been reduced by this government in this budget?

**Ms CRISP:** No. The office has an efficiency dividend applied. That is not unusual, unheard of or inconsistent with any other agency. The office is a small; we are a small team. In saying that, we are supported by our outsourced audit service providers. We have six firms and approximately 140 authorised auditors under the *Audit Act*. There is a lot that could be done as far as auditing, including performance management system audits and performance auditing. Arguably, nothing has reduced from a financial or human resources perspective.

Because we outsource 95% of what we do, it is really noticeable when the costs of the outsourcing arrangements increase. That happens. We just started a new contract; that will have an impact on the amount of work we can deliver. That is a commercial environment that firms operate in. They come to a tender with a competitive price, but those prices increase over time.

**Mrs LAMBLEY:** Your budget does not increase commensurate to the increase in the cost of purchasing those auditor services.

**Ms CRIPS:** My budget is the same as every other agency's budget. If there is a CPI escalation, ours is the same as every other agency. What the firms put forward may or may not be consistent with a CPI escalation anyway. There is not a direct match between increasing audit costs and appropriation. That is no different to any other agency.

**Mrs LAMBLEY:** You mentioned in your opening speech that you have four permanent staff. Does that include you?

**Ms CRISP:** No, I am the fifth.

**Mrs LAMBLEY:** You are number five. There are probably four people on level five serving tea to the ministers. For a department or service that provides the important work that you do, I think that is an incredibly small number of staff. Is there a need for more staff? Are you stretched to the limit? Are you able to function with just four permanent members of staff in your office to provide scrutiny across all government departments and government-owned corporations? You do the lot, including CDU.

For every part of government interest, you are there as the sole unit scrutinising government from top to bottom. It seems like an incredibly small complement of staff. Is it enough or are you making do with what you have?

**Ms CRISP:** My team are amazing—and we make our own coffee. Some of the challenges of having such a small number are when we have an unscheduled absence. We can deliver what we are tasked with delivering when everything goes to plan. When things do not go to plan, sometimes that can be a challenge. We recently had an instance where we did not have two of the staff who would normally run things in the office. That is when I step in to do end-of-month reporting and return back to my original role as an accountant. We have managed it.

At times it is a stretch, but it is what it is. It would be fair to say that we are not flush with funds and I have no expectation that we will see anything change significantly in the office. We face increased workloads associated with a range of things, but by the same token we also have instances such as your point about Charles Darwin University. With five entities gone, it is time we get back on our hands. We do not charge out the time for the office, only the time for the service providers. For five less audits gives us a few more hours in the year.

**Mrs LAMBLEY:** Thank you for the work you do.

**Mr YAN:** Following on from the Member for Araluen, you talk about unexpected and planned absences. I look at a team of five with such a critical role—you all get seven weeks leave a year or six?

**Ms CRISP:** Five, I think.

**Mr YAN:** That is 25 weeks of rec leave. That is half a year. Then you put in absences for sick leave, which can be up to 14 days. There are possibly another two weeks each for that team, which is another 10 weeks so we are over 35 weeks. Throw in long service leave. With such critical staff in such a small team, would it not be prudent to have backup or assistance?

**Ms CRISP:** Long service leave is an emerging issue in that we have a number of staff all due for long service leave in the forthcoming financial year, or the one after. We will notice that. How do we manage it? It would be fair to say that we are not an office that does your average 36.45 hours a week. It is nothing like that. There is a risk and we manage it the best we can. Arguably, we could put up a case to divert some of the funding that we spend on audits to personnel costs, but I would rather have the money spent on scrutiny than staffing. I would probably have to bear some of the risk for that.

**Mr GUNNER:** I will add to that briefly. It has been a policy decision by successive Auditors-General to run a small, tight office—going to the Auditor-General's point at the end. I understand exactly where they are coming from. Former Auditors-General had the same policy opinion—to run a small, tight office—and work through their outsourcing arrangement. That is the method. I can definitely imagine an unscheduled absence would hurt in a small, tight office like that. Obviously, through the CEO of DCMC, I am always happy to discuss if there are other ways in which we can help the Auditor-General, particularly during unscheduled times.

Knowing the Auditor-General, she will be very organised for any scheduled absences.

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

**Mr CHAIR:** The committee will now consider the estimates of proposed expenditure contained in the Appropriation (2021–2022) Bill as they relate to the Auditor-General's Office. Are there any agency-related whole-of-government questions on budget and fiscal strategy?

That concludes the consideration of agency-related whole-of-government questions on budget and fiscal strategy.

#### **OUTPUT GROUP 1.0 – AUDITS AND REVIEWS** **Output 1.1 – Audits and Reviews**

**Mr CHAIR:** We will now consider Output Group 1.0, Audits and Reviews, Output 1.1, Audits and Reviews. Are there any questions?

There being no questions, that concludes consideration of Output Group 1.0.

#### **OUTPUT GROUP 2.0 – CORPORATE AND SHARED SERVICES** **Output 2.1 – Corporate and Governance**

**Mr CHAIR:** The committee will move to Output Group 2.0, Corporate and Shared Services, Output 2.1, Corporate and Governance. Are there any questions?

That concludes consideration of Output 2.1.

#### **Output 2.2 – Shared Services Received**

**Mr CHAIR:** I will now call for questions relating to Output 2.2, Shared Services Received. Are there any questions?

That concludes consideration of Output 2.2 and Output Group 2.0.

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

On behalf of the committee, Ms Crisp, thank you for your attendance today.

**Mr GUNNER:** Thank you very much, Auditor-General.

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The committee suspended.

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### NORTHERN TERRITORY ELECTORAL COMMISSION

**Mr CHAIR:** The committee will now move on to Output Group 4.0, Corporate and Shared Services. Chief Minister, I invite you to introduce the officials accompanying you and make an opening statement regarding the Northern Territory Electoral Commission.

**Mr GUNNER:** I will pass to the Electoral Commissioner and allow him to make an opening statement.

**Mr LOGANATHAN:** Good morning and thank you for the opportunity to make opening comments.

The 2020–21 appropriation of the Electoral Commission was \$4.013m. Of that, \$2.5m was for the Territory election and a further \$1m was appropriated for the election in the 2019–20 budget. The total cost of the election was \$3.731m. This compares to \$3.46m for the 2016 election. The estimated cost of COVID compliance is between 12% and 15% of this cost.

I reported the main election KPIs at estimates last year. Further details are contained in the 2020 Territory election report that was released on 4 June and provides further details regarding costings, outcomes and makes 22 recommendations to modernise and improve electoral services to Territorians.

In an election year, there are a lot of opportunities to do electoral education programs, Over 3,000 education sessions have been conducted for children in Darwin, Darwin Rural and Alice Springs. Additionally, the NTEC ran school elections with over 1,000 students participating.

For a number of years an education program called Democracy Dash has been run. This program sees high school students broken into small groups competing with each other—similar to the race around the world competition. They visit organisations linked to democracy, which includes courts, the Legislative Assembly, the media, NGOs and police. This financial year there were two Democracy Dash programs conducted in Alice Springs, one in Darwin and a further one scheduled in Darwin for later this month. In total, over 350 high school students will participate in this program.

The focus this year for the election is the upcoming local government election in August. This is a fee-for-service election and the estimated budget for this election is \$1.7m. Whilst this is known as the local government election as one election, it is really 17 separate elections with 17 councils, and we have 17 service level agreements with those councils.

The main priority for this election is again remote participation and we certainly have been working with regional councils as to how to improve this. At the 2017 local government election remote participation was lower than 50%. I have been working with the regional councils and with LGANT and the department to work out how this trend can be reversed. Some feedback we have received is that they want increased services in remote communities. This obviously comes at a cost, but regional councils have seen an increase in early voting in urban areas and appeal to the Electoral Commission that if there was more opportunity for remote Territorians to vote early, participation would increase.

In response to this feedback, we will be trialling a new service at this election which we have coined 'community voting centres'. We will be looking at approximately 60 communities. Where we will work with the councils and use their staff to provide an expanded early voting service for three to four days in those communities. This is a model with risk, but given the low participation at remote communities for a number of elections, I think the time has come to trial a different model to see if more remote Territorians vote at Territory elections.

**Mr CHAIR:** Are there any questions in relation to the statement?

**Mrs FINOCCHIARO:** I pick up on the point about the community voting centres which you will be trialling, and that it will be staffed from the local councils that will facilitate the election. You mentioned that it presents some risks. What are the risks as you see them?

**Mr LOGANATHAN:** Some of the risks in the present model are when we have remote polling teams providing that service. This is staff who maintain the ballot papers and are responsible for the used and unused ballot papers.

This has been discussed in depth with the regional councils. They have to provide the service to the same level and mitigate some of these risks. To attempt to do this we will be training these staff as if they are our own staff. They will be appointed as polling officials and we will have staff travelling to those communities to work out procedures and processes in which ballot papers can be maintained, how the service is to be provided and how the integrity of the process can still be maintained.

**Mrs FINOCCHIARO:** Will you have anyone from your existing office resources permanently stationed to oversee how these community centres would work?

**Mr LOGANATHAN:** This is a fee-for-service election and for us to provide a service like that would be extremely expensive for the councils. We are proposing to have a team of staff, like experienced mobile polling staff, who would be available to assist in the area where we have concerns. There would also be a call centre if they were having issues.

One of the benefits in how we run elections in the Territory is that we use electronic certified lists. We have the data coming in as the election is being conducted—how voting is being conducted, what is occurring, whether voting is occurring, what the numbers are and whether they are in line with the trends that we expect.

Hopefully, we will be able to troubleshoot some issues before they arise, but this has not been tried in the past because there is significant risk. But there is a strong push from regional councils and, given the popularity of early voting in urban areas, I can understand why they are looking for an expansion of service.

**Mrs FINOCCHIARO:** I appreciate the position you are in with wanting to ensure that remote participation is increased which is hugely important. But having staff on the ground who are very familiar with the area, the people who live in that area and not having that electoral experience and the necessary oversight, does present risk. What type of vetting process will you be undertaking for those staff? For example, recent political affiliation or support of particular candidates in the past? How will you ensure a level of probity over it?

**Mr LOGANATHAN:** This is an issue. Let me say that, in terms of our selection process of staff, it is no different to if they were working for us in any other capacity. They would have to go through a vetting process and we ask those questions that you have asked.

It is a bit more complicated particularly with regional councils because we do not know who will nominate. Somebody may be able to fulfil a role but then somebody who nominates might be a close friend or a relative, and that would mean it would be inappropriate for that person to carry out that role.

We are not looking to just train one or two people. When we send staff out to do it, we will train a number of people working for the council and then liaise with the management of the councils in terms of who is working and if it is appropriate for them to do so, once we know who is running for the election.

**Mrs FINOCCHIARO:** You would not have to take on this level of risk if the government resourced you to be able to undertake these community polling stations through your own resourcing. Is that right?

**Mr LOGANATHAN:** The local government election is run on a fee-for-service basis. We do not receive any appropriation to run the election. We provide a service level standard to each council in terms of the service that we will provide and the cost. If councils agree to have a full-time staff member based there—it would be an expensive cost for, let us say, a week—then they would have to pay for that. The councils have advised us that is not the model they prefer. They believe they have suitable staff and senior staff. Many of those staff have worked for us in previous elections in mobile polling and other roles. That is the model a number of councils have agreed on.

In saying this, a number of other councils do not want to proceed with this model for their own reasons. It is not something we are dictating. Councils are coming to us and we are saying this is appropriate. They may say they only have suitable staff in some communities, not all in the area, so they will trial that at this stage for this election.

**Mrs FINOCCHIARO:** With this fee-for-service model and the flexibility that councils have to set out how they want their elections run, how do you then provide a level of consistency across the Territory? Are there minimum basic standards? If a council comes to you and says, 'Sorry NTEC, we want to have'—I imagine there are tiers of an election and you have your basic budget model—it sounds like you can scale up to a Rolls Royce. It must be incredibly difficult for you guys to ensure the probity and sanctity of the model. How flexible are these arrangements in which each council can enter into? How different can they be?

**Mr LOGANATHAN:** There are some minimum standards that need to be provided. At the end of the day, we might be using council staff to assist running the election but I am still the returning officer and I am responsible for the results. Councils have to provide a level of service equivalent to what was provided in 2017 or better. We are looking to improve services not to decrease services by using council staff.

In terms of what that minimum standard is, every Territorian, regardless of where they are based, needs a reasonable opportunity to vote. That continues to be the standard. Rather than being in a community for two or three hours, the fact that voting services could be four or five days would mean we would have increased turnout.

I am not saying that this is the panacea to all problems in terms of remote voting. I would be very circumspect in terms of running any similar model for a Territory election. Given the turnout at recent elections in regional communities, I think we would be silly to do the same thing over and over again and expect different results.

**Mrs FINOCCHIARO:** I imagine that will all be part of your review.

**Mr LOGANATHAN:** Absolutely.

**Mrs FINOCCHIARO:** Chief Minister, the commissioner provided his 2020 Territory Election Report on 4 June. It has 22 recommendations. Who in your government will decide whether or not to accept or reject those recommendations?

**Mr GUNNER:** We go through a process with the Department of the Chief Minister and Cabinet and talk to the Electoral Commissioner depending on the nature of the recommendations. We will have to take on other forms of consultation and that usually informs a bill that goes before parliament, at which point you have another round of scrutiny between introduction and passage. We have received it—thank you very much, Electoral Commissioner—and we will now ponder.

**Mrs FINOCCHIARO:** When do you expect that legislation to hit the floor of parliament?

**Mr GUNNER:** I would not be able to give you a date today.

**Mrs FINOCCHIARO:** Will it be before the next election?

**Mr GUNNER:** Yes. It will be before the next election.

**Mrs FINOCCHIARO:** I did not realise how funny my question was.

**Mr MONAGHAN:** You mentioned the election report. Electoral Commissioner, you talked about these recommendations in particular the public funding for election campaign expenses ...

**Mrs FINOCCHIARO:** Sorry, Mr Chair, I did not ask about public funding.

**Mr MONAGHAN:** You asked about the recommendations of the report.

**Mrs FINOCCHIARO:** I am about to go through those. The following is meant to be from the line of questioning.

**Mr CHAIR:** The line of questioning is about the public report and the 22 recommendations. I will accept it.

**Mr MONAGHAN:** My question then is, what jurisdictions have public funding models and how does it work in those jurisdictions?

**Mr LOGANATHAN:** As stated in the report, there are public funding models for all jurisdictions in Australia, with the exception of Tasmania and the Northern Territory. Federally there is a public funding scheme. Tasmania recently had an election, but prior to that they had a parliamentary inquiry into the public funding scheme and the report came down in favour of the scheme.

These schemes generally operate as a combination of two parts, one part being that you get a certain amount depending on the number of first preference votes you get. To give you an example, in the ACT, which is cited in the report, it is \$8 that a party or candidate receives for their first preference votes. That is generally

how the model works. The number varies—I cannot remember what the federal number is, but it is somewhere around \$3—remembering there are two ballot papers at federal elections.

The other form of funding is administrative funding. Parties and independent members are provided funding to assist with the compliance of reporting against donations and systems in regard to the administration of their parties. That system is in place.

You will note that the Electoral Commission has proposed a model—in support of a model, we think that it is in the interests of democracy that there are smaller donations and caps on donations. For that to occur there needs to be an alternative source of funding. Looking at the examples used in other jurisdictions, we think public funding is something mature democracies use all around the world. The manner in which it is done is a matter for a parliamentary inquiry or for parliament to determine. The Electoral Commission would be happy to assist in whatever regime is determined appropriate.

**Mrs FINOCCHIARO:** You made 22 recommendations, as we discussed, and one of those was to include travel allowance and accommodation expenditure. Many of the recommendations and feedback you provided to the Gunner government when we reformed the act a few years ago were ignored. If my memory serves me right, this is one of them.

Why do you now recommend that accommodation and travel expenditure should be included in the cap per seat?

**Mr LOGANATHAN:** I will just clarify; following the bill that went to parliament, it was determined that travel and accommodation be excluded from the cap. That was to ensure that remote candidates were not disadvantaged by the cost of travel to those areas. The point made in the paper—seeking legal advice during the election—is that this exemption for travel and accommodation also extended to interstate travel and accommodation, which we did not think was in the spirit of the bill.

We sought for that to be clarified and are of the view that any interstate travel costs incurred in bringing people to assist with an election should be included in the cap.

**Mrs FINOCCHIARO:** We wholeheartedly agree with that. We pushed government for that at the time. They rely heavily on flying red shirts in from Queensland, so that is undoubtedly why interstate travel and accommodation were excluded.

Just to confirm, is it your recommendation that interstate travel and accommodation are included in the cap going forward?

**Mr LOGANATHAN:** That is correct. Looking at the debate when this passed through parliament, I think the expectation was that all travel and accommodation within the Territory would be excluded from the cap, but any intrastate stuff would be included in the cap. When we sought legal advice after the bill was passed, that was not the advice of the Solicitor-General. We think that this is an oversight and are seeking for it to be changed for the next election.

**Mrs FINOCCHIARO:** Are there any other key recommendations that you feel must be changed, flowing from your experience from the last election? We have the new legislation—it is very complicated in a lot of areas and undoubtedly chewed up a lot of resources. Can you provide insight into the complexities of administering the act in which key recommendations would provide a better process for the running of the Territory election going forward?

**Mr LOGANATHAN:** Part two of the report specifically talks about funding and disclosure. There were significant reforms in relation to funding and disclosure applied at this election, including the introduction of a cap and other measures.

We have talked to the parties and candidates running in the election and the main thing was that it was just too complicated. It was complicated for us to administer, for candidates and parties to comply, made more difficult because we had the Johnston by-election in the year of an election, which nobody had considered before. That means we had multiple returns which were duplicating information. I found it confusing and if I did not understand it, I am sure that others would also have difficulty.

We are looking to reduce the number of returns without decreasing transparency and making sure that all the relevant information is in the public domain before people vote. One of the other recommendations was regarding third parties, because there is a cap for parties, independent candidates and associated entities

but no cap for third parties. We were of the view that this would allow people to circumvent the cap. We therefore put in a recommendation that a cap be introduced for third parties; the recommended figure is \$60,000.

**Mr MONAGHAN:** Are there any legal implications on limiting the donations?

**Mr LOGANATHAN:** There was a recent High Court case motions—McCloy—where the court said that parliament can restrict the amount of donations that parties and independents receive as long as it is justified. You cannot just put up a figure and say, 'This is it'. There needs to be a level of scrutiny as to why that figure is appropriate. That is why, in our report, we suggested \$60,000. That was chosen because the most amount of money a third party spent at the election was \$55,000; we wanted a higher figure as we did not want to restrict anybody at future elections.

At the federal election we have seen third-party campaigners where there is no limit and people can have an undue influence on the outcome of an election. It is also to protect our democracy in the NT. We think that a limit of \$60,000 is appropriate, knowing that parties can spend \$40,000 per seat and a person contesting the seat can spend \$40,000 for that seat, but a third-party campaigner could spend \$60,000 Territory-wide.

**Mr CHAIR:** What was the name of the recent case?

**Mr LOGANATHAN:** It was the *McCloy v NSW* case. There is a reference to the case in the election report.

**Mrs FINOCCHIARO:** Are you able to quantify how much political parties might have spent on travel and accommodation? This clearly is a big issue. In the Electoral Commission's view it was only Territory travel allowance and accommodation expenses that did not need to be recorded. Does the Electoral Commission have some sort of—how did this concern re-trigger? Was it because you were able to quantify large numbers of interstate travel and expenses?

**Mr LOGANATHAN:** Leader of the Opposition, this issue came up during the election, not so much in terms of looking at the data but in terms of getting a specific query in relation to whether interstate travel and accommodation was included in the cap. We gave our response, which was that it is our understanding that it was to be included in the cap, but we also sought some advice from the Solicitor-General, who advised that given the wording of the act it is not clear and, so it should not be included.

**Mrs FINOCCHIARO:** Chief Minister, what has your government done in response to this recommendation?

**Mr GUNNER:** We are considering all the recommendations. We have just received the report and we will obviously go through a process that will eventually lead to a bill in the parliament, and then passage that bill prior to the next Territory election.

**Mrs FINOCCHIARO:** Will there be any parliamentary inquiries into the legislation like there was in the past before you scrapped the scrutiny committees?

**Mr GUNNER:** We have not determined the process we will go through yet, but I suggest it is probably unlikely we convene a parliamentary committee for the purposes of looking the Electoral Commissioner's report. That is not my understanding of how we have handled previous electoral commissioner's reports, but we have not determined the process yet either.

**Mr CHAIR:** Are there any further questions relating to the opening statement?

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

**Mr CHAIR:** The committee will now proceed to consider the estimates of the proposed expenditure contained in the Appropriation (2021–2022) Bill as they relate to the Northern Territory Electoral Commission. Are there any agency-related whole-of-government-questions on budget and fiscal strategy?

That concludes consideration of agency-related whole-of-Government questions on budget and fiscal strategy.

## **OUTPUT GROUP 3.0 – ELECTORAL SERVICES**

### **Output Group 3.1 – Electoral Services**

**Mr CHAIR:** The committee will now proceed to Output Group 3.0, Electoral Services, Output 3.1, Electoral Services.

I note that while the Chief Minister is responsible for the NT Electoral Commission's responsibilities under the *Electoral Act 2004*, the Minister for Local Government is responsible for the NT Electoral Commission responsibilities under Chapter 8 of the *Local Government Act 2008*; however, the committee has agreed that any questions for the commissioner regarding local government will be asked during his appearance with the Chief Minister. The Electoral Commissioner will not be reappearing before the committee with the Minister for Local Government.

Are there any questions?

**Mr COSTA:** Commissioner, is there any difference in public funding for candidates from political parties versus independents or urban versus bush candidates?

**Mr LOGANATHAN:** Member for Arafura, currently there is no public funding model in the Territory. What we are proposing is that there be consideration of introducing one, and from the Electoral Commission's perspective there should be no distinction in relation to whatever that model is for remote or urban members.

In regard to remote independent members, if we just assume that the figure is \$10 a vote, that figure would apply to that member as well. For example, let us say there are 5,500 people in the seat and that member receives 2,000 first preference votes. They would receive 2,000 times 10; that would be their public funding model. If they spent less than that amount of money then they cannot make money for the scheme; they would have to provide receipts to show this is the money that they expended and that would be the limit in terms of what they could possibly receive.

**Mr COSTA:** Commissioner, you talked earlier about engaging councils in the remote communities. How will you engage remote outstation people? Will you go through the resource centres? A lot of them do not come under the council model.

**Mr LOGANATHAN:** That is an issue we are talking to the councils about. The minimum standard is that every Territorian, including remote Territorians, needs an opportunity to vote. I cannot give you a general answer to say how this will be done, but we are talking to councils and resource centres. There will be some communities where the council would provide the service to the community, but a remote polling team would still travel to outstations to ensure those voters can vote. Sometimes that may be administered by the council and sometimes that will be ourselves running remote polling teams to selected areas.

**Mr COSTA:** What programs does the NTEC run to make sure Territorians are on the roll and what could be done across our regions to get our rates of enrolment higher, especially in remote areas?

**Mr LOGANATHAN:** I could talk about this for an extended period of time. This is an issue in the Northern Territory and has been for a very long time. There are 25,000 people who should be on the electoral roll who are not. The vast majority of these people are Aboriginal Territorians and remote-based Territorians. We need an ongoing remote enrolment program in the Northern Territory. The Australian Electoral Commission used to run one of these programs. I used to work for the Australian Electoral Commission.

The Australian Electoral Commission has recently informed us that they will reinstate that program in the Northern Territory. They have recently advertised for a number of positions to be filled. They have not provided me details about how this program will operate, but they have stated that there will be an ongoing remote program and a focus of that program will be in partnership with remote-based organisations and us to get more remote Territorians enrolled.

**Mr GUNNER:** Is there a difference in under-enrolment between southern remote seats, like Namatjira, versus a Top End seat, like Arafura? Or is it same-same?

**Mr LOGANATHAN:** In terms of enrolment, Namatjira is a very good example because we refer to it as a hybrid seat in the sense that it has part of Alice Springs town and a number of remote communities. In a seat like Namatjira, the electors in Alice Springs would be covered in the automatic enrolment program because the Australian Electoral Commission has determined that they receive a regular mail-based service to their street address. Electors in those areas would be automatically enrolled and if they moved it would automatically be updated. That does not occur in remote communities because of the reliability of the mail service.



When I say remote communities, that includes places like Tennant Creek and Jabiru because they do not have mail delivery to their street address, it is all through PO boxes. We have been pushing the electoral commission for a number of years to relax these provisions. They are telling us that it would require changes to the Commonwealth *Electoral Act* and we are pushing for that to occur. They are looking into this and are looking at email being an alternative form rather than ordinary mail. If that was the case we would see a significant expansion of that program.

**Mr CHAIR:** That concludes consideration of Output Group 3.0.

## **OUTPUT GROUP 4.0 – CORPORATE AND SHARED SERVICES**

### **Output 4.1 – Corporate and Governance**

**Mr CHAIR:** The committee will now move onto Output Group 4.0, Corporate and Shared Services, Output 4.1, Corporate and Governance. Are there any questions?

That concludes consideration of Output 4.1.

### **Output 4.2 – Shared Services Received**

**Mr CHAIR:** The committee will now move onto Output 4.2, Shared services received. Are there any questions?

That concludes consideration of Output 4.2 and Output Group 4.0.

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

On behalf of the committee, I thank Mr Loganathan, the Electoral Commissioner, for attending today.

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The committee suspended.

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## **OFFICE OF THE INDEPENDENT COMMISSIONER AGAINST CORRUPTION**

**Mr CHAIR:** We will resume with the Office of the Independent Commissioner Against Corruption. Chief Minister, I invite you to introduce the officials accompanying you and make an opening statement regarding the Office of the Independent Commissioner Against Corruption.

**Mr GUNNER:** I welcome Ken Fleming, the Independent Commissioner Against Corruption, to his final estimates appearance. I will ask him to make his opening comments.

**Mr FLEMING:** With me is Ms Kathryn Clet, who is our Director of Governance, Finance and the like; and our CEO, Mr Matt Grant.

This will be my last appearance at estimates, as the first Independent Commissioner Against Corruption in the Northern Territory. I thank the government for the enormous privilege of being appointed as the NT ICAC, and for the support and funding that has enabled me to set up an office that is now fully operational.

In addition, I thank government for allowing us to conduct our business free of interference and in a truly independent manner.

These first two-and-a-bit years has seen the office achieve an enormous amount, much of which has been behind the scenes. This is despite what the press may think. There are some sections of the press and the public who believe the office has scored more own goals than tangible impact. I hope that by the end of this period we can show you quite the contrary. I can only think of two instances in the agency's life which, while unfortunate, should not detract from the work that has been done by the agency.

The impacts of the office are important to place on the record. The balance between protecting whistleblowers and those that otherwise cooperate with ICAC processes, and informing the wider public about matters we investigate, is a constant struggle.

The Northern Territory is a small jurisdiction, and on each occasion I have to ask myself, 'Could a reasonably informed individual unpick what I am talking about and identify a whistleblower?' The answer to date has

been 27–7. That means there are 20 concluded investigations I have not been able to publish. I can talk about them in broad terms and in terms of outcome.

The investigations unit has finalised 24—up until the other day but is now 27 investigations since commencement in November 2018. I will come back specifically to figures for the period of time 1 July 2020 to 31 March 2021 in a moment.

These investigations have been allegations including but not limited to:

- breach of public trust by public officials
- mismanagement of financial resources
- using a public position to influence a selection or procurement panel
- misappropriation of public resources, including disposal of public items
- maladministration of grant funding
- false documents provided to receive a benefit, such as employment or personal leave
- misuse of publicly supplied telecommunications devices
- release of and dealing with confidential information
- breaches of non-disclosure directions from the ICAC.

There have been significant outcomes as a result of these investigations, such as:

- The Speaker resigned from office directly after a report was made containing a finding of corrupt conduct.
- Mr Ashley Brown resigned from his position as security manager at Royal Darwin Hospital after a public report was released revealing he had falsified a certificate of Aboriginality in order to win the position under Special Measures provisions.

I will pause because there are another two reports about misconduct in that context. It might be said that those matters are trivial, but we disagree completely. If you have the wrong person in the wrong place, it is an enormous expense on the public office.

To take you through such a process: first, the advertisement is prepared and goes out. That costs the government. Prior to that of course, the job description is prepared by somebody, which is another cost to government. Then a selection panel is put together—three people plus an assistant—to select the end person. If there are 50 applicants to a job, that panel of three reasonably senior public servants will have to consider 50 applicants. If they take 30 minutes per applicant, you can see the amount of time which has built up—25 hours multiplied by three. It is a cost to government.

There are also the interviews and referee checks—however long that takes by three people—which is a significant cost to government. Then if you appoint a person to a \$100,000 job who does not have the qualifications to do that job—another cost to government. You have simply wasted your \$100,000—but that is not the end.

Someone has to correct the errors that have been created, which is another cost to government. There is perhaps another half a person's time being used to correct that error. Then there is the problem of removing that person from an office, which is not an easy task by any stretch of the imagination. I do not know if you have been following the maths, but just in one such area you are probably looking at \$200,000 to \$250,000 per person.

In respect of curriculum vitae, the latest research is that at least 20% of them contain untruths. That research has been done not here, but in other parts of Australia. If that is the case, then the problem that we have pointed out is a very significant one.

Recommendations have been made to at least eight public bodies in relation to their policies and processes in circumstances where the evidence has fallen short of corrupt conduct by individuals due to the lack of

governance. There are eight situations where we found no improper conduct as defined by the act but we know that there were areas that could be improved and those recommendations have been made.

Public reports published with findings and recommendations in relation to individual corrupt behaviour and organisational governance gaps have been pointed out and recommendations made.

There have been exculpatory outcomes where five matters have been the subject of significant investigative effort, and the subsequent report and findings have absolved persons of interest of any wrongdoing. I have said from the outset that my obligations include exculpatory as well as inculpatory. That will lead me to something a bit later in this opening statement about matters in the press in the last 24 hours.

In upcoming investigations, the outcomes include matters involving allegations of systemic misuse of financial resources in remote schools with recommendations that will require governance improvements at the regional and departmental levels. I can assure you, while I cannot give you a great deal of detail yet, that there is a very significant amount of money involved in that.

Regarding data manipulation in order to obtain government funding, there are significant amounts of money.

Failure to declare and manage conflicts of interest, thereby awarding large amounts of work to contractors based on personal connections.

Assessments are made as each and every matter comes in. The assessment unit turns its mind to all incoming matters and it also refers matters back to agencies for investigation and oversight of the outcomes.

Those outcomes include remedial training to employees, separations from Northern Territory public service including contract terminations and non-renewals, review of employee entitlements, audits of leave records, recommendations to agencies on recruit practices, identification of additional improper conduct for attention and remedy, disciplinary action and formal cautions. It should be noted that some allegations were unsubstantiated subsequently by agency investigations.

We do not prosecute nor conduct disciplinary proceedings. The act says that we do not do that nor can we make an allegation that a person is guilty of a criminal offence or a disciplinary proceeding.

I table a document which sets out some of the significant statistics. The document is broken down into two parts from commencement of the ICAC, on the left-hand side, to the dates in which we are interested, on right-hand side. We are specifically interested in 1 July 2020 to 31 March 2021.

This is what we consider the Office of the ICAC impact summary. It records matters from 30 November 2018 to 31 March 2021, and then matters on the right-hand side from 1 July 2020 to 31 March 2021. You will see on the left-hand side that 933 reports were received, containing 10,079 allegations since commencement and up to 31 March 2021. Seven hundred and fifty-six of those have been assessed; 67 allegations are under preliminary inquiry; 59 allegations have been referred to an agency for action; and 620 reports containing 670 allegations have been closed.

It was always of concern that there would be an historic backlog of matters to be dealt with. You can see that 620 reports is a significant number. They are closed because, first, they might not be within the ICAC's jurisdiction; second, they do not measure up to the threshold questions we pose. That is, is there enough information by which we can act?

If it is an anonymous report, we are in no position to follow that up. We encourage people to give us their details so we can follow up. We follow up with people to find more information to see whether or not it is a matter we should be interested in. A number of people never respond to us, and we have no option but to close them on that basis.

You can see on the next line down that there are 39 active investigations in an investigations unit of about 11 full-time employees plus consultants. There are eight active joint investigations with other agencies; 24 investigations have been finalised; and four referrals have been made to the police or the DPP.

Pausing there, we had to negotiate a manner by which these reports can be made and, if matters are deserving of charges, who will lay those charges. We cannot play an active part in that, but we needed, nevertheless, a protocol by which we can transfer those. That protocol is nearing completion but is the interim for matters that have been referred.

You can see that 42 corruption prevention recommendations have been made and 93% of the recommendations that we have made have been accepted. Thirty nine recommendations are under monitoring and review—we recently established the position so that can be done—and two audits are under way. Audits are a very significant aspect of what we do because we can audit and review practices to see whether or not corrupt conduct has occurred, is occurring or is at risk of occurring. That is different to preliminary inquiries and investigations.

One hundred and thirty-six prevention initiatives have been delivered. Approximately 3,000 people have attended our information sessions and 89% are satisfied with the information sessions and public reports that we mentioned previously as having been released.

Going specifically to the period 1 July 2020 to 31 March 2021, you can see the range of issues that have arisen: retaliation; reprisal; recruitment; and procurement. If you look down at the longer blue lines, you will see, for example, in the middle, inappropriate performance of functions. Then down to conflict of interest, breach of PSEMA and code of conduct. Back to the top is recruitment, police misconduct, procurement and misuse of resources. They are issues that continue to occur over that period.

The allegations by type of public body is an important consideration. This is a measure of the influence of the presence of the ICAC office. Up until a year ago, perhaps a little longer than that, 24% of all reports came from agencies within government and 76% came from outside of government. You will see that the allegations by type of public body and agency has risen dramatically and now constitutes 62% of all reports. We consider that to be a sign that the ICAC is embedding itself in public service consciousness and has some credibility that is being followed up by people who now have confidence in that.

**Mrs FINOCCHIARO:** Commissioner, I hate to interrupt you but opening statements usually are quite short. We have a lot of questions to get to, if you do not mind drawing your comments—I know you had other things to talk about and we can go on for a little longer, but I would very much like to get to questions. I do not want you not to be able to say something you wanted to say.

**Mr FLEMING:** I want to talk about conflict of interest. Last time I was here, I said there was an enormous problem in respect of conflict of interest. There remains an enormous problem in respect of conflict of interest. First, it is seriously misunderstood. It is not the fact that a conflict of interest exists; that is the issue. It is the manner in which that conflict of interest is managed; so says section 10(2)(c)(ii) of the *ICAC Act*. It also says, practice direction or conduct direction 12 from the Office of the Commissioner for Public Employment—so says the *Associations Act* and so says your own act in relation to your own ethical dealings.

A conflict of interest is inevitable where you have a community which has one degree of separation. That is not the issue; the issue is how people deal with that? There are comments floating around and I understand that at least some people in this Chamber were briefed on this yesterday by an outsider. But if others were not briefed I need to bring you up to date.

The conflict of interest, generally speaking, and the management of that requires, first and foremost, a declaration of a conflict of interest. That is consistent with every piece of legislation and direction about this. That declaration leads to management to determine what should be done about it. You cannot do anything about it until you know about it; once you know about it you can manage it.

The conflict of interest is of paramount importance in our office. Upon establishing the office we created a conflict of interest policy based on best practice from the New South Wales ICAC. That policy has since been refined and revisited with material from the Auditor-General.

Before ICAC staff are on-boarded and yearly thereafter, we do the following:

- Our staff are required to complete a conflict of interest declaration.
- At the commencement of every meeting, conflict of interest is raised. A document such as this sits on every table where a meeting is held. It says, 'Before this meeting commences you must declare a conflict of interest'.

I can table that document.

- This meeting may include discussions about sensitive and confidential topics, including that the agenda items are set out.

- Before we commence this meeting we ask, 'Are there any conflicts of interest to declare?' All declared conflicts of interest must be recorded and forwarded to my executive assistant.

This next statistic might surprise you. In the two-and-a-half years that we have been operating the ICAC, the Office of the ICAC has internally declared and treated 397 conflicts of interest. It has been asked of me by the reporter who wrote the article in the last 24 hours, if I set a higher standard for the ICAC. Yes, I do. If you compared that to any other organisation, you will find that those figures are remarkably high.

However, that is not the end of the matter. That is from a staff of 30 people. If you examined other registers, which I invite you to do at any stage and compare them, of the 397 declared conflicts, 39 came from external consultants who we engage. The matter I am referring to is captured in those declarations.

Pre-employment screening is an important issue. It is controlled by the ICAC Act. People would perhaps like me to do a scan of the world to see whether there is anything in any place about somebody we intend to engage.

By section 126 of the act, this parliament has given me power to conduct certain pre-employment investigations. I do not go beyond power and am not a stickybeak. I am interested in the things the act says I should be interested in. For example, the ICAC may request the person to do any of the following: provide or consent to a criminal history check and, if necessary, provide biometric data for that purpose—we do that; undergo a police intelligence or integrity check—we do that; require a declaration of personal interests that I consider relevant—we do that; undergo a medical or psychological assessment—we are now taking that on board.

The professionals advise us that when organisations employ people the focus is on skills, qualifications and experience, but when they sack people it is mainly based upon their behaviours. On that basis, we urge that there be a far more rigid way of looking at candidates for work. We employ them on their qualifications and skills, and we sack them upon their behaviours.

With each and every person who comes to the staff of ICAC, we intend to ensure that there is a psychological assessment of that person, including psychometric testing. Then we require a statutory declaration in relation to matters determined by me to be relevant to the person's suitability. I can assure you that includes matters of discipline, perhaps spent convictions, and behaviour.

I want to refer to section 127 for a moment because it is important. Subject to subsection (2)—and I will come to that in a moment—the ICAC must not disclose any information about a person obtained as a result of action taken under section 126(2) to any person other than that person or the inspector. It is all very well for a journalist to write to me and say, 'Answer these questions'. I cannot because the act says I cannot.

I can tell you what we do. We do not run a general scan for something that might be called 'intelligence'. We prefer, rather, to go to things which tell us something, not allegations that might appear in the press—not even allegations that might have been made before a Commonwealth parliamentary committee under privilege or allegations made by a union to the government in South Australia involving the SafeWork office in South Australia.

We look at the outcomes of those matters and see what was discovered by a proper investigation, not by some loose proposition in a newspaper or even, with the greatest respect, somebody who is making a statement to parliament under privilege.

We do our job properly and are very concerned to make sure that the people who we on-board know what they are doing and are competent. If the occasion arises, I can explain more about some of the conflict of interest issues.

**Mr CHAIR:** Thank you, Mr Fleming. Are there any questions on the statement?

**Mrs FINOCCHIARO:** Commissioner, when are you finishing up with the ICAC office?

**Mr FLEMING:** My last day on the payroll is 5 July. The next commissioner commences on 6 July. He is being sworn in on 1 July. My bones will be well-bleached by then and you will have fresh eyes and fresh enthusiasm coming from the Deputy Commissioner at the Office of the ICAC in South Australia. I had correspondence with him and spoken with him. He has been to our office, met our staff and spoken with them over a period of time, and has already found himself a place to live up here. He will hit the ground running the week after next and then commences on the sixth.

**Mr GUNNER:** The controversial question is whose electorate he has chosen to live in.

**Mr CHAIR:** He is in Stuart Park, so I do not know whose electorate that is.

**Mrs FINOCCHIARO:** Thank you, commissioner. I appreciate it. From the outset, I want to thank you and your team. There is a lot of work that goes into what you do on a daily basis and what you do in preparation for estimates as well which, in some ways, can detract from what you are doing on a day-to-day basis.

In January this year you indicated that there were at least five reports to come out before you left office. Does this include the two public statements issued by your office on Friday?

**Mr FLEMING:** They were reports that were sent, yes.

**Mrs FINOCCHIARO:** Are you anticipating three more will be published before 5 July?

**Mr FLEMING:** I think one or two have come out before those two. But yes, that is subject to this. Procedural fairness is a critical issue. It came to my attention again, rather dramatically, approximately a month ago. We are desperate that people have that opportunity.

It is not always as easy as you wish because in one instance there are eight organisations and individuals to whom natural justice is given. They all refer to legal counsel or solicitors for advice and I give the maximum opportunity for them to obtain that. The process in respect to one has been completed. There is another one which is out for natural justice but the person wants to appear and make a statement, presumably under oath. We will deal with that.

There is another one involving substantial amounts of money, which is out for natural justice. The response has come in. It is being processed at the moment so I anticipate there will be three matters released before I go. If not, it will be a very short time after that.

There are other matters which are under way which as yet have not been sent out for natural justice.

**Mrs FINOCCHIARO:** Just following up on that, when your time concludes, what happens to all active cases?

**Mr FLEMING:** There is some speculation on that. The *Interpretation Act*, as far as I can see, appoints a person to an office, and the office has the responsibility. The office continues on. That is the purpose of the *Interpretation Act*. In saying that, there are other issues that will come to the fore. For example, all of the delegations that I have made may continue on. That could be arguable. There will be a line of documents about delegations in front of the new commissioner on 6 July, which he must consider immediately. Delegations are significant because if there is not a proper delegation and a power is exercised by somebody, it is a nullity.

Matters that are in process will continue on. I have not been involved in a great number of hearings in recent time. They have been conducted by others who are deputy commissioners who have been brought in for that purpose and who can continue on with those hearings. They are very significant hearings as well.

**Mr GUNNER:** The Leader of the Opposition asked a question during the last session of parliament, from memory, about deputy commissioners. You are saying that you bring people on to act as a deputy commissioner.

**Mrs FINOCCHIARO:** That would be my next question, Chief Minister. I want to absolutely confirm that it is your understanding that any matters currently being investigated by the Independent Commission Against Corruption do not end with your departure and need to be re-enlivened—they continue on?

**Mr FLEMING:** They continue on. That process was most recently gone through by ICAC in South Australia, and the person is coming from there. He is fully aware. I had a discussion with him about those matters.

**Mrs FINOCCHIARO:** In recent public statements and investigations reports relating to the deputy commissioner of the ICAC, in other jurisdictions there are specific provisions within the ICAC legislation to appoint a deputy or assistant commissioner whilst my understanding is that our legislation allows for the appointment of an acting commissioner. It does not make provision for deputy commissioners or assistants. What is the process followed to appoint a deputy ICAC commissioner?

**Mr FLEMING:** First, there must be a demand for such a person to hear a matter. The demand arose in the latter part of last year. Second, section 125 of the ICAC Act provides that I may delegate any of the ICAC's functions under the act to a member of ICAC's staff. ICAC staff is defined; it includes contractors and consultants. I may delegate any of my functions to such a person who, in my opinion, is a suitable person to perform the function delegated.

I had a discussion about this very soon after I was appointed, with a Supreme Court Judge in Queensland. Following his initial reading of the act—he was a retired Judge and I had him in mind to do an inquiry—he said, 'It seems to be I cannot do the inquiry unless I am the ICAC'. I said, 'No, that's not right; there is a delegation power.' He said, 'Oh, that changes everything', and it does. I can delegate any power except the power of delegation. I cannot delegate that to anybody. Nor can I delegate what might be called substituted service, surprisingly. If we cannot serve a person with a document, I cannot delegate the power to find some other way to serve that document. I have to consider that. They are the only two matters that I cannot delegate under the act.

After we crafted a job description about who we might seek out, two very experienced barristers, both Queen's Counsel and both with considerable public sector experience, were identified as potential candidates. They submitted packages to us. I considered their suitability in regard to section 114 of the act—that is, would these people be able to fill my position if necessary? That was not necessary but it was a check I placed on myself.

Section 126 of the act, I read to you before. Both deputy commissioners were formally provided with requisite delegations under the act and performed their functions, not under my control but my supervision.

**Mrs FINOCCHIARO:** Do you think, going forward, this should be dealt with by the legislation? There is a rigorous process to appoint the commissioner. It goes to a panel and there are legislative requirements around it, whereas the deputy commissioner role rests with the commissioner. Would a deputy commissioner, given that they are performing the duties of the commissioner in many instances—would a more rigorous process not add value? Should the legislation be amended so as to create a legislative framework for the deputy commissioner, similar to if not the same as the commissioner themselves?

**Mr FLEMING:** I am leaving. From my perspective that would take an enormous burden off the commissioner's shoulders if there was a provision for a deputy commissioner. Getting back to matters of estimate, we had built into our budget the budget for consultants and legal services, and we have used those funds—deliberately, because we anticipated that—to employ these deputy commissioners.

If there were a deputy commissioner, another very significant amount would be required in the budget in respect of that person. Up until relatively recently, the office has had lawyers—not practising lawyers—who take their skills to other areas of the office. I have been the sole senior lawyer in the office, and that is a lonely place. I would much rather to have shared that with another senior person, I assure you. My answer is yes.

**Mrs FINOCCHIARO:** Earlier in your opening statement you said that if a complaint does not reach the ICAC's threshold—then my notes stop. Are the matters that do not reach the ICAC threshold then referred to the Ombudsman as a matter of course? What happens to them?

**Mr FLEMING:** No, we close them down. There is an obligation under the act for all public officers to refer matters to us. We close them down because there is no basis for investigating them further.

**Mrs FINOCCHIARO:** Are they not sent to another, more appropriate, investigatory body? They are just closed?

**Mr FLEMING:** You said 'a more appropriate body' to investigate improper conduct?

**Mrs FINOCCHIARO:** No—it might not be improper conduct. If it is not meeting your threshold it might be a public interest disclosure or for the Auditor-General. It might be something else that is not in your bailiwick. If it gets to you guys and does not meet your threshold, is it then file closed, or can it be diverted to the more appropriate spot, if there is one?

**Mr FLEMING:** We can do that, and we do that with matters—the matters we close down have nowhere to go because we cannot get more information and there is not enough information there to establish improper conduct.

**Mr GUNNER:** When you spoke in your opening comments and the Leader of the Opposition took her notes, you had a couple of categories. One was that it did not meet the threshold, which was that it did not have sufficient evidence to be something. When you use the word 'threshold' it was not enough to be able to pursue anything. There was another group that the Leader of the Opposition was going to—if that group comes in and it does not sit with you, if it does not meet anything, it might go somewhere else?

**Mr FLEMING:** Yes, indeed.

**Mrs FINOCCHIARO:** How many matters have been referred to other entities to deal with? How many have been closed and how many referred on for further action, but by someone other than the ICAC?

**Mr FLEMING:** Can we go to the document I handed up? That is the Office of the ICAC impact summary. Go to the top line: 933 reports containing 1,079 allegations—67 matters remain within our assessment area because we are seeking further information in respect of them; 59 allegations have been referred to an appropriate agency for action.

**Mrs FINOCCHIARO:** Could that include, for example the Ombudsman?

**Mr FLEMING:** It might include the Ombudsman. Whichever the appropriate agency is. The act makes it clear that it might even including interstate or Commonwealth agencies if they—for example, we receive issues about NDIS, which is not within our jurisdiction; we refer them immediately to the NDIS for investigation.

**Mrs FINOCCHIARO:** You already discussed in your opening statement the story in today's paper, where the ICAC awarded contracts to conduct high-level investigations to gap risk management. That entity is connected to Kate Kelly, who is your investigations director. Has Ms Kelly had to be stood down pending the outcome of this investigation?

**Mr FLEMING:** No.

**Mrs FINOCCHIARO:** She remains in the role?

**Mr FLEMING:** She remains in the role.

**Mrs FINOCCHIARO:** Does that compromise the ICAC's future or current investigations?

**Mr FLEMING:** No. I can tell you why. The process we followed—we needed investigators, because investigations are the hardest people to recruit by any integrity agency. We needed investigators. We sent out into the investigator area a request to put in an expression of interest and four came in. They were assessed—and we knew that when they came in, one of those involved Ms Kelly as a domestic partner.

Those expressions of interest were assessed in-house by somebody away from Ms Kelly. A tentative conclusions was reached. We were aware that gave rise to a potential conflict of interest. We then gave the four matters out to a contractor, who is a very experienced investigator who has been an assistant Commissioner of Police in two Australian states. Without knowing any connections we asked him to assess the four people who expressed interest.

He again came up with Mr McGinley as being the most experienced, qualified and competent. At that point in time, we had to make a decision. This is where the management of conflict of interest arises. It is when the act comes into play and all of the requirements—whether they be in a practice direction or wherever—come into play. How do we manage this?

We wanted his services because of his skills. We then set up consideration completely separate from Ms Kelly, and I was the person who made the final decision to engage him as a contractor. We did that on the basis that the management of him would be kept entirely separate from Ms Kelly. She had nothing whatsoever to do with it.

We created separate spreadsheets, we negotiated with him independently of Ms Kelly. He reports not to Ms Kelly but to other people, and they record everything that he does. Before he takes another step in any job he has to put in a further statement as to what the steps will be and the potential cost of that.

You said high-level investigations by way of your introduction. Mr McGinley was doing investigations. We did not select high-level investigations for him. We had four people to whom we could give investigations. We gave three or four to him and we gave investigations to other contractors as well.



Recruitment in respect of investigation services is exempt from the normal recruitment rules in the Northern Territory public service. We are not bound by those. I went through that process, and Mr McGinley has proven to be a very effective investigator. There was some jealousy in the office, some people were saying that they were not getting the investigation work. The material from the paper, I can assure you, has come out of our office contrary to the *ICAC Act*, contrary to the *Oaths Act*, and I intend to follow it up.

In addition to that, the person who gave that material over has Northern Territory Government material and objects, for example a laptop computer, a mobile phone and a card which we have requested from her three times and has not been returned. I intend to turn that matter over to the police this week.

The person who released that information was in fact in the second period of probation. Her probation was extended from six months because she was not satisfying the requirements of a senior investigator. She complains about such things as preparing documents, notices under section 34, section 32 and section 147 of the act, and considers them to be menial. I do not. I consider them to be at the very heart of what we do and if they are not right we have no entitlement to bring somebody in.

That was the sort of material about which she complained. We gave her a notice that we intended to terminate her employment whilst still under probation at about the tenth month of her probation. She immediately made what she considered to be a protected communication to me. She then made a complaint, as she is entitled to do, to the inspector. She then made a complaint to the Commissioner for Public Employment, seeking to overturn our decision to give her notice of termination.

The Commissioner for Public Employment took a little longer than normal to make her decision because she was inundated with the 50-odd pages, plus the 200-something pages that go with that. After about three weeks, she confirmed our decision that she be terminated. That is where the material has come from. I know that because I was sent a series of questions by the author of the article and they exactly matched the material given to me by that person.

I am concerned there will not be proper coverage of this because I am limited in what I can say; however, I intend to pursue it. I should add that section 127A of the uniform evidence act does not apply to a journalist in hearings before me as the ICAC. I am not a judicial entity. Section 127A gives privilege to a journalist in respect to a source if they appear in front of a judicial entity. I am not so defined. I know that is a long answer.

**Mrs FINOCCHIARO:** That was not where I thought that would go. I will not get in to whether or not the person who gave that information is a whistleblower or any of those other things. They are not matters for me, but I want to go back to asking about the contracts.

The ICAC does not have to comply with Territory government procurement rules and processes, so how many contracts has the ICAC office issued? For example, is it like a panel contract where you have a number of investigators you can use at any one time like other government agencies which emulate that model? Are they long-term contracts or contracts for each specific investigation? How does that contracting work from your office?

**Mr FLEMING:** They are not even contracts for the duration of the investigation. We require an investigation plan before we commence an investigation. That plan is stepped. We will contract for each step. It happens that the matters Mr McGinley is investigating expanded. Those were given to him in August of last year. As an investigation develops, they have expanded as a result of the information coming in. We do not necessarily have a view of a destination, hence their investigations.

**Mrs FINOCCHIARO:** Of course, yes.

**Mr FLEMING:** They get a contract for each step. Each step has to be set out again by the contractor and an estimate of the cost of that step before they will receive a follow-up contract.

**Mrs FINOCCHIARO:** Do you have a vetted pool of investigators to fulfil that role?

**Mr FLEMING:** We have four people who are interested in doing our work. We consider some to be more effective than others, so we can be selective about the matters that we give.

**Mrs FINOCCHIARO:** Last financial year, how much did the ICAC spend on contracts?

**Mr FLEMING:** This does not only include investigators, it includes all contractors. We have, for example, our technology—which is critical to what we do and is a very expensive part of what we do. It includes that, researchers, transcribing services ...

**Mrs FINOCCHIARO:** These are all external to the services provided by the office?

**Mr FLEMING:** Yes, these are all external services.

**Mrs FINOCCHIARO:** Could I please—you might need to take it on notice—get a list of all the types of services that are contracted and the amounts from last financial year?

**Mr FLEMING:** Yes, we can take that on notice and provide that to you.

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#### Question on Notice No 1.1

**Mr CHAIR:** Leader of the Opposition, please restate the question for the record.

**Mrs FINOCCHIARO:** Could the ICAC please provide the details for last financial year of the total amount spent on external contractors, with amounts broken down into each area of contractor—for example, IT, investigations, research, transcribing et cetera?

**Mr CHAIR:** Chief Minister, do you accept the question?

**Mr GUNNER:** I am happy to accept the question on behalf of the ICAC.

**Mr CHAIR:** The question asked by the Leader of the Opposition has been allocated the number 1.1.

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**Mr FLEMING:** What has happened to my independence?

**Mrs FINOCCHIARO:** Before I move on from that, commissioner, that matter we have just been discussing is under investigation by the investigator, who is the person who investigates the ICAC ...

**Mr FLEMING:** The inspector.

**Mrs FINOCCHIARO:** The inspector, sorry. That matter is before the inspector?

**Mr FLEMING:** Yes, it is. The moment it came to my attention I took a number of steps, including sending the matter to the inspector. It had also been referred to the inspector by the individual.

**Mrs FINOCCHIARO:** Last financial year, how many matters were sent to the inspector?

**Mr FLEMING:** I cannot answer that because we do not necessarily know how many. We might know the results of matters, but I do not know how many ...

**Ms CLET** interjecting.

**Mr FLEMING:** Yes. It is in the annual report of the inspector.

**Mrs FINOCCHIARO:** In the inspector's annual report. Is that required every year? That is published every year?

**Mr FLEMING:** Yes.

**Mrs FINOCCHIARO:** Then that inspector is required to publish what the investigation ...

**Mr FLEMING:** The inspector is required to make a report about the conduct of the ICAC, issues such as warrants and notices we have issued, whether or not I have complied with the act. He has all of those obligations to report on. I have to give him complete cooperation for that. But I will not necessarily know everything that is referred to him.

**Mrs FINOCCHIARO:** Does he have to publish that detail?

**Mr FLEMING:** He has to report, I think, to the minister about that.

**Mrs FINOCCHIARO:** That is a public report, Chief Minister?

**Mr GUNNER:** Yes. The annual report is public. I am seeking advice whether this falls under an output somewhere where I can get the answers. I have met with the independent inspector. He has reported to me. He obviously does the annual report. I want to clarify exactly under which output his funding may appear where we can get, potentially, some answers today. Or at least I could take questions on notice.

I was thinking whether I could take questions on notice now, but that may be inappropriate that the ICAC takes questions on notice on behalf of the independent inspector ...

**Mrs FINOCCHIARO:** But you could move it.

**Mr GUNNER:** Yes, I could.

**Mrs FINOCCHIARO:** Where I am going is, how many investigations into you or your staff, commissioner—that type of thing. Where would that information be held? For example, and it may be the only public example I am aware of—when you went to Yuendumu. Where would people find the outcome, or is there never a public outcome, as such?

**Mr FLEMING:** I have the act open. Section 136, Evaluation of ICAC, says:

- (1) *The Inspector must evaluate the performance of the ICAC for a financial year.*
- (2) *In evaluating the ICAC's performance, the Inspector must consider:*
  - (a) *whether the ICAC and members of ICAC staff acted within power and in compliance with this Act and any other relevant Acts or subordinate legislation; and*
  - (b) *whether the ICAC has implemented any previous recommendations made by the Inspector; and*
  - (c) *any other matters the Inspector considers relevant.*

Then he must prepare a report on the evaluation under section 136 and give a copy of the proposed report to the ICAC—that is to me, for natural justice. I have an opportunity to respond. Then he must give the report to the ICAC minister and the ICAC within three months after the end of the financial year. The ICAC minister must table a copy of the report in the Assembly within six sittings days.

**Mrs FINOCCHIARO:** Much like with the investigations you conduct, there is not necessarily a report and public reporting outcome of investigations of either the commissioner or the staff. Would that be fair to say?

**Mr FLEMING:** I think that is probably right. I do not object to a public outcome, in fact I would be delighted.

**Mrs FINOCCHIARO:** I am trying to work through how that process works.

**Mr GUNNER:** Could I confirm—if the Leader of the Opposition can continue her questioning and hopefully, during the course of the questioning, I can determine exactly which output it sits at. If that cannot be determined, I am more than happy to take the question on notice now. Maybe I am being overly sensitive to the independence between the ICAC and the independent inspector. If I can, I would rather not have the ICAC take questions on notice for the independent inspector. If needs be, we will. Does that make sense?

**Mrs FINOCCHIARO:** Are you the ICAC minister?

**Mr GUNNER:** Yes.

**Mrs FINOCCHIARO:** At the very least, do you undertake to take those questions on notice in the Chief Minister's ...

**Mr GUNNER:** Yes, I will absolutely take them on notice, whether it is the Chief Minister or Treasurer, or we will find a spot? If I do not get an answer before the Independent Commissioner leaves we will take them now. I would rather get them taken than not taken.

**Mr CHAIR:** Are you happy with that, Leader of the Opposition?

**Mrs FINOCCHIARO:** Yes, thank you.

Commissioner, I raised in my farewell speech to you and welcoming speech to the new commissioner was how the ICAC interact with government and/or the Assembly. I was always of the view that the ICAC is appointed by the Assembly, not the government, and should be reporting to the Assembly, not the government.

I am happy to be stand corrected but, if my memory serves me correctly, on two occasions you have written directly to the Chief Minister to convey information to the Assembly; that has not sat well with me. I wondered why that is the case and why you would not write to the Assembly itself—all members of the parliament as opposed to just the government?

**Mr FLEMING:** I understand your concern. My obligation is to write to the person who has the responsibility for the administration of a particular agency. That inevitably falls to the minister.

**Mrs FINOCCHIARO:** That is actually set out in the legislation?

**Mr FLEMING:** Yes.

**Mrs FINOCCHIARO:** Where is the line? On what occasions should the commissioner correspond directly with the Assembly versus with the responsible minister?

**Mr FLEMING:** We would be delighted to communicate with the ICAC committee and we look forward to that actually being up and running. There are a couple of outstanding issues there. We look forward to that oversight and collaboration.

**Mrs FINOCCHIARO:** That would be how it would work? Taking those two past examples, in future, would the commissioner be writing to the ICAC committee to have correspondence tabled in parliament?

**Mr FLEMING:** No, I still have to comply with the act and the correspondence. There is a very clear delineation about where a report should go. It should go to the agency, the head of the agency, and sometimes to the head of the agency initially, with recommendations for example. If the agency does not, within a period of time that is set, do anything about the recommendations, I can then write to the minister. If the minister does nothing about those recommendations, within a period of time, then it can go to parliament. That would be directed, I think, to the Speaker.

The report that I prepared in respect of the Speaker, again there is a clear delineation of responsibility. If it is in respect of a member of parliament, the matter goes to the Speaker or if it is about the Speaker, it goes to the Deputy Speaker.

**Mrs FINOCCHIARO:** I think that last example about privileged communications went to the Chief Minister. Would that not have been something, given it was a question for the Assembly?

**Mr FLEMING:** The Member for Blain—I understand what you are saying. That was the letter I sent to the Chief Minister. The Chief Minister is the minister responsible for the ICAC Act, and I sent him that letter as a result of that consideration. I take on board what you are saying and we will look at that. If there is something I need to do differently I will certainly be doing it. I meant no disrespect to the Assembly.

**Mrs FINOCCHIARO:** Why is there still no memorandum of understanding between the Legislative Assembly and the ICAC?

**Mr FLEMING:** I am weighing up what I can tell you and what I cannot tell you. We have drafted what we consider to be—there is not a consensus about what it should be and it will be a debate of some moment. I have reached the conclusion that the new ICAC is the person to carry that forward.

Parliamentary privilege is one of the most vexed questions for any ICAC. It is protected by the ICAC Act and we greatly respect that. We greatly respect the historical aspects of that going right back to the bill of rights

in the 17<sup>th</sup> century, which by the way is just repeated in legislation to this day, almost word for word. We have great respect for that and we want to see a process that ensures a proper consideration is given.

One of the issues in a memorandum of understanding would be who makes the final determination on whether a matter is privileged? It ought not to be me or the Clerk of the parliament. The way things stand, it is a Supreme Court Judge. That is the process set out in the act; a Supreme Court Judge makes that determination.

The debate will be around who it is who will be given the right to determine what is privileged and what is not. I declare now that it should not be the ICAC.

**Mrs FINOCCHIARO:** Is there a draft?

**Mr FLEMING:** There is a mound of research in respect of it and there have been tentative attempts at drafting. I had conversations in this area and I know what the issue will be. There is one other factor at play that I cannot tell you about, but will become obvious in the next five or six weeks.

**Mr GUNNER:** Can I confirm then Chair that at the DCMC output, which I believe is 21.1, Strategic Policy, Coordination and Engagement—Chief Minister and Cabinet are aware of it and that is the point of time that we will be able to take the questions on notice. If they have some information with them they will talk to them at that point in time, too.

**Mr FLEMING:** When you mentioned the farewell speech and the welcome speech, I thought you were going to refer to that part of the speech where you said you did not know me very well.

**Mrs FINOCCHIARO:** Which I also said is a good thing.

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

**Mr CHAIR:** The committee will now proceed to consider the estimates and proposed expenditure contained in the Appropriation (2021–2022) Bill that relates to the Office of the Independent Commissioner Against Corruption. Are there any agency-related whole-of-government questions on budget and fiscal strategy?

There being no questions that concludes consideration of agency-related whole-of-government questions.

#### **OUTPUT GROUP 5.0 – OFFICE OF THE INDEPENDENT COMMISSIONER AGAINST CORRUPTION Output 5.1 – Office of the Independent Commissioner Against Corruption Operations**

**Mr CHAIR:** The committee will now move onto Output Group 5.0, Office of the Independent Commissioner Against Corruption, Output 5.1, Office of the Independent Commissioner Against Corruption Operations. Are there any questions?

**Mr MONAGHAN:** Commissioner, you spoke briefly about the deputy commissioner appointment. Can you please extrapolate a bit about that, particularly on the financial commitments or the costs for a permanent deputy commissioner—plus the on-costs, salary, and all that stuff—compared to having the flexibility you currently have providing with a number of deputies being appointed?

**Mr FLEMING:** We can employ a deputy commissioner on a needs basis. They come on a daily or hourly rate and when that action is finished, they go. There are two such people. For the cost of a deputy commissioner, you would be looking at maybe \$350,000 plus all of the oncosts relating to that. I am sure that the financial people can tell me what the oncost is.

**Ms CLET:** The deputy commissioner falls under legal expenses in our financials. In the 2020–21 budget figures, we had \$348,000 budgeted for legal expenses. That includes counsel assisting the commissioner, any legal advice that we seek from external lawyers, and the deputy commissioner costs. As the Commissioner mentioned, they come through a contract. They provide us with a daily or hourly rate depending on the requirements of the office.

This financial year, the two deputy commissioners that we have taken on board since August of last year to date—I do not have exact figures for deputy commissioner costs—will probably be approximately \$200,000 at the moment and that is due to the examinations that we have held during the year which is in the range of 30 examination days up to 31 March.

**Mr FLEMING:** They do not get holiday pay, sick leave or long service leave. They come on a contract basis.

**Mr MONAGHAN:** Is that flexibility a better outcome for the ICAC office?

**Mr FLEMING:** It is financially, in terms of the ICAC's comfort. The more expensive option would be the better one but sometimes we have to give up comfort.

**Mr CHAIR:** That concludes consideration of Output 5.0.

## **OUTPUT GROUP 6.0 – CORPORATE AND SHARED SERVICES**

### **Output 6.1 – Corporate and Governance**

**Mr CHAIR:** The committee will now consider Output Group 6.0, Corporate and Shared Services, Output 6.1, Corporate and Governance. Are there any questions?

That concludes consideration of Output 6.1.

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

**Mr CHAIR:** The committee will now consider Output 6.2, Shared Services Received. Are there any questions?

That concludes consideration of Output 6.2 and Output Group 6.0.

Are there any non-output specific budget-related questions? There being no further questions, on behalf of the committee, I would like to thank you, Mr Fleming, the Independent Commissioner Against Corruption, for attending today and wish you well in the next phase of your journey, wherever that is. Is it back to Queensland?

**Mr FLEMING:** Back to Queensland, yes, and hopefully to retirement. It is my 75<sup>th</sup> year and it is long enough.

**Mr CHAIR:** I did not want to say retirement because you never know.

**Mr FLEMING:** One never retires; one just discovers new ways to expend their energy.

**Mr GUNNER:** I understand that the key to retirement is to be busier than you were. All the best with that and thank you very much for establishing the Office of the ICAC. All the best to the next person at the next estimates; they have big shoes to fill.

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The committee suspended.

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## **OMBUDSMAN'S OFFICE**

**Mr CHAIR:** Chief Minister, I invite you to introduce the officials accompanying you and to make an opening statement about the Ombudsman's Office.

**Mr GUNNER:** We are joined today by the Ombudsman, Peter Shoyer. I am happy to pass to him to make his opening statement.

**Mr SHOYER:** Good morning. The Ombudsman's Office operates jointly with the Office of the Information Commissioner. Approaches to the Ombudsman this year are likely to be around 2,500 for the third year running, a substantial ongoing increase on the historical average of closer to 2,000. Similarly with the Information Commissioner's Office, we are experiencing increases in the number of complaints to around 60 projected for this year, compared with previous year figures of 47, 35 and 21.

The COVID pandemic has had ongoing impacts on operations and on the timeliness of public sector agency responses to inquiries and complaints. We have still managed to finalise the majority of matters within 90 days. We anticipate finalising about 90% of matters within that time frame, but there will be a greater number of cases open at the end of the financial year. The majority of open matters will be NT Police matters—we oversee investigations conducted by the Police Professional Standards Command. We are working with NT Police to address this backlog as quickly as possible.

In addition to our usual functions, during the year the office has undertaken preparatory work for the establishment of a new office to provide independent administrative and investigative support to the new judicial commission in relation to NT compliance with the optional protocol to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, in short known as OPCAT, into a statutory review of domestic violence information sharing and police utilisation of firearm prohibition orders.

I thank our complainants for their forbearance in the delays that have arisen during the year and the staff of our offices for their commitment and service to complainants and the community.

I am happy to answer any questions I can.

**Mrs FINOCCHIARO:** How many complaints has your office received in this reporting period?

**Mr SHOYER:** We are projecting that it will be around 2,500 for the Ombudsman's Office. That will include approaches that do not necessarily fall within our jurisdiction, but we may be able to refer to the relevant authority.

**Mrs FINOCCHIARO:** How does that compare to last year?

**Mr SHOYER:** The last two years are very similar, but there has been a considerable increase on the historical numbers, which were 2,000. The last three years have been around that 2,500.

**Mrs FINOCCHIARO:** Of that 2,500 how many would you categorise as major investigations?

**Mr SHOYER:** We have undertaken a number of investigations. What we try to do is focus on informal resolution of matters. We work with agencies, we may refer matters on to agencies and investigate matters with agencies. I do not have a major investigation category as such. But at any one time we would have between six and 10 that involve a significant commitment work.

**Mrs FINOCCHIARO:** How many matters have you received that have been sent back down to you from the ICAC office?

**Mr SHOYER:** I do not think we had anything referred specifically by the ICAC office. As the commissioner indicated, there is a requirement to report matters. We have reported, on average, less than a dozen because we are already aware of a number of matters that have been ported to ICAC. We will investigate matters as we see fit, but will also talk to the ICAC to establish who should be dealing with what so we do not have unnecessary duplication of resources.

**Mrs FINOCCHIARO:** Your agency is also responsible for investigations into police conduct; are they included in the 2,500?

**Mr SHOYER:** They would be within the 2,500. They are the largest in terms of the number of approaches to our office. Last year there were 600 police conduct complaints. This year we are heading for possibly slightly more than that.

**Mrs FINOCCHIARO:** How many last year were resolved out of the 600?

**Mr SHOYER:** Out of the 600, I do not have the precise figures for the numbers finalised. At 30 June 2020, we had 141 matters that were still open. That gives you a sense of the rest of them that we have resolved during the period.

**Mrs FINOCCHIARO:** What does resolution look like in respect to a police conduct complaint?

**Mr SHOYER:** There are a number of varying levels of seriousness in relation to those complaints. We have Category 1 and Category 2. Category 1 are the more serious matters. Then we have a complaints resolution process where it is resolved informally by police. Then we simply have inquiries. Depending on the nature of that, the complaints resolution process is signed off by the person who is involved, the complainant, and the police. In some cases it may be that there simply was not an ability to resolve that informally.

In relation to Category 1 and 2 matters, there is a report that is produced under our oversight by the Police Standards Command. In the case of the Category 2 matters, an outcome report is then provided to the complainant so they are aware of the details of the police investigation and the outcome there. There may

be an indication to them that there has been some action taken either remedial or some form of disciplinary action commenced in relation to an officer.

In relation to Category 1 matters, which are the most serious matters, the report is provided to our office. We consider that closely and produce a report to the complainant in relation to those matters.

**Mrs FINOCCHIARO:** What percentage of the 600 complaints would be Category 1 and 2?

**Mr SHOYER:** Working on last year's figures for 2019–20, of the 600 approaches 198 were in the complaints resolution process, 76 were Category 2 and three were Category 1.

**Mrs FINOCCHIARO:** Last year the government refused to release a report detailing the cost and practical steps necessary to achieve its 50% renewable energy target by 2030. Sky News applied for that document under FOI laws. The government redacted 116 of the 118 pages. What was the reason given for rejecting almost the entirety of that document?

**Mr SHOYER:** FOI matters are handled by agencies initially. Agencies make an initial decision and it is then subject to internal review. It is only if a matter becomes a complaint to our office that we would actually become involved. I am not aware of the details of why that was rejected.

**Mrs FINOCCHIARO:** Are you able to explain the process? If an FOI application goes to an agency, does the agency then have that reviewed by the government, which then makes the final decision? How does that decision-making work?

**Mr SHOYER:** There is an initial application. There is then a requirement for an internal review which is done by someone more senior than the first person, but that is an internal governmental process. People are then able to complain to our office and we will investigate the matter and make an assessment of whether there is an arguable case on behalf of the complainant. Once we have made a decision, if someone wants to challenge that further, they can pursue it with the NTCAT.

**Mrs FINOCCHIARO:** How many challenges did you receive?

**Mr SHOYER:** Last year we had a number—I think about half a dozen. Sorry, complaints or challenges?

**Mrs FINOCCHIARO:** Challenges on the FOI.

**Mr SHOYER:** We received a total of 35 new complaints. This year it is likely to be more in the region of 60 by the end of the year. That includes FOI and privacy, so it would be just under 50 FOI challenges.

**Mrs FINOCCHIARO:** What do you put that increase down to?

**Mr SHOYER:** For a long time since the act came into force there has been an increase in the number of FOI applications generally, so there is a trend—an increasing number of complaints with an increasing number of applications. Otherwise, I have no particular indication as to why that is. It is a trend to increasing numbers, generally.

**Mrs FINOCCHIARO:** Does your office keep track of how many applications there are?

**Mr SHOYER:** Yes. In our annual report we produce the number of applications overall.

**Mrs FINOCCHIARO:** Do you know how many you had this year to 31 March?

**Mr SHOYER:** No. At this time of the year, we send out a template that each agency has to complete. We will only have that information to hand in August. That is then published in the annual report for the full year.

**Mrs FINOCCHIARO:** You have a budget allocation of \$350,000 for the judicial commission, but it has not been established yet; is that correct?

**Mr SHOYER:** That is correct. The Judicial Commission Act has been passed. In the recent budget round \$350,000 was approved, so we are going through the various steps required to establish that office and have it up and running.

**Mrs FINOCCHIARO:** What is the role of that office?



**Mr SHOYER:** The commission will deal with complaints relating to the behaviour or physical or mental capacity of judicial officers and ordinary members of the NT Civil and Administrative Tribunal. Our office will be there to support, receive complaints, make initial investigations and provide reports to the judicial commission so they can assess how those complaints should be dealt with.

**Mrs FINOCCHIARO:** How many staff do you envisage it will have?

**Mr SHOYER:** It is difficult because it is a new office, and it is hard to know how many complaints there will be and what the workload will be. We have asked for an allocation of two staff.

**Mrs FINOCCHIARO:** Who currently receives those types of complaints?

**Mr SHOYER:** At the moment they are received and dealt with by the head of the various jurisdictions—the Chief Justice, Chief Judge or the President of the NTCAT.

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

**Mr CHAIR:** The committee will now proceed to consider the estimates of proposed expenditure contained in the Appropriation (2021–2022) Bill as they relate to the Ombudsman’s Office. Are there any agency-related whole-of-government questions on budget and fiscal strategy?

#### **OUTPUT GROUP 7.0 – OMBUDSMAN’S OFFICE Output 7.1 – Ombudsman Operations**

**Mr CHAIR:** The committee will now consider Output Group 7.0, Ombudsman’s Office, Output 7.1, Ombudsman Operations. Are there any questions?

That concludes consideration of Output Group 7.0.

#### **OUTPUT GROUP 8.0 – INFORMATION COMMISSIONER Output 8.1 – Information Commissioner Operations**

**Mr CHAIR:** The committee will now consider Output Group 8.0, Information Commissioner, Output 8.1, Information Commissioner Operations. Are there any questions?

That concludes consideration of Output Group 8.0.

#### **OUTPUT GROUP 9.0 – JUDICIAL COMMISSION Output 9.1 – Judicial Commission Operations**

**Mr CHAIR:** The committee will now consider Output Group 9.0, Judicial Commission, Output 9.1, Judicial Commission Operations. Are there any questions?

That concludes consideration of Output Group 9.0.

#### **OUTPUT GROUP 10.0 – CORPORATE AND SHARED SERVICES Output 10.1 – Corporate and Governance**

**Mr CHAIR:** The committee will now consider Output Group 10.0, Corporate and Shared Services, Output 10.1, Corporate and Governance. Are there any questions?

That concludes consideration of Output 10.1.

#### **Output 10.2 – Shared Services Received**

**Mr CHAIR:** The committee will now consider Output 10.1, Shared Services Received. Are there any questions?

That concludes consideration of Output 10.2 and Output Group 10.0.

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

Mr Shoyer, on behalf of the committee, I thank you for your attendance today.

I note that while the Administrative Arrangement Order puts a responsibility for the Department of the Legislative Assembly with the Chief Minister, by convention the Speaker answers those questions regarding the department. Thank you, Mr Shoyer, and to your office and staff.

The committee will now move on to consider outputs relating to the Department of Treasury and Finance. We will take a short break.

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The committee suspended.

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## DEPARTMENT OF TREASURY AND FINANCE

**Mr CHAIR:** Welcome, everyone. We will be discussing Department of Treasury and Finance. Chief Minister, I welcome you as Treasurer. I invite you to introduce the officials accompanying you and make an opening statement regarding the Department of Treasury and Finance.

**Mr GUNNER:** Thank you, Mr Chair. I have with me the Under Treasurer, Craig Graham; Deputy Under Treasurer, Catherine Weber; and Deputy Under Treasurer, Mick Butler. Other officers are here as well, who we may invite in at the appropriate time if required.

As Treasurer, I will address financial and economic matters relating to the budget, including financial statements of fiscal strategy, Territory revenue and the Territory economy. Details on specific agency budgetary matters, including infrastructure projects, can be addressed by the ministers responsible for those portfolios.

As shareholding minister, I can address budgetary questions relating to Power and Water Corporation, Territory Generation and Jacana Energy. Operational and other policy questions should be discussed at the government owned corporations hearing.

The 2021–22 budget showed Territorians the beginnings of our recovery. This budget shows the comeback is stronger than we expected. While the Territory’s economy had been predicted to go backwards during this financial year, it is now estimated to grow by 4.7%—a big turnaround. Growth forecasts for each year in this budget are stronger than previously predicted. We have made ourselves the safest place in Australia from the virus, with Australia’s strongest comeback—Australia’s comeback capital.

While things are looking good we take nothing for granted. We are navigating our way through interstate outbreaks and lockdowns, yet we are still able to host major events like BASSINTHEGRASS with over 8,000 visitors. We are delivering vaccines in the most challenging jurisdiction for the rollout in the nation.

We have beaten this virus so far by always being prepared. This budget keeps us prepared with the resources we need, the workers we need and the funding they need no matter what happens. That is why the 2021–22 budget provides an extra \$40m to support the Territory’s COVID-19 health response. We welcome the \$514m contribution from the Commonwealth to make sure the Centre for National Resilience stays the gold standard, because it does not just help Australians to come home safely; it keeps the Territory safe, too.

Like every other government, our balance sheet received a massive whack from the Coronavirus crisis. Saving lives and jobs cost money; it was not free. Our strategy has not changed; it is the same as the Commonwealth’s. Controlling the virus allows us to grow the economy, which is the best way to improve the budget over time. The 2021–22 budget figures shows that strategy is working.

The fiscal balance deficit for 2021–22 is now forecast to be just under \$1.4bn, an estimated improvement to our bottom line of more than \$900m over two years. Net debt is expected to be about \$9bn in the next financial year, which is more than \$1bn better than we expected in the last budget.

Our stronger recovery has boosted taxation and mining royalties by an estimated \$186m over four years. GST is also higher than previously forecast, reflecting the broader national recovery. But it is still much lower than it has been historically. It continues to have a substantial structural impact on our bottom line.

By keeping COVID-19 out and getting businesses open to bring back jobs, our better-than-expected economic recovery also means a better-than-expected budget recovery. A strong recovery is still a recovery.

The budget does not make savage cuts. The budget strikes the right balance, which means it is smart to invest in jobs and opportunity for growth and savings that are sensible and proportionate to the times we are in, making a difference over the long term and not stopping our recovery in its tracks.

COVID-19 has not stopped our work on fiscal repair. All the recommendations from the plan for budget repair are now either completed or under way. Our expected net debt position has now been cut in half, compared to the 'business as usual' forecast that was projected before we started our budget repair program.

As promised, the government will legislate a debt ceiling in 2021. The debt ceiling is being set at \$15bn, excluding finance leases, and is a legislated hard ceiling. This will strengthen accountability for our long-term debt reduction goal and send a clear message to rating agencies that the government is continuing its budget repair program and help ensure another government cannot just walk away from our budget repair work.

The last budget introduced the new wages policy for the public service to help manage wages expenditure because we would rather control wages than cut jobs. This reform is saving the budget \$424m over four years. Achieving these savings without controlling wages is the equivalent of cutting 1,800 full-time jobs. Controlling wages means we do not have to cut jobs.

Total operating expenses are going down every year of the forecasts and we need to keep that discipline going because while our budget is now on the right road, it is still a long road back to balance.

We are happy to take questions.

**Mrs FINOCCHIARO:** I start by asking, where are the answers to the global questions? We lodged those three months ago. The government has 30 days to respond and we still have not received them.

**Mr GUNNER:** I thought they had all been provided to you, Leader of the Opposition.

**Mrs FINOCCHIARO:** No. Not unless it has been since I have been sitting here this morning. We have not received any.

**Mr GUNNER:** I am sorry to hear that. I will find out where they all are—I am sure someone is listening right now—and why they have not been provided.

**Mrs FINOCCHIARO:** They came in at 9.30 am this morning—two months overdue.

For clarity purposes, I start by asking in Budget Paper No 3 on page four it talks about the back-casting. One part of it says:

*Where material functional transfers between agencies have occurred during 2020–21, the FMA requires the original 2020–21 Budget and the revised 2020–21 Budget to be backcast to 1 July 2020.*

Can you explain what that practically means?

**Mr GUNNER:** That is about properly recognising the machinery of government changes that have occurred there. I will let the Under Treasurer explain that in more detail.

**Mr GRAHAM:** That is just to ensure there is comparability between years arising from various administrative changes that have happened since last year's budget.

**Mrs FINOCCHIARO:** What does that look like in practice? Urban housing has gone into Territory Families, do you take the urban housing component from Territory Housing and move it—it sounds ridiculous. You are trying to compare apples with apples but you are changing what were actual figures.

**Mr GRAHAM:** The funding allocated to that function is moved back so that it can be compared across the year.

**Mrs FINOCCHIARO:** Chief Minister, you mentioned in your opening statement your favourite topic: COVID. When you were first elected in 2016, we had a net debt of \$1.8bn. Now we are sitting much closer to \$7.7bn. All the forward estimates go up. As Chief Minister, what responsibility do you take for this excessive overspending and under delivery to Territorians?

**Mr GUNNER:** I take responsibility for our budget repair process and what we have done to halve the net debt under the 'business as usual' case. At the 2016 election the Pre-Election Fiscal Outlook showed the net debt under the CLP's fiscal decisions growing across that term. We then saw a number of things, the most important was the cuts to the GST. To put that in context, in the last year of the CLP's time in office they received around \$3.4bn in GST. In the last financial year, we got \$2.9bn in GST so \$500m difference just in those two years. There was a significant impact on the budget.

We went through a fiscal repair process and by implementation of our fiscal repair strategy, we have been able to halve net debt. We take responsibility for recognising that the 'business as usual' case we inherited from the CLP would have led to a very detrimental outcome for Territorians. We made a series of extremely tough decisions that were done during COVID and maintained that discipline which has led to a halving of the net debt expected under the 'business as usual' case.

**Mrs FINOCCHIARO:** I think harping on about a previous CLP government when you are in your second term does not sit well with the voters and does not pass any test of responsibility or the pub test at all. You have just highlighted that GST cuts are a major contributor to why we have a \$7.7bn debt versus a \$1.8bn debt that you started with. But of course, that only accounts for \$500m. Chief Minister, what do Territorians have under your government for \$7.7bn?

**Mr GUNNER:** I think there are a couple of material mathematical errors there. I highlighted the difference between the last financial year of the CLP, around \$3.4bn in GST, and the last financial year of our government where we had \$2.9bn. That is just two financial years. A number of years that have occurred since 2016, you have to add that up. It is not just \$500m; that is simply just one year. That has obviously made a big impact on the budget bottom line.

We have over the last five years—this is our fifth budget—invested a lot in protecting jobs in our first term. There were significant infrastructure investments. We were basically running around a \$1.5bn infrastructure budget year in and year out to average it out. We made a significant number of investment decisions designed around protecting Territory jobs. We made a deliberate decision not to make savage cuts but impose discipline and restraint on the public service, recognising we have a large Territory to serve. That meant that we, as you would have seen under the fiscal repair strategy, curve off the problem we are facing. It is a tougher way through in many respects because it requires discipline over a number of years, but putting that in place we have been able to halve that net debt.

We are not there yet, there are still things we have to do, but we were able to deliver a \$900m improvement to the fiscal deficit and a \$1bn improvement to net debt in the middle of a Coronavirus crisis and we are currently growing the economy. We are able to deliver on the strategies we have laid out for Territorians and we take responsibility for doing that hard work.

**Mrs FINOCCHIARO:** Chief Minister, you herald your Infrastructure budget and you talked about a \$1.5bn rollout but we know that every year you revoke about half of that amount. That is money not spent in that year and continues to roll on and roll forward—much like it has in this year's budget. How do you quantify saving jobs, what type of dollar figure are you attributing out of that \$7.7bn for saving jobs?

**Mr GUNNER:** The minister for Infrastructure will take more time to go through this. There is a fundamental misunderstanding in the opposition about how the program and the cash element works. There is a larger program than there is cash. When I talk about \$1.5bn, I mean the cash allocation towards the program. The part that revotes is the part of the program that does not have cash allocated to it; that rolls forward.

It is only sensible that you have a works program that runs over a number of years and allows you to run all the approval processes of government or other processes that can apply to different projects. You run projects over a number of years and cash up projects off that list year-in year-out. You do not revoke cash, you revoke programs. There is a fundamental difference there. Every construction project creates a different number of jobs and depending on the project it enables economic activity which will help support other jobs.

We have made a deliberate decision to protect jobs through investment in things like infrastructure. We have also made a deliberate decision not to cut the public service, which we know is the knee-jerk reflex of the CLP. We instead chose to do a longer, harder version of discipline which helps us restrain the expenditure of government and that is what has led to the improvement in net debt.

**Mrs FINOCCHIARO:** When you say the improvement in net debt, Langoulant predicted that if we did not do something drastically different in 10 years' time, we would have something like \$29bn in net debt. This is a

figure beyond any conceivable imagination; it is catastrophic in the extreme and we would be downgraded to oblivion. The federal government would probably have to step in well and truly before we hit that mark.

To herald this budget as some sort of amazing thing that has meant we have diverted from that devastating trajectory is absolutely not a win in anyone's eyes. We still have more debt than ever before and your government has not been able to set out a plan for how we deal with that. How you can turn around and say that the predictions that Langouant made and the position we are in now is a vast improvement, shows how little care you have for our financial situation in the first place. How many generations of Territorians will be burdened with this debt?

**Mr GUNNER:** There are a number of things there that show a fundamental misunderstanding of how budgets work. When Langouant tabled that report and the 'business as usual' case that the Opposition Leader is dismissing, that was the fiscal path the Territory was on if no decisions were made to change course.

**Mrs FINOCCHIARO:** Do you acknowledge that was a path that you put us on?

**Mr GUNNER:** With respect, Mr Chair, the Leader of the Opposition asked a very long question. I would like the opportunity to answer it. I understand the Leader of the Opposition likes monologues, but this is a question and answer session. It is important that we are allowed to answer the questions.

I have forgotten the question.

**Mrs FINOCCHIARO:** How is that for a monologue?

**Mr GUNNER:** It was a very long question.

**Mrs FINOCCHIARO:** Do you acknowledge that Langouant is predicting that \$29bn because of your government?

**Mr GUNNER:** We need to go through this. We came into office in 2016. One of the first things that happened after we came to office was a massive GST revision that changed the structural nature of the budget. We had to do a fiscal repair process—we identified that. We had a new look at our fiscal policy.

I agree that no government receiving that advice—both the GST revisions and then the work we did off the back of that about what would happen if we did not make any changes, we would stay on that path—\$29bn is not a good outcome for the Northern Territory. We all accept that, but it required decisions to change that course.

Yes, when I sit here and say, 'We have halved net debt under that business as usual case', that is an achievement. It cannot be dismissed as the Leader of the Opposition is trying to do because we made deliberate decisions—a number of them—to change the course of the Territory's fiscal direction so we can better protect Territorians going forward.

We were able to make all our decisions during Coronavirus because of our stronger budget position and the changes we made. We are now in the first steps of a new growth phase in the Northern Territory—more jobs in more places. Again, it is because of the hard work and deliberate decisions we made to change the course of the Northern Territory.

You simply cannot dismiss the 'business as usual' case based on those fiscal policy settings we inherited from the CLP. We had to make a definite change of approach as a government, and we did that.

**Mrs FINOCCHIARO:** Do you agree that the 'business as usual' that Langouant was describing was the 'business as usual' of a Gunner government which was heading the Territory into fiscal ruin?

**Mr GUNNER:** We were elected in 2016. The Pre-Election Fiscal Outlook that the Leader of the Opposition tries to ignore, that shows the direction of the Territory's finances if there had been a CLP government re-elected, showed net debt significantly growing across the course of that four years.

On top of that, there were then massive GST revisions that made a structural impact to our budget. As a consequence of those things, we did the work for a new fiscal repair strategy under which we have now halved the net debt situation of the Territory if we had not changed that course.

Again—and the Leader of the Opposition will acknowledge this—I thank the Cabinet and others who worked very hard and diligently to make sure we implemented the new fiscal strategy and put in place the plan that reduces the future debt burden of Territorians.

**Mrs LAMBLEY:** I am really confused. I am looking at the PEFO from August 2016. The net debt figures for 2015–16 was \$1.8bn; 2016–17 was \$2.6bn; 2017–18 was \$3bn; and 2018–19 was \$3.1bn.

What are you saying when you say you halved the net debt set by the CLP? In the forward estimates in 2018 it was only pushed out to a tiny bit over \$3bn. We are sitting at \$8.4bn in 2021. What are you talking about, Chief Minister? It is not making any sense to me.

**Mr GUNNER:** I am happy to go through it all again. The Under Treasurer provided the Pre-Election Fiscal Outlook in 2016 that showed net debt growing under the ‘business as usual’ settings of the CLP during that 2016 term.

**Mrs LAMBLEY:** To \$3bn?

**Mr GUNNER:** Yes. After the election, during our first budget process, we had a significant revision to the GST revenue estimates. You had net debt growing out under a ‘business as usual’ case, which was then further impacted by a significant reduction in the revenues the Territory government would earn. It was a big enough cut that it made a structural impact to the budget.

As a result of that, we commissioned Langoulant to look at the state of the budget, which showed if we maintain the ‘business as usual’ settings, which under a \$3.4bn GST income had us tracking towards \$3bn, and added in the significant revisions to what the GST income would be for the Territory over those four years—then it tracks out to a significantly worse net debt position.

We had the twin impacts of the CLP’s ‘business as usual’ forecast, which was an increase in growing net debt, and the impact of the GST revisions, which were significant, so the amount of revenue the Territory government received was cut substantially across those four years. That meant we had to put in place a new fiscal strategy that recognised the changing revenue streams of government. They are the two things that we had to take on board. As a result, if you look at the net debt projections that were done by Langoulant—still public—you will see we have halved that because of the decisions we have made.

**Mrs LAMBLEY:** I think you twisting things around here, because what you described happened after the election, after the PEFO—you talked about the budget repair that came out in March 2019, almost three years after you came to government. You are not taking responsibility for what happened under your watch.

I have an open mind, but what you said—many times in parliament and today—about the fact you halved the net debt left by the CLP is simply not true. In the forward estimates, in the PEFO for August 2016 the net debt only got up to \$3.094bn in 2019–20.

What you are saying has all happened under your watch. You just need to be a little honest here. Things did change under your watch, but Chief Minister. Trying to blame it all on a PEFO which clearly says—unless you want to direct me to a page that I am not looking at, it clearly does not reflect what you are saying in terms of halving the net debt left by the CLP. It is simply not true.

**Mr GUNNER:** My opening comment—I will go straight to my opening statement. What I said was that our expected net debt position has now been cut in half compared to the ‘business as usual’ forecast that was projected before we started our budget repair program.

**Mrs LAMBLEY:** What page are you referring to, Chief Minister? What document, what page are you referring to when you say the projected ...

**Mr GUNNER:** Member for Araluen, you were just quoting me, I am clarifying your quote. What I said was, ‘Our expected net debt position has now been cut in half compared to the ‘business as usual’ forecast that was projected before we started our budget repair program.’

**Mrs LAMBLEY:** Could you refer me to the document and the page of the document where it says, ‘business as usual’?

**Mr GUNNER:** You were just holding it. You were literally just holding it.

**Mrs LAMBLEY:** What page?

**Mr GUNNER:** You were literally just holding it, Member for Araluen. You have the information you need.

**Mrs LAMBLEY:** In the Langoulant report?

**Mr GUNNER:** If I can go through this again. In 2016 ...

**Mrs LAMBLEY:** I rest my case.

**Mr GUNNER:** In 2016 a Pre-Election Fiscal Outlook was handed down that showed what the finances would look like over a four-year period under the 'business as usual' fiscal policies of the CLP. We then had significant cuts to the GST that had a structural impact ...

**Mrs LAMBLEY:** All under your watch, Chief Minister.

**Mr GUNNER:** Exactly. That is why we made deliberate decisions which made a structural impact to the budget. We were then engaged in a Productivity Commission review process which would look at the GST and we waited for the completion of that—I showed some naivety in how national GST debates would go in hoping that there would be solution in our favour as a result of that. You have to be a Western Australian to get that.

At the end of that Productivity Commission review process where it showed that our revenue would not change, we then started our budget fiscal repair strategy—all public. The Member for Araluen held a copy of that report before, which showed the 'business as usual' case if you made no changes to your fiscal settings.

Obviously, that was not what we did. We did that report knowing we had to make changes to our fiscal repair ...

**Mrs LAMBLEY:** That was two-and-a-half years after you came to government that the report came out. It has nothing to do with the CLP. It is all under your watch, Chief Minister. You are being disingenuous and misleading Territorians.

**Mr CHAIR:** Member for Araluen, the Chief Minister is answering the question.

**Mrs LAMBLEY:** What is happening in this space is all your responsibility, not anyone else's.

**Mr CHAIR:** You asked the question, Member for Araluen. At least give him the option to answer the question.

**Mr GUNNER:** I am providing a very respectful logical answer here that is going through the order of events as they occur.

**Mrs LAMBLEY:** You are not being honest, though.

**Mr GUNNER:** After the Productivity Commission's review came in, which showed no changes to the GST revenue forecast for the Northern Territory, we realised we had to change the fiscal strategy of the government, and we went through a very public process to do that. That included the release of a report from John Langoulant which showed the 'business as usual' case if no decisions were made and if we kept going on the same path that we were on.

We obviously did not accept that scenario. We commissioned that report to avoid that scenario and make deliberate decisions as a government about how you go about doing that. We have done that. We have made a number of serious and significant decisions in the budget repair space and the outcome of those decisions has seen us halve the net debt under the 'business as usual' case. Those are deliberate decisions made to change the fiscal direction of the Territory Government. We take absolute ownership of that.

We were elected in 2016; we inherited a set of books we knew we had to work with that showed a worsening net debt position; we then got a significant cut to the GST. We have made a number of decisions that we take responsibility for ...

**Mrs LAMBLEY:** That is simply not true. You inherited a forward estimate of \$3bn and you took it up to \$8.4bn in a matter of four or five years. It had nothing to do with the CLP. You are referring to a report that came out two-and-a-half years after you first came to government and say it is somehow someone else's fault. It is

your fault, Chief Minister. You overspent from day one. You have mismanaged the finances of the Northern Territory and we are all having to suffer as a result.

**Mr CHAIR:** Honourable members, I draw your attention to the fact that the Chief Minister was answering the question the Member for Araluen asked.

**Mrs LAMBLEY:** Insincerely.

**Mr CHAIR:** He is answering the question in a methodical and stepped-out way which I can understand and you are interrupting him continually. I will put you on a warning, Member for Araluen. I consider your conduct to be disorderly.

**Mrs LAMBLEY:** Good for you. That is great. Throw me out.

**Mr CHAIR:** I warn you that if you persist, I will order you to withdraw from the hearings under paragraph 13 of the Assembly's resolution establishing this committee.

**Mrs LAMBLEY:** I will not sit here and be lied to by the Chief Minister. The facts are the facts. Throw me out if you like.

**Mr CHAIR:** Member for Araluen, please respect the Estimates Committee hearing.

**Mr GUNNER:** I ask the Member for Araluen to withdraw that accusation. I have given very truthful, logical, consistent and chronological answers to her questions about what the Territory Government has done to repair the budget of the Northern Territory.

**Mr CHAIR:** Chief Minister, you have the call if you desire it as you are still answering the question from the Member for Araluen.

**Mr GUNNER:** I can sum up very neatly—Pre-Election Fiscal Outlook, GST cuts and a plan for budget repair. Deliberate decisions were made that have halved the net debt that was projected out of the plan for budget repair.

**Mrs FINOCCHIARO:** What is so concerning to Territorians is that you are heralding the \$7.7bn debt that we are in as some sort of success story when we know that it is hideous, unsustainable and quite frankly a tragic figure? What you are saying is that because of the CLP's Pre-Election Fiscal Outlook which would have seen a \$3bn debt by the end of the forward estimates, because of \$500m of cuts of GST, and because of the Productivity Commission and all these other things, that is why Langoullant decided that we were tracking towards a \$29bn debt. That is just not an acceptable narrative. It is not one people believe.

You started this session saying you take responsibility as Chief Minister. None of that takes any responsibility for the fact that it was your government that was doing its 'business as usual' which would land us in \$29bn of debt. It is because of how your government led the Territory and dealt with our finances that we would hit that.

Thank heavens that is now unlikely to be the case but it does not take away from the fact that \$7.7bn is an extraordinary amount of money. It is some \$4bn more than the PEFO showed that the forward estimates would be. How many generations of Territorians will be burdened by your 'business as usual' which has led us to the \$7.7bn?

**Mr GUNNER:** The Leader of the Opposition again used a very misleading GST number in her long question.

**Mrs FINOCCHIARO:** Then tell me, how much was the GST 'cut' that you are factoring in? How much does that account for?

**Mr GUNNER:** Again, after someone has asked the question, particularly a very long question, we should have the ability to answer that question without interruption so soon into the beginning of our answer. There needs to be some respect for the estimates process and how we handle the questions and answers, which I am trying to show here. I will have the Under Treasurer go through the difference in the GST revenues since 2016, which obviously had the structural impact to the budget that led to us creating the plan to fix the budget.

**Mrs FINOCCHIARO:** Before you start, will this be the figures where you guys predict how much GST you get and then how much you got and used as a cut, or will this be actual cuts in GST?



**Mr GRAHAM:** The historical numbers will be actuals. In 2015–16 we received \$3.266bn in GST. It progressively declined between then and 2019–20 due to reductions in our GST relativity. It declined to \$2.659m in 2019–20. We are currently forecasting GST to reach \$3.2bn in 2023–24, which is about the same level it was in 2014–15.

**Mrs FINOCCHIARO:** Thank you, Mr Graham. Over that period of 2016 to 2020, which was your last term of government, there was \$607m less in GST, which is a drop in the ocean ...

**Mr GUNNER:** That was in one financial year. Again, the mathematical error by the Leader of the Opposition—per year.

**Mrs FINOCCHIARO:** No, 2015–16 compared to 2019–20—you just minus one from the other.

**Mr GUNNER:** They are by year.

**Mrs FINOCCHIARO:** You are talking globally. We can make that figure global. Again, it is the PEFO, the GST, the Productivity Commission, the CLP and COVID. COVID represented \$500m in spending last year. GST over your entire last term only represented \$600m-odd. Where are the other billions of dollars going?

**Mr GUNNER:** You have to say per year ...

**Mr CHAIR:** Sorry, Chief Minister and Leader of the Opposition. Did you want Mr Graham to answer the question about the GST reduction in actuals?

**Mrs FINOCCHIARO:** Yes, he did.

**Mr CHAIR:** Did you want the 2016 to 2020 GST reduction, or did you ...

**Mrs FINOCCHIARO:** He gave me that. I wrote down 2015–16 was \$3.266bn; 2019–20 was \$2.659bn; and in 2023–24 it should be \$3.2bn.

**Mr CHAIR:** My apologies. I thought you wanted the other years as well. Sorry.

**Mr GUNNER:** We have shown under our plan to repair the budget that you need to curve off the fiscal projections of the Northern Territory. We made a number of decisions to do that, from cutting the number of ECOs by 10%, to freezing the wages of ECOs and polities, the new wages policy—the list goes on. We made a number of significant decisions for restraint of the budget.

We made a deliberate decision not to cut government services. In every budget we have tabled since we were elected in 2016, you can see what the government does.

When the CLP was elected in 2012, it made a deliberate decision in its mini-budget to reduce the size of government. That is a generous way of putting it. They cut significantly the number of teachers we had and things like that. We made a deliberate decision to maintain the level of servicing that Territorians were receiving, while showing budget restraint through a number of measures to curve off the fiscal deficit.

Everything you see in the Northern Territory—the roads you drive on, the lights you turn on, the schools your kids go to—the Territory government pays for. When a politician says, 'What do you get for your money?', you get your kids going to school, healthcare in your hospital—the fundamental services a Territorians deserves. We recognise ...

**Mrs FINOCCHIARO:** They were getting all that before we had the \$7bn. They were getting that when we had \$3bn or \$1bn ...

**Mrs LAMBLEY:** Yes, they were. This is different.

**Mrs FINOCCHIARO:** The service delivery is the same. That is why people ask, 'Where has the money gone?'

**Mr CHAIR:** Chief Minister, you have the call. Honourable members, allow the Chief Minister to answer the question.

**Mr GUNNER:** It is important that I am allowed to answer questions clearly. I am not interrupting the questions from the opposition or the Member for Araluen. I believe I am showing great respect today in how we are doing this. But the members continue to insist on interrupting my answers. They will get their chance to talk again when they ask their next question. It is important that we have a respectful conversation in the estimates ...

**Mr CHAIR:** I make the point as well. Let us be a bit more civil in our question and answer procedures.

**Mr GUNNER:** We made the deliberate decision, recognising the revenue changes that the Territory received, not to cut into government services but to maintain a level of service delivery and curve off the fiscal position. We have done that. We continued to do that during the Coronavirus crisis, which was a significant achievement by government. We were able to produce a \$900m improvement to the fiscal position over two years and \$1bn improvement to the net debt situation.

We showed our willingness, desire and effort to continue to repair the budget while also growing the economy. We are now moving into a projected 4.7% growth for the financial year ahead with 10% improvement in private sector investment and 4% improvement in household investment. We have been able to create an environment of confidence for investment in the Northern Territory, which is very important. Controlling the virus and growing the economy is how we will best continue repairing the budget.

**Mrs FINOCCHIARO:** The one thing you have not expressed is any acknowledgement that it is your government, your ministers and your team that has contributed to our massive levels of debt. People want to hear some humility and acknowledgement from you that on your watch there has been financial mismanagement and you have let things spiral out of control.

**Mr GUNNER:** We have made deliberate decisions to control the virus, grow the economy and repair the budget. We are responsible for every budget we deliver and we are here to talk about the latest budget we delivered. I take complete responsibility for the delivery of that budget. We own all the decisions we make, including budget repair decisions, which are usually our least popular.

**Mrs FINOCCHIARO:** You have not answered my question; how many generations of Territorians will suffer under this unsustainable level of debt?

**Mr GUNNER:** I am not aware of any government in Australia that does not maintain a degree of debt. There is always a debt that a government works to manage, which is how you invest in delivering services for Territorians—or South Australians or Queenslanders. We can sustain our debt. We are working on reducing the size of our deficit and debt but we can sustain our level of debt. I am not aware of a single government in Australia that does not cover some debt on their balance sheet. That is how to ensure your ability to earn works for the people you represent.

**Mrs FINOCCHIARO:** You believe that the levels of debt and deficit are sustainable?

**Mr GUNNER:** I would like them to be lower. We made a significant effort in this budget to lower our deficit and net debt positions, and we have plans in place to keep doing that heavy lifting. I do not like them where they are and we are working to fix that. The question was, is it sustainable? It is.

**Mrs LAMBLEY:** How many jurisdictions in Australia are looking at a net debt-to-revenue ratio of 179% in the forward estimates? That is completely unsustainable.

**Mr GUNNER:** The only jurisdiction I am aware of with a net debt-to-revenue ratio of 178% is the Commonwealth. I am not sure which jurisdiction you are referencing.

**Mrs LAMBLEY:** That is not true. That is not correct. That is the Northern Territory net debt-to-revenue ratio that we are looking at in 2023–24.

**Mr GUNNER:** In 2023–24 our net debt-to-revenue ratio is 155% and the Commonwealth's is 176%.

**Mrs LAMBLEY:** That is not what I am looking at. Page 22 of the fiscal outlook of Budget 2021–22, if you draw your attention to table 2.9 in the forward estimates for 2023–24, the net debt-to-revenue ratio is 179%, which is outrageous.

**Mr GUNNER:** That is last year's budget. You are talking to the wrong budget. Our net debt position is 155% in 2023–24 and the Commonwealth's is 176% in 2023–24.

**Mrs LAMBLEY:** It is still incredibly high; I do not believe the Commonwealth is that high. Can you get your officials to check it?

**Mr GUNNER:** This is from my officials. The Commonwealth's net debt position in financial year 2019–20 is 101%; in 2020–21 it is 143%; in 2021–22 it is 168%; in 2022–23 it is 178%; and in 2023–24 it is 176%.

**Mrs LAMBLEY:** We are a mendicant state in which 80% of our revenue comes from the federal government. Our ability to generate revenue is abysmally poor. You are putting us in a situation where we are looking at paying \$1.4m a day to service our debt in 2024–25. How do we afford that? How do 245,000 people service a debt of this magnitude with such poor ability to generate our own revenue, apart from pleading poor and going with our hand out begging to the federal government? You have put us in this position which is completely unsustainable.

**Mr GUNNER:** I recognise some of what the Member for Araluen said, but there are a number of areas where she goes beyond what I would agree with. We have a structural weakness in the Northern Territory over the size of our economic base. That is why the path to budget repair must include growing the economy. We have to grow our own sources of revenue and we need more jobs for more places. We are working on that and you have seen the 4.7% growth in the forward estimates and positive growth after that, all up on previous forecasts.

We have reduced our reliance on the Australian Government. From memory, the amount of money that we receive from them as a percentage has gone down from 80% and the GST share has gone from 50% down to 36%. We recognise that. That is one reason that growing the economy is crucial to our fiscal strategy. We made deliberate decisions to repair the budget. We put those things in place and there are more measures in this budget again that go to that. We accept the point on budget repair. We have done it very publicly over a number of years now.

The key to successive budget repair is growing the economy. In the middle of the pandemic, the key to growing the economy is controlling the virus. You have to do all those things.

In the forward estimates, we have \$11bn worth of major projects and there are \$35bn worth of major projects that are currently not included in our forward estimates that we are working to deliver.

I am very confident about growing the Territory economy over and above the 4.7% and the 2.5% averaging out after that, which Treasury has in this budget. That is what we have to do to repair the budget, so we are out doing that. We have the same fiscal strategy as the Commonwealth and we have a better net debt-to-revenue position than the Commonwealth.

It is a lot of hard work across the forward estimates for us to do, but we will do that work.

**Mrs LAMBLEY:** I do not think the Northern Territory can be compared to the federal government. You are talking about apples and carrots. Truly, Chief Minister, do you think we are on an equal footing to compare the Northern Territory to the federal government?

**Mr GUNNER:** We have the same fiscal strategy as the federal government. We have all gone through the same economic situations. We have put in place a very responsible and sensible plan for budget repair that means we maintain the services that Territorians need, which is crucial. We believe that savage cuts would only lead to a worsening of the economic situation. The two go together. People often confuse fiscal and economic policy, but I believe that if you have the wrong fiscal strategy you can damage your economic outcomes. We want to see Territorians want to be here and that is critical to how we service them. We will maintain that service delivery to Territorians and that is why budget discipline and restraint is the way we are choosing to repair the budget.

**Mrs LAMBLEY:** You mention that you will be implementing a debt ceiling of \$15bn this year. In March 2019, when Langoulant gave you his report and recommended a debt ceiling, the net debt of the Northern Territory was less than \$4bn and now you are proposing to put a debt ceiling in which is 375% greater than the debt that Langoulant was looking at, at the time he gave you this report.

Surely, Chief Minister, the fact that you have taken more than two years—by the time it comes to parliament, possibly three. We do not know when it will happen—to implement a key recommendation of the Langoulant report, putting in a debt ceiling and for that debt ceiling to be more than 300% greater than the debt that Langoulant was looking at, is that not taking the mickey out of this whole report?

The sentiment at the time you received it was to pull your belt in, stop wasting money, and start managing the finances of the Territory responsibly, yet here we have a debt ceiling of \$15bn being implemented by a government. In the forward estimates you are heading up to close to \$12bn. I find it incredibly irresponsible.

The sentiment of the Langoulant report was budget discipline, budget repair, so putting in a debt ceiling of \$15bn does not reflect that.

**Mr GUNNER:** We took the plan for budget repair very seriously. It required actions from us over a period of years, which we have done.

We put in place, for example, the pay freeze for ECOs and parliamentarians, the cutting of the number of executive contract officers that we had, the centralisation of corporate services into DCDD, and the wages policy that is currently out for enterprise negotiations. We did a significant amount of work over years.

The debt ceiling requires a lot of work by Treasury to calculate. In our forward estimates we are not hitting the debt ceiling. In terms of setting the policy for our debt ceiling, we are very mindful of how to set this so a future government does not undo all our hard work on budget repair. That was the long-term driver for me. We have to make sure that after all the work we have done—it is significant and it is hard to curve off that fiscal trajectory—a future government does not undo it.

That is one important stakeholder, a future government—making sure they do not undo all the budget repair work. Others are our ratings agencies. Treasury did a lot of work on looking at how the ratings agencies work and what our debt ceiling needs to be to send a clear message to them that we take budget repair seriously, which we should be doing every year. It is also set in a way that the ceiling does not impact our budget ratings at that time, which is very important.

I do not want to damage a future government in regard to how we set that debt ceiling. I will ask the Under Treasurer to talk in further detail about what work was done to calculate the debt ceiling. They did a significant amount of work on how to set it up.

**Mr GRAHAM:** The debt ceiling is based on borrowings net of leases because we considered that was the most direct measure of indebtedness that sits within government's control. The amount of money you borrow ultimately determines the amount of debt you carry. The \$15bn ceiling, or limit, is aimed at maintaining our current ratings by Moody's. We looked at the metrics they used to measure credit worthiness and indebtedness.

We came to the view that if our borrowings approach \$15bn we are getting to the upper limits of the scale they use, which would then tip us over into the next rating.

It is about maintaining our existing rating and giving us sufficient warning. If government publishes a set of forward estimates which breach the \$15bn limit, there is a warning that they are heading for a rating downgrade.

**Mrs LAMBLEY:** This government has more than quadrupled the net debt of the Northern Territory within about four years, so if they keep true to form it will exceed \$15bn very quickly. What sort of penalty will you impose on yourself for your lack of budget discipline?

**Mr GUNNER:** The debt ceiling is constructed in this ...

**Mrs LAMBLEY:** Will you step down as Treasurer or Chief Minister, perhaps?

**Mr GUNNER:** The debt ceiling we are constructing cannot be breached. You are required ...

**Mrs FINOCCHIARO:** That is not true.

**Mr GUNNER:** In the event that you are estimated to breach the debt ceiling—you are likely to get three or four years' notice of this—the Treasurer is compelled to go to parliament within six sittings days to provide a detailed explanation of the circumstances that contributed to that breach or forecast breach, and identify actions that we progress—these are the decisions I have made to make sure we do not breach the cap—and the estimated impacts, which means showing the numbers that show how we will breach and the numbers showing we will not breach.

That is why the debt ceiling will not be breached.

**Mrs FINOCCHIARO:** That is ridiculous.

**Mrs LAMBLEY:** But your lack of fiscal restraint over the last four years suggest that you are on track to breach it very quickly. The net debt has quadrupled in the last four or five years. On this trajectory—you talk about trajectories—you could well blow it out to \$20bn in the next three or four years.

**Mr GUNNER:** Under this legislation a Treasurer must go to parliament and table the estimated breach, the decisions they have made to make sure the estimated breach does not occur and table the revised numbers that prove the breach will not occur.

**Mrs FINOCCHIARO:** What is the consequence of that?

**Mr GUNNER:** You must do it.

**Mrs FINOCCHIARO:** Who makes you do it? If the government is to hit the \$15bn debt ceiling, what is the consequence? Walking into parliament and giving a glossy brochure report is not a consequence of anything. It is something you do every day of the week. What is the actual consequence for a government hitting the \$15bn debt ceiling?

**Mr GUNNER:** You do not.

**Mrs FINOCCHIARO:** What is stopping you?

**Mr GUNNER:** I understand the Leader of the Opposition is not familiar with the tabling of these financial documents but ...

**Mrs FINOCCHIARO:** What is stopping you?

**Mr GUNNER:** ... this is a very serious thing. The Treasurer must table, in parliament, the estimated breach, the reasons the breach will occur and the actual decisions that were made, and show the revised numbers that show the breach will not occur. That means you do not breach the ceiling. Under this legislation, you simply cannot breach the ceiling because the Treasurer is compelled to make the decisions necessary, with the Cabinet, so that you do not breach.

**Mrs FINOCCHIARO:** That is absolutely not true. It is categorically, fundamentally untrue. What is the consequence of a government breaching the debt ceiling?

**Mrs LAMBLEY:** Nothing.

**Mr GUNNER:** Under this legislation it will not happen.

**Mrs FINOCCHIARO:** That is absolute garbage. There is nothing that can physically stop a government from spending money.

**Mrs LAMBLEY:** On the trajectory you put the Northern Territory on financially over the last four to five years, you will breach the \$15bn if you keep on that trajectory. Will you step down if you breach your own debt ceiling? Will you resign as Treasurer and Chief Minister?

**Mr MONAGHAN:** A point of order, Mr Chair! The questions are getting argumentative.

**Mrs LAMBLEY:** No, they are pertinent and relevant and they are in the best interests of Northern Territorians.

**Mr MONAGHAN:** That is for the Chair to decide.

**Mrs LAMBLEY:** The government-controlled and operated budget Estimates Committee will obviously make a decision about shutting us down, if they do not like it.

**Mrs FINOCCHIARO:** I ask again, is there a financial penalty or personal liability of government ministers if they hit the debt ceiling.

**Mr GUNNER:** This is a legislated hard ceiling and we have put in place the steps to make sure the debt ceiling is never breached. That is what the legislation does.

**Mrs FINOCCHIARO:** That does not answer my question.

**Mr GUNNER:** It does.

**Mrs FINOCCHIARO:** Is there a financial consequence or personal liability for government ministers, if the debt ceiling is breached?

**Mr GUNNER:** This legislation is constructed so that the debt ceiling is not breached.

**Mrs LAMBLEY:** Will it be within the *Fiscal Integrity and Transparency Act*?

**Mr GRAHAM:** It will be reported against in our fiscal strategy each year.

**Mrs LAMBLEY:** Legally, you cannot continue to mismanage the Territory's finances in the way you are. You have a duty and legal responsibility to manage our finances prudently and responsibly. There has to be a penalty on this, Chief Minister. We cannot sustain \$1m in servicing your debt per day as it is. To blow it out beyond \$15bn—what is that equivalent, \$2m a day?

You need to be restrained. I am glad you are putting this in place, but you need to understand that people will not believe that you will personally take responsibility for blowing it out further. You have not so far. All we get is your unique narrative about how you got into this place to start with; taking no personal responsibility and putting it back on a former government that really managed the finances well—which you can see in the PEF0 and the financial documents that went with that former government.

You have taken no personal responsibility for this diabolical fiscal position we are in at the moment. We are now hearing you will not take any responsibility if you blow the debt ceiling or the limit on the debt that you are imposing on yourself. You cannot blame Territorians for feeling sceptical and having a lack of confidence in your management of our public money.

**Mr CHAIR:** Member for Araluen, do you have a question for the Chief Minister?

**Mrs LAMBLEY:** No, I am just interested in his response. This is an important discussion that needs to be had for Territorians, who are very concerned about our fiscal position going forward.

**Mr GUNNER:** In this budget that we are talking to today, we improved the fiscal deficit by \$900m over two years and we reduced our net debt by \$1bn. We are bringing a legislated hard ceiling that will put a limit on the Territory's total borrowings, through amendments to the *Fiscal Integrity and Transparency Act*. We are taking the steps necessary not to just repair the budget in this budget, but to make sure a future government cannot undo our work of budget repair.

**Mr CHAIR:** Member for Fong Lim, you had a supplementary that you could not get in?

**Mrs LAMBLEY:** No he just wanted to shut us down. That is all it was.

**Mr MONAGHAN:** Thank you, Member for Araluen. I really appreciate that comment.

This goes to the heart of the legislated hard ceiling. You talked about the Moody's ratings and the post government derailing it, and that was the reason it was brought in ...

**Mrs FINOCCHIARO:** This is not a supplementary. What are you talking about? How moronic can you be?

**Mr MONAGHAN:** I beg your pardon. How rude and entitled are you?

**Mrs FINOCCHIARO:** I am entitled. You know why? Because I am the Opposition Leader and that means I get to ask all the questions.

**Mr MONAGHAN:** No, you do not get to ask all the questions. If you read the process, you do not get to ask all the questions. I get to ask questions. Just because you talk does not mean we believe it.

**Mrs FINOCCHIARO:** It is not supplementary. It is out of order. You can ask him in the break.

**Mr CHAIR:** Order! Leader of the Opposition and Member for Fong Lim, I consider your conduct to be disorderly and I warn you that if you persist I will order you to withdraw from the hearings under paragraph 13 of the Assembly's resolution establishing this committee.

I have granted the Member for Fong Lim a supplementary question. I believe he is asking a question about ratings and the Moody's rating and I believe that is in line with debt ceilings, debt to revenue, the Langoulant report and our trajectory.

**Mr MONAGHAN:** Were they the only considerations around the legislation hard ceilings?

**Mr GUNNER:** For me there were probably three main things. Ratings and a future government are probably the most important but it sends a message and strengthens accountability for our long-term debt reduction goal. Critically, making sure ratings agencies do not change our rating from stable is crucial to any future government and how they manage and maintain their debt and deficit positions—and hopefully very soon a future surplus. Any future government must maintain this discipline, not undo this budget repair, and is not adversely impacted by any of the decisions that we make.

It has to be done through amendments to the *Fiscal Integrity and Transparency Act* and it puts a significant responsibility upon the Treasurer to report any estimated breach of the debt ceiling, go to parliament and explain how that occurred, table the decisions you have made to ensure the debt ceiling is not breached and table the numbers that show that the debt ceiling will not be breached, tabling both sets of numbers. That is very important to how you manage and maintain budget repair in the Territory.

**Mrs FINOCCHIARO:** How do you construct legislation that cannot be breached? If you are so powerful that you are able to construct legislation that cannot be breached, why do you not construct legislation for youth justice so that when young people break the law something is actually done about it?

Do you realise how ridiculous your comments are that this legislation somehow miraculously cannot be breached. It is not how the law works. The law sets a standard and when you breach it there is a consequence. There is no consequence for breaching your debt ceiling other than you have to waltz into parliament and let everyone know that it will happen. Is there any financial personal liability for government ministers if they breach the ceiling?

**Mr GUNNER:** Under this legislation, you cannot breach the ceiling because the Treasurer is required to table the decisions and revised numbers that show the debt ceiling will not be breached.

**Mrs FINOCCHIARO:** If you do not do that? What happens if the Treasurer chooses not to do it?

**Mr GUNNER:** You must do it because the law directs you to do it.

**Mrs FINOCCHIARO:** But if you do not, what happens? What happens if you break the law? You are a Treasurer and you choose not to walk into parliament and give that report, what happens to you?

**Mr GUNNER:** I believe we have repeatedly answered this question.

**Mrs FINOCCHIARO:** No you have not. What happens to you if you walk in, table that report and still hit the ceiling?

**Mr GUNNER:** As Treasurer, you must report the estimated breach, table the reasons for that breach, table the decisions you made to avoid the breach and you must table the revised numbers that show you avoid the breach. Therefore you will not breach the legislated hard ceiling.

**Mrs FINOCCHIARO:** If you do? What happens?

Absolutely nothing. The silence speaks volumes because nothing happens.

**Mr GUNNER:** As I suggested earlier today, Chair, the Leader of the Opposition likes to ask questions and often likes a monologue and does not like it when the answers that she receives is not the answer she wants to hear.

**Mrs FINOCCHIARO:** Then answer my question. What personal liability is there of a government minister if they breach the debt ceiling?

**Mr CHAIR:** Chief Minister and Leader of the Opposition, order please ...

**Mrs FINOCCHIARO:** Can I put that on notice, please, Mr Chair?

**Mr GUNNER:** No.

**Mr CHAIR:** I rule that the Chief Minister has answered this question on a number of occasions. I understand that you potentially do not like the answer he is giving; however, he has answered it.

**Mrs FINOCCHIARO:** Chief Minister, what will our net debt be if borrowing hits \$15bn?

**Mr GUNNER:** That is a hypothetical question that has a number of things bearing on it, including what the revenue would be.

**Mrs FINOCCHIARO:** What a load of garbage! This is about your debt ceiling. You are working around a \$15bn debt ceiling figure. If everything was to trend through the forward estimates as you have planned, are you telling me that you do not know what the Territory's net debt will be if borrowing—remembering that your debt ceiling is only borrowings? Are you telling me that as Chief Minister and Treasurer, you do not know what our net debt will be if our borrowing hits \$15bn?

**Mr GUNNER:** This is a very important policy determination by Treasury. Obviously, prudent management of debt is a fundamental pillar to our fiscal strategy. We have to get that right. In looking at this, Treasury made the decision about the most controllable thing by government—clear, determined, understood and cannot be played with. That is borrowings.

As the Under Treasurer just said, borrowings are very much your debt. Borrowing is identified as the way you construct what the debt ceiling will be. Other measures become subject to volatility, things outside your control, things that are known—from the previous CLP budget 20 years ago—to have been changed for presentation purposes, or legitimate changes in accounting definition. We wanted to avoid any games and make it very clear that the debt ceiling was easily understood and unavoidable, which goes to borrowings.

That was a deliberate policy decision based on advice from the Under Treasurer. As soon as you go to net debt as a measure, it depends on what your revenue may or may not be in that year. As we know, projected or estimated revenues are not always the actuals. It suddenly puts it in a period of volatility, which we do not want. We want the debt ceiling to be clear, unquestionable, knowable and, therefore, avoidable.

I ask the Under Treasurer to talk about the work they did and how they determined this as the right path and why it was not net debt but borrowings that they recommended.

**Mr GRAHAM:** We went down a path of recommending borrowings because the other key measure of net debt is gross debt, net of financial assets. They can be subject to revaluations, actuarial valuations, fluctuations in capital markets and changes to accounting standards, which have had a significant impact in recent times. Those things are outside of the government's control but can cause our net debt measure to swing around significantly.

That was the main reason for the focus on borrowings. It is not subject to as many external factors.

**Mrs FINOCCHIARO:** What would our net debt be if borrowings hit \$15bn?

**Mr GUNNER:** The Under Treasurer just explained five or six things that are outside of government's control that impact what a net debt may be in a particular year, which is one reason why you cannot, on the basis of borrowings alone, determine what net debt may be. It depends on the year you are in. Under our last term of government, when Nicole was the Treasurer, an accounting definition impacted that situation.

It simply is not possible to say if borrowings are X, net debt is Y. The Under Treasurer has just gone through five or six things that determine what net debt may be and why it is not as simple as saying, 'Here is your borrowing number', as one constant in a series of variables.

**Mrs FINOCCHIARO:** Do you agree, though, that net debt will be larger than the borrowings? If borrowings hit \$15bn, net debt will be larger than \$15bn—true or false?

**Mr GUNNER:** Generally, no.



**Mrs FINOCCHIARO:** How is that?

**Mr GUNNER:** Generally, net debt is less than borrowings.

**Mrs FINOCCHIARO:** I know your helper there passed you a piece of paper and that is why you said the answer. I am asking how that is. Can you please explain why it is generally known?

**Mr GRAHAM:** Gross borrowings are usually more than net debt because net debt includes assets. It takes total borrowings and nets off financial assets—deposits, investments and things like that.

**Mrs FINOCCHIARO:** But it excludes leases like financial leases and other types of leasing which are a liability to the Territory so if we were to look at our borrowings—what is our borrowing position now? Do we have a figure? We know what our net debt is, can we please be provided with our ...

**Mr GRAHAM:** Total borrowings for 2021 is \$10.427bn.

**Mrs FINOCCHIARO:** Sorry? Borrowings for this financial year.

**Mr GRAHAM:** Total borrowings for the non-financial public sector \$10.4bn.

**Mrs FINOCCHIARO:** Which is bigger than our net debt.

**Mr GRAHAM:** Yes.

**Mrs LAMBLEY:** How does that look in the forward estimates, the borrowing position?

**Mr GRAHAM:** It is projected to increase to \$14.6bn in 2024–25.

**Mrs LAMBLEY:** We are almost there, are we not? I just a few years we will hit \$15bn.

**Mr GRAHAM:** Once we net leases off that, it is \$13.1bn.

**Mrs LAMBLEY:** How will the borrowings ceiling—I guess you are calling it—be changed? How can you change that, if you decide to increase it to \$16bn? How will you do that?

**Mr GUNNER:** I cannot speak for a future government but we are not changing the debt ceiling. That is determined around a number of factors, including how rating agencies make their ratings, we are not touching that debt ceiling because that would ...

**Mrs LAMBLEY:** Ever?

**Mr GUNNER:** No, because that would have an impact, unless the rating agencies change what they are doing or something changes somewhere, outside of my information. In our term of government we would not look at that because it is based on how rating agencies would look at the Territory and how they would set our borrowing rate.

**Mrs FINOCCHIARO:** That is not an actual requirement. Is it true that a majority of the parliament—not even your government—could walk in with a piece of legislation amending the amount of the debt ceiling?

**Mr GUNNER:** You are simply describing how legislation in parliament works.

**Mrs FINOCCHIARO:** Is it true that by a simple change or amendment to legislation the debt ceiling could be lifted?

**Mr GUNNER:** This is the strongest action a government can take to impose discipline on itself and we are doing it.

**Mrs FINOCCHIARO:** You do not want to answer.

**Mr GUNNER:** You are describing simply how parliament works and that is not exactly breaking news.

**Mrs FINOCCHIARO:** No, but you are trying to say there is some hard ceiling like it is an actual, legitimate thing. This is just terminology whizzed up by your team on the fifth floor. It is not a real actual thing—some sort of a hard ceiling.

There are actually a number carve-outs in the legislation. You have carved out the fact that it can be changed for emergencies. It can be amended at any time without any consequence, and even if you hid it there would be no consequence. That is legislation that you and your team have drafted. How you can sit there and pretend that that is not the case is absolutely beyond me.

In the meantime you or any other member of your team could walk in to parliament and change the debt ceiling—true or false?

**Mr GUNNER:** We should acknowledge that a carve-out, as described by the Leader of the Opposition—I would say a time-limited suspension for 12 months in circumstances such as cyclone or pandemic. It is a very reasonable acknowledgement that the unexpected may occur, and it is something to provide to a future Treasurer, because it is not estimated to occur under my watch. This is me trying to set up a responsible position for a future Treasurer to be able to manage.

**Mrs FINOCCHIARO:** Do you see what you have done? You have literally taken your borrowings into the forward estimates, so by the end of your next term borrowings will be \$14bn or \$15bn ...

**Mrs LAMBLEY:** Fifteen billion dollars, virtually.

**Mrs FINOCCHIARO:** You have said, 'Okay, we do not want to breach our own debt ceiling because that would look even worse than what we already are, so let us make it a number that will not affect us until another term'—if you are so lucky. Can you see how ludicrous the arrival of \$15bn—you have literally made it a bit more than what you are predicting it to be at the end of your term.

**Mrs LAMBLEY:** It is a bit disingenuous, is it not?

**Mr GUNNER:** Let us explain something very logical here but has not been thought of by the Leader of the Opposition or the Member for Araluen.

Every year that you hand down a budget, you hand down a four-year forward estimate. That means that the next budget will have a fourth year in the forward estimates—that is the first year of the next term of government. The budget after that will have a forward estimate—that is two years in to the term of government all the way forward. The idea that we would suddenly not reveal the forward estimates is ludicrous; we would not do that. We will reveal the forward estimates so you will see in every budget we deliver, a set of forward estimates that includes time under the next term of government.

**Mr CHAIR:** Thank you, Chief Minister. Honourable members, the time is 1 pm. We will take a 30-minute break for lunch and resume back here at 1.30 pm. Thank you, everybody.

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The committee suspended.

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**Mr CHAIR:** Welcome back everybody. We are with the Department of Treasury and Finance. We are taking questions relating to the opening statement from the Treasurer.

**Mrs FINOCCHIARO:** What will our net debt-to-revenue ratio be if we hit the \$15bn debt ceiling?

**Mr GUNNER:** As we explained prior to lunch, there are a number of things that impact on net debt. I will get the Under Treasurer to go through them again. Those things are subject to change, which is one reason why the debt ceiling—we went for borrowings which are clear, unquestionable and cannot be affected. It is impossible to answer a hypothetical 'what would net debt be if X?' question. I will ask the Under Treasurer to expand on the things that impact net debt.

**Mr GRAHAM:** The main component of net debt that is volatile is financial assets. The investments that we hold are held in managed funds. They are subject to market fluctuations. The other one is leases, which are subject to changes in discount rates and things like that—the risk-free interest rate—which are metrics that are difficult to forecast beyond the forward estimates.

**Mrs FINOCCHIARO:** But we know what our net debt-to-revenue ratio will be out to the forward estimates. If we are to have a 166% net debt-to-revenue ratio with an \$11bn net debt, can you not just extrapolate that out, the \$15bn? It will be more than 166% and probably less than 200%, that would be my guess.

**Mr GUNNER:** The forward estimates are done with specific numbers. It is not just a random guess at what it will be in year two, year three or year four of the budget. It is based on a particular set of information, and that is how you are able to get to those estimates. To go beyond that, you are getting into projections which are considered unreliable; nowhere in the estimates do you go to \$15bn. Therefore, you are talking about potential projections which are unreliable and not used. I will ask the Under Treasurer to talk about the difference between estimates and projections and explain why what the Leader of the Opposition is asking cannot be done.

**Mr GRAHAM:** Our forward estimates are forecasts where we look at underlying trends in the drivers of the different measures we are forecasting. Projections are what we use beyond the forward estimates. They are for longer-term forecasting where we take the 'business as usual' approach and assume that everything projects out on a straight line.

**Mrs FINOCCHIARO:** I will ask the question differently. What net debt-to-revenue ratio would Moody's issue us a downgrade?

**Mr GUNNER:** Part of the policy settings in establishing the debt ceiling included consideration of that issue; it is a very important one. It is about avoiding a change in the stable outlook we currently have. There is a number of things that Moody's look at. I am happy to pass to the Under Treasurer, who engages with Moody's several times a year about what they do and what they look at, including net debt.

**Mr GRAHAM:** Moody's use defined metrics, but they also apply an overlay—they come to a medium-term view on what is happening in the broader economy as well. Whilst they have strict metrics, wages and things like that, which they measure quantitatively, they also apply a judgement test in terms of our institutional arrangements, like our relationship with the Commonwealth, where they see the economy heading and how that impacts on the budget forward estimates.

**Mrs FINOCCHIARO:** Is there no net debt ratio figure that is a huge red flag to us looking at a downgrade?

**Mr GRAHAM:** Using the single measure of indebtedness, it would be around 200%, which would tip us into the top part of the range.

**Mrs LAMBLEY:** We are getting close then, are we not?

**Mrs FINOCCHIARO:** Moody's assess jurisdictions; they have nine levels, is that correct?

**Mr GRAHAM:** That is right.

**Mrs FINOCCHIARO:** And the Territory is currently seven out of nine, is that correct?

**Mr GRAHAM:** Yes.

**Mrs FINOCCHIARO:** If we hit nine will we have a Moody's downgrade?

**Mr GRAHAM:** It may not automatically happen because of the other factors they look at, but we would be at the top of their limit for those measures.

**Mrs FINOCCHIARO:** What does that mean in terms of our jurisdiction's ability to attract investment? What would a downgrade to the B categories do to the Territory's investment readiness?

**Mr GUNNER:** It would impact more on the government's fiscal situation than the private sector and its desire to invest. It is more of an impact on the NT Government if we go to those areas.

**Mrs FINOCCHIARO:** Sorry, I could not hear you; can you say that again, please.

**Mr GUNNER:** An impact from a Moody's decision would be on the fiscal situation of the NT and the government. A private sector's willingness to invest is a separate thing, and that would be confusing fiscal with economic. I will ask the Under Treasurer to add to investment preparedness.

**Mr GRAHAM:** It would increase the level of uncertainty for private investors on the basis that at some point in the future there might need to be harsher budget repair measures implemented.

**Mrs FINOCCHIARO:** Is it true that a downgrade to the B category would no longer make the Territory investment grade?

**Mrs LAMBLEY:** This is stuff you can find in a textbook, is it not? Downgrading of credit rating is textbook stuff, not an opinion. Is it not just fact?

**Mr GUNNER:** I do not think you should reflect on the Leader of the Opposition's question like that, Member for Araluen. She is allowed to ask a question no matter ...

**Mrs LAMBLEY:** I am asking you. Why are you not answering the question? There seems to be some reluctance to explain what the implications are when you are downgraded, which I find strange.

**Mr GUNNER:** We seem to be in an unusual estimates today. From many experiences ...

**Mrs LAMBLEY:** Because you are not answering the questions.

**Mr CHAIR:** Honourable members, can we just go to questions and answers, and stop the interjections?

**Mr GUNNER:** This is my 13<sup>th</sup> or 14<sup>th</sup> Estimates Committee. Usually questions are asked and answers are given. In all my experiences in estimates, the minister or Chief Minister can talk to the people they are there with. It is not unusual for me to speak to my Under Treasurer or deputy and have a conversation with them prior to answering a question. That is not unusual.

**Mrs FINOCCHIARO:** Can someone please answer my question? Would a downgrade to B mean the Territory is no longer investment-grade?

**Mr GUNNER:** There are a couple of things to bear in mind. The first is that we have done a significant amount of work to repair the budget and everything we can to satisfy the ratings agencies. They may still make their decisions, but we have also done a significant amount of work to repair the budget, grow the economy and control the virus, which is all of a piece at the moment. That is our fiscal strategy.

If you were to get into those hypothetical scenarios then they would have impacts. I am happy to have the Under Treasurer answer further.

**Mr GRAHAM:** If we were to be downgraded to a B category, we would have the lowest credit rating of the state and territory governments. It is uncharted territory, but ultimately the ratings agencies would also look at the ratings of our peers and the fact that the Commonwealth Government is still a AAA rated entity. They would take that into account, if the Commonwealth were to be downgraded as well.

**Mrs FINOCCHIARO:** Then we are in serious trouble. We do not have to worry about that. What types of leases are not included in the debt ceiling? I was wondering about PPEs. 'Lease', in the traditional sense, would make you think of bricks and mortar, which I am sure is part of it, but what other types of leases are excluded from the debt or the borrowing ceiling?

**Mr GRAHAM:** I might get Tiziana Hucent, our resident accounting standard expert, to answer that.

**Ms HUCENT:** PPEs are considered finance leases. The prison was our first finance lease. That is also excluded from the debt ceiling calculation, as are all leases now.

**Mrs FINOCCHIARO:** What are the other finance leases?

**Ms HUCENT:** Following the introduction of the new accounting standard, there is no longer a distinction between finance and operating lease. All leases are excluded because they are now all on the balance sheet.

**Mrs FINOCCHIARO:** Is there anything other than—just using the old terminology—a finance lease, like a PPE or a traditional bricks-and-mortar lease? Are there any other types of leases that fall into that category?

**Ms HUCENT:** That are excluded?

**Mrs FINOCCHIARO:** Yes.

**Ms HUCENT:** Yes, the biggest one would be our office accommodation. That is one of the biggest types of leases the NT Government enters into and some of the leases Power and Water have entered into, such as their pipeline.

**Mrs FINOCCHIARO:** Is there anything else—other than leases—that are excluded from the debt ceiling?

**Mr GRAHAM:** As far as I understand, it is only leases that are netted off gross borrowings.

**Mrs FINOCCHIARO:** Why are you removing the \$16,000 fines for ministers from the *Financial Management Act*?

**Mr GUNNER:** I am not aware of any fines for ministers, whether they are being removed or not.

**Mrs FINOCCHIARO:** You are saying that under the *Financial Management Act* there is no—unless it is not the *Financial Management Act*? I am pretty sure this is the one where we are changing how CEOs are dealt with accountably.

**Mr GRAHAM:** There is a penalty for CEOs, but it has never been applied because the drafting of those provisions enables agencies to rely on cash balances to avoid overspending their allocated budget. The amendments we are making to the FMA removes that loophole.

**Mrs FINOCCHIARO:** Chief Minister, is it not true that you could walk into a room full of CEOs tomorrow and terminate all of them if you wanted to?

**Mr GUNNER:** You would have to manage their contracts appropriately under employment law, otherwise the government would be subject to a number of actions the CEOs could take in response to that. There are contractual situations.

We are spelling out our expectations in terms of how they manage their departments, the thresholds that we will be using for that and the steps we will be taking in regard to what a department's budget should be and how it should be managed. It is a much clearer set of expectations in law, how we manage that—and grounds for making decisions.

To your point, there would need to be extreme caution used in doing anything like that. This provides much stronger and more robust reasons for making decisions to ensure we do not need that outcome, but if we do need that outcome there is a clear reason for it.

**Mrs FINOCCHIARO:** I did not understand most of what you just muddled through there. Is it true that as Chief Minister you hire and fire CEOs? If there was one who was not performing, you would be able to fire the CEO?

**Mr GUNNER:** Yes. I just addressed that. There has to be legitimate grounds for how I manage contract situations, in this instance with CEOs. In the bill, we are laying out our expectations when it comes to the management of a department and the steps we will take if the department's budget is not managed. The outcome we are after here is not sacking a CEO, it is the management of the department's budget and then the consequence if that does not occur.

**Mrs FINOCCHIARO:** What we have is you just kicking the can down the road. A couple of years ago you talked tough and talked about sacking CEOs if they do not meet their budgets. We have not seen any rubber hit the road in that respect. I am not saying that no CEOs have been sacked, and I am not necessarily advocating for that, but there has been no repercussion for a CEO breaching their budget since your tough talk. Now what we have is a piece of legislation that removes a financial penalty for breaching a budget and replaces it with sanctioned levels of breaching your budget.

To go to a point further back, you said this is a way of legislating it, but it is not. You are creating a code of conduct which will not be enshrined in law.

**Mr GUNNER:** We are making a significant and important change to how we manage our relationship with departmental budgets and CEOs. In recent budgets there have been COVID impacts, which I am very mindful of, and we are very respectful of the CEOs and how they have managed their way through that. I will pass to the Deputy Under Treasurer Catherine Weber to talk to what we are doing and its enforceability.

**Ms WEBER:** The Commissioner for Public Employment will prepare a code of conduct for chief executives that specifically includes provisions about breaching budget, and then that will set out the levels of ramification of doing that. As the Treasurer said, there will be processes that enable chief executives to explain why they are breaching their budget and opportunity to present their method of working their way through that.

There will be levels of review of that process and you need to provide that opportunity to respond to those potential breaches. The code of conduct will set out the expected behaviour of chief executives over and above the regular expected behaviours in the code of conduct for all public servants. Then there are the actions under the legislation as well.

**Mrs FINOCCHIARO:** Do you not accept that we are moving from a model where you have power to sack, issue sanctions and warnings right now. You have the ability to fine ministers and you are removing both of those stronger capabilities for a position where with a 1% breach or a \$500,000 breach that would trigger a review or a formal warning of a CEO, or for a 5% breach or a \$1m overspend that would be a more serious breach and options for dismissal would present themselves to you. Why are you moving away from a tougher option to a softer option?

**Mr GUNNER:** None of our contract management ability has been taken away. That still remains. That has not been reduced or removed. We are putting in place a pathway for budget management specifically, which we can go through. That does not mean that any of the other options or exits previously no longer exist; they do.

This is just setting out what I think is a professional way to work through the issues through the code of conduct. Obviously, if need be, under option A—if you put it that way—nothing has been removed or reduced.

**Mrs FINOCCHIARO:** Do you not agree, though, that by creating 1% and 5% leeway you are actually allowing or sanctioning budget overruns?

**Mr GUNNER:** No, I think that is a very reasonable way to look at a department's budget. Health has a massive budget. I have done this all under advice from Treasury, which recognises the difficulty in landing an estimate into an actual—which is what we are dealing with here—and a reasonable way of progressing discussion of that issue and a department's budget with a CEO.

I will ask the Under Treasurer to discuss some of that difficulty in estimate to actual and how that is respectfully dealt with in what we are proposing.

**Mr GRAHAM:** I point out that the sanctions are based on actuals. As the Treasurer said, agencies have a budget to live within. Even coming within 1% of your budget can be a challenge for large agencies that have a very big budget.

Under the thresholds we are applying, a 5% breach would result in a much more serious sanction. It is more difficult to justify 5% overspend than a 1%, because 1% can arise through a range of measures which may not directly be in the CEO's control.

**Mrs FINOCCHIARO:** It is a big ridiculous that the Chief Minister lacks so much authority with his highest level public servants that he has to create sanctioned breaches of their budget. That is not for you, Under Treasurer, of course. It defies belief that we are at this point where you would not be having those daily conversations and outlining your plan for the Territory, and making it explicitly clear to CEOs that that is your expectation of them.

Instead, you have to now create some fluffy code of conduct and tiers of breach to be able to even exercise any power whatsoever over the very people you are able to control—or anyone in the public service. You are allowed to hire and fire CEOs. It is an extraordinary admission of your lack of standing and leadership with the highest echelon of the public service—your leadership team.

**Mr GUNNER:** I work with CEOs and 20,000-plus public servants. I have a significant amount of respect for them and the work they do, and for our CEOs, but I expect them to maintain the budget they are given. They know that already. This is me, in a very respectful and professional way, outlining my expectations to them through the code of conduct. It is not as though I did not have expectations last year or the year before. This is just a way of doing it professionally and cleanly through the code of conduct, which shows the respect I have for the CEOs I work with.

I do not accept any of the interpretation and tone of the Leader of the Opposition about how she looks at this. I have to lead a large group of people towards a singular outcome, which is a better Territory for all. How we do that economically, fiscally and socially is a huge challenge. I work with a lot of people to do that.

To go to the Leader of the Opposition's point, she is implying that a Chief Minister should be a dictator. I do not agree with that. I am someone who has to work with a lot of people towards the same outcome. I do that in a professional, collegiate and respectful manner. I believe this code of conduct outlines that and treats the CEOs with the respect they deserve. But it also says to the CEOs very clearly in an articulated way that they cannot question, 'This is what I will do if you step outside that'.

For me, this is how you should engage with other people. The Leader of the Opposition's belief in how you should approach the public servants you work with worries me.

**Mrs FINOCCHIARO:** What it sounds like to me is that you have tried to talk tough for a number of years, no-one has listened to you and now you are making a desperate attempt to create some boundaries that are unable to be worked around, which undoubtedly have been worked around up until this point.

Chief Minister, what will happen if the debt ceiling is about to be reached? Earlier you mentioned that next year there will be another forward estimates for the four years further. If that was to be close, if that four years out from next year was to be close to the \$15bn, what will that trigger for the Territory?

**Mr GUNNER:** Everything we are doing is about preventing a breach of the debt ceiling. If the debt ceiling is estimated to be breached, there is a clear pathway for the actions that are taken. You go into parliament, table the reason why you are breaching, table the decisions you made to make sure there is not a breach and then avoid the breach. It is about avoiding the breach of the debt ceiling.

Anything else that the Leader of the Opposition is talking to is a vagary, but we have made it a specificity about not breaching the debt ceiling. I am not posing upon a future Treasurer a vague notion; I am posing on a future Treasurer a specific notion: do not breach the debt ceiling.

**Mrs FINOCCHIARO:** That is what I am asking. How will you not breach the debt ceiling?

**Mr GUNNER:** If in an estimate you are breaching the debt ceiling, you need to come in to parliament, explain why the breach will occur, table the numbers that showed that a breach will occur, table the decisions you are making to make sure the breach is avoided and then table the revised numbers. That is how you avoid breaching the debt ceiling.

**Mrs FINOCCHIARO:** What will those decisions be? Does government have the worst case scenario ready to go, such as, 'If we are coming close to hitting the debt ceiling, these are what measures we have to take to ensure urgent desperate action on the budget'?

**Mr GUNNER:** This would happen outside the forward estimates. At this stage, it would happen under a different government, one elected in 2024 by the people of the Northern Territory. It would be a decision for that government. There is a range of things that could be done and it would be incumbent on that government to make a decision either on the revenue or the spending side of the ledger. That will be a future government under the current estimates.

**Mrs FINOCCHIARO:** I do not accept that. As you said, next year you will deliver a budget and it will have a new four-year estimates. Say we could get to 14 next year or the following years. You might be the future government, I am unsure how you can pretend this is something you do not have to deal with.

Does the government have a go-to list of measures it would have to immediately implement if we were tracking close to hitting the debt ceiling?

**Mr GUNNER:** The Leader of the Opposition is going to vague notions; we have made it very specific. We said, if you are estimated to breach the debt ceiling, you make serious decisions about how you ...

**Mrs FINOCCHIARO:** That is my question; what are those decisions?

**Mr GUNNER:** Rather than the vague notion of getting close—whatever close is—or having a separate set of definitions on proximity, we have made it very specific. If you are estimated to breach the debt ceiling, you need to explain why you are breaching. I would suggest that whatever decision you make as a government would probably be related to why you are breaching the debt ceiling. Those two things may or may not be

linked. You have to provide that reason. Then provide the decisions you have made in response to that reason. That would happen at that time.

A Treasurer would have to deal with that. I am not directing a future Treasurer about whether they should do it through the revenue or expenditure side of government. A lot of that would be linked to why the estimated breach was occurring in the first place. That is a decision for a future Treasurer. It is not forecast to happen in our estimates.

**Mrs FINOCCHIARO:** Is there no plan if we hit the debt ceiling?

**Mr GUNNER:** There is a plan already in place that we are doing to repairing the budget and not hit the debt ceiling. We have done that over a number of years. It includes things such as the wages policy—freezing wages of ECOs and parliamentarians with a 10% cut. There is a significant number of things we have already done which make sure we are not in that position. Government has done a significant body of work on repairing the budget, which has seen net debt halved on the ‘business as usual’ case a number of years ago.

**Mrs LAMBLEY:** Can you explain to me again—you have quadrupled the net debt of the Northern Territory in four or five years, and the forward estimates predict that it will increase even further. What do you mean when you say you have ‘repaired the budget’? From my perspective it looks like a train wreck that is going on and on, with no relief. The net debt is projected to get to \$12bn in the forward estimates; how can you say you have repaired anything?

Is this not just a furphy? Are you politically spinning this to make yourself look good when, in fact, the fiscal position of the Northern Territory is diabolical?

**Mr GUNNER:** The fiscal deficit is estimated to be under \$1.4bn. That is a \$900m improvement to the fiscal deficit over two years. Our net debt is \$1bn lower than was intended. We were able to repair the budget in the middle of a pandemic, which is an incredible result.

**Mrs LAMBLEY:** You are trying to repair the mistakes you have made.

**Mr GUNNER:** I thank all the public servants who helped to deliver that. That means our expected net debt position has been cut in half compared to the ‘business as usual’ forecast that was projected before we started our budget repair program. The ‘business as usual’ forecast was done by Langoulant at our request when we recognised that if we kept going as we were under the ‘business as usual’ policy settings inherited from the CLP in 2016—then taking into consideration the GST cuts we were experiencing—we would be on a dangerous path.

That showed a projected net debt. We commissioned the report to make changes and not continue on that path. We have implemented those changes, made a series of hard decisions and shown budget restraint, which has reduced our net debt position compared to what the ‘business as usual’ position would have been if we had not made any decisions. We deliberately made decisions to repair the Territory government’s fiscal position.

That is what I mean when I talk about improving and repairing the budget.

**Mrs LAMBLEY:** The Langoulant report came out two-and-a-half years after you were elected. It makes lots of recommendations. One of them is:

*Publish 10-year budget and forward estimates key fiscal aggregate information in Budget Paper No. 2.*

*Publish five-year agency output information in Budget Paper No. 3.*

Those are recommendations 5.1.5 and 5.1.6. You have had this report for two years now. You are telling everyone you have either implemented these recommendations, or are in the process of implementing. Where are you on this recommendation and recommendation 5.1.8, which is:

*Establish a parliamentary committee to scrutinise agencies’ actual financial performance against the original budget.*

Not talking about a budget Estimates Committee, but a committee with an independent Chair, unlike what we have here, who will look very closely and hold CEOs and ministers to account for their expenditure and budgets. What is happening with these two key recommendations?



**Mr GUNNER:** If you look at page 13 of Budget Paper No 2, you will see that the 10-year projection, based on this budget and the last budget—we should add the ‘business as usual’ case next time, for reference ...

**Mrs LAMBLEY:** Sticking to the four-year budget estimates ...

**Mr GUNNER:** The idea of having an actuals committee was suggested last term. The Member for Araluen attended it, but it was not supported by the opposition. That would require a change of policy position between separating the estimates from the actuals. It is an important thing to do, but it was not supported at the time.

**Mrs LAMBLEY:** Can you explain what you just said?

**Mrs FINOCCHIARO:** (inaudible – microphone off) annual reports, is that what you are talking about?

**Mr GUNNER:** That is the recommendation, looking at the actuals. Annual reports are the actuals. That is what the department has done.

**Mrs LAMBLEY:** You have the numbers in parliament; why would you not just implement it? This is a recommendation you presumably support.

**Mr CHAIR:** Order! My note-taking capabilities are not as good as others. Can we stick to one question at a time, please.

**Mrs LAMBLEY:** I just want clarification as I do not understand what you just said. What did you say about the establishment of this parliamentary committee to scrutinise agencies’ actual financial performance against the original budget?

**Mr GUNNER:** That is annual reporting. Annual reports show what the department have actually done.

**Mrs LAMBLEY:** Where is the committee?

**Mr GUNNER:** We created one and it was not supported by the opposition, so we went back to only having an Estimates Committee.

**Mrs LAMBLEY:** Since when does your government take instruction from the opposition? Why would you not just implement a committee as per the recommendation of the Langouant report on budget repair and do it? I do not think you have ever conceded to the opposition once that I remember.

**Mrs FINOCCHIARO:** What he is talking about, Robyn, is that you know how they slashed two weeks estimates to one week and then made one week annual reports. That is what he is talking about. We are always very happy to do two weeks estimates and one week annual reports. We could have bipartisan support right now for this committee.

**Mrs LAMBLEY:** As an Independent member of parliament, I would be very happy to support the establishment of a scrutiny committee as per the recommendation 5.1.8 of Langouant report.

**Mr GUNNER:** It would meant splitting the Estimates Committee and not doing actuals during the estimates but doing actuals during the actuals.

**Mrs LAMBLEY:** We could do both.

**Mr GUNNER:** We tried that and you did not want to do both.

**Mrs LAMBLEY:** The opposition do not tell you what to do. You can do what you want.

**Mrs FINOCCHIARO:** That is because you cut estimates in half.

**Mr GUNNER:** Because you move the actuals to actuals. It is a very practical reason. At estimates you do estimates, and at actuals you do actuals. The desire at the time was to do actuals and estimates at the same time. If you want to split the two in half again we are open to that, but it means moving actuals out of the estimates period ...

**Mrs FINOCCHIARO:** We are open to two weeks of estimates.

**Mr GUNNER:** Therefore you are not open to it. It means moving actuals out of the estimates period and putting it into the actuals. That is what it means.

**Mrs LAMBLEY:** Why can you not do both, Chief Minister?

**Mr MONAGHAN:** A point of order, Mr Chair! The member is debating back and forth.

**Mrs LAMBLEY:** I am asking a question. Why is it impossible to have both—a two-week Estimate Committee process as well as the scrutiny over agencies' actual financial performance against their original budget?

**Mr GUNNER:** If you ever want to actuals out of the estimates to actuals, we can do that but it means splitting the time in half, which you did not want to support. If you change your mind about supporting the change to an actuals process, that means a week now and a week at the end of the year. If you do not support that, then it is two weeks here. It is simple as that.

**Mrs FINOCCHIARO:** Chief Minister, do we pay \$1.1m in interest every day?

**Mr GUNNER:** Chair, interest expense per day in 2021–22 is expected to decrease from \$1.19m to \$1.15m. At the moment, the cost of borrowing has reduced and we have reduced the amount of interest that we are currently paying per day.

**Mrs FINOCCHIARO:** What a wonderful saving—\$1.15m every day! That money does not go on other services, hiring police or teachers, caring for our most vulnerable, supporting health services or building roads. That is literally \$1m every day. Is it true that by the forward estimates 2024–25, we will be paying \$1.3m every single day in interest?

**Mr GUNNER:** The interest expense per day in 2024–25 will be \$1.3m and every single government in the country carries and services debt.

**Mrs LAMBLEY:** We are talking about the Northern Territory, Chief Minister. How can this be sustainable? How can 245,000 people, half of those who pay tax, half of those are workers—not even half, probably—sustain paying over a million dollars a day servicing our debt?

**Mr GUNNER:** This is why we have the plan for budget repair and have imposed it. This is one of the benefits of halving the net debt that was estimated under the 'business as usual' case. It is about repairing the budget. We believe the budget should be repaired, which is why we are doing the work that is required. It requires a number of things. In the current circumstances, it means controlling the virus. It also means growing the economy. You cannot do that unless you control the virus. That is how you repair the budget.

In the budget we have just handed down, we have repaired the bottom line by \$900m across two financial years and reduced net debt by \$1bn dollars. We are doing the work to improve the budget position. We have to keep maintaining that effort. It is one reason why the wages policy, for example, is so important.

We will keep making the effort to repair the budget.

**Mrs LAMBLEY:** Do you agree that prevention is better than cure? Would it be better to prevent putting us into this diabolical fiscal position rather than having to repair it or cure it, using your medical analogy?

**Mr GUNNER:** We recognised the impact of the reduction in GST revenues. That is one reason why we had the plan for budget repair and have imposed these solutions. We recognised the impact on the Territory government's budget as a result of the reduction in GST revenue, which is why we have imposed the plan for budget repair.

**Mrs FINOCCHIARO:** If we are downgraded by Moody's, will the amount that we pay in interest per day go up?

**Mr GUNNER:** The interest that is there is on money already borrowed and interest rates are already set.

**Mrs FINOCCHIARO:** If we are downgraded by Moody's, the amount that we are already committed to pay in interest will not change? Is it only if we accrue new debt?

**Mr GUNNER:** That is correct, yes.

**Mrs FINOCCHIARO:** A question I am asked a lot by Territorians is how does the lending regime of the Territory government work. I know in other estimates this has often come up. People are very interested in who the Territory owes this \$7.7bn to.

**Mr GUNNER:** We have an official who can talk to that.

**Mrs FINOCCHIARO:** While we wait for that changeover, if the fiscal repair is under control, as you would have us believe, why is it that our daily interest expenses go up over the forward estimates?

**Mr GUNNER:** We have been curving off—that plan is outlined in Langoulant’s report, how you curve off the net debt-to-revenue ratio. Obviously, you will see the four-year forward estimates. We have now reduced the net debt that was estimated. Then you tail it back down again, and that is the work we have been doing to deliver. Obviously, in the four-year forward estimates you see the final bit as it comes up, then you will start seeing it come down. That is the work we will be doing over the 10-year fiscal plan.

**Mrs LAMBLEY:** Not in leaps and bounds, though.

**Mr CHAIR:** Mr Pollon, we just had a question from the Leader of the Opposition about the debt owed to the Territory.

**Mrs FINOCCHIARO:** Yes. I am sure we all get it from time to time. Territorians are very curious about who the Territory owes money to and how the debt works, as distinct from our personal debts and mortgages. We owe our money to the bank. Could you explain for Territorians who we are borrowing money from and how that works.

**Mr POLLON:** I am Alex Pollon, General Manager for the Northern Territory Treasury Corporation. As the central financing authority, our role is to borrow from the Australian debt capital markets. We do that by way of an annual road show, primarily through the larger centres of Brisbane, Sydney and Melbourne, where most of the financial institutions are based.

We are typically meeting with banks and all the upper-regulated ADIs that are required to hold government bonds as part of their prudential standards, insurance companies that are typically holders of government bonds, as are fund managers and superannuation-type institutions.

**Mrs FINOCCHIARO:** For 11 consecutive quarters, we had the worst-performing economy in the nation, according to CommSec. This takes us way back before COVID. I know you would love everyone to have a deleted memory and pretend that COVID created all the problems for our budget. It simply is not the case.

Last budget you reported the actual expenditure on COVID. I think it was about \$400m, perhaps as much as \$500m. How much this year have you attributed to COVID spending?

**Mr GUNNER:** There is quite a lot to that. As the Leader of the Opposition knows and chooses to ignore, or does not know—which would be surprising—CommSec only compares the Territory to itself, not against other jurisdictions.

We are coming down off the INPEX construction peak. It was a massive project. I do not think it is breaking news to anybody that our economy is not where it was when INPEX was at its peak. Unfortunately, CommSec is not a valid report for any other purpose but comparing the NT to itself. It is not breaking news to anybody that we are not currently at the INPEX peak.

In this budget, we are estimating private sector growth to be 4.7%, which is higher than national growth. We are also projecting a positive growth in the forward years. That is with a conservative estimate from Treasury, which is only including \$11bn worth of major projects and not \$35bn worth that are yet to reach FID status. We are very positive and working very closely with them. It is a very conservative measure that can only be applied within the Territory context and we all understand where we are at post-INPEX.

We can all agree that the CommSec report is not an accurate one for reference to the economy.

**Mrs FINOCCHIARO:** We know you like to throw any dissenting voice in the bin, but my question was, what was the COVID spend?

**Mr GUNNER:** We have increased our support to provide an extra \$40m for the Territory's COVID-19 health response in this budget. The information I have is not summed up in the way that the Leader of the Opposition is asking for, so it might be one that we take on notice.

**Mrs FINOCCHIARO:** Yes, I am happy to do that.

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**Question on Notice No 1.2**

**Mr CHAIR:** Opposition Leader, please restate the question for the record.

**Mrs FINOCCHIARO:** Like in last year's budget, can the government please detail what it attributes to its COVID spend?

**Mr CHAIR:** Treasurer, do you accept the question?

**Mr GUNNER:** I accept the question.

**Mr CHAIR:** The question asked by the Leader of the Opposition has been allocated the number 1.2.

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**Mrs FINOCCHIARO:** State final demand is expected to rise to 4.3% this financial year and then decline in the subsequent years. What is behind that decline?

**Mr GUNNER:** The state final demand shows positive growth for the Territory economy. It does not include all the major projects that we believe will happen, it only includes those that have reached FID. What it does show, and we discussed this last budget for different reasons, is the completion of the Santos construction phase around their \$5bn—that is, the final year and the outer year.

If you go back and look at gross state product the year before that, the figure in 2024–25 reflects the ceasing of the Santos construction works and the figure in 2023–24 shows that do to the construction works there is an impact on export, so those two figures reflect the Santos project occurring. We believe that a number of other major projects will come on over that period of time, but we do not include those in the forecast until they reach FID.

**Mrs FINOCCHIARO:** If they do not come to fruition then this is the reality of our situation?

**Mr GUNNER:** Yes, that is showing the growth as estimated by Treasury across the forward estimates based on the major projects that have reached FID.

**Mrs FINOCCHIARO:** Why is the budget forecast a decline in own source revenue when it comes to mining royalties, gas et cetera?

**Mr GUNNER:** There are a couple of things which I will pass on to Mick. First of all, Treasury is conservative and second, it is mindful of the global commodity market which it keeps an eye on how it does its estimates for. I will pass to Mick Butler, Deputy Under Treasurer, to explain further.

**Mr BUTLER:** In terms of mineral royalties, Department of Treasury and Finance engages with the mineral royalty payers to get them to make estimates of the amount of mineral royalty they expect to pay. Under our profit-based system you have to be cognisant of the expected operating expenses and infrastructure investments they will make as well as the effects of commodity prices and the Australian dollar conversion. We get that advice from them, and we have our own reflection on our expectations of commodity prices.

The forward estimates for the mineral royalties largely reflects those investment decisions of the mineral royalty payers, their expectations of commodity prices across those forward estimates and the cost that they expect to incur.

**Mrs FINOCCHIARO:** Is government not expecting any new mines over the forward estimates and no gas?

**Mr GUNNER:** We do not put that into our forward estimates until FID. It is expected, but Treasury has a very firm rule that it does not go in until FID is made. I am sure you will talk about this further with the Deputy Chief Minister. There are a number of mines that are very positive at the moment. There are a number of gas

opportunities that are also very positive, but they will not be reflected into our forward estimates until the final investment decision is made.

**Mrs FINOCCHIARO:** On budget day you gave a presentation to a group of paying people who went to see you, but you did not take any questions from the public at that presentation. Why not?

**Mr GUNNER:** I am taking questions today and I suggest you keep asking me questions about the budget.

**Mrs FINOCCHIARO:** Fortunately for me, I do not take suggestions from you. Why did you appear at a budget presentation and not take any questions from the crowd?

**Mr GUNNER:** Do you have any questions to the budget or have you run out?

**Mrs FINOCCHIARO:** This is about the budget.

**Mr GUNNER:** Do you have a question to the budget or have you run out?

**Mrs FINOCCHIARO:** Why was no-one from the Northern Territory Government present at the Property Council budget presentation last week?

**Mr GUNNER:** Mr Chair, if there are no more questions to the budget, we will move on to Chief Minister and Cabinet.

**Mrs FINOCCHIARO:** I am asking questions, whether he chooses to answer or not. You can take them on notice. I am sure someone on the fifth floor could write something humorous ...

**Mr GUNNER:** If you do not have a question relative to the budget, we will move on to Chief Minister and Cabinet.

**Mr CHAIR:** Order! Leader of the Opposition, if it is relating to the opening statement, ask the question. Otherwise we can move on to agency-related whole-of-government questions and then go through the outputs.

**Mrs FINOCCHIARO:** I wanted to know why the Chief Minister is hiding from Territorians and not making himself available to speak publicly and answer public questions about his budget.

**Mr GUNNER:** If the Leader of the Opposition has run out of questions to the budget—I understand it is a big budget and maybe she did not have time to read it all—let us move on to Chief Minister and Cabinet.

**Mrs FINOCCHIARO:** Interesting. In your opening statement, you talked about COVID because it is the one thing you know and love. I want to get a better idea about how COVID authority sits at the moment. What authority do you have as Chief Minister to make decisions on COVID?

**Mr GUNNER:** A month ago I delivered the budget—probably the single biggest thing that a government does and what determines everything the government does. Treasury's role is setting out economic and fiscal strategies, which the budget drives. I am happy to take questions on what Treasury does and how the budget works. If the Leader of the Opposition has no questions on that, we need to move on to Chief Minister and Cabinet. Is there a question from the Leader of the Opposition on the budget I delivered?

**Mrs FINOCCHIARO:** Yes. I asked my first question and a string of questions relating to COVID, expenditure, the budget—your responsibility—which you talked about in your opening statement. I did not make you talk about it; you chose to talk about it.

**Mr GUNNER:** The question she asked is not relative to Treasury, my opening statement or any of the outputs of Treasury. If she has questions to the budget, I am happy to answer them.

**Mrs FINOCCHIARO:** Were you the person who made the decision to kick AUSMAT out of the Howard Springs quarantine facility in exchange for \$500m-plus from the federal government?

**Mr GUNNER:** I am happy to take any questions the Leader of the Opposition has on the budget. If she has not prepared herself properly to ask questions today on the budget, then that is up to her.

**Mrs FINOCCHIARO:** I am sorry, Mr Chair, I am seeking some clarity. The Chief Minister spoke about COVID in his opening statement. I have a million questions about COVID. That was a budget-related question. I do not know how the Chief Minister can sit here and not answer any questions about it.

**Mr CHAIR:** Would you like to restate the question so it is clear?

**Mrs FINOCCHIARO:** Yes. I wanted to know about authority. That would help me tailor which questions to ask you, Chief Minister. Because you will not answer I asked, was it your decision to kick AUSMAT out of the Howard Springs international quarantine facility in exchange for \$500m-plus from the federal government? That has a big impact on the budget.

**Mr GUNNER:** It is not a question relevant to the opening statement of any of the Treasury outputs. If there is a question relevant to the budget, I am happy to answer it.

**Mrs LAMBLEY:** Can I ask how much you paid for this report?

**Mr GUNNER:** That was a number of years ago and a previous term, Member for Araluen. I would not have that information to hand.

**Mrs LAMBLEY:** Approximately? Someone from Treasury might remember.

**Mr GUNNER:** We can take that on notice.

**Mrs LAMBLEY:** It was only two years ago. Can I take that on notice?

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### Question on Notice No 1.3

**Mr CHAIR:** Member for Araluen, please restate the question for the record.

**Mrs LAMBLEY:** I would like to know the amount paid for the Langoulant report, 'A plan for budget repair', from March 2019.

**Mr CHAIR:** Chief Minister, do you accept the question?

**Mr GUNNER:** I am happy to take that on notice

**Mr CHAIR:** The question asked by the Member for Araluen has been allocated the number 1.3.

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**Mrs FINOCCHIARO:** Given that you refuse to talk about it now, I would like clarification on where you would like to be asked about COVID?

**Mr GUNNER:** Let us be really clear about how we are clarifying this. The Leader of the Opposition cannot use a single word—COVID—to then diverge from what we are doing here, which is the budget. There will probably be a number of COVID-related questions that Treasury could answer.

You cannot simply say that because I used the word COVID, everything suddenly is Treasury's responsibility and belongs in Treasury's outputs. Depending on what the question is, it may or may not be appropriate for me, estimates or for a different minister. It simply depends on the question. The question she is asking is not relevant to the Treasury opening statement or outputs. It may be relevant to the Health minister or Minister for National Resilience, but it is not relevant here.

**Mrs FINOCCHIARO:** I want to ask you about your decision-making capability on topics of COVID, including Howard Springs and that decision for the Territory to take it over. Please tell me where I can ask you that question.

**Mr GUNNER:** If the Leader of the Opposition wants a briefing session, because estimates is not a briefing session ...

**Mrs FINOCCHIARO:** No, I do not.

**Mr GUNNER:** If the Leader of the Opposition wants a briefing session about how TEMC, SEMSC or decision-making works, we can arrange that, but we are here today for the purpose of examining the estimates of the budget and how it determines the operations of government. I am happy to take questions on that.

**Mrs FINOCCHIARO:** It is very standard during estimates—and you were at pains to tell us that this was your 11<sup>th</sup> estimates year. A member can ask, ‘If this question does not fit here, where can it go?’ That is standard practice and allows members to not miss their question in the right spot.

Can you please point me to where I can ask you about that? Is it somewhere in DCM, perhaps under Strategic Policy Directions? If it is not for you at all, let me know and I will ask the Health minister tomorrow. It is a very simple question, I am not sure why you are having this adverse reaction to it.

**Mr GUNNER:** It depends on the question the Leader of the Opposition asks about where it should be directed. If it is specific to Centre for National Resilience, it is for the Minister for National Resilience. If it is specific to what I do as Chief Minister and relevant to the budget, it sits with the Chief Minister. I think that is pretty straightforward and we have covered that already. We are here at the Treasury output and I am happy to take questions as Treasurer about the budget and our fiscal and economic strategy.

**Mrs FINOCCHIARO:** Just to confirm, anything to do with Howard Springs, you have no decision-making control over?

**Mr GUNNER:** I am happy to arrange a briefing session for the Leader of the Opposition. This is not a briefing session.

**Mrs FINOCCHIARO:** This is a public process. People are tuning in.

**Mr GUNNER:** This is about answering questions to the budget, its estimates and how it determines the activities of government. We are at the Treasury section and I am taking questions as Treasurer. I am happy to do that. If there are questions to me which are appropriate to the budget and the activities of the department, then I am happy to answer them there.

The Minister for National Resilience would answer questions about Centre for National Resilience as well. That is all very straightforward. I do not think the Leader of the Opposition needs an explanation on that, even though she is seeking one.

**Mrs FINOCCHIARO:** It speaks volumes that the man who would only speak about COVID now cannot, will not and does not speak about COVID. We have seen a very big shift there for sure.

Chief Minister, on 16 April 2009, you committed the Territory to being back in surplus by 2027–28. What will that actual deficit be by 2027–28? Will we be back in surplus?

**Mr GUNNER:** All that was revisited through the plan for budget repair and the work we did with John Langoulant, and recognising the impacts of the GST situation. We now have a plan based upon a better understanding of the actual GST we receive. We made a significant number of decisions about how we deal with the Territory government’s budget as a result of that.

**Mrs FINOCCHIARO:** In 10 years’ time, we will still have around that \$500m deficit and net debt continues to expand out. When will the budget move back into a position of surplus? Or even just head in that direction?

**Mr GUNNER:** That is the 10-year projections which are not as accurate as estimates. In the four-year estimates we maintained that deficit position. We will do a lot of work over the next four years on how we improve both the Territory’s economy and budget. We have shown we are capable of doing that by improving the deficit position in \$900m over these two financial years and improved net debt by \$1bn.

We have already dramatically changed last year’s set of budget figures in this budget. It is my expectation that we will keep doing that work, and that will keep dramatically changing what the forward estimates will show. That is a responsibility we take on as a government.

The projections are there, but they are based on this year’s budget, as last year’s projections were based on last year’s budget. The forward estimates are more accurate. The forward estimates and projections do not show a surplus, but I remain confident that if we keep doing this work we will be able to deliver a surplus.

**Mrs FINOCCHIARO:** When do you think that will be?

**Mr GUNNER:** It is not within the forward estimates, so I cannot say. The estimates are the more accurate part of what Treasury does and what we do. The projections are not as accurate. In the four-year forward estimates there is no surplus. Between last budget and this one, I have already shown a dramatic improvement in our fiscal position and a reduction in our net debt by \$1bn.

We have shown that we can do the work, and we will keep doing the work. That is why the next few budgets will be very important to the sustainability of the Territory and how we grow the economy.

**Mrs FINOCCHIARO:** Is the fiscal strategy panel still John Langoulant, Helen Silver, Craig Graham and Jodie Ryan?

**Mr GUNNER:** That ceased with the completion of the report.

**Mrs FINOCCHIARO:** How much additional park revenue do you expect from increasing park fees from July?

**Mr GUNNER:** I will see if we have that answer or if it is one for the relevant minister.

The relevant minister will have the information regarding that.

**Mrs FINOCCHIARO:** Will that go back into general revenue?

**Mr GUNNER:** It is retained by the agency.

**Mrs FINOCCHIARO:** What other examples of revenue such as this are retained by the agency?

**Mr GUNNER:** There is a range of fee for services that will be retained by the department. It will be a mixed and varied bag across departments. There is no neat way to answer that. It is not unusual, but it will be a large list to pull together.

**Mrs FINOCCHIARO:** How are discussions going with your union mates regarding the public service wage freeze?

**Mr GUNNER:** The enterprise negotiations will be done by the Minister for Public Employment. As Treasurer I help to set the wages policy, which we have done, and that impacts the amount of money we allocate to a department. The actual negotiations will be done by the Minister for Public Employment—a schedule is set for the EBAs; they are not all due at the same time. The Minister for Public Employment will be able to answer more questions about that.

**Mr MONAGHAN:** On that question of the EBA, you talked about the basics of the government wage policy, but what other things are able to be negotiated within that?

**Mr GUNNER:** I think it is important to recognise that if we are making the decisions we are—all the parliamentarians and ECOs are taking a wage freeze—and negotiating something like that with the public service, with the \$1000 per year, we need to be open to other discussions about productivity or other things. I think we should be talking about access to flexible arrangements; that is a bigger conversation down south than it is here, because they had to deal with more lockdowns and have more necessity for flexible working arrangements.

We also talked about domestic and family violence leave, foster and kinship carer leave and things like that. We have to be very thankful to our public servants for the work they do. We need a positive enterprise agreement process. There are things we can talk about that go beyond the wage policy, but I would rather control wages than cut public servant numbers. The impact of not controlling our wages, or getting the wages policy wrong, would be a significant loss of public servants and we cannot afford that.

**Mrs FINOCCHIARO:** What happens if the deal is not accepted?

**Mr GUNNER:** There is a potential process through Fair Work about how you get to a final enterprise agreement. We are setting our departments' wages bills according to our wages policy.

**Mrs FINOCCHIARO:** Yes, but you are hanging your hat on a \$424m saving over four years. That is just over \$100m a year over the forward estimates. If it does not work out that way, for example if it ends up being a \$500 pay freeze or does not happen at all, where will you get the money from?



**Mr GUNNER:** I discussed this last estimates. We will formally discuss this with the unions; they should be aware already. Our wages bill for departments is set by our wages policy; that does not change. If there is a different outcome on that wages policy, we are not changing how much money is allocated to the department. It would mean better remunerated public servants but fewer of them, which is why we will always achieve the \$424m saving. It is what we have put into the books and how it stays in the books. We do not change the amount of money allocated to a department based on different wages policy outcomes through EBA negotiations.

**Mrs FINOCCHIARO:** What is the budget allocation for Treasurer's Advances in this year's budget?

**Mr GUNNER:** It is \$30m.

**Mrs FINOCCHIARO:** How does that compare to last year?

**Mr GUNNER:** It is the same.

**Mr GUNNER:** Last year and this year, Treasurer's Advances are \$30m?

**Mr GUNNER:** That was the amount of money allocated.

**Mrs FINOCCHIARO:** What is the process for distributing a Treasurer's Advance?

**Mr GUNNER:** There is a formal process. I will get Tim to talk about that.

**Mr McMANUS:** We have a notional allocation for Treasurer's Advances of \$30m built into the budget. That allocation it is to be applied for by ministers to fund one-off, unforeseen and unexpected items. A Treasurer's Direction has been issued that clearly outlines the criteria for what items would be considered for a Treasurer's Advance. They are things like unexpected legal costs, responding to natural disasters and things like that. We do not use them to fund ongoing operational or employee costs. We are quite specific on how they are allocated. The criteria is quite tight.

To date we have not had any Treasurer's Advances allocated for the current financial year; they are being assessed as part of the end-of-year process.

**Mrs FINOCCHIARO:** Since estimates last year, have there been any changes to how they are administered or distributed?

**Mr McMANUS:** No, the process has stayed the same. The current Treasurer's Direction clearly outlines the process for it and agencies comply with that.

**Mrs FINOCCHIARO:** One of the Langoulant recommendations was to abolish the efficiency dividend discount. Was that considered during budget Cabinet deliberations?

**Mr GUNNER:** Every year we look at our budget parameters, which budget Cabinet always considers. We then set our efficiency dividends based on what we think is reasonable and achievable. This year we set it at 1%.

**Mr McMANUS:** The efficiency dividend is set at 1% with a discount applied to frontline agencies.

**Mrs FINOCCHIARO:** Is every agency 1% minus frontline agencies?

**Mr McMANUS:** Yes.

**Mrs FINOCCHIARO:** What is considered a frontline agency?

**Mr McMANUS:** That is applied to Health, hospital services, Police, Education and Territory Families.

**Mrs FINOCCHIARO:** By and large that would be the bulk of the budget. Those are the mega agencies with Territory Families, Health and Police, Education and Corrections. Does it render the dividend pointless?

**Mr GUNNER:** They still have a dividend; it is just a reduced dividend. Theirs is a third.

**Mrs FINOCCHIARO:** One-third?

**Mr GUNNER:** Of whatever the dividend is—a third of 1%. If it was a 3% dividend it would be 1%.

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

**Mr CHAIR:** The committee will now proceed to consider the estimates of proposed expenditure contained in the Appropriation (2021–2022) Bill as they relate to the Department of Treasury and Finance. Are there any agency-related whole-of-government questions on budget and fiscal strategy?

That concludes consideration of agency-related whole-of-government questions on budget and fiscal strategy.

## **OUTPUT GROUP 13.0 – FINANCIAL MANAGEMENT**

### **Output 13.1 – Financial Management**

**Mr CHAIR:** The committee will now proceed to Output Group 13.0, Financial Management, Output 13.1, Financial Management. Are there any questions?

That concludes consideration of Output Group 13.0.

## **OUTPUT GROUP 14.0 – ECONOMIC**

### **Output 14.1 – Economic Services**

**Mr CHAIR:** The committee will now proceed to Output Group 14.0, Economic, Output 13.1, Economic Services. Are there any questions?

**Mrs FINOCCHIARO:** Is the government still looking to sell the Land Titles Office?

**Mr GUNNER:** No.

**Mrs FINOCCHIARO:** Why the change in position with that?

**Mr GUNNER:** We took it on and gave it serious consideration from the plan for budget repair. We have a policy position about not selling government assets we are very mindful of. That was probably the main reason, but it would not have necessarily achieved much on the open market. That is basically the two main reasons.

**Mrs FINOCCHIARO:** Why has the budget output for Economic Services been cut by \$5m?

**Mr GUNNER:** I am not seeing that. That reflects the allocation that was made for the CSO towards business hardship. Obviously that was time-limited for 1 July.

**Mrs FINOCCHIARO:** Businesses in Central Australia remain very concerned about the economic outlook going forward and, arguably, can be more vulnerable than here in the Top End. Are you planning to provide extra support for Central Australia for economic recovery?

**Mr GUNNER:** I am very mindful of all Territory businesses, particularly Territory small businesses, and more so tourism and hospitality businesses. We have made a number of decisions in this budget. The Tourism minister can talk more to some of these that are mindful of that. We have made various adjustments to the tourism voucher, for example, to try to make sure more of it hit the ground in Central Australia.

We made a number of decisions over the last Christmas period through representation of businesses in Central Australia. We have a small version, the Small Business Survival Fund, for not-for-profits based on feedback.

We are very mindful of the position of Territory businesses and are making decisions in response to that. At this stage, we are in the high period for the Territory. We are watching what is happening. A lot of businesses are recouping the costs, but they need to get two seasons out of one from this season. I recognise that. We are seeing a bit of a positive lift in tourist numbers.

We have a number of grants rolling out through the year based on the circumstances earlier this year. We will keep a watchful eye on it. We have made decisions in the very recent past about how we keep an eye on Central Australian businesses.

**Mr CHAIR:** Are there any further questions? That concludes Output 14.1.

#### **Output 14.2 – Payments on behalf of Government**

**Mr CHAIR:** The committee will now consider Output 14.2, Payments on behalf of government. Are there any questions?

**Mrs FINOCCHIARO:** Please describe what community service obligations are and how they impact our budget and whether you consider them to be important commitments of your government.

**Mr GUNNER:** Everyone who benefits from a community service obligation would recognise the importance of them. They make a serious difference. There was talk from a CLP opposition about reducing the CSOs quite significantly, which would have a detrimental impact on many Territorians.

I believe CSOs are important. It makes a genuine difference to household bills. Is there more information you wanted about CSOs, Leader of the Opposition? That is a briefing question rather than a budget question.

**Mrs FINOCCHIARO:** Is there a global figure for it?

**Mr GUNNER:** I do not have the sum at the moment.

**Mr GRAHAM:** The total CSOs across utilities, pension concession schemes and Territory wildlife parks is \$137.9m.

**Mr GUNNER:** That is page 204 of Budget Paper No 3.

**Mr CHAIR:** Are there any further questions? That concludes consideration of Output Group 14.0.

#### **OUTPUT GROUP 15.0 – TERRITORY REVENUE** **Output 15.1 – Territory Revenue**

**Mr CHAIR:** I now call for questions relating to Output Group 15.0, Territory Revenue, Output 15.1, Territory Revenue. Are there any questions?

**Mrs FINOCCHIARO:** How much was collected last year from petroleum royalties only and how many licensees played royalties?

**Mr GUNNER:** There is a legal problem with that question. We are legally required not to identify companies that pay tax. Because of the small number of people who pay tax in that area, we cannot talk about it. I will have the Deputy Under Treasurer confirm that.

**Mr BUTLER:** The small number of petroleum royalty payers we have at the moment means that disaggregating the royalties paid by those payers from mineral royalties in general would identify the amount of royalties paid by the specific individuals. The royalty legislation prohibits disclosure of that type of information on a company basis.

**Mrs FINOCCHIARO:** Is it fair to say that some companies are not paying royalties?

**Mr BUTLER:** Under the petroleum royalty regime, it is an ad valorem regime. All of the operators pay royalties.

**Mrs FINOCCHIARO:** The government's own TERC recommended that

*... the Territory Government needs to increase industry confidence to invest by providing certainty, clarity and the necessary frameworks for investment.*

What consultation was done with industry regarding the changes to royalty rules that came in as part of the Mineral Royalty Amendment Bill 2021, which had been described by industry as a tax grab?

**Mr GUNNER:** We discussed this in great detail in the House just recently. That was not a change in policy; it was simply closing a loophole that was created by a court case. It was existing government policy that was re-enacted. It did not need to be consulted on. We needed to let the sector know that we were closing the loophole and that the government policy had not changed, because it did not.

**Mrs FINOCCHIARO:** What is the yearly cost of administering the current mineral royalty scheme, including audit and administration of the scheme?

**Mr GUNNER:** We know what the Territory Revenue Office does, but we do not break that down into the kind of format that the opposition is just asking for. We only have what the Territory Revenue Office does as part of its daily job.

**Mrs FINOCCHIARO:** You could not work out how much resources are expended on administering that scheme?

**Mr BUTLER:** There is a unit in the Territory Revenue Office and part of its responsibility is as administrator of the *Mineral Royalty Act*, but it is not its sole responsibility. Even if we were to categorise the employee expenses for that unit, it still would not reflect the fact that they are doing other work. They do audits of payroll taxpayers and stamp duty, and other amounts. We do not have a dedicated group that only does mineral royalties.

**Mrs LAMBLEY:** I do not know if I am in the right section; my question is about revenue. I have asked it in the last three estimates hearings. It is about the investment of more than \$10m of NT public money into the near-bankrupt water bottling company called NT Beverages, through the Infrastructure Development Fund. The last report we had on this matter was that there was still approximately \$7m in outstanding debt that this company owes Territorians. It is public money.

What is the latest on how much NT Beverages owes the Northern Territory Government? I am still asking for this government to undertake a full investigation into this whole matter of the loss of more than \$7m, the last I was advised.

**Mr GUNNER:** The former Treasurer spoke to this.

**Mrs LAMBLEY:** Has there been any progress on the matter? Did we get any more money out of them?

**Mr GUNNER:** The former Treasurer has spoken to this in significant detail. I do not think it sits here.

**Mrs LAMBLEY:** I am hoping it is revenue.

**Mr GRAHAM:** We responded to written questions on this but we can see if we can update the last response that we gave. I suspect not but ...

**Mrs LAMBLEY:** Can I put it on notice?

**Mr GUNNER:** We will take it on notice.

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#### Question on Notice No 1.4

**Mr CHAIR:** Member for Araluen, please restate the question for the record.

**Mrs LAMBLEY:** What is the current outstanding amount owing by NT Beverages to the Northern Territory Government?

**Mr CHAIR:** Treasurer, do you accept the question?

**Mr GUNNER:** We will accept the question.

**Mr CHAIR:** The question asked by the Member for Araluen has been allocated number 1.4.

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**Mrs FINOCCHIARO:** Stamp duty concessions for homebuyers is said to end on 30 June, and your budget has failed to deliver an extension to these concessions despite concerns being raised by REINT and Master

Builders. Why are prospective home owners bearing the brunt of your financial mismanagement and debt crisis?

**Mr GUNNER:** We have made a number of decisions around the state of the Territory economy, which is a very positive one; the economy is growing and there has been an increase in demand. This is a decision made very much about the recognition of the economic situation and nothing to do with the fiscal situation. At the moment we have a significant increase in demand and we do not need to stimulate that demand; that demand exists. What we have a challenge with is supply, and making sure more supply comes on.

In the most recent stats 60 houses were confirmed for May, which is an increase on April and an increase on May last year. It shows that demand remains strong, which is great. You do not need to stimulate the market to have demand. Demand is strong.

We need to tackle supply, and in the budget we have just delivered we talked about some of the supply challenges and things we need to do to address that. The advice from Treasury is do not pour petrol on the fire. Demand is taking care of itself. As a government, what we need to do now is switch across to supply solutions, which is what we are doing. Can you add more to that, Craig, about addressing the demand supply issues?

**Mr GRAHAM:** Yes, that is right. Providing more stimulus into an overheating market will more than likely just feed through to price growth and benefit sellers rather than purchasers.

**Mrs LAMBLEY:** You said there are 60 first home owner applications, is that what you ...

**Mr GUNNER:** No, 60 approvals for new builds in May.

**Mrs LAMBLEY:** How many of those are in Alice Springs?

**Mr GUNNER:** We just did the Kilgariff East ballot, all of which were allocated—I need to get you the exact numbers, but that was quite a significant amount of allocation of new builds in Alice Springs. We did that in Kilgariff East.

**Mrs LAMBLEY:** Is that not just purchase of land?

**Mr GUNNER:** Sixty are permission to build. In Kilgariff you have to buy the land upon which to then build. We have just done that—balloted the land so you now have it then you can do the work upon which to build on.

**Mrs FINOCCHIARO:** The land will not be available until the end of the year.

**Mrs LAMBLEY:** No, I know, and just because you purchase the land may not mean that you intend to build for many years, if at all. You might keep it and sell it in 10 years' times as a piece of land.

**Mr GUNNER:** We have a supply challenge which we need to address, and this is a Territory-wide supply challenge. It is not a demand challenge because the demand is there, as evidenced by all the blocks being balloted out. What we have is now supply challenge in getting those houses built and to market.

**Mrs LAMBLEY:** How many approvals to actually build are in Alice Springs out of those 60?

**Mr GUNNER:** The minister can probably answer that. I am aware it was 60, but that would sit with Minister Lawler.

**Mr COSTA:** How is the government continuing to support Territorians owning their own home?

**Mr GUNNER:** We need to get more houses built or make more land available upon which houses and units can be built on. The big thing we did in this budget is recognise the private sector side. The work done to service the land which can then be titled takes usually around 12 months. The titling process is usually around six days. It normally gets called a titling process, but the titling process itself is only six days, at the end.

It is about what we can do to crunch that up, legitimately, and get more land to market sooner so we can get more houses and units out of the ground. We have seen the vacancy rate in the Territory soak up really quickly, probably quicker than most people anticipated in the middle of a pandemic.

We have to do more work on supply. There is money still exists for those new builds with the FHOG—First Home Owner Grant—of \$10,000 towards new builds.

**Mrs FINOCCHIARO:** Why is the land in Kilgariff taking so long? It is extraordinary to think that there is no land developed for purchase in Alice Springs and people who have taken part in the ballot will be able to build, if titles are even issued, by the end of the year. What has been the hold up?

**Mr GUNNER:** We can talk to that at the Land Development Corporation section which has carriage of that. They made the decision to increase the number of lots to take to market, which then impacted the time to get it to market. We can take that at Land Development Corporation.

It shows also the change in demand. There had not previously been demand, but now there is demand.

**Mrs FINOCCHIARO:** Is some of this overheating—or however you termed it—because of the fact we had HomeBuilder and BuildBonus together? How can the government make this decision looking forward to May when we still have the benefits of HomeBuilder and BuildBonus in the system?

**Mr GUNNER:** HomeBuilder and BuildBonus expired earlier than May, so that the May numbers are based on HomeBuilder or BuildBonus. We worked with the Australian Government to get those new builds to market at that point of time when we were in the middle of the pandemic, worried about where the economy was going. We wanted to get activity occurring.

Those new builds will occur over a period of 12 to 18 months. The work we did with the Australian Government creates a lot of long-term construction work. If you think one-and-a-half years is long-term construction—the May figures exist post those projects ceasing. That is why that is.

**Mrs FINOCCHIARO:** They ceased, so people cannot apply for them anymore, but the federal government extended it out to September. People will be utilising the scheme—is it just no new people can come onto it?

**Mr GUNNER:** Yes. I understand what you are saying. That is more complicated. That goes to the build for how it works for commencement. It is not disqualifying for people who applied in December or January. It is more that the commencement of the project can occur later than was originally allowed for under the grant scheme, so you do not suddenly lose the grant.

**Mrs FINOCCHIARO:** No, that is right. I am asking, does it not skew the true figures of what our market looks like? You are saying we have removed the stamp duty concession because things are going well. I am proposing that things are going well because we have the HomeBuilder and BuildBonus schemes.

**Mr GUNNER:** Yes. There are probably a couple of things. The stamp duty went to existing as well as new builds. That is a point of clarification. It is new builds—what addresses supply and makes sure we have more properties available for people to live in.

The advice I have is that the wash-through of BuildBonus and HomeBuilder is not affecting those numbers in May to any dramatic extent.

**Mrs LAMBLEY:** I remember when I was a minister we looked at scrapping the stamp duty entitlement for first home owners and we decided not to because it discriminates against people living outside of Darwin and Palmerston, where there are very few new builds happening. We have not seen any new builds in Alice Springs for years.

You should look at changing this because our economy in a place like Alice Springs feels it immensely. Have you thought about making one rule for Darwin and one for outside of Darwin and Palmerston, as we did when I was in the CLP government years ago?

**Mr GUNNER:** Was there a jurisdictional difference in the 2012 to 2016 term?

**Mrs LAMBLEY:** There was.

**Mr GUNNER:** I will double check that. I do not remember a jurisdictional difference in the CLP term ...

**Mrs LAMBLEY:** There definitely was. I was Treasurer; I remember it.

**Mr GUNNER:** The CLP scrapped first home owner grants for existing properties and we brought that back. We have made a change based on the fact demand has increased. In Alice Springs demand genuinely has increased. Kilgariff has been balloted.

Having said that, we will keep a very close eye on the economy. We are a very mindful of it. New builds have a huge impact in the construction sector. They are the good jobs over a long period of time across all trades, so they are very important for the economy. They also genuinely had new product to the market so they have more places for people. Alice Springs has a genuine supply challenge in a number of housing categories, of which this is one. If I can do it, I would never rule out a jurisdictional difference because I think different parts of the Territory can have different economic challenges. Alice Springs has different challenges to Darwin.

I will talk about this when the Major Projects Commissioner is here—I will touch on it now and we can talk about it further when she is present. Major Projects coming online will have significant impacts on communities; we saw that with INPEX. Arafura Resources, through EFA, has \$200m towards it. That is the money it needs which will get a lot of other money tipped in. Arafura Resources is trending close to FID.

**Mrs LAMBLEY:** We have been hearing that for a long time. I am hopeful.

**Mr GUNNER:** The \$200m is new, though. EFA tipping the money in is new. It was a direct result of the investment task force that we stood up last year with Andrew Liveris and Jodie Ryan to pitch directly with and on behalf of the companies to these entities saying, 'These companies just need the money and sovereign support', which we got. The \$200m is going towards it; that is a significant change for Arafura Resources, which has been seeking that equity investment.

When Arafura Resources occurs, we want all the jobs to be local. Local businesses will get the benefits. That means we will need more places for people to live in Alice Springs. What I am saying to the Major Projects Commissioner is that our remit has to be not just delivery of the major projects, but recognition of the consequences of that major project being delivered and how we do it in such a way that the local community gets the benefit.

In my last conversation with the Central Australia Economic Reconstruction Commission a couple of weeks ago, we discussed that one of the best ways to help our work is to recognise the consequences and help locals address it. For me there could be many reasons, but one of them is the delivery of a major project, the need for jurisdictional differences and policy settings to make sure locals get the benefit of the project occurring.

**Mrs LAMBLEY:** I agree with your thinking, but between now and when we see these major projects kicking off—it could be a long time. We need the stimulus that we were getting from the stamp duty concession for places like Tennant Creek, Alice Springs, Nhulunbuy and Katherine. How many new building approvals have their being in Tennant Creek over the last 12 to 18 months? I cannot answer that, but historically there are not that many, which means there is not a lot of turnover of property if you are not getting the stamp duty concession.

**Mr GUNNER:** Demand is strong in Alice Springs as reflected by that last ballot. Demand is good in Alice Springs at the moment. We always have to keep a close eye on economic circumstances and we have to recognise that different parts of the Territory can travel at different economic speeds.

**Mrs LAMBLEY:** The former Henderson Labor government started Kilgariff in about 2010. The blocks were released in 2014 and, even up until about a year ago, we were still building on that first release of land. Things go very slowly and if you do not keep an eye on it and stimulate it appropriately we miss out.

**Mr COSTA:** In regard to Territorians owning their own home—as the Member for Barkly said, being in a bush seat—are we looking at anything for people Indigenous communities owning their own home?

**Mr GUNNER:** That has been a very difficult one for us. In the Tiwis you had one of the first sales.

**Mr COSTA:** Only one.

**Mr GUNNER:** It was a difficult thing to achieve. We have to bear in mind that repair and maintenance costs in remote areas are quite high. Sometimes we look at this in isolation in relation to—is there a house for sale? Can the person afford to pay the mortgage repayments? That can be true in a remote community; there are good jobs and good people in remote communities who are happy to take on a mortgage.

The problem to be mindful of is the repairs and maintenance bill that person can accrue, which is over and above anything a person in an urban environment may get. That can be a necessary impact on that person. This applies to a lot of people. Some people ask, 'Why don't you buy your own houses remote?' That is the biggest thing; you are giving that homeowner a massive, ongoing bill more than what a person in an urban setting gets.

One of the things we are trying to achieve—the minister for Remote Housing can talk to this in more detail—through our remote housing policy, which is a significant spend over a long period of time, is a functioning repairs and maintenance sector in remote areas. If you get it right with those settings, suddenly you have people there with the supplies they need and the right contractors in place. Potentially someone who buys that house can afford the repairs and maintenance on it.

That is the big thing we need to do—there were some policy setting changes that we went through with Minister Uibo in the House the other day which recognise differences in tenure, and that is important, but in a lot of remote communities you do not want to give a person the gift of a huge bill. You want to make sure they have a home they can take pride in ownership on and we are not suddenly saddling them with huge debt. That is a policy challenge we have to break the back of.

**Mr CHAIR:** I do not believe we have any further questions on Output 15.1.

### **Output 15.2 – Home Owner Assistance**

**Mr CHAIR:** The committee will move on to Output 15.2, Home Owner Assistance. Are there any questions?

**Mr GUNNER:** I think we have done all that.

**Mr CHAIR:** That concludes consideration of Output 15.2 and Output Group 15.0.

## **OUTPUT GROUP 16.0 – SUPERANNUATION**

### **Output 16.1 – Superannuation**

**Mr CHAIR:** The committee will now proceed to Output Group 16.0, Superannuation, Output 16.1, Superannuation. Are there any questions?

**Mrs FINOCCHIARO:** Chief Minister, your department awarded a \$625,000 contract to two Melbourne-based companies to provide actuarial services to the Territory's Superannuation Office. Why did you go interstate? Did any Territory businesses tender for this work? What are your projections of long-term, unfunded superannuation liabilities and emerging costs going forward?

**Mr GUNNER:** I will ask the Deputy Under Treasurer to take that question.

**Ms WEBER:** We use several different firms for our actuarial work depending on the nature of the work that needs to be undertaken, whether it is a superannuation review or workers' compensation, or different types of actuarial review. We use local firms as well as interstate firms. It depends on the nature of the work we need them to undertake.

We have a long-term contract in place to use PricewaterhouseCoopers as well as CumpstonSarjeant, which is the local firm. I do not have the details in front of me, but we follow the procurement procedures in that regard. It is highly specialised advice that we are after, and it is not always available. We are lucky to have a local provider at all in the Territory.

**Mrs FINOCCHIARO:** What do superannuation liabilities (inaudible – microphone off).

**Ms WEBER:** Our superannuation liability for the 2021 year—\$3.723bn.

**Mrs FINOCCHIARO:** Billion?

**Ms WEBER:** That is a super liability, so it is in respect of our defined benefit schemes. It is not our superannuation guarantee amount because that is paid every fortnight along with pays. That is in respect of our closed schemes, our accrued liability that we have for NTGPASS, NTSSS, the Police Supplementary Benefits Scheme, the Legislative Assembly members' scheme and so on. That is the liability that we recognise in our accounts in respect of those members.



**Mr CHAIR:** Are there any further questions for Output Group 16.1?

That concludes consideration of Output 16.1 and Output Group 16.0.

**OUTPUT GROUP 17.0 – ECONOMIC REGULATION**  
**Output 17.1 – Utilities Commission**

**Mr CHAIR:** The committee will now consider Output Group 17.0, Economic Regulation, Output 17.1, Utilities Commission. Are there any questions?

**Mrs FINOCCHIARO:** Is it correct that residents in Tennant Creek pay more for their electricity than businesses do in Darwin?

**Mr GRAHAM:** If they are paying the regulated tariff, they should be paying the same as customers paying the regulated tariff in Darwin.

**Mrs FINOCCHIARO:** It would be highly irregular if a resident in Tennant Creek was paying more than business in Darwin?

**Mr GRAHAM:** Yes.

**Mr GUNNER:** If you have details, we are happy to look at it. Households should be paying the same.

**Mr GRAHAM:** If it is an unregulated business, they could be paying more.

**Mrs FINOCCHIARO:** If they are an unregulated business in Tennant Creek, they could be paying more than a regulated business in Darwin?

**Mr GRAHAM:** Yes.

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

That concludes consideration of Output 17.1 and Output Group 17.0.

**OUTPUT GROUP 18.0 – CORPORATE AND SHARED SERVICES**  
**Output 18.1 – Corporate and Governance**

**Mr CHAIR:** The committee will now consider Output Group 18.0, Corporate and Shared Services, Output 18.1, Corporate and Governance. Are there any questions?

**Mrs FINOCCHIARO:** How many freedom of information requests are lodged with your agency for the reporting period?

**Ms WEBER:** We can take that on notice. From memory, it is in the order of three or four this financial year. We generally get very few.

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**Question on Notice No 1.5**

**Mr CHAIR:** Member for Spillett, please restate the question for the record.

**Mrs FINOCCHIARO:** For the reporting period, how many freedom of information requests have been lodged with Treasury?

**Mr CHAIR:** Chief Minister, do you accept the question?

**Mr GUNNER:** Yes.

**Mr CHAIR:** The question asked by the Member for Spillett has been allocated the number 1.5.

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**Mrs FINOCCHIARO:** Who from Treasury redacts FOI information?

**Ms WEBER:** Our freedom of information officer is in the Department of the Chief Minister and Cabinet. They provide shared services for Treasury and Finance and that is where our FOI officer works from. They prepare the responses in conjunction with us, whoever the program manager is for that, related to that particular question.

**Mrs FINOCCHIARO:** Does that go up to the Chief Minister's office for final approval?

**Ms WEBER:** No.

**Mrs FINOCCHIARO:** Once you have determined the content of an FOI at a department level, it is then released to the person who requested it?

**Mr GUNNER:** There is a departmental process, which can also be appealed. We are sometimes subject to FOI and we have a FOI process.

**Mrs FINOCCHIARO:** I mean for the department. I wanted to know if they had to then send it your office. The answer is no? A request comes in; your person sitting in DCM reviews it; it is sent back to agency head, I imagine, for final sign off; and then it goes back to the person who asked for it?

**Ms WEBER:** Yes, that is correct. We are careful with that process in case there is a request for review so that there is someone else in the department, who was not involved in the original decision-making, who can undertake that review.

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

That concludes consideration of Output 18.1 and Output Group 18.0.

#### **Output 18.2 – Shared Services Received**

**Mr CHAIR:** The committee will now move to Output 18.2, Shared Services Received. Are there any questions?

That concludes consideration of Output 18.2.

#### **Output 18.3 – Shared Services Provided**

**Mr CHAIR:** The committee will now move to Output 18.3, Shared Services Provided. Are there any questions?

That concludes consideration of Output 18.3 and Output Group 18.0.

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

That concludes consideration of the Department of Treasury and Finance outputs.

### **FINANCIAL INTEGRITY AND REVENUE LEGISLATION AMENDMENT BILL 2021**

**Mr CHAIR:** The committee will now move to consider questions relating to the Financial Integrity and Revenue Legislation Amendment Bill 2021. Are there any questions?

**Mrs FINOCCHIARO:** Where did you just take us to, Chair?

**Mr GUNNER:** We have kind of done that as we have gone through. On the agenda, it just says Financial Integrity and Revenue Legislation Amendment Bill 2021, but that is debt ceiling and CEOs. We can take more questions on it but we have kind of done it as we have gone. I had not noticed that there until then.

**Mr CHAIR:** That concludes consideration of the Financial Integrity and Revenue Legislation Amendment Bill 2021.

## CENTRAL HOLDING AUTHORITY

### OUTPUT GROUP 19.0 – CENTRAL HOLDING AUTHORITY

**Mr CHAIR:** The committee will now move on to consider the Output Group 19.0, Central Holding Authority, Output Income. Are there any questions? There are no questions. That concludes consideration of the Output Group 19.0, Central Holding Authority.

## NORTHERN TERRITORY TREASURY CORPORATION

### OUTPUT GROUP 20.0 – NORTHERN TERRITORY TREASURY CORPORATION

**Mr CHAIR:** The committee will now consider the income and expenses of the Northern Territory Treasury Corporation. Are there any questions? There are no questions.

That concludes consideration of this business line. This also concludes consideration of the output groups relating to the Treasurer.

On behalf of the committee, Treasurer, I thank you and your departmental staff and officers, and everyone in back rooms who have been busy over the last however many weeks. Thank you for attending today and for all your hard work.

**Mr CHAIR:** The committee will now move to consider outputs relating to the Department of the Chief Minister and Cabinet. We will have a short break to allow for the staff to change over. Thank you, Mr Graham, and your team.

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The committee suspended.

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## MAJOR PROJECTS AND TERRITORY ECONOMIC RECONSTRUCTION STRATEGIC DEFENCE RELATIONS

### DEPARTMENT OF THE CHIEF MINISTER AND CABINET

**Mr CHAIR:** Welcome back, everyone, to estimates hearings. We are now moving on to the Department of the Chief Minister and Cabinet. Chief Minister, I invite you to introduce the officials accompanying you and to make an opening statement regarding the Department of the Chief Minister and Cabinet.

**Mr GUNNER:** A couple of things up front. I have found out why Treasury was late. They misread the agenda and thought Legislative Assembly was appearing first, which goes to the question the Member for Mulka had. We will take your question at the end of the opening statement if you like, Member for Mulka, because it was about Legies. I will do my best to answer it or the Speaker will answer it later.

The other thing was the question from the Leader of the Opposition about the independent inspector, which I will take at Output 21.1.

I table the preliminary report, pursuant to section 143 of the ICAC Act 2017, Inspector of the Independent Commissioner Against Corruption. There is a second one, I think. That one is public, to my understanding. I will table it now so the Opposition Leader has it as well. There is a second report I need to get. The annual report for ICAC will be here, too. There are two reports.

I have with me today CEO, Jodie Ryan; Deputy CEO, Andrew Cowan and Jean Doherty, Executive Director Intergovernmental and Legal Policy. We also have a couple of other members of the team: the Major Projects Commissioner, Hayley; and General Manager, Bridgette Bellenger.

As an essential agency, the Department of the Chief Minister and Cabinet provides the highest-quality policy advice and support to me, as the Chief Minister, and my Cabinet colleagues. CMC plays a critical role in leading and coordinating whole-of-government programs and initiatives in ensuring effective Cabinet processes are undertaken.

Before we start, I note that CMC reports to five ministers across their areas of portfolio responsibility. The Local Government and Community Development team and the Aboriginal Interpreter Service have also

merged into Territory Regional Growth, formerly referred to as the Regional Network Group to boost coordination and collaboration of delivery of services across the regions.

The Office of Aboriginal Affairs, the Treaty Commissioner and the Aboriginal Interpreter Service are under the responsibility of the Minister for Aboriginal Affairs and Minister for Treaty and Local Decision Making, Hon Selena Uibo.

Local government and community development functions are under the responsibility of the Minister for Local Government, Hon Chansey Paech. Minister Paech also has responsibility of Central Australian Economic Reconstruction.

As minister for Territory Economic Reconstruction, I continue to have oversight and ministerial responsibility for the broader economic reconstruction function, including the established TERC implementation unit.

For budget purposes, the Office of the Commissioner of Public Employment also falls within the remit of Chief Minister and Cabinet. However, all questions relating to this portfolio should be directed to the Minister for Public Employment, Hon Paul Kirby. Minister Kirby will appear before the Estimates Committee with the Commissioner for Public Employment, Ms Vicki Telfer.

Hon Lauren Moss, Minister for Children, has responsibility for whole-of-government children's strategic policy.

The 2021 budget focuses on leading the economic comeback by capitalising on the Territory's reputation throughout the COVID-19 pandemic, building on the gains we have made and grabbing the opportunities of the future. We have said from the beginning that we want to turn this once-in-a-century crisis into a once-in-a-century opportunity for the Territory. The tough decisions and sacrifices made by Territorians have put the Territory in pole position for Australia's recovery and return to growth. Our task now is to ensure that Territorians benefit from that growth.

We have weathered the pandemic better than anybody else in the country. The recent COVID-19 outbreak in Victoria is a stark reminder to everyone that it is not over yet. This time last year some parliamentarians, namely the Leader of the Opposition, were pushing for the government to open the borders early, which would have seen community transmission in the Territory, without a doubt.

We held firm, we listened to the experts instead of the opposition, and the results spoke for themselves. We will keep listening to the expert health advice and doing whatever it takes to keep the Territory safe. That is how we lead the comeback and keep being Australia's comeback capital.

SEMSC continues to play a coordinating function for the whole-of-government response to the pandemic, particularly with regular meetings of the Security and Emergency Management Sub-committee of Cabinet, where the key decisions are made and which support my work on the National Cabinet.

We have taken the same urgency energy we used to win the health crisis, applying it to our economic comeback. Our economic recovery is a jobs-led recovery and the Department of the Chief Minister and Cabinet is leading the government's work. The Territory Labor government is investing in projects that will help boost the economy and create jobs for all Territorians, focusing on the things that will make the biggest difference.

The Darwin City Deal will deliver a new education and community precinct, redevelopment of Civic and State Square and a Larrakeyah cultural centre. These initiatives will transform our capital city into a cool, tropical and well-connected city. We have committed \$100m of direct funding as part of this monumental City Deal.

Since the machinery of government changes in August 2020, the agency has fully integrated and transitioned a number of new functions, including Investment Territory comprising the commercial facilitation and investment attraction team, Major Projects, the gas task force, and national security and Defence. Investment Territory is about maximising the Territory's potential for more investment, people and jobs.

We have strengthened our strategy for winning private investment, turbocharging major projects and growing the economy with the creation of two new roles: the Territory Investment Commissioner and the Major Projects Commissioner. Together these commissioners will lead the Investment Territory team.

Our forecasts include about \$11m worth of major projects in the Territory, and there is about \$35bn worth of plans for proposed projects that are in the pipeline but are not yet in our growth projections. For example,

the ship lift is a critical enabling structure that will unlock opportunities for the marine industry park, boosting marine industry and Defence capability, which means jobs now and into the future.

Investment Territory is working on private investors to progress projects like the world's largest solar farm, the world's biggest prawn farm, new mining projects, new fibre cable investments and new Defence infrastructure. I thank the incredibly hard-working members of the Chief Minister and Cabinet, who have and continue to develop and progress key priorities and initiatives of government.

The Territory Labor government will continue to do whatever it takes to keep businesses open, jobs secure and Territorians safe. We are happy to take questions.

**Mrs FINOCCHIARO:** Chief Minister, once again you mentioned COVID and your government's achievements in that respect. I tried to ask you during Treasury to find out what areas of COVID you are allowed to make decisions on and you would not answer. I am hoping that now might be the right time to ask you questions like, who made the decision to kick AUSMAT out and take control of the Howard Springs facility in exchange for \$500m from the federal government? Would that be a good question for now?

**Mr GUNNER:** I chair the Security and Emergency Management Sub-committee of Cabinet and the Chief Minister and Cabinet coordinates the whole-of-government responses to COVID, so some of these things will deal with all agencies. I might be able to answer the initial part of the question, then more detail will be followed with a future line minister, which happened a few times over my time as Chief Minister. We deal with a bit, then the line agency deals with the majority of it.

It is done through the executive director, Jean Doherty. We often have a role in helping departments negotiating bilaterals with the Australian Government. We have one of the most experience in working with the Australian Government. We helped Health negotiate the bilateral agreement with the Australian Government on the Centre for National Resilience.

It is important to understand the setting. It is a bilateral agreement; it is the Australian and Territory governments agreeing to a certain set of conditions. It was not a unilateral decision from one person, as the Leader of the Opposition was trying to paint—that I just sat down as a dictator and determined certain things. This is a bilateral agreement between the Australian and Territory governments that included audits by the Australian Chief Nurse about the best model on-site and how we should manage the facility.

This was a joint decision—that is what a bilateral is—by the Australian and Territory governments about the Centre for National Resilience, whereby we delivered services in exchange for the Australian Government paying the costs.

The executive director, Jean Doherty, was part of those negotiations with the Australian Government, so I will get her to add to the process of how we delivered that agreement.

**Ms DOHERTY:** The Chief Minister is correct in that the agreement was developed through a joint arrangement between the Northern Territory Government and the Commonwealth, led through the Emergency Operations Centre in close collaboration with our agency, Treasury and the Department of Health.

In relation to the workforce arrangements for the centre, the current workforce model has been carefully and deliberately calibrated to meet the clinical and health and safety requirements of the expanded model. It is moving from about 200 a fortnight to—let me get the stats right. Sorry, we are looking at bringing in 200 per fortnight, which is a significant increase from the previous original bilateral agreement.

**Mrs FINOCCHIARO:** Is that 200 staff?

**Ms DOHERTY:** No, 200 repatriated Australians per fortnight. That is based on an agreed schedule between the Northern Territory Government and the Commonwealth—sorry, that is 2000 per fortnight.

**Mrs FINOCCHIARO:** Can we start again? I am confused.

**Ms DOHERTY:** We are moving from a smaller cohort of repatriated Australians under the original bilateral agreement to 2000 per fortnight coming in from overseas. We are bringing Australians back to the country who are vulnerable and most in need of repatriation.

The design of the workforce model under the expanded Centre for National Resilience bilateral agreement with the Commonwealth, which is available publicly online, was carefully calibrated in line with the current Northern Territory workforce requirements. Bear in mind the significant upscaling that needed to happen to bring back the repatriated Australians under the national commitment we made with the Commonwealth, also in line with other jurisdictions' capacity to bring Australians home.

I note what the Chief Minister alluded to—the significant expert model put in place by all the Northern Territory's relevant expert staff, including AUSMAT and the Northern Territory Department of Health staff.

The scheduling of flights to the centre is directly related and correlated to the need for workforce sustainability and the establishment of the workforce model at the centre has been done in line with that requirement and the context of the Northern Territory. It has been a significant and commendable effort to get that number of workforce in the Territory established in the time frame in which it has occurred. It has been one of the largest recruitment exercises the Northern Territory has undertaken in that time frame, and I applaud the Northern Territory staff who have come to the party to get this operation up and running.

**Mrs FINOCCHIARO:** How does the financial component of the deal work?

**Ms DOHERTY:** It is a bilateral agreement between the Northern Territory Government and the Commonwealth, not unlike any other national partnership agreement. The money is filtered through the Northern Territory Department of Health and the bilateral agreement was signed by the Minister for National Resilience, Natasha Fyles.

**Mrs FINOCCHIARO:** Is that a question I have to ask the Health minister—how the \$500m is being ...

**Ms DOHERTY:** The Minister for National Resilience, correct.

**Mrs FINOCCHIARO:** What is DCM's remaining role with this bilateral agreement? What practical measures are you having to take?

**Ms DOHERTY:** We provide strategic assistance and support. The Centre for National Resilience is run under a governance model which is oversighted and managed by the Emergency Operations Centre through the Territory Controller and the Territory's emergency management legislation, which is a proven model that has worked under the COVID safety requirements of the Territory.

We provide a central agency strategic support and advisory role and engage with Commonwealth partners, including through the Department of the Prime Minister and Cabinet and our National Cabinet colleagues to make sure we are providing that level of strategic support on the Commonwealth side of things. We are working as much as we can to support the strategic objectives of the centre.

We have a regional liaison cell in the Emergency Operations Centre who also provides that connection point between the operational side of the Centre for National Resilience and ourselves as strategic policy leads.

**Mrs FINOCCHIARO:** What does the Territory have to do to fulfil its obligation as part of the agreement?

**Ms DOHERTY:** There are a range of reporting requirements in the bilateral agreement.

**Mrs FINOCCHIARO:** Is this agreement public?

**Ms DOHERTY:** It is public, yes.

**Mrs FINOCCHIARO:** Where do we find that?

**Ms DOHERTY:** It should all be on the IGA FFR—Intergovernmental Agreement on Federal Financial Relations—website, which is a Commonwealth website.

**Mrs FINOCCHIARO:** That was set out in what the Territory's and the Commonwealth's obligations are?

**Ms DOHERTY:** Yes, that is correct. And the activities and services funded under the agreement.

**Mrs FINOCCHIARO:** Chief Minister, are you responsible for any of the clinical practice changes at Howard Springs since the Territory took over control?

**Mr GUNNER:** (inaudible – microphone off)

**Mrs FINOCCHIARO:** As Chief Minister, you were not faced with that decision on whether or not to scrap rapid antigen testing—that is not a decision that came across your desk?

**Mr GUNNER:** (inaudible – microphone off)

**Mrs FINOCCHIARO:** What types of decision are you responsible for with COVID?

**Mr CHAIR:** Pardon me, Chief Minister, I need your mic on.

**Mr GUNNER:** I chair the security and emergency Cabinet meetings. I also attend National Cabinet. The best way of framing it is that we set the policy settings, and then departmental staff put in place the operational nature of things, as you would in any ordinary Cabinet government setup.

I chair the meeting with the Territory Controller, the CEO of Chief Minister and Cabinet, the CEO of the Health department, the Chief Health Officer, Minister Fyles and Minister Manison. We are constantly reviewing issues that arise and decisions that need to be made.

I chair the SEMSC. The Territory Controller chairs the departmental version of that, which is the TEMC, and the EOC reports to the TEMC, which reports up to the SEMSC. It is as much an oversight and check body as it is a decision-making body.

**Mrs FINOCCHIARO:** Who made the decision not to have police or health officials on our board during the Victorian hot spot lockdown?

**Mr GUNNER:** We work with the Territory Controller on the best way of keeping the Territory safe. We have significant experience with what it takes to staff and manage our borders. We made that decision based on the advice of the Territory Controller. The Territory Controller is very clear in his direction that there is a hard border with Victoria and Queensland—the automatic numberplate recognition system had been working with the compliance checks.

When Queensland had the hot spot declared, it immediately triggered the Territory Police being stood up on the Queensland border. We have talked about this with SEMSC for over a year now, the different circumstances and issues, and how we manage them.

In terms of the borders, we have a very clear understanding of what the risk was, what the other states' arrangements were and how we responded to that. The Territory Controller had the auspicing authority to be able to make whatever decision he needed to make in terms of managing our borders.

**Mrs FINOCCHIARO:** Ultimately, those decisions rest with the Territory Controller. Does no decision necessarily come out of a discussion from that committee? I am trying to work out, as the buck stops with you, ultimately—if you walk into this and say, 'We are putting police on our borders', does everyone have to do what you say?

**Mr GUNNER:** I thought I articulated—we created the auspicing authority for the Territory Controller to be able to make those decisions around the borders. For example, if you go right back to when we first shut the borders down, that was very much a final decision driven out of the SEMSC, and by me, on the advice that we received from the Chief Health Officer about the risk to the Territory.

The CHO can say we are at risk from our fellow Australians. The CHO can say that we are at risk from the outbreaks that are occurring, but the CHO does not have the ability to direct police resources to the border. It is a coordinated decision through SEMSC about what money you can allocate to what end, what officers you can resource, to what extent can the CHO back that up with the decision-making authority et cetera.

It is a very complicated set of issues that you are confronted with, so that decision required me, as the Chair of the SEMSC, to say that we respect the advice of the CHO. To implement the advice we get about the risk we are confronted with, we want to put up hard borders. That requires a resource shift of police, which requires an infrastructure shift because these are difficult spots for staff and outpost, so we needed to move money around. That required a decision from SEMSC and the Cabinet about the allocation of those financial resources.

It is the authority of the CHO to set the direction. The Territory Controller and I, as Chair of the SEMSC, arrived at the outcome where we could put that border arrangement in place. All decisions of the SEMSC go to Cabinet for ratification. That is how we deal with that environment. It is a fast-moving environment, especially in the early days. We had to move very quickly and make informed decisions based on advice from the Territory Controller and Chief Health Officer.

As Chief, you have to wear it; you have to make that infrastructure investment and financial commitment. You have to put on extra police training, recognising that there is an impact on police resourcing if you are to make that decision. Those are not decisions that the Territory Controller or the CHO make; they are decisions only government can make. That is why you need the SEMSC, chaired by the Chief Minister, to direct all that traffic.

**Mrs FINOCCHIARO:** Does every decision of SEMSC have to be ratified by Cabinet?

**Mr GUNNER:** Yes. We are a subcommittee of Cabinet. It is the Security and Emergency Management Sub-committee of Cabinet.

**Mrs FINOCCHIARO:** But the Territory Controller ultimately, irrespective of that subcommittee, can make his own decisions?

**Mr GUNNER:** The Territory Controller has a legal environment in which to operate in an emergency. That is something we have always recognised, and the Territory is better positioned to handle this emergency because of the fact we deal with emergencies regularly—two or three a year, which is a significant number in a small jurisdiction. We have a legal environment in which the Territory Controller acts.

**Mrs FINOCCHIARO:** If you were at loggerheads with the Territory Controller—for example, say you were at odds about the Chief Health Officer's advice—who wins that argument?

**Mr GUNNER:** That is not a situation that has emerged. I respect the Chief Health Officer, the advice they give and the directions they set. The CHO has a legal role which is established by law, a policy we agree with—I assume the opposition agrees with how the CHO operates. That is not a circumstance; the CHO provides their advice and I, as Chief Minister, go about implementing that.

I gave a good example with the borders. No matter what decision the CHO made, the CHO had no capacity to implement it. You need to be able to explain it, implement it and enforce it. That is where I pulled all that together into one spot so it happened. The borders were a great example of how the CHO provides advice in regard to the risk and the direction they are prepared to make, but the direction is unenforceable unless you make the decision that I made as Chair of SEMSC.

**Mrs FINOCCHIARO:** I did not mean at odds with the CHO. I am saying, for example, the CHO gives their advice and you and the Territory Controller have differing views on how they should be implemented. Who ultimately is the final decision-maker in this COVID system?

**Mr GUNNER:** I take responsibility for everything. Everything rests with me. We set the policy settings; we set the law; we provide the Territory Controller with an authorising environment, but it all rests finally with me. The Territory Controller is on the SEMSC, which I chair. The Territory Controller is the Chair of the TEMC and reports up to SEMSC. Cabinet is the security body. There is no greater authorising entity than Cabinet within the executive.

Parliament sits there as a check as well if there needs to be changes. We had that one day of COVID sittings last year when we needed to bring in legislation for a number of things. It is not a circumstance that has emerged, because this is a policy environment that we support.

There is a legislative environment under which the Territory Controller makes decisions. They chair TEMC and it reports to the SEMSC. There has not been a cage match, which you are trying to go to. It just does not emerge. We manage things professionally.

**Mrs FINOCCHIARO:** Ultimately, the buck stops with Cabinet. I am not saying there has been, but you could use the border example—if the Department of Health or Police Commissioner give advice that we do not need anyone at our borders at this point in time, if the majority of Cabinet wanted some sort of authority on our borders, could that take place?



**Mr GUNNER:** That could also happen at SEMSC if that was the position we needed to take. That goes to the positioning of resources based on advice. We could always make that decision.

**Mrs FINOCCHIARO:** Okay. If the Chief Health Officer said, 'No, we do not need anybody on our borders', but the government wanted to, could they make that happen?

**Mr GUNNER:** The CHO would not say that. The CHO would say, 'Here is the risk environment and the direction I am taking'. That is the direction. The question goes to how you implement or enforce it. We have significant evidence about how both staffed borders and numberplate recognition works and the workload, so we can make a legitimate decision about where the best place is to direct police resources.

At the moment, with the way the numberplate recognition system works, Operation Crown—the Territory Controller can go into more detail when he is present with the Police minister. We are comfortable with the way Operation Crown works, and compliance checking.

When the Queensland hot spot decision was made, we got a direct order there—as opposed to Victoria into New South Wales into Queensland into the Territory. We then put up a hard border. That is something we discussed in SEMSC in considerable detail over a long period of time so the Territory Controller has an auspicious environment to make that decision. Obviously, at SEMSC or Cabinet we could, if necessary, make decisions.

**Mrs FINOCCHIARO:** What role does your agency have with crime in the Territory? Obviously, this is an enormous issue that is plaguing every community across the Territory. It is something people are very concerned about. We had the recent youth justice reform which we are yet to have any information about whether it has made any improvements in the youth justice space. Of course, we will ask questions of the Territory Families minister about that.

What role do you have in ensuring that Territorians are kept safe?

**Mr GUNNER:** I am involved as a Cabinet minister and Chair of Cabinet in all decisions have been made, as a government. We have a coordinating policy role. At times CMC might be available in how it coordinates policy decisions. What you are alluding to there will be covered in great detail by the different line ministers—whether it is the Police minister, the Territory Families minister or the Attorney-General.

Our involvement in any policy is the coordinating element. We can be involved in the coordination of policy. The YJA was at officer level. That was coordinated by the Chair of the children's subcommittee of co-ord. The CEO of Territory Families, Ken Davies, did that coordination.

**Mrs FINOCCHIARO:** Are you not taking any leadership role dealing with crime across the Territory?

**Mr GUNNER:** I take on a leadership role as Chief Minister and the Chair of the Cabinet. The question goes to what the Department of the Chief Minister and Cabinet does. I explained that.

A lot of what you are talking about goes to the line departments. Chief Minister and Cabinet is not the Police department, the Territory Families department or the Attorney-General's department. I obviously take a leadership role as the Chair of Cabinet. But regarding your question in estimates and why we are here today, the Chief Minister and Cabinet are not those other agencies.

**Mrs FINOCCHIARO:** How much did the Territory government have to pay the Treaty Commissioner?

**Mr GUNNER:** That was not handled by me. That may be more appropriate to the Treaty minister. I did not speak to the Treaty minister. I presume there are certain things that she can and cannot say under employment law. That would be a question for the Treaty minister.

**Mrs FINOCCHIARO:** I asked you because the Treaty minister has been absent and devoid of any leadership on this issues. When it first broke and was called out, there was minimal comment from the Treaty minister, and for some unknown reason you stepped in and filled that void. You have answered all the question on the Treaty Commissioner since that point in time. Why do we suddenly have to revert back the minister for Treaty, who has said nothing on this issues?

**Mr GUNNER:** First, I do not accept that characterisation of the hard-working Treaty minister, who has spoken on this topic. We are in a formal committee of parliament—she is the Treaty minister and that is where the responsibility sits. I have been quite respectful and said that is where the answer would come from. The

minister for Treaty would be aware of what she can or cannot say under employment law about what has or has not happened with the Treaty Commissioner.

I am aware of the situation and have spoken to it. I do not have direct line responsibility for it, so I think it is appropriate for the relevant minister to speak to it. They will know what they can and cannot say, which I think is logical.

**Mrs FINOCCHIARO:** Why did your department conduct the investigation into the allegations of the Treaty Commissioner?

**Mr GUNNER:** This is a very good question which relates to the employment of the Treaty Commissioner under the PSEMA, which creates an interesting policy question about the right way to employ independent statutory officers. This may be the right way, but I will ask Jodie Ryan to answer that. I recognise that it should be asked under the Treaty Commissioner spot, but Jodie Ryan can talk about the interaction with the PSEMA and how it works.

**Ms RYAN:** The Treaty Commissioner was appointed under the Treaty Commission legislation, but in terms of an actual contract of employment, he was employed as an executive contract officer under the PSEMA, which I signed. He effectively worked in the Department of the Chief Minister and Cabinet for administrative purposes.

**Mrs FINOCCHIARO:** DCM is responsible for the Treaty Commissioner then. What did the investigation find?

**Mr GUNNER:** I should clarify that Chief Minister and Cabinet will be present when the minister for Treaty is present. They are prepared for my section of the department—there are five ministers they work under. The department will be prepared for those questions with the minister for Treaty, who is the relevant minister for those questions.

**Mrs FINOCCHIARO:** I want to make sure we do not get to Selena Uibo and she says that is a matter for you. She is the one these allegations were raised with, and she deferred taking any action and handballed it to DCM. I am reluctant to stop asking questions of DCM on this topic because she immediately washed her hands of it, pushed it to you and you have done the investigation. As Ms Ryan said, the contract is with DCM.

**Mr GUNNER:** To clarify, I do not accept that characterisation from the Leader of the Opposition. As CEO for DCMC said, this is a result of the PSEMA situation about who can and cannot manage that employment contract. That is straightforward.

Chief Minister and Cabinet will be present with Minister Uibo as the Treaty minister. When I say she is the right person to answer, I am not saying Chief Minister and Cabinet will suddenly be absent. They will be present with Minister Uibo at that point of the Estimates Committee and they will have Minister Uibo's briefing folder with them.

I understand where the Leader of the Opposition is going, as that has happened in past estimates. If the Leader of the Opposition wants, she can ask question now and if we can answer some we will. The minister for Treaty will be prepared for them, and Chief Minister and Cabinet will be with her and prepared to answer those question. I can give that assurance.

**Mrs FINOCCHIARO:** Why did the Treaty Commissioner take so long to resign when you wrote to him asking him to?

**Mr GUNNER:** I have given that answer publicly; I am not sure if there is anything more to add, to be honest, for the Treaty minister. He took sick leave; he took his leave entitlement, which he is entitled to do.

**Mrs FINOCCHIARO:** Had he not resigned last week and proceeded through to parliament next week and we removed him from parliament, would the government still have to pay him out?

**Mr GUNNER:** That is a hypothetical situation where there was not a clear answer. That is the parliament ending one element of his employment, but there is still the PSEMA contract and the employment law that flows from the PSEMA conditions.

**Mrs FINOCCHIARO:** Is former Labor Party candidate Ursula Raymond now the commissioner? How does that work?

**Mr GUNNER:** There is a process under law that the Treaty Commissioner must follow for the appointment of a new Treaty Commissioner, which includes the agreement of the four land councils. She will be able to speak to that in more detail, including exactly how that process works. The short answer is no. My understanding is that there is a process that the minister for Treaty must go through under the act for the appointment of a new commissioner. There is clear criteria in the act about who does and does not qualify for that position, one of the major ones being the agreement of the four land councils.

**Mrs FINOCCHIARO:** I turn to the recent People Matter Survey. There was some incredibly negative responses relating to management. Only 31% surveyed think it is safe to speak up and challenge the way things are done in the Northern Territory's public service. The same percentage felt that senior managers engaged with employees at all levels. Only 29% of respondents believe the organisation will take action as a result and so on.

It is hardly surprising that the public service feels like this, given the way in which your government responded to the Treaty Commissioner's conduct—and the Member for Blain's conduct. Are you breeding a culture of fear and cover-ups in the public service?

**Mr GUNNER:** No. I believe we were very clear and firm in our response to both situations as the information emerged. I am also not sure that either of those incidents have any bearing on our 20,000 public servants, the way they do their jobs and the people they work with in each of those agencies.

We have a very hard-working public service. I am sitting next to the leader of the public service and CEO of the Chief Minister and Cabinet, Jodie Ryan, who does an exceptional job. We will work with the Commissioner for Public Employment on how we respond to the People Matter Survey and keep working with our public servants, who do a great job. I will ask the CEO of the Chief Minister and Cabinet to talk about how we are responding to the survey and working with our public service.

**Ms RYAN:** The Chief Minister is correct. The whole-of-government response to the People Matter Survey is being led out of the Commissioner for Public Employment's office. There have already been communications across government from that. CMC specifically has already started a process for responding. We had a very high response rate with 89% of our staff responding. There were a lot of positive results.

There are still areas for improvement, which we would always expect. We are setting up an implementation committee to respond to the areas we think we can improve and will be working across the agency, noting we have doubled the numbers of staff we have with the machinery of government changes. We will be working with the new members of CMC and the previous members of DCM to work out a way forward.

We continue to see it is important to support staff, make sure they are happy in their jobs and that their jobs are productive with career development opportunities.

**Mrs FINOCCHIARO:** Will each agency be approaching the People Matter Survey differently?

**Ms RYAN:** We sit as a co-ord—a coordination committee, which is the group of CEOs who meet regularly. We have been working on this as a collective. Vicki Telfer, the Commissioner for Public Employment is taking overall lead on this, but we are all working together to make sure our responses are consistent, that someone is not heading off in a strange directions and everyone is extremely committed to making sure they take results on board and move forward.

We cannot address every comment that is made; a lot of the comments are anonymous. A huge amount of work goes into this to make sure the information we get is de-identified, otherwise we would not get the responses we have. We need to make sure people feel safe to respond honestly and use that information.

At every co-ord committee we talk about the way forward and how to move as a team to improve the public sector.

**Mrs FINOCCHIARO:** This is concerning. We have a strong public service and have significant concern around their ability to raise serious issues—this is a terrible thing. It is endemic across government. Of the respondents, 45% said that the Northern Territory public service does not inspire them to do their best in their job. That is extraordinary.

It must be demoralising for members of the public service who feel that way. Chief Minister, what is your government doing to address that?

**Mr GUNNER:** We have asked the Commissioner for Public Employment to look at the results of the People Matter Survey and work with Ms Jodie Ryan, as the CEO the public service. Through the coordination committee, we will come forward with ways of dealing with everything that came out of the survey.

As a Cabinet, we work with our CEOs. We are reliant on our CEOs in terms of how they work within their agencies, as is appropriate. There are significant problems if ministers start to reach past the CEO and manage departments directly; there is an important and fine line there. We are working with our CEOs on this.

**Mrs FINOCCHIARO:** Do you agree that leadership comes from the top? The fish rots from the head. Your government dealt badly with the Labor cocaine sex scandal and the Member for Blain, and the treaty commissioner allegations. There is little wonder why the public service feels so disenfranchised by your government.

The number of public servants experiencing sexual harassment in the workplace is extraordinary. I do not understand how this can be left to some sort of committee process to review. This needs urgent action to make sure public servants are safe and that they feel rewarded in the work they are doing.

**Mr GUNNER:** There are a couple things to state here. First, I do not see how a connection between two random issues that do not involve the public service is suddenly impacting on the public service. Second, we need to be careful with the statistics; it was not necessarily experiencing, it was witnessing or hearing about it. You have to be careful about how you use the number.

Any incident is unacceptable, but be careful how you use the percentages. That is not the percentage of experiencing it. We need to be careful we do not mislead or put this out of proportion.

In our position as a Cabinet of government it is clear how we want these things handled, but there are laws that govern employment and we are respectful of that. We need to work with employees and employers down the line.

I will pass to Ms Ryan to talk to this further as CEO of DCMC. It is not just about the CEO; it is about the director, executive director and the unit heads. There are a lot of public servants—over 20,000 of them—and a lot of this involves working with people across the Territory and further down the line than just the Chief and CEO. It is important to recognise how departments work.

**Ms RYAN:** We have zero tolerance for any bullying or sexual harassment in the workplace. These results are not inconsistent with the results we have been getting since the beginning of the People Matter Survey, which is disappointing.

What we do in DCMC, and what Vicki did straight away for the whole of the public sector in the communication she put out is make it clear that if anyone is being bullied, sexually harassed or witnessing bullying or sexual harassment, it needs to be reported to somebody. We have put out messages around who to report it to.

I speak at inductions for DCMC; we do inductions every three months and make it very clear that we cannot act on things if we do not know about it. They should report to a colleague, a manager, a supervisor, an executive director, HR or the CEO if they feel that they are not being heard elsewhere. We need people to tell us when these things are happening so we can address them straight away.

Part of the issue with the survey that we are not 100% clear on is that the question asks, 'Have you been bullied or sexually harassed in the last 12 months?' We are not entirely sure how many of those are in the workplace. The question is not, 'Have you been bullied or sexually harassed in the workplace?' That is some of the work that we have to do to drill down to see if it is a workplace issue. We have a lot of public servants who are public facing and it can be a client issue or someone they have dealt with in the line of their work who is not in the public service, so we need to absolutely clarify that and keep our staff safe at all times.

**Mrs FINOCCHIARO:** Can I just say—and Chief Minister you mentioned before you are not sure how the Labor cocaine sex scandal or the Treaty Commissioner bears any relevance on this—it bears a lot because people are watching what you do. You are a leader in our community. In fact, you are the highest leader in our community, being the Chief Minister, so the way in which you tackle very serious issues like those sends a message to people about your tolerance for them.

We saw that play out with the Labor cocaine sex scandal when, effectively, you were saying, 'I will not take any action on complaints', and turned a blind eye. You were sending that message basically to every

employer in the Territory not to proactively undertake an investigation. Equally with the Treaty Commissioner, your very office is the one conducting the investigation, yet he had not been asked to stand aside while that was taking place—or any of those other types of usual practices that you would expect in the event of these types of matters.

It matters a lot because you have about 25,000 public servants looking at how you lead the government and how you respond and react to these types of issues. When you do that unbelievably poorly, like you have on two recent occasions, it sends the wrong message to everyone about what is acceptable under your government's watch.

**Mr GUNNER:** We set a very clear standard and we acted on that standard and you can see the consequences of both those actions. We set a very clear standard, we acted quickly and decisively and there has been a clear consequence of both individuals based on the standards that we set.

There was an important factual error in your commentary just then. My office did not lead any investigation into the Treaty Commissioner. That would be entirely inappropriate for my office. The Department of the Chief Minister and Cabinet, as entirely appropriate—based under the PSEMA, the *Public Sector Employment and Management Act*—was required to do that work based on the law. It is a very important clarification between my office and the department and the department did the work as they are required to do under the law. I believe that women have the right to be believed and heard. There is also a requirement for the person involved, in this instance the Treaty Commissioner, to make their case as well.

We made it very clear where our standards sat. We did not want the treaty process derailed and we have seen the consequence of that flow out. We set a very clear line about what we would tolerate. The CEO of Chief Minister and Cabinet has very strongly supported the position we take as a government on zero tolerance and the importance of reporting. We cannot act unless we are told, and that is how we can improve these things.

The CEO of Chief Minister and Cabinet makes a very important point about what people have experienced over the last 12 months and that this may happen in the workplace. The Territory government is not in a bubble; we have a lot of forward-facing elements working with customers and clients. There is a lot of work to do, but the best way for us to do that work is in response to the report. We need a shift from feeling comfortable anonymously to feeling comfortable publicly in saying this.

**Mrs FINOCCHIARO:** Chief Minister, you only acted once you were exposed. With the Labor cocaine sex scandal it was only after days and days of negative publicity and exposure. You were dragged kicking and screaming to that. The same thing happened with the Treaty Commissioner and the results of this survey. It is all exactly the same. You are only doing something once you get caught out.

**Mr GUNNER:** No. We act based on information. With the Member for Blain, we received information that was different to what we had previously been advised and we made a decision. With the Treaty Commissioner, there was a legitimate process which we went through. It is important; you have to go through processes.

With regard to the People Matter Survey, we are saying there is a process whereby people can report, and we need them to report so we can take actions. We cannot act on an anonymous report. We do not have a complainant or a person being complained about for us to act on.

We need the information and for people to make that report so we can take action. We always act based on information. I do not view the world the way the Leader of the Opposition appears to. I do not make decisions through that method. I do not think it is the right method for making decisions. I think that would lead to a lot of rash, factually incorrect decision-making. We make it based on the information in front of us.

**Mrs FINOCCHIARO:** The opposition and some Independent members have been very open and welcoming of drug testing for our staff, ourselves and staff around Parliament House, flowing on as fallout from the Labor cocaine sex scandal. You are repeatedly on the record as saying you do not support this. Why do you support drug testing for our police but not our staff?

**Mr GUNNER:** The minister for Police can respond to questions about police and those employment conditions. I have made my position clear about how I see drug testing for our public service. It is not a question relevant to now; it is relevant to the Minister for Public Employment, Minister Kirby. The short answer is that I think it would be a significant waste of time and resources, and I think as a government we have better things to do.

**Mrs FINOCCHIARO:** That is quite extraordinary. Do you have any figures on how much it would cost, or are you just postulating that it would be a waste? Given how much money your government wastes on other things, I find it extraordinary.

**Mr GUNNER:** I have made my position clear. If the Leader of the Opposition wants to ask further questions to the Minister for Public Employment she can.

**Mrs FINOCCHIARO:** Will he answer them?

**Mr GUNNER:** You may ask the Minister for Public Employment questions if you like—but we are not doing it, so it does not feature in our budget estimates.

**Mrs FINOCCHIARO:** Your department is running an event called Inspiring Women to Become Leaders on 24 June, and Minister Fyles will be speaking as a working mum juggling her professional life and career. Is Minister Fyles the only female leader? It seems the Deputy Chief Minister has been overlooked for that event, or even me or the female senior Independent members of parliament.

**Mr GUNNER:** It is not an event that I have organised. The CEO of Chief Minister and Cabinet will answer.

**Ms RYAN:** The Department of the Chief Minister and Cabinet, about two or three years ago under our deputy chief executive, came up with a proposal to run a women in leadership network group for the whole of the public sector. We have been running that for two-and-a-half years, funded from within our own department, even from my Office of the Chief Executive budget.

A heap of women have attended, not only across the public service but people have asked to attend from CDU and private sector organisations. We set up a program at the beginning of every year and ask a range of people if they would like to speak. Minister Manison spoke at the second one. Her Honour Vicki O'Halloran spoke at the very first one. I have spoken at them and we have people from across business sectors and private sectors.

We would be very happy if you would like to attend.

**Mrs FINOCCHIARO:** I am sure you would not, but I will pin you to it. I look forward to my invite.

**Ms RYAN:** We put calls out at the beginning of every year and we have been lucky to get some amazing women to speak to this group. Men across the public service attend as well.

**Mrs LAMBLEY:** It is a bit political though, is it not? You are not selecting anyone from the other side of the political spectrum.

**Mrs FINOCCHIARO:** Yes, or Independent members ...

**Mr GUNNER:** I am very happy, now that I am aware of the event ...

**Mrs LAMBLEY:** I could talk about middle-age menopause.

**Mrs FINOCCHIARO:** I will not be talking about that.

**Mr GUNNER:** I am happy for the Members for Spillett and Araluen to speak. They can pick their own subject matter. I am very comfortable for that to happen.

**Mrs FINOCCHIARO:** The invitations are in the mail, Member for Araluen. Very good, thank you.

**Mrs LAMBLEY:** Excellent.

**Mrs FINOCCHIARO:** Should I ask those ICAC questions on notice now, Chief Minister? My note says to do it now.

**Mr GUNNER:** Yes, that is reasonable. The Member for Mulka's question as well.

**Mr GUYULA:** I have a question that I was going to ask at Output 11, which cannot be answered by the Speaker. It is a question for the Chief Minister about his determination of resources for Independent

members. I believe I can ask that question in Output 21. Can I have permission to ask this question of the Chief Minister?

**Mr CHAIR:** Yes, I believe so. The Chief Minister has already (inaudible – microphone off).

**Mr GUYULA:** As an Independent member of the parliament, my ability to equally participate has been greatly diminished in this term of parliament. This term there are no scrutiny committees. I am also told by the Speaker that I can only ask one question a week in Question Time and there are no researchers for the Independent members of parliament.

In 2016 the Chief Minister made the decision to provide researchers for the Independent members of parliament. By the end of last term there were two researchers for seven Independent members. This term there are three Independent members. Can you advise why there are no researchers for the Independent members this term?

Just to be clear, I am talking about the roles that Ms Creed and Ms McCall held last term.

**Mr GUNNER:** Member for Mulka, there has been a change in the parliamentary makeup. There are fewer Independent members this term. I have not thought about it in recent times. There is no appropriation in this budget for that. I am happy to take it into consideration, Member for Mulka. Perhaps it is better take on notice. I am happy to consider it again.

My understanding is that the last lot of researchers were not accessed very often, even with seven Independent members. I am happy to reconsider the issue and take that question on notice.

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#### Question on Notice No 1.6

**Mr GUYULA:** As an Independent member of parliament, my ability to equally participate has been greatly diminished this term of parliament. This term there are no scrutiny committees. I am also told by the Speaker that I can only ask one question a week in Question Time. There are no researchers for the Independent members of parliament.

In 2016, the Chief Minister made the decision to provide researchers for the Independent members of parliament. By end of term there were two researchers for seven Independent members. This term there are three Independent members. Could you advise why there are not researchers for the Independent members this term? Just to be clear, I am talking about the roles that Ms Creed and Ms McCall held last term.

**Mr CHAIR:** Chief Minister, do you accept the question?

**Mr GUNNER:** I accept the question.

**Mr CHAIR:** The question asked by the Member for Mulka has been allocated the number 1.6.

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**Mrs LAMBLEY:** Chief Minister, when you look at that, perhaps look at the demand that the Members for Mulka, Goyder and I had of the research officers in the last parliament. Some Independent members did not use research officers, but the three of us who survived did. I would value you doing that.

**Mr GUNNER:** That is a relevant point, Member for Araluen, and may be determinative upon your last election result. I am happy to know that; it is a very good point.

**Mr GUYULA:** I am also wondering about COVID border control. Can I ask a question about border control here?

**Mr GUNNER:** I will do my best to answer it. Depending on the question, it may be more relevant for the Police Commissioner and minister for Police.

**Mr GUYULA:** What resources and supports have been provided for interstate travellers—what border controls are in place for vehicles coming into remote communities? For example, who is stopping cars and checking where they come from on the Central Arnhem Highway. What resources are being made available for this?

**Mr GUNNER:** I can touch on some of the basics, then you may want to ask that question again to the Police Commissioner and the minister for Police.

We do not have the biosecurity patrols in place anymore. When those zones were set up, we had intra-Territory interdiction points. For example, the Central Arnhem Highway and other spots were subjected to that. That is when we had internal zones; we do not have those at the moment.

We have a relationship and an arrangement with the Australian Federal Police and the Australian Government regarding airports. I can get you advice on the current Nhulunbuy situation, because that has changed over time. We can probably get you an up-to-date answer on that rather than deferring you to the Police Commissioner. We might take that one on notice.

Regarding the overall borders, through Operation Crown—this is a question to the Police Commissioner—the police do compliance checking on people who come across borders. At the moment there is a hard border into Queensland, which is probably most relevant to your questions. That is staffed. They have compliance checking through Operation Crown for border arrivals.

We will take the element of the question about the Nhulunbuy airport on notice. The Police Commissioner will be better placed to give you a more detailed answer when he appears with the Police minister.

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#### Question on Notice No 1.7

**Mr CHAIR:** Member for Mulka, please restate your question for the record.

**Mr GUYULA:** What resources and support have been provided to Gove for interstate travellers? What border controls are in place for vehicles coming into remote communities? For example, who is stopping cars and checking where they are coming from on the Central Arnhem Highway? What resources are being made available for this?

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

**Mr GUNNER:** Yes.

**Mr CHAIR:** The question asked by the Member for Mulka has been allocated the number 1.7.

**Mrs FINOCCHIARO:** Am I able to put my ICAC questions on notice?

**Mr GUNNER:** They will mainly be taken on notice but, depending on the question, we may be able to answer some.

**Mrs FINOCCHIARO:** Sure, let us do it. How many complaints about the ICAC have been raised with the inspector of the ICAC since the office was established? What have been the outcomes of these complaints? There is provision in the ICAC Act to appoint an acting ICAC to investigate the conduct of the ICAC, the ICAC's office or a member of ICAC staff. Has this power ever been exercised? If so, on how many occasions?

**Mr GUNNER:** Leader of the Opposition, we have some of the answers. If you ask one at a time we can answer some as we go.

**Mrs FINOCCHIARO:** Are you taking any on notice?

**Mr GUNNER:** It depends on which one. You went through them quickly, but we are able to answer the first couple.

**Mrs FINOCCHIARO:** How many complaints about the ICAC have been raised with the inspector?

**Ms RYAN:** In the inspector's two reports, which you have a copy of, he received one complaint in the first period but he determined it was not a complaint about the ICAC, it should not have gone to the ICAC. He had seven complaints in the second report that was tabled last September.

**Mrs FINOCCHIARO:** What are the outcomes of those complaints?



**Ms RYAN:** That is in his report. I will hand over to Executive Director Jean Doherty, who works closely with the inspector.

**Ms DOHERTY:** The first full annual report by the ICAC Inspector contained seven complaints relating to the operations of the ICAC. Six of those complaints were considered in detail during the period of the annual report—I will double check for you. This is all in the tabled paper we have provided.

One complaint was dismissed entirely; two others were reviewed and considered not to be substantive; the fourth complaint was declined—it was a vexatious complaint; the fifth complaint was ongoing—I expect the ICAC Inspector to report on that in his next annual report, which should be released three months after the end of the financial year; and the seventh matter is dealing with the issue regarding the Yuendumu incident which is detailed in the report.

**Mrs FINOCCHIARO:** Have we ever appointed an acting ICAC to investigate the conduct of the commissioner, the commissioner's office or a member of the commissioner's staff?

**Ms DOHERTY:** The role of overseeing, monitoring and reviewing the functions of the ICAC rests solely with the inspector. It is a statutory position which has been established for this sole purpose. It would be inappropriate and a conflict for a member of the ICAC—whether it be an acting ICAC or a staff member of ICAC—to investigate those matters.

**Mrs FINOCCHIARO:** Are there ongoing matters with the inspector at the moment? You said you are anticipating one more? Is there only the one?

**Ms DOHERTY:** The matter outlined in the annual report—as in the public annual report that the inspector has published, is available online and was tabled in the Legislative Assembly.

The Department of the Chief Minister and Cabinet is not privy to the investigations which are under way by the ICAC Inspector or any of his work in that regard. Our sole function in relation to the inspector is to provide administrative and financial support for his office. We are not aware of any matters currently outlined, unless they are in the annual report.

**Mr GUNNER:** There is one ongoing, but I am happy to take that question on notice. We can see if the inspector is prepared to answer it.

**Ms DOHERTY:** Otherwise it will appear in the annual report.

**Mr GUNNER:** That is right.

**Mrs FINOCCHIARO:** After the Easter long weekend, you put out a hurried media release announcing three new commissioners, which you heralded as being the answer to all of our economic evils. The commissioners ended up being public servants—two of whom are here today—who you gave new job titles to. Did those three commissioners know that they would become commissioners prior to that media release?

**Mr CHAIR:** Chief Minister, sorry to interrupt. We will take a three-minute comfort break because there are a couple of people in the room who are in need of a break.

**Mrs FINOCCHIARO:** I ask that it is quick because we have less than an hour-and-a-half to go.

**Mr CHAIR:** Absolutely, Leader of the Opposition.

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The committee suspended.

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**Mr CHAIR:** Leader of the Opposition, did you want to repeat that question about the commissioners?

**Mrs FINOCCHIARO:** Yes. Did the three commissioners know that they that they would get promotions before your hurried media release was issued after the Easter weekend?

**Mr GUNNER:** I will not describe it as 'hurried' ...

**Mrs FINOCCHIARO:** It did not even have someone's name on it.

**Mr GUNNER:** We put out media releases from time to time. I would not describe it as 'hurried' at all. It was a very important announcement.

It is critical that we attract investment and that we get major projects going and that we coordinate infrastructure. We accepted the recommendations out of the Territory Reconstruction Commission report. We put to them in our Green Paper suggestions along these lines so we are doing a significant amount of work on it. These are interim appointments. The other thing we need to correct in the Leader of the Opposition's question seems to be the assertion—these are very much acting roles and there is a recruitment process in place. We need to reinforce that.

The CEO of Chief Minister and Cabinet can talk to the appointment and recruitment process, but I want to thank the Investment Commissioner and the Major Projects Commissioner, who are with me, for taking on the acting roles and getting going. I thought it was really important not to let these positions sit vacant but to get going immediately while the recruitment process happened and then obviously we will have the permanent appointments.

For me this a very important thing to get done. That is why we did the decision the way we did and I will ask the CEO of the Chief Minister in Cabinet to comment further to how the appointment process and then the recruitment process worked.

**Ms RYAN:** As the Chief Minister said, this was a recommendation from the Territory Economic Reconstruction Commission. The overarching theme that came out of that report was that we had to act quickly. Rather than wait for the recruitment process, we immediately appointed people who we knew could step up and do the job; however, we have gone through an extensive recruitment process. We have an executive search firm looking interstate as well as our own usual recruitment process through the public sector.

Sorry, I should clarify, this is for the Major Projects Commissioner and the Investment Commissioner. The Infrastructure Commissioner is being employed through the Department of Infrastructure, Planning and Logistics, so you might need to direct questions there for that position.

The Major Projects and Investment Commissioner role applications have closed. We are in the process of assessing those and I hope that within the month we will have appointees to both positions.

**Mr MONAGHAN:** Based on the fact that I would expect that the interim commissioners are not just keeping seats warm, what have the roles achieved so far and who will they attract to secure new investment?

**Mr GUNNER:** I have seen a distinct flurry of activity, which I thank them both for. A number of potential proponents are coming through the door, as well as a significant number of major projects. I have seen progress within those major projects and other significant projects being delivered.

They both have ambits from which they can operate. The Major Projects Commissioner will be the Chair of the board and the Territory Investment Commissioner has a \$5m fund which they can use to target advance manufacturing et cetera. The Investment Commissioner has picked up the digital work. Can we talk to the digital work, Andrew? That is one of the more significant achievements about where we are currently at with the data centres.

**Mr COWAN:** Yes, some at a high level.

**Mr GUNNER:** At a high level, so we can talk to that, Member for Fong Lim. It is a significant progress for the Territory.

**Mr COWAN:** Over the last 10 weeks I have been very busy. I have undertaken 194 meetings with proponents within the Territory and interstate. I met with a number of the industry associations within the Territory. We have also hosted a number of delegations in regard to different countries—the EU delegation focusing on investment. I have been working closely with the Consul-General of Japan and have engaged with the Japanese Ambassador about investment opportunities with the Japanese, as well as the Italian and German ambassadors in regard to investment opportunities over this period.

Part of that has included travel interstate. I have been to Canberra during this period, which was predominantly focused on digital. We hosted a roundtable in partnership with the Australian Strategic Policy Institute, which involved people in Hong Kong and the United States, with senior officials from government

and the national security community looking at investment into subsea cable and the importance of that in growing our economy.

There were a number of industry meetings during that visit. We also worked with a proponent and did a number of calls with ministerial officers with the Commonwealth Government to look at establishing specific support for a company to set up operations for manufacturing in Darwin.

I went to Sydney from 26 to 29 April. That trip was focused on meeting with proponents. I also met with the Australia India Business Council, the Australia Japan Business Council and the European Australian Business Council. Part of that trip was running a joint forum with the Consul-General, which was an outcome of meetings with the Japanese Ambassador. It was running a specific focus on a joint seminar with the Consul-General and the Japan Investment Corporation. It focused on natural gas, hydrogen and critical mineral investment opportunities.

We also invited a couple of Territory proponents, being Empire Energy and Arafura Resources, to attend that funder forum and seminar. There were over 100 attendees; 35 of those were in the room and 65 were online from Japan. That involved the four main Japanese banks, investment houses and the senior leaders of large Japanese companies.

Tied into that—the Major Projects Commissioner will talk more about this, as was discussed earlier—was a term sheet provided by Export Finance Australia.

**Mr GUNNER:** There was polite scepticism earlier from the Member for Araluen about Arafura Resources. That is fair enough in some ways; it has been a long talked-about project. I believe in it. Jodie Ryan, through the investment task force, with Andrew Liveris and Rachel Bacon helped pitch investment in the Territory. That work has been picked up and carried on with the Major Projects Commissioner. It is important work for the Territory that will drive investment.

**Ms RICHARDS:** The Major Projects Commissioner role and the way we are establishing it is working with projects—instead of a broad spectrum of projects, focusing on those that are high complexity and of high benefit for the Territory.

One of the key parts is understanding the inhibitors to projects and how we can work to accelerate them through the pipeline. That requires joint work on defining the holdups. Through the investment of the task force we did last year as part of the Territory Economic Reconstruction Commission, we identified a number of areas where we typically do not get involved with proponents in helping them with those challenges and that as a government we have a number of levers we can bear to encourage these projects towards FID and make a difference.

An example of that is the role we might play in the financing of offtake relationships. For a number of these big projects that are high complexity, they get stuck in a chicken/egg—who are our customers, who will offtake commodities offered in markets that are not openly traded? They are back-to-back contracts, where will the money come from?

We have been working on bringing those parties to the table to develop funder offtake conferences. The Investment Commissioner just talked about an example of that we did with the Japanese in the same week. Off the back of a lot of work with the Commonwealth Government, EFA offered a \$200m term sheet to Arafura for its project, which is a \$1bn project with more than 200 local jobs in Alice Springs once constructed. That will be a huge contributor to the NT economy. It is an example of where we are going along the Major Projects pathway.

The other thing the role does—by having a helicopter view of big projects—is help us manage some of the other things the Chief Minister touched on earlier, like the positive impacts of needing to get ahead of a skills pipeline and creating opportunities for Territorians to participate in these projects, whilst having a helicopter view of those impacts around the corner from a housing perspective or other things. We know there will be things we need to do to get in front of that.

In addition to working on the handful of projects we are trying to solve complex problems with, since 6 April we have been working on negotiations with four parties on project-related agreements—that is, project with the Territory to facilitate projects.

We are also dealing with six proponents that represent billions of dollars in investment to progress major project status. We have held the first LDC advisory board meeting and the terms of reference will go to the

Chief Minister for finalisation. We have been working on progressing the Territory Economic Reconstruction Commission recommendation on the MPS—major project status—framework and what the potential enabling legislation may look like, which we will bring to the Chief Minister and government later in the year for consideration.

The other important thing we have been doing since these roles were established is looking at how we cross-pollinate between the three commissioners. Andrew touched on a pitch we did in the last couple of weeks which all three commissioners attended. It was one of the defining factors in why that proponent thought we were competitive; no other jurisdiction could bring that kind of manpower at such short notice to a pitch.

**Mrs FINOCCHIARO:** That takes me back to my first question which, half an hour later, still has not been answered. Did the commissioners know they would be commissioners at the time your hurried press release was issued? Mr Cowan and Ms Richards, you are in the hot seat. Perhaps your Chief Minister will allow you to explain if you knew you would be picked for those jobs prior to the release going out?

**Mr GUNNER:** I am happy to talk to that. I thought the CEO of Chief Minister and Cabinet touched on that. We made an announcement—I do not understand this assertion of 'hurried' ...

**Mrs FINOCCHIARO:** I will say why it was hurried: it took you a month to advertise for the positions. If you genuinely had those positions prepared and ready to go, you would not have needed a month just to put them in the newspaper.

**Mr GUNNER:** I think it is important that for the purposes estimates from this day forward, when a question is asked, the person who is asked the question—in this instance, me—is given the opportunity to answer it. The Leader of the Opposition has interjected and overtaken the answer while I am in the process of answering the question that was asked.

Leader of the Opposition, you are making a complaint, but if you would let people talk you might get more answers. I know you like a monologue and a rant, but ...

**Mrs FINOCCHIARO:** I doubt it; I will get more hot air, like I am getting at the moment. I just explained to you why I think it is hurried. It took you one month to advertise for these roles. I ask again: did Ms Richards, Mr Cowan and the third commissioner know they would be commissioners prior to the press release going out, yes or no?

**Mr CHAIR:** Order! Sorry, honourable members. We have 11 minutes to go; let us stick to the procedure of questions and answers without interjection. I remind you of Standing Order 109.

**Mr GUNNER:** I have done my best today to be as patient as possible, but I think future ministers—I advise the Leader of the Opposition, if you ask a question allow people the opportunity to answer it.

**Mrs FINOCCHIARO:** Let me be clear, I will never take advice from you, Chief Minister. Thank you.

**Mr CHAIR:** One moment, please. Chief Minister, you have the call to answer the question.

**Mr GUNNER:** As I was saying, I reject this assertion which I do not understand, about the word 'hurried'. I do not think it is necessary or relevant. We are applying urgency and energy to what we are doing. The recruitment agencies were tasked immediately. That happened from the moment we made the announcement. It is important when making announcements about these three positions that we hit the ground running. When we will have people acting in those positions, it is important that we know they will be acting in those positions.

I will pass to the CEO of Chief Minister and Cabinet to confirm the acting arrangements. We can talk about two of them. The minister for Infrastructure will talk about the third, which reflects the change to Infrastructure NT, which will basically reflect Infrastructure Australia and how other places work.

It is not that we did not have this function; it is just shaping ourselves to work in better with the Australian Government. It is a matter of logic that if you have these roles, you hit the ground running and have people acting in those roles, and make sure they are people who are capable of acting in those roles. It is no big mystery.

**Ms RYAN:** Yes, the government made a decision to have those two commissions. You may have noticed from the report that the commission recommended that it was one person, not two people. We looked at what

that role entailed, and it is actually two different skills sets, so we presented an option to the government to have two.

The government made that call and announced it once the decision was made so we could act with urgency. We had two very capable people who are able to act in those roles. But they were brand-new roles and we did not want to start off these highly important roles in an inappropriate way. We evaluated both roles. We did job evaluation questionnaires and evaluated the roles. Then, once that was done, we advertised them. As the Chief Minister also said, we appointed an executive search firm very early on and highlighted the skills sets we needed, and they were looking for those people from the time of the announcement.

**Mrs FINOCCHIARO:** Thank you. Still, no-one has answered my question. We had a press release right after Easter, which was very rushed—‘We need to do this urgently.’ I have asked a million times, it feels like. Did the commissioners, who are literally sitting right in front of me, know prior to the media release issued ...

**Mr GUNNER:** I just answered that.

**Mrs FINOCCHIARO:** No, you did not. You said a whole lot of other words ...

**Mr GUNNER:** I am happy to go through it again.

**Mrs FINOCCHIARO:** They did know prior to the press release going out—is that right?

**Mr GUNNER:** As I said, we made a decision to create these two positions. We made a decision and hit the ground running. Therefore, we had to have people capable of acting in those positions while we did the executive search. It is a basic question of logic. I do not think there is any great mystery here. I have said that once already and I say it again. I pass again to the CEO of Chief Minister and Cabinet to confirm it again for the Leader of the Opposition, who does not seem to want to hear the answer we are giving.

**Ms RYAN:** Yes, we asked both of them if they would take on these acting roles, knowing full well we were going through a full recruitment process. There was no guarantee that they would win these roles, but they have still been very generous with their time and agreed to step up and take on these roles while we look for the permanent placements.

**Mrs FINOCCHIARO:** That was prior to the press release?

**Ms RYAN:** Yes.

**Mrs FINOCCHIARO:** Okay. If government had organised this commissioner structure, why did it take one month to finally advertise for it?

**Mr GUNNER:** I think that was captured in both my answer and the CEO’s answer previously, but we will go there again.

**Mrs FINOCCHIARO:** Okay, that is fine. I will move on. I am happy to move on.

**Mr GUNNER:** No, you have asked the ...

**Mrs FINOCCHIARO:** On radio, you said the commissioners would be paid \$200,000 and now they will be paid \$290,000 to \$315,000 ...

**Mr CHAIR:** Leader of the Opposition, I have given the call to the Chief Minister. If you continue to ask questions while I am giving someone else the call, then I will call that disorderly conduct.

**Mrs FINOCCHIARO:** Mr Chair, can I ask ...

**Mr CHAIR:** There is only an hour left. If you would like to refrain from interrupting me that will be good, because I would not like to exclude you for the last hour, which I know you are so keen to participate in. Chief Minister, you have the call. The questions is about why it took one month to advertise the position.

**Mr GUNNER:** We had an executive search agency operating immediately. The process commenced immediately. It did not wait a month. The formal ads with job descriptions were in the paper a month later, but the executive search agency was operating from the day of the announcement. The formal JES—is that the right word?

**Ms RYAN:** Yes.

**Mr GUNNER:** The formal JES and JAQ happened during that month but the executive search agency started immediately because we knew the general nature of what we were looking for.

**Mrs FINOCCHIARO:** On radio you suggested that the new commissioners would be paid about \$200,000, but the job descriptions now show that the Major Projects Commissioner's salary is \$290,000 and the Territory Investment Commissioner's is between \$290,000 and \$315,000. Why has it ended up significantly higher than what you said they would be paid on radio, and why is the Territory Investment Commissioner's pay sizably more than the Major Projects Commissioner's?

**Mr GUNNER:** At a press conference I said several hundred thousand, knowing there would be a JES and JAQ process that would lead to the final outcome. I never said \$200,000; I said several hundred thousand. I think there is an important semantic difference there.

**Mrs FINOCCHIARO:** I believe on radio you said \$200,000.

**Mr GUNNER:** That is not correct. I know what I said. It was at a press conference and I said several hundred thousand. Then the JES and JAQ process operated, which came to those outcomes. The CEO of Chief Minister and Cabinet can talk to the JES and JAQ process, which goes to the final part of the question about those amounts of money.

**Mrs FINOCCHIARO:** With all due respect to Mr Cowan and Ms Richards ...

**Mr GUNNER:** We are still answering the question. The call is with Ms Ryan.

**Mrs FINOCCHIARO:** I did not realise; my apologies.

**Mr GUNNER:** We have an hour left. I think the Leader of the Opposition needs to calm down and show some respect to the public servants and the process.

**Mrs FINOCCHIARO:** I do not appreciate being patronised.

**Mr CHAIR:** Order! Honourable members, it seems as if the last six minutes has taken about an hour. Ms Ryan, were you about to complete that question?

**Ms RYAN:** Yes.

**Mr GUNNER:** I gave the call to the CEO of Chief Minister and Cabinet to answer the final part of the Leader of the Opposition's question. I presume it was important, as she asked it, so I presume she wants an answer. The CEO will talk to the JES and JAQ process and why that amount of money came out for those two positions.

**Ms RYAN:** Both positions went through JES at the same level, and the salary range for that level is \$290,000 to \$315,000. Both positions are exactly the same; I do not know why one looks like just \$290,000 and the other has a range. They both have the same value.

**Mrs FINOCCHIARO:** How many major projects have you delivered since winning government in 2016?

**Mr GUNNER:** There are a significant number of major projects in this budget—\$11bn worth. There is \$35bn worth of major projects we are working on towards final investment decision. Some are officially listed as major projects because they signed a major project agreement with us. Some are significant projects, some are companies that are big enough they do not require major project status to be nominated to them.

We had the Santos announcement this year, which is a major project—a \$5bn investment in the Territory. We have \$11bn worth of major projects sitting in the budget estimates. There is \$35bn that we are confident about over the four years. I will pass to the Major Projects Commissioner to talk about our major projects.

**Ms RICHARDS:** There are currently a dozen major project status projects. Out of those projects, we have been working on a number of them for a number of years. The reasons those projects are not progressing are often very complex. That is one of the reasons proponents seek major project status, because of the complexity in the things we need to do jointly to try to get their projects to operation.

Some of those projects are accelerating off the back of big swings in commodity prices, which means projects that have been uneconomic for a period of years are now moving into a very attractive space in regard to offtake agreements and finance.

I have talked about Arafura already. There are a number of other major projects, including Seafarms, which just appointed a constructor for Canstruct to work on a number of their facilities over the projects that are accelerating. KGL Resources in the Barkly region is also moving towards finalising its feasibility study. There is the Sun Cable major project, which earlier this year signed a project development agreement with the NT Government. It has also received Development Consent Authority approval for its East Arm and Maverick manufacturing facility as well as the Middle Arm battery site.

As you can see, projects do not sprint; they creep in a very incremental and targeted way towards FID. We are with them at each step in the road.

**Mrs FINOCCHIARO:** Is the answer zero?

**Mr GUNNER:** We can all agree that Santos is big; there is no dispute in the room about that.

**Mrs FINOCCHIARO:** I do not think you can claim that.

**Mr GUNNER:** We have done a significant amount of work with Santos and before that, ConocoPhillips. To ignore the work of government or the importance of what government does—not to acknowledge that Santos is a major project that is happening and has reached final investment decision in the Territory.

**Mrs FINOCCHIARO:** When will the ship lift start construction? What is the hold up?

**Mr GUNNER:** We are going through the construction process. The first stage of the design, construction and procurement process is complete, which is important. Stage two is due to commence in the next month. AECOM is well under way in its work with the environmental impact statement. The construction contractor facility is on track to be appointed in early 2022.

All the work to get this built is happening. It will take two to two-and-a-half years and we are still on track for the 2024–25 delivery window. These are the processes we go through to deliver major infrastructure projects.

**Mrs FINOCCHIARO:** The construction tender for the ship lift will not even be awarded until next year?

**Mr GUNNER:** The construction contractor is on track to be appointed in early 2022. It will be completed by 2024–25, which has always been the delivery date. All the things are happening in the order they are meant to.

**Mrs FINOCCHIARO:** There has been no delay or hold up? This is happening as perfectly as you would like it to happen?

**Mr GUNNER:** Like all of us, I would love to have a ship lift tomorrow, but I recognise these are the processes to go through in order to get something as significant as this. This is the first time it has happened in the Territory.

**Mrs FINOCCHIARO:** What is happening with the luxury hotel? We are meant to be hearing back about that by June. I suspect you know what is happening with the luxury hotel.

**Mr GUNNER:** We are waiting on the expiry of that 12 months and the final decision. Either way, we will have a luxury hotel built. It will either be done through the current proponent, which is Landbridge, or it will require a new process and a hotel. As I understand it, Westin remains keen, but we cannot have a formal conversation about alternate proponents until the conclusion of this process.

We are waiting for Landbridge to make a final decision; it has 12 months to do that. There will be an announcement one way or the other very soon. On either path—Landbridge or alternative—there will be a luxury hotel. There has never been a greater demand. It was a good idea and there was demand at the time, but the Territory is rating very highly at the moment and we are having an outstanding tourist season.

I cannot speak on when and if the international borders will open, that is the decision for the Prime Minister, but Darwin and the Northern Territory are well placed when that occurs. The NT will be an attractive destination and want a luxury hotel to be there at that point in time.

**Mrs FINOCCHIARO:** If Landbridge does not go ahead with the luxury hotel, what will happen? Does the land go back to the Territory and you will put it back out for expression for a new hotel?

**Mr GUNNER:** These are hypothetical, since we have an agreement with Landbridge, which we respect. There is a degree in which we need to operate in good faith. If Landbridge chooses not to execute that option—if that is the right way of wording it—then we will still proceed with a luxury hotel being built. The demand has not disappeared and the attractiveness of that investment opportunity has not gone away, I argue that it has only increased.

**Mrs FINOCCHIARO:** How much has the Territory on that hotel site?

**Mr GUNNER:** I will take that on notice. I am not sure it sits with me but will source the relevant information.

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#### Question on Notice No 1.8

**Mr CHAIR:** Leader of the Opposition, please restate the question for the record.

**Mrs FINOCCHIARO:** How much has the Territory invested into the pursuit of the Westin luxury hotel and the site?

**Mr CHAIR:** Chief Minister, do you accept the question?

**Mr GUNNER:** Yes.

**Mr CHAIR:** The question asked by the Leader of the Opposition has been allocated the number 1.8.

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**Mrs FINOCCHIARO:** The Major Projects and Investment Commissioners are high-level public servants and have been for a long time. What is the difference having them with a new title, as opposed to what they were doing before?

**Mr GUNNER:** There has been a natural evolution to how we function as a government. There have been significant policy changes in the work we do as a government. One of them is to change from a passive facilitation to an active delivery—traction and delivery. It is a significant policy change and there has been a restructuring process through that.

We have the new department of Industry and brought together all the bits of government that were previously scattered in different agencies. We put them all in one spot and have now moved them to Chief Minister and Cabinet and allocated them out to the Investment and the Major Projects Commissioners. It is a significant re-organisation of how government does its business.

We are talking about how government can do its business better, so there has been a natural path of improvement here. This is the next step on that path of improvement. They both have distinctive attributes that will help with that. The Major Projects Commissioner has the ability to work with landholding through the Land Development Corporation board and oversees the creation and operation of sustainable development precincts. The Territory Investment Commissioner goes to market to win private sector investment and has a bucket of funds to use as necessary to development the case for investment here.

We often talk about brand-new sectors. That is an excellent example of how we have gone from not having an opportunity to proving it up through various forms of feasibility studies et cetera, to now being on the precipice of creating a brand-new industry and sector here.

A significant amount of work was done to reshape, refocus and reorganise government, changing our policy settings, the culture, the authorities and the assets which these two people have the ability to use in order to get an outcome for the Northern Territory. It has been a significant change. We talk about government doing its job better; I think this reflects the nature of that need.



**Mrs FINOCCHIARO:** Earlier this morning I asked the Auditor-General and you about your over-inflated job figures, which the Auditor-General found to be misleading. I asked you on several occasions, did the final report prepared by Treasury go to your office to be changed and pushed back out prior to the election? Did your department or your office make any changes to the COVID-19 Financial Report released prior to the election, prior to it being published?

**Mr GUNNER:** You segued quite dramatically from the Auditor-General and the jobs estimate paper. We can talk to that.

I answered the question earlier about the COVID-19 Financial Report. That document was done by Treasury. I was not even the Treasurer at the time; I was Chief Minister. We have dealt with that one already. Did you have a question on the job estimates?

**Mrs FINOCCHIARO:** Sorry, I asked two questions there. On the financial report, in your role then as Chief Minister, did that come from Treasury to your office or department and was it changed prior to it being published?

**Mr GUNNER:** I answered that in the Treasury section with my Treasurer's hat on. That is a Treasury document and that has been answered.

**Mrs FINOCCHIARO:** You actually refused to answer it.

**Mr GUNNER:** It was answered. As I said, it was a Treasurer's document, and I was not Treasurer at the time. Did you have a question on the job estimates?

**Mrs FINOCCHIARO:** Yes. What work is DCM doing to ensure you are not using these projects as fictitious opportunities to over-inflate the number of jobs you are allegedly creating?

**Mr GUNNER:** You are actually verballing the Auditor-General. She talked about the use of consistency because different approaches were taken to different projects. Consistency was the point she mentioned. I think we should treat the Auditor-General with respect.

In response to the Auditor-General's report, Chief Minister and Cabinet has been working on a whole-of-government approach. I am happy for the CEO to talk about that approach. As the Auditor-General flagged, it can be difficult when you look at this, depending on how you want to define a number of things, from creating to supporting and enabling.

The CEO of Chief Minister and Cabinet is taking on that role. We can all agree that it is important to have an estimate of jobs for projects and is a key measure of a project.

**Ms RYAN:** The Auditor-General looked at the jobs estimates. Some of the complexity around those estimates is that the government is not always responsible for providing that estimate. Often it will be the proponent themselves that identify the job number. In some instances it is the Northern Territory Government that defines the job number, sometimes it is by the major projects team or the infrastructure, planning and logistics team—particularly with the construction projects—or the Department of Industry, Tourism and Trade.

We agree a single methodology would be a great way to go and are looking at that. I can hand you to Hayley if you need more information. We have provided that response back to the Auditor-General.

**Mrs FINOCCHIARO:** Langoulant and TERC recommend that as a government you invest in major projects. Why has \$42m been cut from the major projects budget this year?

**Mr GUNNER:** You are misinterpreting the variation there. I will pass to the CEO of the Chief Minister and Cabinet to talk about the variation.

**Ms RYAN:** The funding has not been cut as such. It is identified on page 13 of Budget Paper No 3. The funding reduction is a result of the Local Jobs Fund that was due to cease on 30 June 2021—that was \$30m that will no longer be in 2021–22. The new funding announcement for the Local Jobs Fund is not a grant bucket, which that \$30m was. It is now debt and equity which no longer hits the operating statement which is what is presented in that output table in BP3.

The other amount is \$4.6m for Jabiru. We have some funding flowing through all of the years for Jabiru and Kakadu and the major projects we have there. It was less for 2021–22 than in 2020–21. There are some

small things like team rebound—the team that was managing and supporting the Territory Economic Reconstruction Commission—that were sitting in the major projects team last year and is now sitting in our jobs and economy team.

**Mr MONAGHAN:** I have a supplementary question to the Local Jobs Fund you mentioned. Can you explain how this fund's performance warrants further investment?

**Mr GUNNER:** It has been very nimble and targets what the NAIF would consider small projects. We have been able to get money out of the door or actively work with small projects so they are ready to get the money. There are a number of projects working actively with the Local Jobs Fund where we can assist them to be in a position to get the money. Not all small businesses—if that is the right way of describing them—can do this work, so we are able to help them with that.

It is a nimble and agile fund that can operate and help businesses where banks cannot. The NAIF has recognised that and is tipping \$100m into the fund. We have put in an additional \$120m and the NAIF has put in \$100m.

Hayley has control of that at the moment—that is not the right way of phrasing that, I apologise to the Local Jobs Fund. I ask Hayley to talk about why the Local Jobs Fund is working and about its relationship NAIF, which has tipped money in.

**Ms RICHARDS:** The Local Jobs Fund role—the way we have seen people apply and the projects that have been funded over the last 18 months—has been about the gap between projects that are feasible but not yet bankable. They may not have the trading history or a novel idea with a high-risk profile—these are the kinds of projects that have been successful through the fund so far.

The standout investment was a decision before COVID came into our lives, to invest in the Asia Pacific Aircraft Storage facility in Alice Springs. Global events have meant that that has been roaring success but at that point we were at an early stage and it very new to Australia and the only place in the country that does that kind of work. The ability for our investment committee to review and make the recommendation to government to invest in that project is typical of the types of projects that we have seen funded to date.

There is an awful lot of work that goes into working with proponents who are often in early stages around seeking investment. They may not yet be at a point where they are seeking bank finance, it does take a while to do that due diligence and get projects to the point where they are able to be funded. In terms of the reason to do more of it is because that gap continues to exist.

**Mr MONAGHAN:** How does that relationship work with local jobs fund administering the NAIF funding? Is there a national partnership agreement you have, is that how it is working?

**Ms RICHARDS:** We are still negotiating what the NAIF on-lending partnership will look like. Recently, the infrastructure facility act was updated and broadened their capability to be able to set up on-lending partnerships, and for a number of months we have been discussing what that will look like. We are close to providing more detail on that.

The key components that they have recognised in our process, which they appear to like, are that we have an independent investment advisory committee, which is for experienced people in the investment sector,. They provide that kind of due diligence and advice, coupled with our team which does a lot of the assessment pre-work and that that is packaged up and goes to government.

When that NAIF relationship is finalised it will be on-lent through us as like an agent in a way to enable NAIF money to also participate in smaller deals in the Territory. It will still have the requirements that NAIF has, so it needs to have the umbrella of infrastructure.

It may not be just a building; it might be plant or equipment. The LJF will actually remain a bit more flexible than that, but it will mean an opportunity for Territory business to access that pool of NAIF funds as well when they are looking at a smaller quantum.

**Mrs FINOCCHIARO:** TNG's Mount Peak vanadium, titanium and iron project has had government major project status since 2012 and received federal government major project status earlier this year. TNG has undertaken a lot of work for both its draft EIS and supplement to the draft EIS, including more than 40 technical reports, assessments, management plans and policies.

The EPA has now hit TNG with the demand for more information on 23 new matters which were not previously required or raised in the draft EIS stage. Chief Minister, why has TNG had to go back seven years to answer even more questions on ground that has already been covered?

**Mr GUNNER:** I very much appreciate this question; it is an important one and I think there is some misunderstandings that we can clarify. Some of what the Leader of the Opposition has just said is not entirely accurate, but it is not entirely the Leader of the Opposition's fault. I think we can clarify.

The EPA made some important comments about human health that we need in the air shed—if that is the right phrase—that we need to recognise. The Major Projects Commissioner has been working very closely with TNG and can talk to this very specific point and provide assurance to the Leader of the Opposition about where the process is currently at.

**Ms RICHARDS:** TNG is a Territory and Commonwealth major project. Two weeks ago the EPA provided a request for further information on the EIS supplement. The project has changed in a number of ways through the evolution of designing the Darwin plant particularly, and some of the questions of the EPA go to the elements of the project that have changed.

There is public information on what the EPA's request was. The major project team are working closely with TNG and with the EPA to work through the sequence of the request for further information and map out the most expedient way to make sure that the EPA has the information it needs to be able to get to a point of environmental impact decision so we can continue progressing the project.

**Mrs FINOCCHIARO:** When do you anticipate that will be?

**Ms RICHARDS:** The engagement is ongoing; it is daily.

**Mrs FINOCCHIARO:** You are expecting this process to be dragged out for weeks, months, years?

**Ms RICHARDS:** We are working with the company and the EPA to understand exactly what those requirements look like and what will be the bar that needs to be satisfied so that the EPA has the information it needs to make the decision, at which point that component of the project approvals will be met and we will be able to keep moving.

**Mrs FINOCCHIARO:** What is the estimated time line for the completion of the Alice Springs Hospital accommodation?

**Mr GUNNER:** April next year.

**Mrs FINOCCHIARO:** What is the current status of that project?

**Mr GUNNER:** This is the nurses' accommodation, to make sure. I toured that the other day in Alice Springs. A significant amount of work has been happening and it is on track for April 2022.

**Mrs FINOCCHIARO:** What is the estimated time line for the completion of the Ammaroo phosphate major project and what is its current status?

**Ms RICHARDS:** The Ammaroo project is currently finalising its definitive feasibility study. That is expected within months. That will be the guiding marker of what their future time lines look like.

**Mrs FINOCCHIARO:** What is the Major Projects team's role in supporting Ammaroo to get that done?

**Ms RICHARDS:** It is subject to the findings of the definitive feasibility study, but we will be increasing our engagement with the company over the coming months to understand how we can help facilitate that project and accelerate it.

**Mrs FINOCCHIARO:** What is the estimated time line for completion of the Sun Cable project, and what is its current status?

**Mr GUNNER:** There have been some very positive announcements on Sun Cable in recent times, including the development assessment for the factory. I will ask the Major Projects Commissioner to talk about all the very exciting things that are happening with Sun Cable, including to note that we know the Australian Government has also given it major project status.

The Prime Minister referenced it in his recent meeting in Singapore. It was part of the bilateral conversation between Australia and Singapore, which is obviously very positive for the project. It is very exciting to see. I know there is still some scepticism about Singapore's purchase of this renewable power. A part of those bilateral conversations between the Australian Government and Singapore government was very positive. I will pass to the Major Projects Commissioner to add further detail.

**Ms RICHARDS:** Sun Cable project is looking at investment decision in 2023, and are still looking at taking power to Singapore by 2027. In progress of the project to date, I already mentioned that the project development agreement was signed in January earlier this year. That agreement talks about the terms on which we will work together to facilitate the project. Key components of that are the infrastructure both in the Top End and the Elliott region. We have regular and ongoing engagement with the company and are working with them on a number of fronts, including access to land and considering what policy requirements we need to have in place to enable its project to succeed—engagement with the Commonwealth Government and Singaporean government. That is probably a good heads up.

**Mrs FINOCCHIARO:** Has Sun Cable signed any contracts with the Singapore government to actually take power?

**Mr GUNNER:** That is a question that Sun Cable needs to answer rather than us. Obviously, I can say they are having truly positive conversations in Singapore. The Australian Prime Minister and the Australian and the Singapore governments have just had bilateral conversations involving Sun Cable. That is a question for Sun Cable to answer. We are working with them very positively on the Northern Territory end of it. They are moving at speed for a project like this, and with certainty on their investment in the Territory.

**Mrs FINOCCHIARO:** Do they have security of land in the Barkly Region, or ...

**Mr GUNNER:** I will pass to the Major Projects Commissioner. They have made a land arrangement in the Barkly with Newcastle Waters cattle station, not with the Territory government.

**Ms RICHARDS:** The project working with traditional owners in the Barkly region—the site is expected to be at Powell Creek Station. They will be using the corridor to get up to Darwin. They are ongoing engagements with traditional owners, and it is best placed to get an update from the company on the specifics.

**Mrs FINOCCHIARO:** The Jervois copper-silver-gold project with KGL Resources Ltd—what is the estimated time line for completion of that project and what is its current status.

**Mr GUNNER:** I am happy for the Major Projects Commissioner to talk to that. She touched on it earlier. It is a positive project—like many, subject to commodity prices. She is just turning to that in her notes.

**Ms RICHARDS:** Jervois is ongoing as well. It is targeting FID for later this year and commissioning in 2023, which would be a construction time frame over the next 18 months. It has the bulk of its approvals and is awaiting a decision from the Water Controller on access to water.

**Mrs FINOCCHIARO:** When is that decision expected?

**Ms RICHARDS:** In the next few months, we expect.

**Mrs FINOCCHIARO:** Is that the deal-breaker? If they do not have the right access to water the project cannot go ahead.

**Ms RICHARDS:** The water component of the project is very important and it will be a decision for the Water Controller on the acceptable water usage for the region. Not to wade into the controller's decision, but there would be alternatives, I imagine, should that decision not fall in favour of KGL.

**Mrs FINOCCHIARO:** For the Molyhil tungsten and molybdenum project, the Thor Mining PLC major project, what is the estimated time line for completion and what is the status of the project?

**Mr GUNNER:** I am happy for the Major Projects Commissioner to take that.

**Ms RICHARDS:** The Thor Mining project is tungsten. It is not one of those commodities having a big increase recently. The commodity pricing is an important element to the timing for that project. They are currently working on a target FID date of later this year, and that would also look at commissioning in January 2023.

**Mrs FINOCCHIARO:** Mount Todd gold mine, Vista Gold—what is the estimated time line for completion and what is the status of the project?

**Ms RICHARDS:** Just today the minister for Mining released an announcement that the mining management plan has been approved for that project, which means all its major approvals are in place. It is a gold mining project and we look forward to seeing it move towards a positive financial investment decision with all those approvals in place in the near future.

**Mrs FINOCCHIARO:** We have talked about Arafura Resources—what about the Petrel gas project for Neptune Energy? What is the estimated time line for completion and what is the current status?

**Mr GUNNER:** The official who is best-placed to answer that question is attending APPEA, which is a very important event for the Chair of the gas task force. If we could take that question on notice, we will get you a better answer than we can give you today.

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#### Question on Notice 1.9

**Mr CHAIR:** Leader of the Opposition, please restate the question for the record.

**Mrs FINOCCHIARO:** What is the estimated time line for completion of the Neptune Energy petrol gas project and the current status of the project?

**Mr CHAIR:** Chief Minister, do you accept the question?

**Mr GUNNER:** I am happy to accept the question.

**Mr CHAIR:** The question asked by the Leader of the Opposition has been allocated the number 1.9.

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**Mrs FINOCCHIARO:** You mentioned Project Sea Dragon earlier, and there being some movement. What is the estimated time line for completion and can you expand on the status of the project?

**Mr GUNNER:** I will pass to the Major Projects Commissioner in a minute because I am not sure of the extent of what we can say. We have been doing important work. I do not want to talk to it prematurely. I am supportive of Project Sea Dragon; we have done a significant amount of work under the PDA to get the project ready and be ready for it. I will pass to the commissioner for the latest.

**Ms RICHARDS:** The latest market announcement from Sea Dragon of relevance was that in May they appointed Canstruct through a project development agreement framework. Their role is to do five construction packages. They are commencing work this Dry Season, particularly at Legune Station but also activities at the grow-out ponds here—and some of their Western Australia facilities. The project continues towards its further stages.

The key part of doing this early work is that it will continue to drive the project viability with a better understanding of the environment. We are pleased to see that work happening.

**Mrs FINOCCHIARO:** The Darwin data centre feasibility studied has been completed. What is the next stage for this project and the time line for delivery?

**Mr GUNNER:** I will pass to the Investment Commissioner to talk about it, as he is still doing that work.

**Mr COWAN:** The EOI, as you have indicated, has been finalised. We have selected a proponent, signed a project development agreement and will be in a position to make an announcement in the next six to eight weeks regarding the successful proponent. That is still commercial-in-confidence at this stage.

**Mrs FINOCCHIARO:** What is happening the seniors' lifestyle accommodation project in Alice Springs and the Darwin urban and rural areas? Is this project still considered a government-facilitated project or has it been dumped?

**Mr GUNNER:** No, they were found not to be commercially viable. That decision was made a little while ago under DITT, from memory. That section has come across to my department.

**Ms RICHARDS:** Three different seniors' living opportunities were released to market as facilitated investment projects. The intention was to understand on what terms the private sector could deliver those seniors' lifestyle villages. In each case, we were unable to find successful applicants that could do it without significant government support. Those requests for projects were wrapped up and cancelled.

**Mrs FINOCCHIARO:** There is no seniors' lifestyle accommodation currently being explored?

**Mr GUNNER:** Not through that mechanism.

**Mrs FINOCCHIARO:** What other mechanism is it being explored through?

**Mr GUNNER:** As has happened in the past, there is still opportunity for people to do it themselves, but in terms of the work we were progressing through facilitated projects, no. They were found to want significant government assistance and were not viable as private sector, which was the purpose of that EOI.

**Mrs FINOCCHIARO:** Previously, the government undertook a strategic business case for the development, or possible development, of a super yacht facility in Darwin Harbour. At the conclusion of the business case, government said it was considering the next steps. What are those next steps and how much money is being spent on this?

**Mr GUNNER:** That work was done by the Department of Industry, Tourism and Trade and still sits with them, so it is a question that needs to be asked—I might get you the correct output rather than just saying DITT in general. I will get back to you out of session, Leader of the Opposition, or maybe through the Chair, with what the correct output for that question is.

**Mrs FINOCCHIARO:** That is not a major project or a facilitated project?

**Mr GUNNER:** There was a study done by DITT.

**Mrs FINOCCHIARO:** It has not progressed to, so it is not sitting with you guys? It is not a facilitated project?

**Mr GUNNER:** It is not sitting with us.

**Mrs FINOCCHIARO:** I asked last estimates and during parliament about how you view freedom of the press, in particular you banning the *NT Independent*, a media outlet, from coming to Parliament House and being able to stand at your press conferences. I asked you in parliament whether you had directed any part or all of the public service not to answer questions put to them by the *NT Independent*. Your answer to that was that no direction had been given.

If there is no direction from government to the public service that they not answer questions by the *NT Independent*, why does the public service not answer any questions from the *NT Independent*?

**Mr GUNNER:** That is not a question relevant to the budget or the operations of my department.

**Mrs FINOCCHIARO:** It is. I was able to ask it last time. I have three pages of back-and-forth questions we had on this very topic last estimates. I said:

*Regarding press freedom, have you given a direction to your department to not deal with any media outlets—or the NT Independent—seeing as you do not recognise them?*

You said:

*I am not aware of any direction I have given.*

I said:

*DCM is free to respond to media inquiries from the NT Independent?*

You said:

*I have not given a direction.*

Can I ask the CEO of DCM why they do not respond to the *NT Independent*?

**Mr GUNNER:** I was quite generous last time—it is not relevant to the budget. If there are no questions on the budget, I guess we are finishing early. I am happy to take questions on the budget.

**Mrs FINOCCHIARO:** We have plenty of questions on the budget. I am asking specifically about freedom of the press, which comes up often. Even the Member for Araluen moved a referral of this very matter to the Privileges Committee, which the government voted down.

Chief Minister, it is one thing for you not to view a news outlet as a news outlet and ban it; that is a matter for you. But for an entire public service to do the same thing, even though there has been no direction, is really quite extraordinary.

How is it, if there has been no direction as you say, that no government agency responds to the *NT Independent*?

**Mr GUNNER:** The budget is a significant document that goes to what government will do and estimates how much it will cost us to do that work. We are currently in Chief Minister and Cabinet and happy to take questions on what we have estimated we need in public appropriation to be able to do our jobs.

I am happy to take questions on the budget.

**Mrs FINOCCHIARO:** This goes to the heart of openness, transparency and accountability. These are all things that you heralded as hallmarks of your government. Ultimately, the public service is an arm's length for you. You pay for a media unit as part of your department. Why does that media unit not respond to questions put to it by the *NT Independent*?

**Mr GUNNER:** I do not see that as a relevant budget question. If you have a relevant budget question, I am happy to answer.

**Mrs FINOCCHIARO:** How much does your media unit cost in the Department of the Chief Minister and Cabinet?

**Ms RYAN:** Our strategic comms and engagement team sits within the Government Services output along with a few other outputs. The total for that in 2021–22 is \$11.959m. That is including our Protocol as well.

**Mrs FINOCCHIARO:** Territorians spend nearly \$12m every year on a media unit that sits within your agency that covers DCM and Protocol, yet in the absence of any direction from the government, they unilaterally have decided not to respond to questions from a media outlet. Is that what you would have us believe, Chief Minister?

**Mr GUNNER:** We have estimated the activity we needed in that government services unit which includes the functions of Protocol—not servicing protocol, it actually includes Protocol itself, which is the organisation and engagement of events, the facilitation of ambassadors et cetera. That is how we have estimated the workload we think the department will need based on previous workloads and the work they do. Protocol has a huge workload that has nothing to do with media.

**Mrs FINOCCHIARO:** The media section of that department's job is to respond to media. How can they not be allowed to respond to media when that is literally their job description?

**Mr GUNNER:** They are allowed to respond to media.

**Mrs FINOCCHIARO:** They are allowed to respond to the *NT Independent*?

**Mr GUNNER:** They are tasked and resourced to do their job. We have made an estimate of what they will need to be able to do that job. I believe they will deliver their services against the money we have allocated to them because we have done that in the past. I am very confident in the estimate we have made for the public appropriation of funds to that area to do their job.

**Mrs FINOCCHIARO:** Are you saying the budget is not sufficient for them to answer questions from the *NT Independent*? Is that what tenuous argument you are trying to make?

**Mr GUNNER:** No.

**Mrs FINOCCHIARO:** Why would a media unit not respond to the media?

**Mr GUNNER:** I believe the media unit does respond to the media.

**Mrs FINOCCHIARO:** That does not include the *NT Independent*. Why is that? If you have not directed them not to respond, why does your department miraculously not respond to the *NT Independent*?

**Mr GUNNER:** I believe the media unit does its job. I believe they expend the money allocated to them wisely for taxpayers' needs and they do their job, as estimated by us.

**Mrs FINOCCHIARO:** Will you allow me to ask Jodie Ryan these questions?

**Mr GUNNER:** I believe I am indulging you in answering these questions, because at the moment they are not relevant to the budget.

**Mrs FINOCCHIARO:** They are hugely relevant to openness, transparent and accountability—with accountability being an enormous part of government expenditure. You have an entire media unit whose role is to liaise with the media. You are on the record as saying you do not identify the *NT Independent* as a legitimate media outlet; you do not allow them into this building or at your press conferences. But you have been at pains to say on the record on a couple of occasions at least that no direction has been given to the public service.

How is it possible that the public service can simply ignore the *NT Independent* as a media outlet?

**Mr GUNNER:** I am happy to take questions on the budget.

**Mrs FINOCCHIARO:** Let me ask Jodie.

**Mr GUNNER:** If you ask questions on the budget we will answer it, and if it is appropriate for one of the people here at officer level to add information to the answer they will do so.

**Mrs FINOCCHIARO:** You will not let Ms Ryan, the CEO of all of government, answer very simple and straightforward question.

**Mr GUNNER:** You have not asked a budget question.

**Mrs FINOCCHIARO:** What KPI does your department's media team have in responding to the media? Does not responding to an entire media outlet satisfy their KPIs?

**Mr GUNNER:** I think we are spinning circles.

**Mrs FINOCCHIARO:** It is a legitimate question.

**Mr GUNNER:** I believe we have answered all questions on this. We have a media unit; we have appropriated money to them and they do their job.

**Mrs FINOCCHIARO:** I would like to ask Jodie Ryan directly. What would the problem with that be?

**Mr GUNNER:** Ask a question on the budget and we will answer a question on the budget.

**Mrs FINOCCHIARO:** Yes, the \$11.959m appropriated for the media unit and Protocol—why are people in that section not allowed to answer questions from the *NT Independent*?

**Mr GUNNER:** That is not a budget question.

**Mr CHAIR:** Honourable members, we only have 15 minutes remaining today. Leader of the Opposition, I note this question and answer have gone on for a number of minutes and there have been about half a dozen questions on the same thing. The Chief Minister has indicated he has answered the question and you can move on to another question.

**Mrs FINOCCHIARO:** How many questions has the department of the Chief Minister received from the *NT Independent*?



**Mr GUNNER:** I am not capable of answering that question; it is not information we keep.

**Mrs FINOCCHIARO:** Would your department CEO have that information?

**Mr GUNNER:** No. It is not information we keep.

**Mrs FINOCCHIARO:** Would the media unit that you are responsible for have that information?

**Mr GUNNER:** The CEO speaks for the media unit, it is not information we keep.

**Mrs FINOCCHIARO:** Even if you do not know the answer you could take it on notice. The media unit would know.

**Mr GUNNER:** It is not information we record. It is not information we can take on notice and give you an answer to; it is not information we have.

**Mrs FINOCCHIARO:** Why do you not record details like how many requests from media you have versus the output? Surely that would be captured.

**Mr GUNNER:** I honestly do not think that is—anyway, it is not information we keep.

**Mrs FINOCCHIARO:** Can you please break down the \$11.959m so that it is broken up into the media unit and Protocol separately? I want to see those figures separately, not as a homogenous group.

**Mr GUNNER:** We will take that question on notice, Chair.

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#### Question on Notice No 1.10

**Mr CHAIR:** Leader of the Opposition, please restate the question for the record.

**Mrs FINOCCHIARO:** Can you please break down how the \$11.959m is allocated between Protocol and the media unit of the department of the Chief Minister?

**Mr CHAIR:** Chief Minister, do you accept the question.

**Mr GUNNER:** I accept the question.

**Mr CHAIR:** The question asked by the Leader of the Opposition has been allocated the number 1.10.

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**Mrs FINOCCHIARO:** Do you maintain your position that the *NT Independent* is not a media outlet?

**Mr GUNNER:** That is not a budget question. If there are no more questions to the budget, which I would be surprised by, I guess we get an early mark, but I suggest the Leader of the Opposition ask questions on the budget.

**Mrs FINOCCHIARO:** How do you measure the output or the KPIs of the media unit? How is that unit performance managed?

**Mr GUNNER:** We will take that question on notice.

**Mr CHAIR:** Leader of the Opposition, can you please restate the question for the record.

**Mrs FINOCCHIARO:** The media unit for the department of the Chief Minister for the media unit of the department of the Chief Minister—what are their KPIs, and how is their performance measured? For example, they must get media inquiries come in and commensurately push out media responses, why are they ignoring questions they receive from the *NT Independent*?

**Mr GUNNER:** That is not the question I agreed to take on notice. Ask the original question, Leader of the Opposition. I agreed to take that on notice.

**Mr CHAIR:** Leader of the Opposition, do you want to restate the question?

**Mrs FINOCCHIARO:** Which bit do you take objection to, Chief Minister?

**Mr GUNNER:** Leader of the Opposition, you know the question you asked and you know the question I agreed to take on notice.

**Mrs FINOCCHIARO:** What are the KPIs of the media unit in the department of the Chief Minister, and how is their performance measured in responding to the media?

**Mr CHAIR:** Thank you, Leader of the Opposition. Chief Minister, do you accept the question?

**Mr GUNNER:** That was not the original question asked. The original question asked was quite simple and straightforward to the KPIs and measurements used in media department. I am happy to take that.

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#### Question on Notice No 1.11

**Mr CHAIR:** Leader of the Opposition, please restate the question.

**Mrs FINOCCHIARO:** What are the KPIs and performance management measures of the media unit of the department of the Chief Minister?

**Mr CHAIR:** Chief Minister, do you accept the question?

**Mr GUNNER:** Yes.

**Mr CHAIR:** The question asked by the Leader of the Opposition is allocated the number 1.11.

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**Mrs FINOCCHIARO:** Does the media unit in your department have to liaise with your fifth floor advisors before putting responses back out to the media?

**Mr GUNNER:** I guess, sometimes, if it relevant to my office, but that is not a standing direction.

**Mrs LAMBLEY:** Can I make a comment, Chief Minister? You just answered that question, which has nothing to do with the budget, yet for any question that the Opposition Leader has asked about the *NT Independent*, you have shut her down.

We are all paid by the public of the Northern Territory and have a responsibility—whether we are members of parliament, ministers or public servants—to be transparent and open about all the decisions we make on behalf of Territorians. You will answer that question but you will not answer the question about why you continue to exclude and discriminate against one media outlet in the Northern Territory.

Territorians have a right to a full and open disclosure about what is going on here. To impinge or stifle the freedom of the press is in contradiction to our code of conduct as members of parliament as ministers of the Northern Territory—I will not go down that track.

You have an opportunity to explain why you are making certain decisions. You are an employee of the people of the Northern Territory, like I am and everyone around this room. Every decision I make I am open to be questioned. This is of interest to the people of the Northern Territory. Why do you continue to shut down any dialogue or discourse around your decisions and who gets access to your media?

The fact that you have instructed the public service of the Northern Territory to refrain from having any contact with one media outlet is making them vulnerable to accusations of discrimination. Although it might not sit with you to answer these questions, you have a responsibility as an employee of the people of the Northern Territory to explain yourself.

Why are you excluding the *NT Independent*? Explain to the people why you are choosing to make this discriminatory choice every day of the week by giving your staff, people and public servants instructions to exclude. It is fundamentally wrong and discrimination. It should not be condoned.

Explain yourself, Chief Minister. This is what we do in budget estimates—you answered the last question which had nothing to do with appropriation or budget, yet you will not answer any of these.

**Mr CHAIR:** Thank you, Member for Araluen. I am not sure there is a question there.

**Mrs LAMBLEY:** It is not fair! You are not playing ball, Chief Minister. The question is to answer the questions asked by the Opposition Leader. They are reasonable questions that Territorians have a right to hear the answers to, just like you answered the last question.

**Mr CHAIR:** Chief Minister, I am happy to give you the call.

**Mr GUNNER:** The last question was not to do with the budget. The Member for Araluen made a good point, I indulged in a question that was not to do with the budget. If they are questions to do with the budget I am happy to answer them.

**Mr CHAIR:** Are there further questions?

**Mrs FINOCCHIARO:** I cannot understand why you are so slimy about this issue. It paints you to be everything that people believe that you are.

**Mr CHAIR:** Leader of the Opposition, please refrain. Order!

**Mrs LAMBLEY:** You are forcing your public servants to act as you are—discriminating and excluding.

**Mr CHAIR:** Member for Araluen, order!

**Mrs LAMBLEY:** That is not what the Northern Territory stands for!

**Mr CHAIR:** Member for Araluen, you do not have the call.

**Mrs LAMBLEY:** We do not tolerate it in any other part of how we function and we should not tolerate it in how we treat the media. It is fundamentally and ethically wrong!

**Mr CHAIR:** We have very little time left this evening. I ask for a little more respect for the Chair. If I call 'order' twice, it is reasonable. If I call it thrice or four times, that is unreasonable. We will come back tomorrow morning at 8.30 am. Hopefully everyone is back here bright-eyed and bushy-tailed. Maybe because it was a long weekend that we are all a bit tired this Tuesday ...

**Mrs LAMBLEY:** I am not tired. I am rearing to go.

**Mr CHAIR:** Leader of the Opposition and Member for Araluen, I ask that tomorrow I do not have to give a warning about withdrawal from the committee hearings and we could have slightly more civil questions and answers. If the person being asked the question does not think it is part of the budget estimate or the output—I know we are not at Output Group 21.0 yet—then that is the decision of the person receiving the questions.

**Mrs FINOCCHIARO:** Chief Minister, you have the opportunity now to tell Territorians ...

**Mr GUNNER:** A point of order, Mr Chair!

**Mrs FINOCCHIARO:** I was already asking my question.

**Mr GUNNER:** A point of order, Mr Chair! I ask the Leader of the Opposition to withdraw her previous insult. I will not repeat ...

**Mrs FINOCCHIARO:** That you are slimy? I withdraw.

**Mr GUNNER:** Mr Chair, that was an extraordinarily disrespectful withdrawal. I have taken a number of questions today with complete respect. That was poor form from the Leader of the Opposition and it should be a proper withdrawal. That was not a sincere withdrawal.

**Mrs FINOCCHIARO:** I am very happy to withdraw that word if you found it offensive, Chief Minister.

**Mr GUNNER:** Most people would. I do not think that is a controversial request to withdraw.

**Mrs FINOCCHIARO:** I did not think it was either; I have withdrawn it.

**Mr CHAIR:** Thank you, Leader of the Opposition. I pick up on one of the points the Member for Araluen made. We are all colleagues and public servants and we should treat each other with a bit more respect. Leader of the Opposition, you have the call.

**Mrs FINOCCHIARO:** Chief Minister, you have the opportunity now. If you do not want your department ignoring media outlets such as the *NT Independent*, why do you not, once and for all, make your position publicly know so that there is leadership and clarity on this issue?

**Mr GUNNER:** I have addressed this question a number of times in a number of forums. Today we are here to look at the budget estimates for public appropriation of funds in order for Chief Minister and Cabinet to do their jobs. This question remains nowhere near the budget. We have indulged it significantly today. I have answered it in other forums. The answer is out there publicly. The Leader of the Opposition is well aware of that.

I am more than happy to take questions on the budget. I do not think we have had a question on the budget for nearly half an hour now.

**Mrs FINOCCHIARO:** One of the reasons this is so serious is just like when we were talking about your handling of the Labor cocaine sex scandal, the Treaty Commissioner and the People Matter Survey out of the public service recently. It speaks to a pattern of behaviour that you accept and a leadership standard that you are setting from the top. It speaks to the core of the culture on the fifth floor, which you are breeding into the public service, and that is wrong. When you start to add up all these things it paints a very bad picture about the type of leader you are and the government you lead.

If you are happy for the public service to ignore the *NT Independent*, you should say so. If you want them to engage in communications with the *NT Independent*, you should say so. But just having a bet each way is not acceptable. It lacks leadership and integrity. You have to address it as the leader of the entire jurisdiction.

**Mr GUNNER:** This is an issue I have addressed a number of times over recent years. I am more than happy to take questions on the budget today. Chief Minister and Cabinet did significant work to prepare for questions on the budget. It is disappointing that in the last half an hour there have basically been no questions on the budget.

I am thankful for the work everyone in the agency did to prepare for today in the expectation there would be questions on the budget.

**Mrs FINOCCHIARO:** Can you provide a breakdown on the number of intra-Territory overnight visits you have made in this reporting period, that is, how many nights not spent in Darwin, broken down into Katherine, Tennant Creek, Alice Springs, rural and regional.

**Mr GUNNER:** The answers have already been provided in written questions.

**Mr CHAIR:** We have time for one more question.

**Mrs FINOCCHIARO:** Why do you refuse to go on ABC radio *Drive* Alice Springs, except for when you are in Alice Springs?

**Mr GUNNER:** I think we just spent half an hour talking about questions being relevant to the budget. Just ask a question that is relevant to the budget; it is not that difficult.

**Mr CHAIR:** Thank you, Chief Minister. As the time is 6 pm, that concludes the consideration of the estimates for today. Thank you, everyone, for your assistance. We had 337 questions today, by my count. That is more than you took last year, Chief Minister, at 178.

On behalf of the committee, I thank the Chief Minister for attending and the officials for providing advice. Thank you, Ms Ryan and team.

That concludes estimates for today. Hearings will recommence tomorrow morning at 8.30 am with questions for the Minister for Health. Have a good evening and see you tomorrow.

The committee concluded.

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