

The Estimates Committee convened at 8 am.

MINISTER WAKEFIELD'S PORTFOLIOS

DEPARTMENT OF TERRITORY FAMILIES

Madam CHAIR: Good morning and welcome to today's Estimate Committee hearings.

I acknowledge that we gather this morning on the land of the Larrakia people and I pay my respects to the elders past, present and emerging.

Minister, I welcome you to today's hearing and invite you to introduce the officials accompanying you today.

[Editor's note: inaudible 8:00:55 to 8:01:49 – minister's microphone not on.]

Madam CHAIR: Sorry, minister. Just pop your microphone on.

Ms WAKEFIELD: I usually do not need one but that is okay. Danyelle Jarvis, Senior Director of Programs and Engagement, and Janet Anderson who is the Chief Coordinator of the Reform Management Office.

Madam CHAIR: Thank you, minister. I will invite you to make a brief opening statement then I will call for questions relating to that statement. The committee will then consider whole-of-government budget and fiscal strategy-related to questions before moving on to output specific questions and finally non-output specific questions related to the budget.

I will invite the shadow minister to ask their questions first followed by committee members. Finally, other participating members may ask questions. The committee has agreed that other members may join in in a line of questioning pursued by a shadow minister rather than waiting for the end of the shadow minister's questioning on that output.

Minister, do you wish to make an opening statement regarding Territory Families?

Ms WAKEFIELD: Yes, I do thank you. Madam Chair, every young person deserves a pathway to a better life and every Territorian deserves to feel safe at home, at work and in the community. The youth justice system that we inherited failed to reduce youth crime and make our community safe. It failed to give our youth hope and a brighter future. The child protection system we inherited had been patched and retrofitted so many times that it no longer had the welfare of children at its core.

This budget places children and families at the centre. Territory Families has now been in operation for over 22 months as a stand-alone agency, established to bring together a range of policy, advocacy and frontline service delivery functions. The agency supports and delivers care and protection services; family support; youth justice; seniors; gender equity and diversity; multicultural and youth affairs; and domestic, family and sexual violence reduction.

The 2017–18 budget reflected the large remit of the new Territory Families agency with extra investment into youth justice and child protection reform. The 2019 budget of \$303.23m provides a further increase of \$16.21m on the 2017–18 budget. This will enable us to continue our program of reform to child protection and youth justice. These systems are broken and that is why we have undertaken the most comprehensive overhaul in Northern Territory history.

We know what our priorities are. We need to invest in the most vulnerable children in the early years, and that can change their pathways in life. We are investing in families to give them a maximum chance of turning a difficult situation around and we are investing in a youth justice framework that is evidence based and stops the cycle of crime.

This reform program has been further informed by the findings and recommendations of the Royal Commission into the Protection and Detention of Children in the Northern Territory. One of our major achievements this year was to deliver the Northern Territory Government's response to the Royal Commission. Our implementation plan provides a road map for delivering reforms and this government has funded the plan with an historic \$229.6m investment over five years.

A reform management office has been established to coordinate the Northern Territory Government's response to the Royal Commission and monitor the implementation of reforms addressing its recommendations.

There is much more reform happening much of it outside the public eye but it is making a difference where it counts on the ground. Our youth detention centres are now safer for staff and young people and are beginning to focus on long-term rehabilitation and education.

The 2019 budget invests \$71.4m to replace Don Dale and Alice Springs Youth Detention Centres. We have made two amendments to the *Youth Justice Act* in 2017–18 to bring community youth diversion services from the department of Corrections in to Territory Families and to make our detention practices safer.

We have further developed our youth diversion bail support and prevention programs alongside Aboriginal other NGO partners who contribute so much to these reforms.

We aim to achieve a balance of holding young people accountable for their behaviours and their actions, ensuring our community is safe, and supporting these young people to make better, more informed decisions. There is much more to do but we are starting to get more at-risk kids into jobs, education and positive pathways instead of the cycle of reoffending.

Child protection services did not get as many specific recommendations from the Royal Commission as our detention centre system. Nevertheless, we have made progress and in the year to come we will be delivering on some major reforms.

A modern, effective child protection system must have a focus on universal services. We cannot just try to fix problems once a crisis has happened. We must be able to support families and communities to raise healthy, thriving and connected children.

Territory Families has this year made big steps forward in reforming family support, out-of-home care, the central intake model and continuous improvement of clinical practice. Critically, we have committed \$66.9m over five years to a new information management system to provide a whole-of-life approach to following the progress of children and monitoring their situation. This will give frontline workers the tools they need to do their job.

We are increasing our remote footprint and delivering more services in regional centres and communities. We are putting in place better supports for kinship and foster carers and engaging Aboriginal-controlled organisations to design and implement family kinship services that work for our client group. We have delivered the Domestic, Family and Sexual Violence Reduction Framework, which articulates the government's vision for creating safe homes, communities, workplaces and schools. Next year we will be implementing its first action plan.

Territory Families directly operates 13 women's safe houses for women and children in remote communities and funds 17 non-government organisations to provide refuge and domestic and family violence services. Currently we are increasing the professional support available to workers in regional centres to help them identify and respond to domestic violence situations, particularly as they impact on the welfare of children.

All of these are massive reforms which will deliver the systemic change we need for the future generations of children and families.

In addition to this core work of children and families, Territory Families has completed the review of the Northern Territory Pensioner and Carer Concession Scheme with the new Northern Territory Concession Scheme and the Seniors Recognition Scheme, to commence on 1 July 2018.

We have begun to establish five year contracts with for service providers enabling our partners to take a long-term view of their capacity and capability needs. In 2017, Territory Families expects to enter in to 45 five-year funding agreements.

We also supported 118 multicultural community events, most of which the Member for Sanderson attended as assistant minister. Supported by young people to engage in the community and workforce through opportunities as the Northern Territory Youth Week, the Northern Territory Youth Round Table and regional youth services. Critical to all these reforms is an emphasis on Aboriginal voices and communities being central to decision-making, leading the conversations and the shifting of service delivery to Aboriginal-controlled organisations.

In conclusion, Territory Families is now an established agency with a strong and contemporary outlook. It is not only fulfilling its statutory early intervention and support and advocacy responsibilities, it is managing a broad suite of reforms. I would like to take this opportunity to commend the frontline workers, the backroom support teams and the management and executive for their ability to make so much progress whilst continuing to manage the incredibly complex and difficult issues that they deal with every single day.

The Northern Territory Government recognises the challenges of the Territory Families' portfolios and the increased demand for services. Our forward budget reflects these commitments and I thank you for the opportunity for a few words.

Madam CHAIR: Are there any questions relating to the minister's statement?

Mr WOOD: I know there are a lot of things in your opening statement and we will probably get to some of them, but I was interested in your comments that you will hold young people accountable. Could you explain what that actually means?

Ms WAKEFIELD: I think it is a term that is thrown around quite significantly. Different people may have different ideas of what accountable looks like. One of the things we have had with our youth justice system so far is that we have not had a strong and staged approach.

One of the things that was missing and we funded last year, and will continue to increase our funding to this year, is our youth outreach workforce who are responsible for making sure that young people are accountable while they are on bail or on court orders. This was not happening prior to us coming into government. Correctional Services did monitor community orders but they had a very limited resource, I have to say. I think they did an extraordinary job with the resources they had.

We have put more resources into that, but acknowledging that this is specialist work, working with teenagers is very different to working with adults, as we would all know from our life experiences in dealing with teenagers. We need to be able to have that specialist approach—that case management approach.

That is one area where there was not a lot of accountability beforehand. Our police force were often picking up the failures of Correctional Services. There was no real accountability following through if someone was on a community order—or whether they were following that community order—until they did not follow it.

This is a proactive way of managing that accountability. I think we are providing the court with more options. We know we have more to do in that area, but we are providing the court with more sentencing options, in particular around bail accommodation. Previously, the court only had a community order or detention as an option. They now have bail accommodation, which is supervised 24 hours with skilled, trained staff. They have another very viable option to community orders.

We also know that we need to be making sure that the restorative justice system works better. I think that is possibly a key piece work for this year. Making sure, where someone has committed a crime—that young people have an opportunity to face the victim directly. We have started that process with Jesuit Services in Palmerston and Katherine, where we are doing more victim conferencing. The important step forward with that process, which has not been done before in the Territory, is that there is a Victim Advocate who supports the victim through that process. To make sure the victim has an opportunity to have their voice heard, to feel supported through that process, to make sure they get to say what they want to say and the impacts of that crime on them to young people.

We have done a range of things already. We have more to do and I know you have a very strong interest, Member for Nelson, in the camp idea. We know that the camp out at Mount Theo is working well, we are about to invest further in that. We also have some other options. We can either talk about that later—or what you want about how we are investing in some other remote options where kids can have a circuit breaker. There is the Flinders camp as well, which has had—on the few we have run already—really good results in terms of those kids participating and not reoffending.

There is a range of things there. We have to do more, but we have the start of a much more sophisticated youth justice system that is based around case management, working with a child as an individual and making sure we not only give them a pathway out of the poor decisions they are making, but also hold them accountable to the consequences and impact their behaviour has on others.

Mr WOOD: Thanks, minister. We can get on to the issue of camps in the outback and all that sort of thing. The word 'accountable' is something I have been asked about recently. I do not know whether you would agree that victims sometimes suffer financially ...

Ms WAKEFIELD: Yes.

Mr WOOD: Not only youth crime—I should not be picking on youth, but you raised that term during your speech. Have you given any consideration to—regardless of what punitive actions are taken by the courts or your department—those who cause financial loss, say, through vandalism by smashing someone's window—should somehow be required to pay for that via—it might take a long time, but that debt stays with them until it is paid off either through the ATO or Centrelink.

When you said 'accountable'—I agree. I am not saying every child should go off to gaol or not, but from the victim's point of view—if you have just smashed up a coffee shop, should there not be some responsibility, no matter who it is, to pay for that damage, even if it takes 10 years?

Ms WAKEFIELD: Yes. I completely agree with you. One of the things I have said often is that we know that our justice system has not allowed victims of crime to have enough of a voice. This is something I have advocated for a long period of time through the domestic and family violence area around victims of crime not having that opportunity to have the voice of the impact on them as strongly as many victims would like.

In terms of those types of orders, that is an opportunity we will explore as we write the new act. There are opportunities within that. Judges already have some options around community service orders. They are underutilised in the Northern Territory. We think there are more opportunities to do that. We need to set up the structures that make that accountable in that if a community service order is made there is a process to make sure that happens with the young person.

The other thing around those type of financial impacts, often people who are young—we need to think about how we do that with income. If people are on youth allowance or not eligible for youth allowance, which is a large number of our clientele, we do not want to set them up in a position where when they do start to get back to school. We need to get that balance right, but ...

Mr WOOD: That is why in some cases it would be long term ...

Ms WAKEFIELD: Yes, I agree.

Mr WOOD: ... so people would not be absolved from the responsibility of paying for the damage.

Ms WAKEFIELD: Also, the Attorney-General is looking at the victims of crime as a larger process, not just for youth crime. We need to acknowledge the impacts on people. Every one of us has had those conversations with constituents through the work of an electorate office about the impacts. But it is not just the financial impact, it about acknowledging the emotional impact of not feeling safe where you live.

That is where those victim conferences are really powerful. If they are run well—and it is important to have that victim advocate there. That is where the system has not been as strong in the past as it could have been. They can be a very effective tool in helping the victim of crime because the focus of those is not just the child taking responsibility for their behaviour, but that victim of crime to have a restorative process that helps restore their sense of justice. That is the whole point of restorative justice—we restore that sense in many ways.

I am very supportive of that process. We are looking at ways we can roll that out. We are also looking at ways we can further support—I take this opportunity to thank the Attorney-General who has put in additional victims of crime positions. I met the person who is working in Alice Springs, who is very experienced in this area. We will continue to do that work and evaluate it, but it is a vital part of the next step reforms.

Madam CHAIR: Are there any questions on the statement?

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

Madam CHAIR: The committee will now consider the estimated of proposed expenditure contained in the Appropriation Bill 2018–19 as they relate to Territory Families.

Are there any agency-related whole-of-government questions on budget and fiscal strategy?

Mrs FINOCCHIARO: Before I start this morning, I thank the hard-working staff in your department, minister. I know it takes a lot of work and effort to prepare and to be here today. That is not lost on us, so thank you very much. We are looking forward to this open process of questions.

The Northern Territory has made national headlines for all the wrong reasons this year, and we all agree that the safety and protection of children must be at the forefront of everything we do as a community.

How many instances of sexualised behaviour or assault of children have occurred in the Northern Territory for this reporting period of 1 July 2017 to 31 March 2018?

Ms WAKEFIELD: I will pass that question on to Luke in a minute. With the extensive media coverage, we expect to see a rise in reporting over the next period. It has been a challenging time for the department, and these issues have been long-standing in the Northern Territory. This period of attention has shown that we have to make changes as a whole community to our child protection system; we need to prioritise that. As a government we are committed and have taken responsibility for the failings of the past. We are future focused to making sure child protection services are working more effectively in future.

Mr TWYFORD: To 31 March 2018 there have been 41 cases of substantiated sexual exploitation of children.

Mrs FINOCCHIARO: That is a significant number. What then is the process of protecting those children going forward? What happens to them?

Ms WAKEFIELD: It is primarily the police who respond to issues of sexual exploitation of children, or of anyone. It is an ongoing issue. Where there has been a sexual exploitation matter, Territory Families has a role where the parents have not had the ability to protect that child or have acted in a way that has not been protective.

Our legislation is very clear that our ability to act is very much based on who is sexually exploiting that child and what are the family's abilities to protect that child. Have there been failings or can they protect that child in future with further support.

One of the things we have done that has been in place for a period of time is the Child Abuse Taskforce. That is the appropriate mechanism where police and child protection workers are working alongside in the one unit. That has been in place for over 10 years. It works well, and whilst police are investigating the issues of sexual exploitation, the child protection team are assessing the child's safety and circumstances at the same time.

It is very much a police matter. Our focus is always on the ongoing ability of that child's family to provide protection.

As a community we need to have a broader conversation about sexual violence, and that is why we have put into our domestic and family violence strategy a sexual violence prevention strategy. This is about making sure that we are providing the right amount of information to young people around sexual activity, that we are providing information about what is and what is not okay—that is very clearly stated around expectations of our community. We are also trying to work more closely with Aboriginal services and a range of other community services to make sure we have a coordinated approach to that community education, and making sure that we are preventing sexual abuse where we can.

However, we all know that this a long-term issue and the Royal Commission into sexual abuse really did highlight the challenges right across Australia in this area. It is an area we need to do further work on and we will be also announcing our response to the Royal Commission into sexual abuse around how we are going to better put those protections in place.

Mrs FINOCCHIARO: Thank you, minister. I just wanted to ask, so there 41 substantiated cases of sexual exploitation of children. How many notifications were there—the ones that were not substantiated?

Ms WAKEFIELD: I will put that through to Luke. There is also a difference in where charges have been laid as well. Working between the two systems ...

Mrs FINOCCHIARO: Do you have those numbers as well?

Ms WAKEFIELD: That would be a police matter about what they have charged. Obviously it is a very difficult area around—it requires that specialist work of the CAT team. We have got highly skilled specialists in this

area and we need to make sure that people, particularly from remote communities, can access those specialist services.

Mrs FINOCCHIARO: Minister, while that number is coming, what is the time frame of when police have contact in this situation to when Territory Families is notified?

Ms WAKEFIELD: Ideally it would all happen fairly well straight away and those initial contacts are done in a joined up way so the social worker is at those initial contacts with the child. So that it is one police officer and one child protection officer. Obviously, that can be challenging in the Northern Territory at times, but certainly where we are working very closely together.

Or the other thing is we might get the call come through to Territory Families and we make the referral to police because that depends on where the referral comes in.

Mrs FINOCCHIARO: So it would not be a week?

Ms WAKEFIELD: I can put that through to—there are two questions there.

Ms KERR: So, the question was how quickly we respond with police? The General Manager Family and Regional has been doing a lot of work and is on the steering committee for the Child Abuse Taskforce with senior police. We are at a point now where we are responding in the first instance with police in relation to these matters—same day, next day, it is very much a joined up investigation.

Mrs FINOCCHIARO: Thank you.

Mr TWYFORD: Member for Spillett, there were 18 442 total child protection reports to Territory Families to 31 March 2018. Of those, 1230 related to sexual exploitation. Perhaps I can give you the remainder, 3680 related to physical abuse, 5020 related to emotional abuse, and 8512 related to neglect.

Mrs FINOCCHIARO: Right. That is all the notifications, but do you then have the substantiated—for the breakdown?

Mr TWYFORD: I do. It is important to note that a matter might be reported as one harm type and substantiated as another harm type.

Ms WAKEFIELD: What Luke means is that someone may ring up with a concern around emotional abuse, and then through an investigation sexual harm becomes evident, and then that is then referred on to police. It comes in an emotional abuse notification but it may change over time.

It might be the other way around, where someone is concerned around sexual exploitation and that is not uncovered in the police investigation but we do then go on to substantiate that these children are not in an emotionally healthy house, that they need support or they are experiencing domestic and family violence which is making them vulnerable, and then that substantiation would be around the emotional harm. So it is not a straight line through that process.

Mrs FINOCCHIARO: Thank you.

Mr TWYFORD: I have it disaggregated by Indigenous and non-Indigenous status.

Mrs FINOCCHIARO: Okay.

Mr TWYFORD: For sexual exploitation substantiation there was the total of 41 that I mentioned previously. For physical substantiated matters there was 242 and 48, for emotional abuse there was 496 and 137.

Mrs FINOCCHIARO: You are splitting that into people who identify as Aboriginal and ...

Mr TWYFORD: Aboriginal and non-Aboriginal.

Mrs FINOCCHIARO: Which one is which?

Mr TWYFORD: Aboriginal first.

Mrs FINOCCHIARO: Thank you.

Mr WOOD: Can I just ask, what was the breakup of the 41?

Mr TWYFORD: Twenty-three and 18.

Ms WAKEFIELD: Member for Spillett, we are happy to provide you with that so there is no confusion about any statistics, if that would be helpful.

Mrs FINOCCHIARO: Yes, thank you. And then, neglect?

Mr TWYFORD: And finally, neglect: 773 and 71.

Mrs FINOCCHIARO: Thank you for that.

Mr WOOD: What is your definition of 'neglect'?

Mrs FINOCCHIARO: I was going to ask, what is the definition of 'exploitation'?

Mr WOOD: All right—at the same time.

Mrs FINOCCHIARO: What constitutes a sexual exploitation?

Mr TWYFORD: We use the national definition set by the Australian Institute of Health and Welfare. All jurisdictions use the same definition. Sexual exploitation is:

Any act by a person, having the care of a child that exposes the child to, or involves the child in, sexual processes beyond his or her understanding or contrary to accepted community standards.

Mrs FINOCCHIARO: That can mean not just perpetrated by adults? It is anyone with any child. Okay, thank you.

Mr TWYFORD: And neglect is:

Any serious acts or omissions by a person having the care of a child that, within the bounds of cultural tradition, constitute a failure to provide conditions that are essential for the healthy physical and emotional development of a child.

Mr WOOD: Can neglect be not sending your children to school? That is, on a constant basis, I am not talking about a one-off. If someone is just does not send their children to school, is that neglect?

Mr TWYFORD: It would have to fall within the definition I have just given and would be subject to the assessment of professional child protection workers.

Mrs FINOCCHIARO: With those figures, I know we talked about some of them relating to the same notification—do you have the breakdown of the cumulative notifications for a child? So these are just the global figures, but has that been aggregated to reflect a cumulative picture about a child, if more than one notification in each category has occurred? If child A has been—there has been a notification of neglect, emotional and physical?

Ms WAKEFIELD: Thank you, Member for Spillett. One of the very important things in this budget which we are investing is the \$66m into our information systems. We need to be very clear. The current system we use was developed before smart phones were available. It was developed in the 1990s. The limitations on our data and our ability to be evidence-based using our own data is severely limited.

There have been plenty of times where the information we need is not easily accessible and quite often some of this work has to be done. I would like to take this opportunity to thank Luke for his ongoing work in this area, because quite often we have to manually count things like that. That is where the systems is up to and that is the failing of ongoing governments. We are committed to providing our workforce with the ability to get the information they need.

We know that the information system at the moment is limiting the ability of our frontline workers to do their job effectively and efficiently. That is one of the reasons we started the work on improving that already. Some of the simple things—I cannot believe in 2018 I am announcing later, in a couple of weeks, that our frontline workers will have tablets and take them out into the communities. This shows how poorly

this system has been invested in in the past by previous governments. I will let Luke answer that question. We need to understand that we have severe limitations because of that lack of vision and investment by previous governments.

Mr TWYFORD: In terms of numbers I can provide, based off our system, notification for individual children at the global level. So off the 18 442 notifications received we know they related to 9865 individual children to 31 March, and that would reveal that 3983 children have been subject to multiple notifications.

In terms of substantiations of the 1808 substantiated matters across all four harm types, 1571 individual children were covered by those 1808 substantiations.

Mrs FINOCCHIARO: So there was 1808 substantiations, sorry, and that was how many children?

Mr TWYFORD: Relating to 1571 children.

Mrs FINOCCHIARO: Minister, given the fact we have had 41 instances of sexual exploitation against children in nine months—one child a week—I understand the department is doing the work on the database so it gives that better picture of accumulative harm—is that going to be fast-tracked to ensure that the department and the professionals within it have that best, accurate, real-time information about a cumulative harm picture for each child?

Ms WAKEFIELD: Yes, absolutely. That has been a large piece of work since we came to government. I think we have prioritised this right from the start. For instance, I said to you about workers having tablets in the field; that means that they can check on other kids who are in the households. If they go to a house there are kids there that they are not expecting they can then check on where that child—if the child is on the system, whether there is any investigations open.

This will really make a big difference to the frontline workers' ability to make better decisions on the ground.

Mrs FINOCCHIARO: But that data will still not be as good as it could be.

Ms WAKEFIELD: Yes. There is further work happening around how we provide that information. The other bit of information—I will get Jeanette to talk about some of the work around the data and how we are making that more visible to people and in physically loading up stuff on to our very antiquated system.

We are also doing some work at the moment on developing a professional notification porthole so professionals can notify—in a different way—a member of the general public and have the ability to provide more information around that notification. As someone who has made multiple notifications to the department as a professional, before I was in politics, it was very frustrating to me that there was no ability for me to provide that additional information that I had made through an assessment of that child that I was working with. What we will do is provide that opportunity for that, highlighting some of the issues that were shown in recent reviews around the support—the failings of the SupportLink system which was expanded under the previous government and unfortunately has not met the needs that we required.

Mrs FINOCCHIARO: Is that new portal an interim measure until the full roll-out of the change in the IT system happens?

Ms WAKEFIELD: It is part of a continuous process. I suppose we are not just going to one day switch over to a brand-new, shiny system.

Mrs FINOCCHIARO: But it is to fill a gap because that project is ...

Ms WAKEFIELD: This is part of the long-term solution and it is an incremental step because we cannot just miraculously turn over to a new system. It has to be done over time and the most important bits forward—so the information around accumulative notifications is being dealt with first, along with this ability that has been highlighted in recent reviews to get police.

We are starting with the most vital part first and then that will be done over time, which is why the process is taking five years. We need to do it in increments so that we have a working system. Again—it is the Chief Minister's quote about trying to change a tyre on a car going 100 kilometres an hour—we need visibility while we do that process. It is a staged and planned response, but I will get Jeanette to answer.

Ms KERR: There are a range of aspects to the question, the first one being that we have a practice and standards innovative group, which comes underneath the newly formed directorate for clinical practice and professional standards, which has a senior director about to be appointed. That group is about 13 or 14 people which are focused on enhancing clinical practice in Territory Families. They have developed cumulative harm guidelines and development to put that out across the workforce to make the assessment easier for the staff. It is a really difficult question; you cannot just have an algorithm.

Part of the issue is not having data readily available to us. In this budget we have \$2m put aside for a data warehouse. I think we are probably one of the few agencies that does not have one. That will make a marked difference in being able to access data in a much more effective and quick way, rather than getting out the calculator.

Mrs FINOCCHIARO: That will provide some immediate relief whilst you are doing (inaudible).

Ms KERR: Absolutely. As the minister said, the professional notifier's portal will be significant for us. The vast majority of our notifications come from police through the SupportLink referral system, and from education. I think it is 43% and 16% respectively.

With the professional notifier's portal, there will be a range of fields and a mechanism for those agencies to upload the information that we need to make a thorough and proper assessment, including of cumulative harm. What is really key to that is that at the moment, the way it comes in, we have 24 hours to roll it over to an investigation or not. You cannot make a thorough assessment in that time.

We have had very promising discussions with police about the new portal and they are supportive about providing up front all the information from their system that would be relevant. We are also in discussions to use the Territory Intelligence Coordination Centre to use that and our people in there, which we are going to increase, to be able to get data from all the children and families agencies to inform those assessments.

We will have much better understanding of all the data across the whole sector, which will make assessments of cumulative harm much more able.

Ms WAKEFIELD: I think the SupportLink process—and I have to say when I was at the women's shelter I was a big supporter of the SupportLink program. I think what that process has shown is that if you try and come up with a solution for just one agency in isolation, it can have unforeseen impacts on other agencies. Whilst it was great for me in the NGO sector to get the information through SupportLink, it has been drowning out many issues within child protection.

I think that is one of the reasons why we, as a government, are committed to making sure we are working together in that children and families cluster group to make sure there is ability to share information. This has not happened. There has been a lot of talk about it before.

With our investment as a government in this IT infrastructure, the reality is we have to see IT infrastructure as important as physical infrastructure these days. We are also investing into the health and police infrastructure. Those three systems will be key in making sure—and we need to make sure education is able to access into those information systems so that we can do a much more effective job in working with what is actually a small number of children.

Mrs FINOCCHIARO: What is the budget allocation for this clinical practice directorate?

Ms WAKEFIELD: I will get Jeanette to answer that. But to broadly talk about this—it is one of the most important parts of our reform process. Over time, we have not given our frontline support workers the support they need to do the job that they are given. One of the things that we have done, as a whole community—often we talk about the importance of police and nurses, but we never talk about child protection workers in the same way and with the same respect. It is an incredibly difficult job and you are making difficult decisions.

The reality is that the people who apply for child protection jobs are often young social workers—it is often the first job out of university they get—and that is the way it has been since the 1990s when I trained.

We have not provided those workers with enough support from experienced clinicians to help them make those decisions. It has been talked about for a long period of time. We have set up this structure so we can be making better decisions on that front line. Retention is an issue. This is also another safeguard against retention issues. By providing that corporate knowledge at the more senior level that supports those frontline workers—but ultimately it will also help that retention issue we have, particularly in remote situations ...

Mr WOOD: Minister, do your frontline workers have supervisors?

Ms WAKEFIELD: There has not been a strong practice or culture within the organisation of having clinical practice—there are clinical practice workers. To be honest, what has been happening, particularly over the last four to five years, is that has not been valued within the organisation as much as it should. Those workers have often ended up carrying caseloads and not being able to provide that support and supervision. That becomes the chicken and egg scenario where you are not providing that support and getting more effective decisions. It means that the caseload is not working or flowing through properly.

Mr WOOD: The criticism I have always had is that putting people straight out of university onto the front line—especially if you come to the Northern Territory, which is definitely not the same as Sydney or Melbourne ...

Ms WAKEFIELD: No, it is not.

Mr WOOD: ... without any supervision, you are asking for a turnover or poor decision-making.

Ms WAKEFIELD: I completely agree with you, Member for Nelson. As a social worker, even coming to the Territory as a worker with 15 years' experience—which is what I had when I came here—it was a definite shock and I definitely used supervision to work through how to respond to what I was seeing on the ground. I have, right throughout my social work practice, accessed supervision. It is a really important way you make sure your frontline workers are able to manage what they are seeing.

That has not been supported within the culture of the organisation. To be blunt, in the past there has been a culture of that being seen as an HR tool rather than a support tool. We have to change that culture within the organisation. But we also need a mechanism. One of the things also is people say frontline workers need additional training. That is fine if you send a worker to a day's training, but if you then do not support them to implement that in their day-to-day practice, that day's training often is not useful.

This is about making sure that when we send someone to a cumulative harm practice—they go to training around cumulative harm—they then have someone who says, 'It is just like that, and that is how you responded'. It needs that support. That is why we have made this very strategic investment, because we think it will support better decision-making and will mean that our workforce is much better supported on the front line.

Mrs FINOCCHIARO: Can I clarify, minister—there will be 13 to 14 people in this clinical-type practice directorates—I do not know whether we have the budget ...

Ms WAKEFIELD: Yes.

Mrs FINOCCHIARO: Yes, sorry, thank you.

Ms KERR: Across the board—if I can explain the entire clinical governance framework—there is a Clinical Advisory Committee which is made up of four external experts and me. There is Dr Christine Fejo-King, who is a long-term, very experienced social worker with auspicious qualifications, and she is also a Larrakia traditional owner; Dr Howard Bath, who as you know is the inaugural Children's Commissioner for the Northern Territory and has expertise in out-of-home care and trauma-informed practice; Dr Denise Riordan, who is the chief psychiatrist and child and adolescent specialist; and Judge Sue Oliver, recently retired from the Youth Court.

They are our Clinical Advisory Committee. Underneath that we have the clinical practice and professional standards directorate with a senior professional director, senior Aboriginal practice leader and range of other practice leaders—14 in total—with a total budget of \$2.4m with \$600 000 in new money to set up the directorate position, a senior Aboriginal practice leader and a project manager. Those staff are regionalised across the Northern Territory in the offices on the front line so that we can feed forward and backwards.

In addition, we are investing \$1m to implement a new practice framework, Signs of Safety, which is in over 200 jurisdictions in 20 countries across the world and has a strong evidence base. In addition, in the framework, there is a range of domestic, family and sexual violence practice leaders, and that money has been diverted from the budget—in terms of domestic, family and sexual violence to support frontline caseworkers to understand domestic violence, the impact on care and protection.

Mrs FINOCCHIARO: The people in the directorate, under those executive structures, are essentially the managers, mentors, guiders for clusters of support workers. You have put one of these people in Tennant Creek now so they are the manager responsible for overseeing the workload and clinical practice of the staff? That is the idea?

Ms KERR: Not so much the workload but the professional practice, so we are delivering the best possible service to children and families.

Mrs FINOCCHIARO: Would they have some oversight of the cases? I mean the idea would be the caseworker, particularly if it is a highly complex matter, would then be discussing that with the person from the directorate?

Ms KERR: Yes, that is right and there is also the director and the manager and there is also a domestic, family and sexual violence practice leader in Tennant Creek.

Mrs FINOCCHIARO: So, there is a manager as well as someone from the directorate? How does that work? The directorate person is on top of ...

Ms WAKEFIELD: I have to say, Member for Spillett, it was very important for me as a minister that they were separate processes because you want to encourage your workforce to seek support where they can, and for it to be separate from any HR issues. That is the whole point of the structure, that it is separate. It is purely about people's clinical practice. If there are HR issues with that person, that needs to be managed separately.

Mrs FINOCCHIARO: For annual leave and whatever else, they go to the manager?

Ms WAKEFIELD: Or if there were performance issues with that person, that would be managed through their manager not through their clinical support person. That is about making sure that we are building a culture—and it is about building a culture—of constant learning, or constant quality improvement and that it is not seen as part of a HR process, which can be very challenging.

Mrs FINOCCHIARO: Which is completely normal in every other profession—I mean, I have a legal background and there is certainly no way you would be given your file of cases and off you go—so you have that professional ...

Ms WAKEFIELD: Yes. I think sometimes that has been put together—the HR function—and there has not been enough professional recognition of the skillset of our frontline workers. We are great at supporting police and nurses and I would really like to see that language change around our child protection workers as well.

Mr WOOD: Are you going to get off notifications at all? I want to make sure I get in.

Mrs FINOCCHIARO: You can ask now.

Madam DEPUTY CHAIR: We are still on the statement, the whole-of government ...

Mr WOOD: I just want to get back to neglect, it is the biggest number there. I looked up the definition of 'neglect' and found that there are several definitions within that. There is supervisory neglect; physical neglect; medical neglect; emotional neglect; educational neglect, which is what I was referring to before; and abandonment. So do you break down that figure—which is about 800—into those categories at all?

Ms WAKEFIELD: Just quickly, Member for Nelson, I think it is really important to be really clear that neglect is often a measure of poverty, and we have many people living in poverty. That is why, as a government, we are so focused on our housing and education agendas, making sure we have family and child centres that are universal delivery of service, and why we have been so passionate with the federal government to make sure that the people get their correct Centrelink—that is becoming more of an issue for us. We are finding that people are without adequate income, and that impacts a child protection notification. This is a significant structural issue for the Northern Territory.

Mr WOOD: There are so many dysfunctional families with alcohol involved.

Ms WAKEFIELD: Absolutely. I am not denying that.

Mr WOOD: Do you then analyse from a geographical point of view—can those figures be looked at from urban, remote or very remote areas? Is there a focus where neglect is worse than other places?

Ms WAKEFIELD: That is one of the bits of work we are doing at the moment with family and child centres, looking at the measures—where we need to prioritise putting those centres. There is some work happening on that. The CE might like to add to that, and then we will get to the question on neglect.

Mr DAVIES: That is a very good question. We are working with the Department of the Chief Minister and the Health and Education departments to analyse some of these issues so we can put some science into where we put those early childhood and family centres. There are 17 committed to through the response to the Royal Commission in the Northern Territory and the early childhood plan that has been put together by the Northern Territory Government.

In relation to kids at school and the overlay of neglect there—that is why we need a new information system that connects with the Health and Education departments. At the moment there are over 1000 children in care. On any given day there are 860 or so who are school aged in the care of the CE of the Department of Territory Families. On any given day I do not know how many of those children are either enrolled or attending school, unless it is done manually.

Giving our frontline workers the tools to make sure kids are enrolled and attending school is an important part of the work afoot. Whenever we get reports in about children, particularly in relation to critical incidents, the question is always asked, 'Are they attending school?' This is in the youth justice and child protection areas. It is a fundamental question.

It is really important that we sort out these information systems. We will get better data as we go and will be able to ask a lot more of those questions and hold people to account as we go forward with those issues. At the moment it is very much a paper-based exercise.

Mr WOOD: My concern was based on the figures we got from the Minister for Education yesterday. If a child even misses one day of school per week it sets them right back. The other issues is, if we are to keep kids out of the youth justice system we need to give them the best opportunity from an education perspective.

When I see those figures of neglect—I do not know how much is educational neglect—I have concerns. I know there are concerns in other areas, but that concerns me. If kids are not going to school because of neglect, who is taking responsibility for that?

Mrs FINOCCHIARO: To follow on from your question, Member for Nelson, and the minister might have mentioned it—do you keep the breakdown of the type of neglect as a disaggregated ...

Mr DAVIES: As part of this work on the early childhood and family centres, we have a very close working relationship with the Health department and the Menzies School of Health Research. They have done some comprehensive research on children in the Northern Territory—disaggregated data to a much lower level around issues related to neglect, indicators of why a child may end up in the child protection system.

The science they are applying will be used in an evidence base to what we construct in the future. We are putting some science into this data. As part of their partnership agreement, they also now have access to Centrelink contributions. There is a much more comprehensive interface going on in these families to build a bigger picture on the regional impacts. It is also about individual families so we can get in early and work with them.

In the crossover family sense, where children are on the edge of the child protection or youth justice system, there are a range of questions that need to be asked. What is the family budget? What does the family look like? What are their living circumstances? Is anyone employed? Are the kids at school?

There are a range of other services in other agencies that need to contribute to support the family and get them back on track. That is part of the role in the Children and Families Standing Committee that has been set up by government. I Chair that, and it includes the Chief Executives of Police, Education, Health, Housing, AGD and the head of DCM as there as well to start to do the work to join our information sources up so we get a better response to regional-based issues and individual family issues. Our data indicates to us that there are families out there that need a lot of support because there is the context of a lot of engagement with services. That means they may end up in either child protection or in the youth justice system.

Mr WOOD: Can I finish off the neglect bit? You were going to mention about the breakup neglect.

Mrs FINOCCHIARO: Yes.

Mr TWYFORD: There is potentially a number of answers to your question. First, professionally, a child protection worker will do a comprehensive assessment of the child's situation and look at all four harm types and the root cause and potential levers that might be causing that child disadvantage or a form of one of those abuse types. That will be written into an assessment by that professional, which is then stored on our system.

We can—if we have researchers and time—go back through and get a broader and better understanding of the nature, cause, type and situation of the harms that are occurring within the Northern Territory. Separate to that, when the report is uploaded within our IT system—our aged IT system—the worker will nominate what are the four primary harm types and then are able to elect and select a number of those sub-harm types, some of which you have listed there.

We can extract them from the system but a worker is rightly able to choose many of the sub-harm types in order to indicate which harm type is chosen. Therefore, it is not one child to one neglect sub-harm type situation. In fact, you can have sub-harm types recorded and a different primary harm type recorded. You may have a domestic violence situation where the primary harm type is emotional abuse of the child, but some of those neglect sub-harm types have also been experienced by the child.

Trying to distil the life of a child down into that child protection IT system and then having a data warehouse—which we currently do not have—able to extract that in a meaningful way is highly complex and takes time. We record and extract what we can. We are very excited about the new investment in the data warehouse and data reporting tool so we can do more of that in a faster format.

Finally, to the remainder of your question, currently cases are assigned to offices—our five major child protection offices in some of our remote locations. In terms of geographic reporting where there are high incidences of child abuse or not, it is able to be tracked to an office. It is not necessarily where the notifier made the phone call from or where the child currently was when the harm is alleged to have occurred, or where the child is now the investigation is under way. Geographic reporting is another big opportunity for us to improve how we respond to children.

Mr WOOD: Geographically, if there had been a community where neglect is high, it would be good to see other reasons. Is it poverty, overcrowding or some other issue? You can try to focus on some of the—perhaps not the solutions but at least ...

Ms WAKEFIELD: I agree. That is one of the really big strengths for child protection in our local decision-making model, where we are looking at communities from a local level and getting communities to identify what their biggest need is. With the amount of time I have spent travelling around the Northern Territory as minister—for instance, I went with the Member for Arnhem across her electorate. We went to Ngukurr, Numbulwar and Groote Eylandt. Each of those three communities had very separate issues they wanted to discuss with me and very separate resourcing issues—and what capacity was already within the system.

We know that if we can build on that local decision-making by having somewhere like the family and child centres, which is a hub for all of that service delivery, and then give local communities the ability to choose their priority—as well as using all that data to make those decisions—we will have a much more effective system where children and communities are much safer.

Mr DAVIES: Member for Nelson, the other thing is that in the minister's opening statement she talked about a regional set of services going in. One of the things we have in the child protection and the youth justice system at the moment is, we are not in every location—this is in a remote context—where there is a big school, where there is a police station and a big health clinic so our regional footprint, we are growing it as quickly as we can but in terms of our presence, a lot of our services are delivered from the central locations as Luke has described.

Part of what we have to do as part of this reform process over the next two to three years is improve that service delivery and get people on the ground, including employing local Aboriginal people to help us, particularly around issues with child protection but also around early intervention with families. Growing that footprint is really important.

One of the areas that we have invested in and set up an office—we have some GEH now. There is somebody on-site in Ali Curung, as an example. We have a small office in Yuendumu and Hermannsburg. We have just put a senior officer on Groote Eylandt. We had no one in situ other than in a small safe house. We had nobody senior present on that island, so that is part of the work we have to do around reform, which will

enable us to respond to what we are seeing in our data—but also around community input and particular families that might need help.

Ms NELSON: Can I ask a quick question on that? It sounds a lot like you are decentralising, you are moving towards a decentralisation model.

Ms WAKEFIELD: That was certainly part of our strategic plan that was released last year. We acknowledge that if we are going to grow a particular Aboriginal workforce, we need to expand and make sure that we have people on country in communities and who know the communities.

One of the challenges with the model and the way it has developed over 10 years is that we have been very reliant on fly-in fly-out child protection workers. I know there has been a lot of discussion about the fly-in fly-out workforce. One of the areas that is not often looked at is community services. To do an effective child protection investigation, or to do prevention work, you have to have relationships within that community.

We know it is much more effective if a local workforce can do that work—because sometimes it is really challenging to do very difficult work regarding sexual abuse and harm within a small community. They can at least provide the advice to a worker who has come into the community, who then does that more difficult work up front. But they are providing information and support and making sure it is done in a way that is culturally appropriate—that is, as much as possible, protecting the privacy of those children. I think privacy is one of our biggest challenges within small communities, but also getting the right support for the right people. That will be an absolute key part of our reform.

We know, and the Royal Commission gave us very strong evidence, that we need to be working better with Aboriginal communities in particular. As I said, our local decision-making policy provides options for that. Since becoming minister I have been absolutely heartened—that is probably the word—by the willingness of our Aboriginal-controlled organisations to work in collaboration, despite many years of that not being—the ability to try again is really heartening and we want to respect that and work respectfully and collaboratively with our Aboriginal-controlled organisations.

The other thing happening—that is different—is that I have groups of Aboriginal women coming to me wanting to be part of the organisation—local groups. What we are seeing in Nhulunbuy with our Mikan elders group—who are working in collaboration with our team in Nhulunbuy, providing cultural advice and language support and a whole range of things.

The cultural authority and working collaboratively—we are seeing some really good outcomes form that. I have groups in a range of communities that are wanting to be part of that and work collaboratively with government, which I think is the only way we can move forward. We will be able to identify problems earlier rather than constantly responding to a crisis or a front page. We have to be doing this early, quiet, behind-the-scenes work that makes a difference on the ground.

Ms NELSON: Last year, just ahead of estimates, there was a story that had broken out in the media about the caseloads and the staffing in the Katherine office specifically. I want to follow up on that story from last year and get an update on what is happening with the Katherine or regional office and where we are with the staffing?

Ms WAKEFIELD: I think it has been a very ...

Ms NELSON: Sorry to interrupt, minister, but more importantly, I want to also get an update on the strategic plan as well.

Ms WAKEFIELD: Recruitment has always been a challenge for Territory Families, particularly child protection staff. It is an issue across multiple governments and it continues to be a challenge. Some of the publicity we have had recently does not necessarily make it easy for workers on the front line. Whilst we acknowledge the failings in the system, it is the system that has failed children, not individual workers.

Individual workers who are in the front line can take much of that criticism very personally. It is something that we have been very mindful of in terms of morale in our service. Wherever I have the opportunity I state very clearly that we have got a lot of good people doing very hard work on the front line. No one puts their hand up to be a child protection worker if they do not care about kids or do not put the safety of the children as a priority. Otherwise, they would not put that as their career choice. The reason people go into child protection services is to protect children.

I think some of the conversation that suggests that workers do not put the safety of children first, in every opportunity, has been quite difficult for some of our frontline workers.

I have spent a fair bit of time in the offices, supporting and talking to frontline workers. The Katherine office is a difficult office; it has had a long history of staff turnover. I was there several weeks ago and visited people, and I think there was some struggling there. I do not think we can back away; it is fair to say that. We are putting in that additional support by putting in extra workers to support that workforce.

I am not going to sit here and say we have resolved those issues in the Katherine office. We continue to do that work.

I will hand over to Ken to talk about what some of the other strategies are.

Ms NELSON: It is important to note as well that the Katherine office services the entire the Big Rivers region. It is a massive region that goes from one end to the other. It is a lot of ground that they are covering from that one office.

Mr DAVIES: Agreed. We are very focused on that Katherine office in terms of getting some additional support there from the Darwin end—but also in terms of the basic building blocks of that office. We are making sure that when we recruit we have somebody there who welcomes the staff, goes out on the weekend and finds them a house. Traditionally, when a staff member was recruited to Katherine they were referred to realestate.com to find a house. We know that education and health services do it differently. We are trying to line up our services to make sure staff who are recruited are welcomed and settled in to that office really well.

The average caseload at the moment is 34 in Katherine. Last year it was around 59, so it is definitely a reduction. We have 53 staff on our org chart and there are actually 48 there at the moment. We are getting on top of the issues. It is a big regional footprint that they work out of. We have a new director in there and we are keeping a really close eye on it. We want people to live and stay there because it is important that they develop those relationships going forward.

For places like Borroloola, Kalkarindji and Lajamanu it is about getting a localised workforce in place as well, to give us a hand. If we are going to do early intervention and work with families early to keep young people out of the child protection system and the youth justice system, we have to be on the ground. We cannot do fly-in fly-out stuff and expect answers.

The other thing for us, which goes to the whole issue of kids in care, is if we are going to find families who are good kinship carers in a home that where they want to accommodate and support a child we need to be on the ground to work with those families early.

That is what we are trying to do in that Katherine region. In fact, we are trying to do it across the Territory. The Katherine regional office has been a hot spot for us and we are working really hard at a management level, but also in a support level for staff, to really make that a better place for our people to work in. Part of that is to work with the Department of the Chief Minister, connecting our staff in a very cohesive way with Health, Education and Police

There is a big redesign—a bit of work being done in Katherine around that government centre to actually front-face the agency so that we have a Territory Families office that fronts out on to that central area where people can come and see them without being tucked away around the back where it is a secret office.

Ms NELSON: Removing the stigma, as well. I think Katherine has done really well with its collaborative approach to addressing child protection issues and family in crisis. The sector in Katherine works really well together and they work intensively together as well. It really is a whole-of-community and whole-of-government approach; that is the way that we have taken it in Katherine as well. I have to give them kudos for that; they have done really well.

Ms WAKEFIELD: Member for Katherine, I agree with that, particularly in the youth space. I think having the justice reinvestment group running before we came in to government—but then providing them with the resources of the youth outreach workers. We have seen much better uptake of that program. It has worked much more effectively. Katherine and Nhulunbuy, I think, have been the most effective YORET offices in terms of embedding with staff—really having that impact, working collaboratively with police.

I think that is to be commended—it is to be commended of the community. I have had positive feedback from council, there are a range of other—about how that program is going.

There is more to do, of course, but I think that Katherine is showing that if you do work collaboratively—local government, police, everybody on the same page trying to solve problems—you actually get a much better outcome.

Mrs FINOCCHIARO: I wanted to ask about the recent matter involving the two children in Tennant Creek who demonstrated sexualised behaviour. The Children's Commissioner first heard this when it was reported in the media so I wanted to get a clear understanding of what information your department provides to the Children's Commissioner and at what point?

Ms WAKEFIELD: I really do want to steer away from talking about individual cases today, Member for Spillett, and talk about systems within our budget and what we are resourcing.

Mrs FINOCCHIARO: Yes. So at what point and what information?

Ms WAKEFIELD: We work closely with the Children's Commissioner. I meet with her regularly so she has a direct access to me, as minister, to raise any concerns she is having or any problems. I know she is in regular contact with the chief executive officer. I might hand to him to talk about what those processes are.

Mr DAVIES: Thanks, minister. Member for Spillett, when an incident like the one that was just referred to occurs, and this is just in a generic level, I will endeavour—Jeanette also does the same. We will endeavour to let her know as soon as we can. We do not want to respond in an emotive way, so we usually wait for the facts. That means making sure we have information from police.

Whether it is an incident at Don Dale or something in the community that we think she needs to know about immediately, we will do that as soon as it is possible. I usually refer across—the ministers gets notified first, but if there is a newsflash it goes up to the minister then that gets referred across to her as well.

In an operational sense, we have weekly meetings with the Children's Commissioner's office and the Children's Commissioner directly. I might just get Jeanette to explain what those are about, at a high level, to give you a bit of an update and a picture of how we are working with the Children's Commissioner.

Ms KERR: We have Office of the Children's Commissioner and Territory Families resolution meetings. Those are fortnightly and include our staff from the operational support area—which does implementation and assurance, and our complaints and investigations—the General Manager of Families and Regional Services and the Executive Director of Youth Justice.

At those meetings we discuss incoming complaints, incoming resolutions and referrals, and the status of investigation so that we can deliver a timely response. It is extremely important for us to provide proactive information to the Children's Commissioner. We try to do that to the best of our ability so that they are well informed about matters when they receive phone calls. It is mutually beneficial for us to have a cooperative relationship.

In addition to that there are regular meetings with staff from the Office of the Children's Commissioner and various staff, managers, senior directors of the youth detention centres—they spend a lot of time in the youth detention centres—resicare staff and our investigation staff. We have an open communication line. The Children's Commissioner staff are not required to come through the CEO and me; they can go direct to any staff. We are very comfortable with that.

Mr DAVIES: Member for Spillett, just to quickly add to that if I could—it is very important to emphasise that we work and cooperate, but the Children's Commissioner is very clear that this is not about collusion. There are questions she asks. She monitors our performance. The questions she asks, we need to respond to. So it is quite a respectful relationship. In working together, it is not that we are all sitting there doing a collective response that is just for the public domain; this is very much about accountability.

Ms WAKEFIELD: Member for Spillett, I think that our current Children's Commissioner has shown herself to be incredibly independent and professional. But it is important to realise that she reports to the Attorney-General, so whilst I meet with her regularly, we focus on if she is getting the information she needs in a timely manner and if there is anything we can do to make our systems more effective. She also has the pathway of going to the Attorney-General if there any concerns around the performance of Territory Families or me, as minister, to respond to those issues. That is a very clear and independent pathway.

There are some recommendations within the Royal Commission around how we resource that. I think one of the signs that we are determined, as a government, to be as transparent as possible with is that we have provided the Children's Commissioner with more resources within this budget period. That is about making sure she can effectively meet the requirements of her legislation as it is now written. She has been very clear that she has not previously had those resources to do the work. I know she was very frustrated about that over many years. We want to provide her with those resources so she can do that. That is about our commitment to making sure that we are accountable for our reform process.

As part of moving forward, we will also be looking at what the role of the Children's Commissioner will be. There are some recommendations within the Royal Commission around that. That will be the process moving forward about where they sit in terms of powers.

Mrs FINOCCHIARO: Thank you. Just for clarity, there was no question around the independence of the Children's Commissioner.

Ms WAKEFIELD: I suppose it is important for us though, because we are committed to having a transparent process. It is really important that people have the perception that when we are working together it is about us being accountable to the Children's Commissioner, and we take that very seriously.

Mrs FINOCCHIARO: Just to summarise, there is no formal trigger for notification to the Children's Commissioner, but by virtue of notifications that get to the minister—are generally provided to the Children's Commissioner as well.

Ms WAKEFIELD: I think the amount of contact we have, the weekly meetings ...

Mrs FINOCCHIARO: Plus all those other interfaces, yes.

Ms WAKEFIELD: ...plus other triggers as well, means that she is probably getting more information from us than she has from any other previous government.

Mr DAVIES: Member for Spillett, in accordance with our act, we do advise her of any substantiation of a child in care in accordance with the act. That is an automatic requirement.

Mrs FINOCCHIARO: What is the time frame of that?

Mr TWYFORD: Member for Spillett, there is no set time frame. I would have to check the actual words of the act, but it happens as soon as a substantiation is recorded for the child.

Ms WAKEFIELD: They are maybe things that we need to consider as part of the new act. I think there are some—and I am sure the Children's Commissioner would say the same, that her act is a bit inconsistent in parts. It probably does need some refinement. They are some of the recommendations of the Royal Commission. We are providing well above and beyond what the act asks us to do, but we will continue to work with the Children's Commissioner and also tighten that aspect as part of our law reform process.

Mrs FINOCCHIARO: Thank you.

Mrs LAMBLEY: In the report the Children's Commissioner wrote about the child who was abused recently in Tennant Creek, she was quite scathing of systems within Territory Families, particularly how the Barkly office functioned—or did not function. Your response to that, as the CEO of Territory Families and the minister, was quite defensive. I read that report very carefully recently.

One thing you said which was of great interest to me is that the circumstances of that family was not unique or different to a lot of other families in the Barkly area. I recently met with the Children's Commissioner too, to get some insight into that case and how things could improve—if there are so many other families, just in the Barkly area, possibly across the Northern Territory, that are as dysfunctional and possibly are not protecting their children in the way they should, does that mean there should be many other children perhaps immediately removed from those circumstances?

Ms WAKEFIELD: The Children's Commissioner's report was, quite rightly, very critical of the intervention with that family over many years. As a former child protection minister, I am sure you have read many files and incident reports over that period of time that showed the level of difficulty that many families are facing throughout the Northern Territory.

I believe we have an enormous challenge, as a government, around how we respond to a system that has been failing over many years. Many of the issues that were raised in the Royal Commission and the Children's Commissioner's report were raised in the Bath report. We have had a culture or report and very little response—and, in fact, a reduction of resources within the child protection system in previous years.

We know we have to invest more in our child protection system. This budget shows that. We need to be resourcing our frontline workers to make better decisions at the right time. Reading that case, it is clear—and the Children's Commissioner's report, our own report that was put out publicly, is the first time that has happened from the department. Putting out an internal review to be as transparent as possible about the issues we are facing showed that over many years there were intervention points that were not taken up.

Mostly, that is around the resourcing. The Tennant Creek office, which I have had contact with through various roles over many years, has been up and down in its resourcing. At times, it has been quite under-resourced in the last five years. We acknowledged that in our strategic plan by saying we need to have more resources on our front line. We have put that in place.

I do not think we should underestimate the challenges this agency faces. I also think that by just focusing on child protection at the crisis end, we will not see the outcomes we need. We need to be working as a whole-of-government to make sure that, as a community, we are now working towards better outcomes for kids.

Some of the positive things that have come out of the Tennant Creek matter is you now have a much more activated community around issues of child safety. The council of elders is being revived—funding was cut maybe three or four years ago. They are now back and want to be very clear in part of the solutions. We have much more willingness for the NGO sector to work with government, which did not happen three or four years ago.

We are now at a stage where some of the Aboriginal-controlled organisations in Tennant Creek are having child protection workers seconded into their agency so there is a more productive way forward.

As a government, we have taken responsibility and admitted we have a problem. This budget shows that we are not just talking about it; we have put the resources in to deal with this issue. I do not want to be a minister who sits on another report. The Royal Commission said there have been at least 50 reports into child protection in the NT, and there has not been the commitment from government to resource it properly. In fact, previous governments have cut the child protection budget by up to 10%. That has had significant impacts that we are still dealing with. We are a government that is investing into the long term.

Mrs LAMBLEY: Minister, you did not answer my question. In your response to the Children's Commissioner you stated very clearly that there are many other families in a similar circumstance to that family where the child and their siblings were abused. Will you be removing children from those families that suffer the same dire disadvantage and possible abuse? Will you be removing more children from their homes and their families?

Ms WAKEFIELD: There is no doubt that as we apply the changes we have made with more resourcing, it may mean having to intervene more with families. We want to do that in a way that is more proactive and planned rather than constantly responding to crises. With our notifications and our dual pathway process we are making sure at the first referral—if that family had gotten the right support at the first referral 12 years ago, would we be in the same circumstance? We need to do that differently from today, and we are.

We have set up a stronger referral system to family support services, and hopefully it will provide that support. But it may be that while there is that additional support it becomes clearer earlier that the family will not be able to provide the home that child needs.

We are also working with a range of organisations—if we are to remove a child, we are making sure we have options on the table for who can support the child best. We are working with Tangentyere Council on identifying foster carers so we have a range available and ready to take on kids as needed, not having to go through the extensive checks and balance process. This means we are better able to plan when we see a child at risk of being removed; the best option for that child in relation to kinship care ...

Mrs LAMBLEY: Is that not the way things currently operate?

Ms WAKEFIELD: Decisions have been made at the crisis end where a child has been removed. As a former child protection minister I am sure you saw that a child would be removed and then perhaps placed in the

quickest available foster care, and then a plan would be made about the family member who is the most appropriate for that child.

That process has been in place for at least the last five years. We want to be more proactive than that. That is a different process than what has been happening over many years.

Mrs FINOCCHIARO: I pick up on something you said in your answer to the Member for Araluen. You mentioned some Territory Families support workers have been seconded to other organisations. How many, and is that across the Territory?

Ms WAKEFIELD: I can get Ken to go into the details of who and where. There has been a lot of talk over many years about how to work together, without any practical ways of doing that. Seconding someone into an organisation is a powerful way of building relationships between workers and organisations, and building understanding.

We think this is a positive way forward. It helps resource our NGO sector for a period of time to build the skills of the workers within the NGO sector, but it also gives our workforce professional development opportunities, but also a better understanding of what an NGO can do and cannot do. I think that has always been a barrier of a bit of an 'us and them' vibe between ourselves, Territory Families and the NGO sector. That is something I experienced working in the NGO sector. This is about building relationships that are focused on the safety of children. We absolutely have to keep the safety of children at the core of everything we do and I think this is an important way of doing so. I will get Ken to talk about it.

Mr DAVIES: Member for Spillett, in terms of people we have seconded out, some of them are direct secondments and some are where we are giving money to an organisation to employ our people, so it is a combination thereof. We have a position with AMSANT, the Aboriginal Medical Services Alliance, with the Foster Carers' Association, Anyinginyi with Barb Shaw down in Tennant Creek. We have an officer there. We have officers in Relationships Australia, one at NAPCAN, and we funded an officer at Tangentyere, and one with the Council on the Ageing. We are trying to work with our NGO stakeholders and build those relationships and do it in the context of working with them to help them with the service delivery, as well as making sure there is a link back into the department.

We also have an officer placed permanently in the Territory intelligence centre with police so that we get in-time information related to children and families. There is also an education officer in there and a health department officer and so on. We have three officers out-posted to the courts, working with judges in the youth justice area in particular, but also supporting children and families that are coming into the statutory domain as well.

Mrs FINOCCHIARO: So that is nine organisations. Do you have a total staff figure for that?

Mr DAVIES: I can take that on notice and get that for you, Member for Spillett.

The other area we have out-posted officers to now is the regional youth coordinator positions. There is one in Alice Springs; there will be one in Tennant Creek; there is one in Katherine; there is one in Palmerston already; and there will be one for the northern suburbs. We are out-posting youth coordination offices to start to look at positive youth programs for young people in terms of coordination with our NGO providers, making sure the government agencies are linked into holiday programs and broader service delivery for youth. It is a much more expanded profile than just running a silo around Territory Families in a partnership sense.

Question on Notice No 9.1

Madam CHAIR: Member for Spillett, would you like to place that question on notice?

Mrs FINOCCHIARO: I would thank you, Madam Chair.

Could you please provide the breakdown of the number of staff that have been seconded, or to similar effect? Please detail the number of staff and at what agency or organisation they have been seconded to.

Madam CHAIR: Minister, do you accept the question?

Ms WAKEFIELD: Yes.

Madam CHAIR: The Member for Spillett's question has been allocated the number 9.1.

Mrs FINOCCHIARO: Madam Chair, I am happy to move to Output 1.1.

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

OUTPUT GROUP 1.0 – CHILDREN AND FAMILIES
Output 1.1 – Family Support

Madam CHAIR: The committee will now move on to Output Group 1.0, Children and Families, Output 1.1, Family Support.

I note that while the Minister for Territory Families has overall responsibility for the care and protection of children under the *Care and Protection of Children Act*, the Attorney-General and Minister for Justice is responsible for Part 3.3 of the act related to the prevention of child deaths and answered such questions last week.

Are there any questions?

Mrs FINOCCHIARO: Thank you, Madam Chair. I think I only have one question for this output.

Minister, I just wanted to know what aspects of the Starting Early for a Better Future plan is funded through this output?

Ms WAKEFIELD: I can take that on notice—regarding how it works. There are strong links between those two programs. We have been very clear that if we want to make a difference to the outcomes of Territory children, we need to be doing the work with our under-five cohort. That is an important part of the work of Territory Families.

We have been involved in the development of that plan. Probably the area where we are most likely to have outcomes—and there are links between the Royal Commission response and the early childhood plan—is the family and children centres, which is a very important way forward. We know they are working well. I have visited the one in Yuendumu and the one in Ngukurr the other week. I also have one in my electorate, at Larapinta, which is doing extraordinarily well within the community.

We know it is a model that works. We also think it is a key coordination point. Where we keep coming back to again and again with this work is the fact that previously governments has worked in silos. Whilst that has been a topic of much discussion and some throwaway lines, we are really focused on coming up with solutions and ways of dealing with that. Family and children centres is where there is universal service delivery for every child within the community, but there is a clear way of escalating support as a child and family might need support. It will be a really clear way forward.

I also think they can help, particularly on remote communities, with a coordination role around making sure we do not have three providers of nutrition services. One of the things that has been very clear through the Royal Commission is that lack of coordination between the federal and Northern Territory governments. It is certainly an area of vast frustration for me, as a minister. We believe this is the most important opportunity to provide some of that coordination and to look at where the service gaps are.

That is a key part of moving forward. Territory Families will be actively involved in some of that. I believe the CEO has some information which I will get him to talk about. It is a key piece of work if we are to prevent our child protection services continuing to go at the crisis end. Also for our youth justice system, we need to be doing this work with our under-fives.

Mr DAVIES: Member for Spillett, in terms of detail, those early childhood and family centres are the cornerstone initiative—our key one for the response to the Royal Commission, but also in the Safe, Thriving and Connected plan. The contribution of the \$219m has been set aside for the Royal Commission response. Over the next four years, that response will be providing \$11.4m to invest in those 17 child and family centres. In terms of the Great Start Great Future plan, \$17.3m will be provided by that plan to those 17 early childhood and family centres, which gives a total of nearly \$30m.

Mrs FINOCCHIARO: Thank you. That is all for me for that output, Madam Chair.

Mr WOOD: I am not 100% sure whether this comes under this output. Does adoption come under Family Support?

Ms WAKEFIELD: I am happy to answer your question, Member for Nelson.

Mr WOOD: I wanted to know if you have figures for how many people were adopted.

Ms WAKEFIELD: Yes, we do. It is an issue that we have put a lot of work into over the last 12 to 18 months. I was very proud to move the changes to the *Adoption of Children Act*, which expanded the number of people who can adopt a child in the Northern Territory. We think adoption is an important option for a range of families.

The Adoption Unit works very hard within our department. It is quite a small, but hard-working unit that follows up assessment for families prior to adoption, but also very importantly, follows up once that adoption has happened to make sure that family is coping well with the adoption.

In 2017–18 we managed the finalisation of 12 adoptions compared to seven finalised adoptions the previous year. We think that this will be an ongoing growth.

Mr WOOD: Can you break that up into adoptions from overseas, interstate and locally?

Ms WAKEFIELD: Yes. Of the 12, nine were inter-country adoptions and three were step-parent or relative adoptions.

We have been doing a lot of work on a federal level on this issue. The federal government has a strong area support, which we do not disagree with—making sure that we get kids into permanent care and permanent situations as soon as possible.

What we know from the evidence is that if children have multiple placements—and this partly goes to what I was saying to the Member for Araluen about making sure we get the right placement early so that there is not that disruption of multiple placements which we know has significant harm for kids in care. We know that Permanent Care Orders, which was brought in under the previous government—I support the work of the previous minister in this area. He did significant work on making sure we have an option where there is a Permanent Care Order and people can become the permanent guardians of a child they are fostering, taking the guardianship of that child away from the CEO.

We think that is an important way forward. We have been working hard on how we increase the numbers. There has not been a lot of uptake in that area. We had one last year which was finalised, and that was the first one. One of the issues is that people very concerned about the financial implications of the ongoing cost of children who are in their care. We need to be realistic that many of the kids who are in foster care have significant needs that put a burden on families.

We also know that many of the people who are putting their hand up to be carers and foster carers are often experienced disadvantage themselves. It is a big cost-ask. We are looking at ways that we can support families to provide that support, moving forward. We are going to move that Permanent Care Order into our adoption team so it is part of that process and so that we have the same process for adoption and that we are supporting people to make that decision.

There is a significant body of work. We are doing some work regarding birth certificates, and I have spoken with the Attorney-General about that. Often one of the barriers for people wanting to be adopted is the birth certificate changes and there is concern about it. Other states have put in legislation where your birth parents are still written on your birth certificate, as well as your adoptive parents.

We are looking at things like that to encourage adoption and Permanent Care Orders, making sure that our focus is on the best needs of a child—not the legal mechanism that gets us there, but the best needs of a child in terms of providing them a stable home moving forward.

Mr WOOD: For a family, is there a great deal of difference between a Permanent Care Order and adopting?

Ms WAKEFIELD: Not really. It is a different legal mechanism. The biggest difference is the change in birth certificate, which is often a barrier for people. We need to provide an option, we need to be looking at different guardianship options. That work is happening in Victoria at the moment, regarding who takes on the

guardianship of a child in care. We are keeping a very close eye on that, it is interesting work that could have important steps forward for the Northern Territory.

The goal is, if a child is unable to stay with their family of origin, we need to be very clear that we are making decision early and in a way that is clear. We then get the most stable option moving forward. Where out-of-home care has proved time and time again to fail children is where there are multiple placements over a long period of time. We have to get that stability right from the start.

Madam CHAIR: Any further questions?

That concludes consideration of Output 1.1.

I will just ask officials, for ease of Hansard, if we can make sure that people identify themselves. It will make it easier for the transcribers. Thank you.

Output 1.2 – Child Protection

Madam CHAIR: The committee will now consider Output 1.2, Child Protection. Are there any questions?

Mrs FINOCCHIARO: Thank you, Madam Chair. Some of my questions from this week were answered by the minister in the global questions, but I just wanted to ask, since the additional resources by Territory Families were put into Tennant Creek earlier this year—I know we talked about notifications earlier—how many child protection notifications have been actioned in that Tennant Creek/Barkly region since February?

Ms WAKEFIELD: I will hand that question to the CEO to maybe expand on the resources we have put into Tennant Creek.

Mr DAVIES: Just in terms of the Tennant Creek matter and questions that were also asked by the Member for Araluen, we have learned some lessons—there is no doubt about that—from the report (inaudible – mic off) and also the Children’s Commissioner, so in relation to (inaudible – mic off). Keeping staff on the ground, the capacity (inaudible – mic off) see that over an extended period ...

Madam CHAIR: Sorry, Mr Davies, if you could just put your microphone on.

Mr DAVIES: Sorry, Madam Chair. Just as an example, when we started to deal with the issues that were facing that family, we had to do a manual extraction of all the data across those years; there was no immediate IT solution to doing that. The report clearly indicates that over that time, in a cumulative sense, there was an impact that meant we should have done earlier than we did.

It is fair to say in the context of Tennant Creek and the broader issues, we have really increased the staffing allocation there. We have an additional seven staff in Tennant Creek now.

I also want to say—and this goes to the response as well to the question raise by the Member for Araluen—we have taken a much closer look, based on the lessons learned, at some of the families we have been dealing with in Tennant Creek. We have taken—I will not go into the specifics—additional children into care since that incident as a consequence of the lessons learned—15, in fact.

Mrs FINOCCHIARO: Is that from that region?

Mr DAVIES: That is from that region, absolutely.

Mrs LAMBLEY: (inaudible – mic off)

Mr DAVIES: Since the incident, Member for Araluen. So we have taken the lessons learned very carefully. We are working very closely in terms of our relationship with the Aboriginal medical service there, particularly at Anyinginyi, to get some advice and support around early intervention programs for families.

It is really important to emphasise that working with families is a team effort. There are NGOs that we asked to do early intervention support. Removing a child is a last resort, but safety is the ultimate lens we are taking. We are working much more closely with providers on the ground in terms of early intervention and support for families, but we have responded in terms of the cumulative harm and doing some deeper analysis of some of the case history we have been looking at. We have responded to remove some additional children in that area.

In terms of notifications, in Tennant Creek to 31 March we received 1515 notifications. There were 578 CP investigations that followed, and 181 substantiations. This is an increase of 10%, hence the need for the additional staff and the additional support going in there.

We want to make sure we are working very closely with the shire there around youth programs with the NGO providers in the town. They have had similar issues in terms of professional staff as well. We are working in a cross-government coordination sense in a much more strategic way than we were before.

It is fair to say, for our child protection workforce, they had some real concerns around some of these families who are at risk in Tennant Creek. They were meeting with stakeholders including Police, Education, Health and Housing. Housing is a big issue there—and the safety of the housing provided.

Getting that coordination has been an important step going forward. We had child protection who were quite concerned about what they were seeing, but there was no coordination for them to push the button and intervene in a way that would have been better supported by other agencies.

That is where we are up to in Tennant Creek. We are keeping a close eye on it. I am going there next week with other chief executives as part of a general co-ord meeting. We are all flying in, spending the day and night and the next day there. I went there last week, or the week before. We are keeping a really close eye on what is going on there and making sure that, as a team, we are working with other government agencies and NGO stakeholders, and intervening in families where we need to.

Mrs FINOCCHIARO: There have been 171 substantiated notifications in Tennant Creek?

Mr DAVIES: It is 181.

Mrs FINOCCHIARO: Thank you. I want to ask more broadly about the applications the department makes to the Local Courts under care and protection. I do not know if it is best for you to break down the number of applications made to Local Courts?

Mr DAVIES: Keep in mind, all those children would have been removed on application. We can take that on notice and get some feedback for you. Keep in mind also that some of those applications are about returning children to families.

Mrs FINOCCHIARO: If you could provide the breakdown of that. There are a series of applications a department can make. Perhaps it is best to break it down by application type.

Question on Notice No 9.2

Madam CHAIR: Member for Spillett, please restate the question for the record.

Mrs FINOCCHIARO: Can the department please provide details of the number and type of applications it has made to the Territory's Local Courts by region?

Madam CHAIR: Minister, do you accept the question?

Ms WAKEFIELD: Yes.

Madam CHAIR: The Member for Spillett's question has been allocated the number 9.2.

Mrs FINOCCHIARO: Why has child protection only received a funding increase of \$617 000 on last year?

Ms WAKEFIELD: It is part of the package of reforms. Last year we put additional money into child protection as well. This year we have been quite strategic in the investment we have made, making sure we do business more effectively.

Some of the investment that will make a difference to the child protection system is not necessarily within our department, so I give the example of Tennant Creek. I think the service that will give an impact to the safety of children is the public housing officers. We know what a great service they have provided in Alice Springs

and how they support families where there are challenges managing a tenancy, keeping children safe in certain scenarios.

We are putting in a range of supports across the board. We will continue to monitor what additional resources are required within the child protection team. We are very clear that moving forward and regionalising that support—we will make decisions on the evidence base. We are prioritising that whole-of-government approach, making sure we have the support going in earlier and that our NGO partners are leading much of that work. By us working more effectively with them we can get better outcomes focused on the safety of children.

Mr DAVIES: That figure does not include the new case management system. This is a \$65m investment over five years. We are putting in as well an additional \$840 000 in the budget into family support programs. This is early intervention for children and families to keep them out of the statutory child protection system.

In terms of the practice framework, we are also putting in \$1m to roll that out. In dual pathways, which is about giving another option of getting in early and supporting families, the Northern Territory Government has put \$3m into that. If you did an accumulative figure, it would be much more than the figure you have quoted.

Mrs FINOCCHIARO: Thank you. We touched on this earlier, minister, but if I could please have—and you may need to take this on notice—the breakdown of how many cases does each case manager has, by region?

Ms WAKEFIELD: I am pretty sure we can provide that now. Caseloads is a really difficult issue. As a social worker, I have worked in places where I have had a caseload of 120 and other places where I have caseloads of 20. It is a difficult issue but we are very clear that we need to support our frontline workers to have the time to spend with clients. We know that caseload issue has been a significant, particularly across the regions. That is one of the reasons why we have been investing in the regions.

We also need to acknowledge that much of that burden is around administration. When you talk to frontline workers and ask, 'What is the one thing we could do?', the data system comes up the most, where they feel they are spending way too much time on administrative burden and not enough time on face-to-face contact with their clients.

Mr DAVIES: Member for Spillett, I can break it down by region, if you would like.

Mrs FINOCCHIARO: Yes, thank you.

Mr DAVIES: In the Alice Springs office—this is in Territory Families' reported cases assigned to staff by 31 March 2018—there were 40 staff with total assigned cases of 1193, which gave an average case held of 30 per person.

In the Barkly office—this is again at 31 March 2018—11 staff with 368 cases, with an average number of cases held at 33.

In the greater Darwin region, which is our biggest area, 76 staff with 2268 total assigned cases with an average of 30.

Mr WOOD: Could I get the Barkly figure again?

Mr DAVIES: Sure, Member for Nelson. Eleven staff with 368 total cases assigned with an average of 33.

For Katherine, 23 staff, a caseload of 783, with an average number of 34 cases.

For Nhulunbuy, 12 staff, 176 assigned cases, with an average caseload of 15.

For our remote regions, 23 staff, 560 assigned cases, with an average number of cases of 24.

Mr WOOD: Is there an ideal number that you would prefer? I realise cases could vary.

Ms WAKEFIELD: Yes, that is a really difficult question. This is also a point-of-time measure as well. One of the laws of social work is that could change very much at 4.21 pm on this Friday, with an emergency.

We are very clear that we need to be supporting individual staff. One of the reasons we have gone with the clinical directorate is that it does enable us to support staff who might have quite a small caseload but they might have three families that are very complex that are taking all of their time or they could have a larger caseload that is sitting quite well with them.

It is a very difficult measure. I think we can also have situations where you have somebody who you are working with—everything is going along smoothly and then something happens that is out of the control of the department and then you are back at square one having to go back to accommodation or placement issues.

Whilst we know it is important to keep workloads at a reasonable level that people can respond then to crises and I think that is the ability to have that caseload at a situation where they can respond to crises. We also think that probably the way going forward about more professionally managing those spikes in workload is by having that senior support, that if there is a complex case they have got somebody they can go to who perhaps can do the visit with them to support them through a complex situation and provide that extra resource, and that will give us a much more flexible and nimble workforce.

Mr WOOD: If you have an average it means you also have a high point—do some caseworkers have an extremely high workload?

Ms WAKEFIELD: We cannot say that they are not people without—within the organisation ...

Mr WOOD: Any idea what would be the highest caseload?

Ms WAKEFIELD: I would not have that—I can ask the department, yes. Luke says he has got that. Luke, do you want to answer that?

Mr TWYFORD: Yes, thank you. It is important to note that this is a count of all case types. It starts with family support through to protective assessments, child protection investigations and children in and out-of-home care. A case is not always equal. In fact, the work you are doing on out-of-home care can be quite different to the work you do in family support and of protective assessment.

We are able to, through improvements to our system, look at the cases held by individual staff. Part of that new clinical practice supervision role will include a talking to individuals around what is the workload in front of them.

I can say, based off the statistics, that there are 12 staff who have more than 80 assigned cases out of the 173 staff holding cases. An individual child can have multiple cases and a child with multiple siblings can result in many cases for that one worker.

Mr WOOD: Whose role in the department is to make sure that that caseworker is not drowned by the amount of work and, if they are, there is a fair chance they are going to leave under stress?

Ms WAKEFIELD: And this is the exact reason why we have gone for the clinical practice directorate, so that you have not just a team leader who is overseeing that and manages, but also someone who has a good understanding of the actual nuances of each person's caseload within that region.

It is also really important to say that as we work more, and more with NGOs—and more collaboratively with NGOs—it may be that cases are left open while we are waiting for the NGO to do a range of work and then get back to us with information.

It might be that as we move forward we will have another situation where we are not quite ready to close a case, and I think this is one of the administrative areas where we have not had enough flexibility in the past. While the women's shelter, the outreach workers at the women's shelter, the school councillor and a range of accommodation providers are working with that family to make sure they get settled—and we are waiting for information back—the agency has never really had a good feedback loop from the NGO sector. That has been a significant weakness and it has been highlighted in some of the reviews we have had. We may need to keep cases open over long periods of time while we wait for the NGO workers to do that work.

We are now currently looking at the way we are administering cases so that we have allowed—there are not to be multiple cases open for one child. It is administrative nonsense, the way we have been doing it, where you get another piece of information and you open a new case. We should just be adding that information to the case we already have open. That is the logical way to do it.

We are very close to having a change in the way we do that. We are working with stakeholders, working with a range of people around how we better measure. What we need to do is to move past the idea of caseloads and a range of measures we have had and be looking at the outcomes for the child we are working with, and keeping everyone focused on the child outcomes rather than the administrative processes which have taken the attention of our workforce.

Mr WOOD: Also the outcome of the staff member.

Ms WAKEFIELD: Well, you cannot have a good outcome for a child if you do not have well-supported staff. As someone who has managed people in the human services for a very long time, that is absolutely essential. I think sometimes people can minimise that and unless we invest in our staff on the front line, we will not get the outcomes we want for children.

Mrs FINOCCHIARO: Minister, how will you measure that success if we move away from looking at caseloads, and things like that, and look at outcomes? What does a successful outcome look like to Territory Families?

Ms WAKEFIELD: That is one of the biggest challenges. One of the things you will notice in the budget papers is that we have CDU helping us develop that evaluation framework. I think the practice framework will also help us measure that. By taking on a practice framework that is well-tested in other jurisdictions including Western Australia and Queensland, there is clear evidence of what the outcome would be.

Moving forward we also need to have a shared understanding of safety within Territory Families, Police and our NGO sector. That is about having a shared practice framework which is where we have to move beyond this coordination level, which is where we are at the moment, into collaboration and then having that shared understanding of an outcome.

I still think we have more work to do on that, Member for Spillett. I think that those type of outcomes really are impacted by a range of things like access to education, housing, income and employment. Those things are huge and they have to be measured across the whole of government. We will have much better ways of being clear about our intervention by using a practice framework that is shared by all staff, but also by having some more processes that are less process-driven and much more flexible to be able to look at the needs of individual children.

Madam CHAIR: Before we continue on with any questioning, we might take a short 15-minute recess. We will recommence at 10.25 am. Thank you.

The committee suspended.

Madam CHAIR: Thank you, minister. We will recommence the hearings and we are continuing on with Output 1.2.

Mrs LAMBLEY: The incident involving the two-year-old child in Tennant Creek was a story of failure, in your own words, a lack of coordination, action and intervention—perhaps even negligence on behalf of the department. In normal work places where this level of inaction and failure occurs, there are some consequences to staff. I appreciate that child protection workers probably have one of the most difficult jobs in the Northern Territory, but the reality of any workplace is there are consequences for this sort of behaviour.

I am wondering what happened internally in the Department of Territory Families? Was anyone suspended or sacked as a result of this failure by the department?

Ms WAKEFIELD: One of the challenges of this report is that the family had had contact with the department over such a long period of time and with a wide range of workers, who may or may not still be within the department. Some of that time covers the time you were minister. I do not know what was happening with the workforce then and what types of checks and balances were in place while you were minister. What I can say is that we take our workforce and the quality of our work very seriously. We show that by our focus on the quality of our work with the clinical practice directorate.

We take action when we feel that a worker has not met the expectations of the job. The Children's Commissioner has publicly said that she felt it was a systems failure rather than individual worker's

responsibility. There were no recommendations in her report that said an individual worker was responsible, rather it was a systems failure. Our internal review showed that decisions were made over long periods of time by multiple workers. Therefore, it really is a systems response that we need to focus on.

That does not mean that if there is ever a case of negligence shown by a worker, particularly where it is highlighted by external review—that is one of the reasons why we have gone to external review, to make sure there is that independence of looking at what our workforce has done. If there were recommendations for individual disciplines, we would have taken those.

The Children's Commissioner said publicly that she did not think it was appropriate, that it was a systems failure. That does not mean that we would not take it, if it was necessary. I will hand over to the CEO.

Mr DAVIES: I spent four days there. I landed on the day that the incident was being dealt with in the public domain. The Acting Chief Minister flew in on that day. I had 11 staff in that child protection office. They were obviously traumatised about what had happened—very concerned about the way the community was reacting and responding—because it was a very difficult situation for them.

They were in their office; they were not that comfortable with going out into the main street on that day. There was a rally at the Pioneer Park. They were feeling like they were challenged—not challenged, but very uncomfortable with the situation that had occurred—and were as devastated as anybody was in that town.

After being down there for three days—I arrived on the Wednesday and left on the Saturday—on the Friday night, at 6.30 pm, I left that office in the child protection area in Tennant Creek and there were 11 staff still working. They were going back through caseloads, checking where there may have been some impact on families, looking at the case itself, trying to build a picture for me and for the minister, for our internal investigation. Nobody left the field.

The minister is right, this was about a system issue. This was about us and the way we work together—the way Territory Families staff interacted and connected with NGOs, with the housing staff, with police, with education. From my perspective, there was not one individual who had failed here. What had happened was the system had failed this family, and that was clear. I can tell you, from talking to the community members—who were directly affected and impacted by this terrible tragedy—nobody was pointing the finger at individual staff. They were talking about a system failure.

In terms of follow up—out of that, from lessons learned, we have changed the manager of the Central Intake Team, where the initial report came through. We have not moved people on in a disciplinary sense, but we have made those changes. We have put in additional professional staff, as you know, into Tennant Creek and we have a casual pool of support that is going in there, working with these staff. In terms of the Central Intake Team, that process was looked at very clearly on the back of the report made by the Children's Commissioner.

There have not been specific consequences to an individual child protection worker because it was a very, very difficult context that team was operating in. Huge community challenges, problems with alcohol, problems in terms of service delivered through NGOs—it was a community in crisis. It was not my place, in my opinion, to go and find an individual child protection worker and sack them.

Mrs LAMBLEY: With all due respect, you are responsible for the systems, the minister and the CEO and the executive team we are sitting in front of today. You are telling me it was a systems failure. Has anyone at your level been held accountable?

I mean, it is about passing the pub test, is it not? It is about perception. You might not think it is necessary, a symbolic gesture of someone being suspended or experiencing some sort of retribution as a result of this child's life being damaged forever, but the wider public might think that. You just said the people of Tennant Creek were okay with that; they were not after a head. The Children Commissioner definitely did come out and say, 'No heads should roll,' which I did not think was her decision to make anyway. That is an internal decision for you, as the department that is responsible.

I have been approached by people in my community saying that in the normal workplace—if you are a carpenter and you make a mistake on the magnitude of what mistakes have been made in your department, then you would probably lose your job. Just because we are part of a public service, we are government statutory organisation—or, you are—does not mean that people should be protected.

People want to see some sort of retribution, some sort of penalty paid by poor judgment and a failure in the system. You are the ones who are responsible for the system. Unfortunately, it has occurred under your watch. When I was child protection minister I was lucky that this did not happen to me. When all that came out about the problems in Don Dale, it was Minister John Elferink who lost his job through that. It was other people who were sacked. The CEO of Corrections was sacked. We are talking about a serious problem.

You are all lovely people and you are well-intended, but this has been played out on a national stage. You have the Prime Minister, who has been held to account this week for not turning up to Tennant Creek and not taking responsibility. Here we have the departmental executives of the Department of Territory Families saying no one is to be held accountable and it is a systems failure.

You guys are accountable, each and every one of you. You are getting paid a huge amount of money. What do you say to the people across Australia who are watching this very closely? I watch Sky News regularly. Paul Murray talks about this. Almost every night they give an update on what is happening in the Northern Territory child protection fiasco. You are saying to me that it is a systems failure. What is the retribution? What penalty have you paid?

Madam CHAIR: Member for Araluen, do you have a question?

Mrs LAMBLEY: I have just asked it, Madam Chair.

Ms WAKEFIELD: Thank you for the question, Member for Araluen. I do think it is important—about accountability. I think everyone needs to be accountable. We have stood up and said that we take responsibility for the solutions moving forward. That is where we are focused as a government. That is why, in this budget process, we have put in additional resources. We have a plan in place on how to move forward.

We have had a major change within our executive since we came to government. We have a brand-new executive team. That is about us, as a government, realising our vision for the major reform that is required. We are not going to back away from that. We have committed to that reform. We know what we need to do to improve the system.

None of this is easy work. None of this is work that will happen overnight. If I felt that there was a simplistic answer that would play well on Sky News tonight, I would do it. But the reality is, we have to do the hard work behind this to make different outcomes for our children. We need to be committed. We need the whole community to stand with us to do so. It cannot be just one department's responsibility, it has to be the whole of government and the whole of community. I think that is what is happening in Tennant Creek; that is what is happening right across the Northern Territory and we are committed to doing that work to make sure that the safety of Northern Territory children is front and centre of our government's reforms.

Mr WOOD: I suppose what worries me—I get told off for being around a long time—but I was involved when Howard Bath and the other people put forward the *Growing them strong, together* report. I was going to look up the recommendations because I have heard this year-in and year-out. We have had two major reports, and Howard Bath's was probably the most thorough.

The issues that have been raised in Tennant Creek about a systems failure, how is it that seven years since that report was done—and I cannot say it is all about this government, but you are in government—nothing has changed? We spent millions of dollars on that report and, as far as I know, not all the recommendations have been carried out. If those recommendations had been carried out, would we be here discussing something in Tennant Creek? Or should we have moved on and our systems should have been up and running, as Howard Bath would have expected them to be?

Madam CHAIR: Under Standing Order 109, Member for Nelson, can you rephrase as it is sounding a bit more like a hypothetical, what would happen if this had been done. If you could rephrase, thank you.

Mr WOOD: In Howard Bath's report he made all these recommendations. If those recommendations had been fully carried out, would the systems failure that you spoke about today have been the case?

Ms WAKEFIELD: I think there have been many missed opportunities in the child protection space particularly around response to reports. The previous Labor government accepted the recommendations of the report and was in train of responding to those when it lost government. There was then a complete change of direction and there was in fact a 10% cut to the budget of Territory Families.

I think we know that all sides of government have dropped the ball in this area, but one of the challenges has been that we have always seen child protection in isolation rather than looking at it in the context of housing, education, police response and how we work together as a government. That is where that silo thinking has really impacted on our outcomes. I think we are being pretty clear today about the limitations of our current system that stop us from practicing in a way that we know will make a difference to the children of the Northern Territory.

I also want to be very clear that we have put Howard Bath on our clinical advisory committee for a reason, because of his extensive history. As minister, I am not interested in being part of that long-term process. Member for Nelson, I have also witnessed the lack of change within this system over a long period of time. It has been my professional life for the 15 years I have been in the Northern Territory. We are absolutely committed to doing it differently and making the changes, not just lip service. It is very easy for me to sit here and say that I will sack this worker without having a long-term plan that will actually make meaningful change.

We do not want to be in a position—and the Chief Minister and our whole Cabinet have said publicly—and by the whole Cabinet signing the response to the Royal Commission on the front page. I think that is the first time that has happened—that a whole Cabinet has committed publicly to making the changes we need to make. We are very committed to that. I think it is really important to be clear that child protection systems have failed right throughout Australia, right throughout the world, and we need to make sure that we have a system that is focused on the Northern Territory and fits and works for us. That is what we are doing as a government.

Mr WOOD: Could I put a question on notice? To put it in context, the *Growing them strong, together* report was made by your previous Labor government under Malarndirri McCarthy—to be honest with you, with a lot of pressure from Jodeen Carney at the time ...

Ms WAKEFIELD: I agree.

Mr WOOD: That report would have had support from both sides of parliament because one asked for it to be done and Labor, to some extent, had to be pushed as bit to do it. But they eventually did it. I ask as a question on notice, because I do not think you can ask without some notice. Can the department say how many of the recommendation of the Bath report have been completed, and how many have not been?

Ms WAKEFIELD: I am more than happy to take that on notice, although Luke might have something to add, by the looks of it.

Mr TWYFORD: There is quite a detailed statement for the Northern Territory Royal Commission outlining, with a number of attachments, multi-governments' response to that report. That is publicly available and able to be found on that website.

I am conscious that there are 147 recommendations in that report and a number of years have passed with a number of different strategies, approaches and successes in meeting some of those recommendations.

In taking that question on notice, I would have a concern about the level of detail required to respond to that.

Mr WOOD: Could I put it this way; when those recommendations were put forward there were urgent, very urgent, long-term et cetera.

I basically would like to see where that has gone. It was a very extensive report on child abuse and child neglect—it might be seven years old but it is the same issue.

Ms WAKEFIELD: I am more than happy to provide that to you, Member for Nelson. We can provide you with the work that was done for the Royal Commission. Then we can update it for you as well.

Question on Notice No 9.3

Madam CHAIR: Member for Nelson, could you repeat the question for the record, please.

Mr WOOD: Would you be able to provide a copy of what recommendations from the Howard Bath report *Growing them strong, together* have been completed and what recommendations still have not been completed? I take into account there may be some issues there.

Madam CHAIR: Minister, do you accept the question?

Ms WAKEFIELD: Yes, I do, Madam Chair.

Madam CHAIR: The question has been allocated number 9.3.

Ms NELSON: I have a quick question. You have mentioned several times this morning that there are new systems being put into place and you have made some significant changes in the staffing, the roles, the strategic makeup of the department and all of that. This is an issue that has been going on forever and ever, as has been pointed out by the Member for Araluen.

Could you detail briefly what steps have you put in place to simultaneously still manage the caseload and the cases today and also implement some of these changes? Quite obviously, you cannot say, 'That is it, we are stopping everything and we will go straight to this on Monday morning'.

Ms WAKEFIELD: Thank you, Member for Katherine. I agree that these are long-term standing issues. Part of the solution is the resourcing we are talking about today as part of the budget appropriation. It is very important that we resource our frontline staff, in particular, to do the work more effectively. I believe that efficiencies will definitely be found within that new system. Also, we will have better outcomes because workers will have better information to base their decisions on. For me, that is a key start of where we are.

We have done a significant body of work already to make sure our frontline staff are not needing to do processes more than once. There has been some repetition within our system and we have worked hard to fix that. There is further work coming in the next little while on how we do that.

One of the things we have done is resource our remote and regional offices much more strongly than they have been in the past.

Ms NELSON: We have seen that in Katherine.

Ms WAKEFIELD: Yes. We can continue to do that. I might get Brent Warren to join us and talk about what he is doing on a day-to-day basis, as the direct manager, and what changes are happening.

One of the challenges for us is that the solutions to many of the issues we face are longer term. We have a (inaudible) but we also need to be responding right now to the caseload that is impacting us today, and the referrals that come through the central intake system.

Mr WARREN: Thank you, minister. Member for Katherine, I understand your question was about the broader strategies around balancing caseload with delivering a service to children. Starting at a strategic level, the first thing has been to make sure we are working as a cohesive team across families and regional services, which is the Territory-wide care and protection part of the agency.

Weekly and daily alignment of service between regional offices to make sure they are all working together as partners—I highlight that because when we identify areas of need we can draw resources from one area to support another. You gave the example of Katherine. We have, on a number of occasions, moved staff from another area to Katherine to support the local team. It is important that we recognise that we have a large organisation across the Territory, even if we have a smaller number of staff located geographically in Katherine. We had to draw on that as much as we could.

Equally, in Tennant Creek, we are still supporting that office by using staff from Darwin and Alice Springs to provide extra support locally. That has been well received by the local staff and has been useful for the broader team to understand what the remote and regional issues are when they go back to a major centre.

In regard to dealing with individual caseloads, each of my executive directors is carefully aware of the caseload held by their region, each office, and by staff. As Luke identified earlier, we can now report to the individual caseworker on how many cases they are holding. That allows us to do tailored, individualised management as support for each of those people.

Some staff might be carrying a high number of cases because of issues to do with the way the kicker system works in terms of having multiple cases open for the same family, or having duplicate cases in the system because more than one agency has made a notification. We can drill down and see where that is occurring and help case managers to start closing out those cases and keep focused on the core work.

Ms NELSON: Which is the case in Katherine. Last year it was reported it had so many open cases per caseworker.

Mr WARREN: Yes, that is correct. We have spent some time working on identifying areas where there are individual high caseloads and sending extra staff there to support. Some of the work we are doing at the back end that helps us to be more efficient includes policy work on things like the way we close cases. The system is not perfect, but administratively we had a number of separate documents that needed to be completed and a number of layers of administration that was required.

We have been working over the last 12 to 18 months on streamlining that process. Some new templates have been created which have already had an impact, I think. We have also recently landed something called 'one child, one case', which is a significant agency change in the way we manage notifications and investigations in the organisation, to provide the best services to each child without getting caught up in this tangle of double and triple-up cases and notifications about children we are already investigating.

It is about reducing the burden and increasing the focus on the child.

Other pieces of general background I can give you—we are building partnerships with NGOs and the community. We have mentioned a couple of examples today where we are working much more closely with NGO partners in regional areas and in the major centres.

The other part of that is actually working with Aboriginal people directly. One of our stand-out examples is Mikan out at Arnhem Land, where we have been able to manage our response to cases together with that group so we can have a better response for the children, the parents and the community, and make sure kids get what they need in a way that is not intimidating and scary to the community but ensures safety. That has been a standout change in approach.

We have talked about some of our secondments. Those secondments yield value for us because we are now sharing intelligence with our partner organisations in a way we have not before. One example, just off the cuff, is our secondments to Tangentyere Council down in Alice Springs. That was set up for the purpose of building family finding capacity. What it means now is that we have our staff and their staff meeting together daily and weekly to actually talk about our list of kids in care, look at family names and see if there are connections in the community that we did not know about that we can actually use to support those kids better.

It is really a network of effort. I cannot stress enough that the partnerships are actually the key to that.

Mrs FINOCCHIARO: Minister, of the 133 staff resignations between 1 July 2017 and 31 March 2017, how many of those were frontline staff?

Ms WAKEFIELD: We will just take a quick look to see if we have that. Do you have another questions and I can perhaps answer that in a few minutes?

Mrs FINOCCHIARO: Yes, I was just interested with the staff resignations—I know some organisations try to do exit surveys. Does the department have a clear idea of why people are leaving?

Ms WAKEFIELD: Yes, we do have an exit interview strategy. The uptake of that has been low. I think one of the barriers to doing those exit surveys is if you are doing the exit interview with the person who was managing you, that can be difficult, particularly in small jurisdictions. We have been looking at ways we can do that well.

We are also looking at a process where we do that with foster carers as well—foster carers who leave the system. We have asked the Foster Carers' Association to take that on so there is a person asking why they have decided to stop being a foster carer so we can get meaningful information that can then change what we can do.

We agree that we need to understand why people are leaving. We need to understand what we can better do to support them, because that staff turnover is very high. It is very high in every jurisdiction in Australia in child protection services, particularly frontline services. I think that type of work does have a time limit on it in terms of your professional development, your ability to do the job well and with the most energy. We would certainly support people who are feeling like it is time for them to go in a way that is positive. But we also need to understand if there is anything more we can do to make sure that workers stay for a longer period of time.

I think making sure that we have local staff who live in communities will help that turnover and a higher amount of local social workers—I know that under the previous government there was work on training local workforce, and we have continued that work. But, it is an ongoing challenge with the type of work that we have.

Mr DAVIES: Member for Spillett, just piggybacking off what the minister has been saying—the turnover includes short-term contracts, retirements and terminations. We would be really happy to provide that advice on those. I might hand to Nic in a minute to see if we have anything more to add.

If I can just say, with the actual surveying of staff and the challenges we have there, there has been low take-up, it is fair to say. In fact, last time I looked at the numbers—I need to check this—I think it was around 18 responses of those staff. One of the issues is because it is an online process. What we are hoping to do—and we are working with our staff management teams now—is make sure that is almost a face-to-face process as well.

We do need that data and information. It is something that we are picking up on because we need to have good data around our workforce turnover to understand what is impacting on staff and making sure they are properly supported.

The other thing we do not do, which the Education department does, is we do not run a transfer round necessarily either. At the moment, if a staff member wants to transfer from one location to another location it is quite a cumbersome process. We want to get in place some processes internally, where we can move staff around much more easily and pay for their movement if that is necessary. They are all things that we have got focused around in terms of our workforce and growing our understanding of our workforce so that we can support it better.

Nic, I might get you to comment as well, please.

Ms HURWOOD: I will have to take that question about the resignation data on notice and we can provide that for you.

In addition to supporting staff while they are in the workforce, we are undertaking a range of measures to better improve the on-boarding process, which I think Ken spoke about a bit before. This year, we have introduced a new corporate induction process as well, which enables staff, when they are commencing with the agency, to get a greater understanding of what Territory Families does across the board.

We have a very diverse portfolio of responsibilities. There is a lot of connection between the various parts of our agency that individual workers might not necessarily understand until it is pointed out to them. That is a really important thing that we have implemented this year and we have had very positive feedback from our new staff coming into the agency. They feel much better supported when they come into the agency.

We have also, through our new structural arrangements, implemented an improved training and education program for our staff when they come on board. Some of the feedback that we were getting through those exit surveys was on the issues around feeling supported in the workplace—making sure we have strong education and training programs for our frontline workers. Also leadership programs for the range of leaders within our agency at different levels so they can appropriately develop the performance of our employees. Also, where appropriate, take measures to address performance issues. They can all have impacts in the workplace and we are doing a number of things to help address that.

On the subject of exit interviews, as Ken said, it has been quite a low take-up. We are currently working on an improved exit process which will encourage staff to undertake the process and work with managers to ensure that happens. Our HR area will be taking an increased active role in following up, when we get a staff resignation, to see if we can provide a range of ways that staff can conduct that exit interview, which will include the introduction of a new online system as well as the opportunity to do a face-to-face exit interview. Depending on the circumstances of peoples' departure, we need to provide options so that we get the best feedback that we can.

Mrs FINOCCHIARO: Of those 18—I know that may not be 100% of the figure, but of the responses you have received, has there been a predominant reason that people have left?

Ms HURWOOD: I can get the detailed analysis for you. There are a range of reasons. Often our workers are relocating interstate and there have been issues raised about wanting to feel better supported in the workplace.

Madam CHAIR: Member for Spillett, did you want to put them on notice?

Mrs FINOCCHIARO: Yes.

Question on Notice No 9.4

Madam CHAIR: Could you repeat the parts that you would like to put on notice.

Mrs FINOCCHIARO: Minister, how many of the 133 staff resignations, between 1 July 2017 and 31 March 2018, were frontline staff? What is the number of exit interview responses you have received and, in looking at the responses, what is the predominant reason staff have left the department?

Madam CHAIR: Minister, do you accept the question?

Ms WAKEFIELD: Yes.

Madam CHAIR: The Member for Spillett's question has been allocated the number 9.4.

Mrs FINOCCHIARO: How many caseworkers have taken stress leave during this report period of 1 July 2017 to 31 March 2018?

Ms WAKEFIELD: I will get the CEO to respond to this one.

Mr DAVIES: Member for Spillett, I will have to go across to Nic to see. Have we got that data Nic?

We have not got that data, I am happy to take that question on notice.

Question on Notice No 9.5

Mrs FINOCCHIARO: Madam Chair, how many caseworkers have taken stress leave between 1 July 2017 and 31 March 2018?

Madam CHAIR: Minister, do you accept the question?

Ms WAKEFIELD: Yes.

Madam CHAIR: The Member for Spillett's question has been allocated the number 9.5.

Mrs FINOCCHIARO: Minister, I note that earlier you talked about decentralisation as being part of your strategy, so I am sure as part of that you are looking at trying to boost your local recruitment, which I think you also mentioned. How many frontline child protection staff are Aboriginal?

Ms WAKEFIELD: I can refer the specifics to Nicole but it is part of our strategy to make sure we have a workforce that reflects the client group that is providing a service. That has some challenges and we need to acknowledge that it is difficult work within the community that you live in—to do child protection work—so we need to make sure we are supporting people to do that work. We know this has been discussed over a long period of time and we are committed to improving those rates. We also want to make sure we are supporting our workforce to increase their skills, and moving from perhaps an administrative stream to a professional stream, and we will continue to do that work.

Mr DAVIES: Member for Spillett, this may not be the fulsome answer you want—but just to give you a quick breakdown here. This is a comparison of frontline support staff for 2018 as at 31 March, we had 438 of our staff providing direct services to the public; indirect support was 134; and 243 were service agency and government. Of those, 168 were Aboriginal and Torres Strait Islander employees, about 17.5% of our total workforce. I cannot give you the breakdown in a frontline sense. I would be happy to take that on notice if you needed it.

Mrs FINOCCHIARO: So, that was 168 across the entire agency?

Mr DAVIES: Yes, that is right, 17.5% of our workforce.

Mr WOOD: I refer back to Howard Bath's report. One of the things they said was there was an almost complete lack of Aboriginal-controlled services despite the fact 73% of notifications relate to Aboriginal children. Can you give us some response as to how you have dealt with that recommendation?

Ms WAKEFIELD: That was not developed over the last few years and is something we need to develop. The only Aboriginal organisation providing out-of-home care is Tangentyere, and that was developed under the previous Labor government. They continue to provide a quality service. We know that we need to be working more closely with the health services—places like Congress and a range of others who are providing family support.

Unfortunately, Congress lost funding under the last government, so we need to make sure that we have a strategic plan moving forward on how we support those Aboriginal-controlled organisations to take a leadership role, build their capacity within the areas like out-of-home care—such as finding foster carers and supporting kinship carers and a range of other areas—but also making sure that we are doing things like supporting the health services to be working in that nought to five space, which will have great outcomes in preventing presentations to the child protection system.

There is a lot of work to do with that. We have been working with APONT, NAAJA, AMSANT and all of those peak bodies on how we move forward and do that in a strategic way. As part of the Royal Commission we have the tripartite forum, which will be an important way of making sure that the NGO sector has a strong voice in the reform process, moving forward with the Northern Territory and federal governments—about how we fund.

Organisations like Danila Dilba, which we have been working very closely with, are largely funded by the federal government through the Health department. We need to make sure that all of that funding is coordinated in a way that is meeting the same outcomes, and this why the further coordination work with the federal government is so important. Many of those Aboriginal-controlled organisations are primarily funded through the federal government through different funding systems—and child protection as well—so not just through the department of social security, but through Prime Minister and Cabinet, Closing the Gap targets from the Department of Health and from the Attorney-General's office for some of the legal services.

We are getting a range of money from a large number of organisations and we need to make sure that is coordinated so those Aboriginal-controlled organisations can leverage the outcomes that only they can deliver and Aboriginal communities.

Mrs FINOCCHIARO: Thank you. Minister, in regards to the Children's Commissioner's own initiative investigation in to Tennant Creek, when will you be commencing the audit of outcomes of notifications?

Ms WAKEFIELD: We have already commenced that audit of children who have multiple notifications—is that the one you mean? We have already commenced that. We have done the first round of screening through that audit process. I will get the CEO to talk to those outcomes. What we have also done is work out a way that we can do that on a regular basis so it is not just a one-off, point-in-time audit, and there will be a six-monthly process that looks at children who are coming through the system with multiple notifications.

We realise that this is an area where we need to be addressing cumulative harm and we need to be putting in processes where we are regularly looking at those vulnerable kids who are getting multiple notifications. Some of that will be clarified by our changes to the way we deal with cases and ability to keep cases open longer by adding additional information but some of it also needs that clinical governance layer where we have got experienced workers who are overseeing the work of the frontline workers and providing them with support around decision-making—perhaps identifying red flags that a less experienced worker is not as aware of—but also having a regular process, which we would do—to the Children's Commissioner to provide that overlay of independent assessment. I think Jeanette has some further information on that.

Ms KERR: Member for Spillett, when we did the initial review of children with multiple notifications we started with all notifications then broke it down by children with multiple notifications; then children with more than two; then we looked at age group risk categories; then we looked at harm type risk categories; and then we looked at children who did not have an open investigation; and then those who had not had an investigation in the last two years.

From that—what we determined was the highest risk group of 151 children. All of those cases were reviewed. That has been finalised and of those, about 135 children—the decisions were supported and then a small number went back for investigation and, of them, I think it was a total of seven that went back for full reinvestigation.

In addition to that, and in discussions and agreement with the Children's Commissioner, we do a minimum of 50 randomly sampled audits for children with multiple notifications every month and report back to her on that, and that will be ongoing for at least 18 months.

Mrs FINOCCHIARO: I think the Children's Commissioner had a mandated date of 30 November 2018. Part of that has been completed, has it?

Ms KERR: That was in addition to what we had already done off our own motion. By November 2017 we will far exceed the 200 that the Children's Commissioner originally intended by doing 50 per month. That will take us to something like 350.

Mrs FINOCCHIARO: So you are going to do the whole lot?

Ms KERR: But ongoing rather than in one lot.

Ms WAKEFIELD: We think it is very important because we are getting information all the time, and further notifications. This cannot be a point-in-time process. It has to be ongoing and we believe that will have much better outcomes for children.

Mrs FINOCCHIARO: That is my last question for that output, Madam Chair.

Madam CHAIR: Are there any further questions for Output 1.2?

That concludes consideration of Output 1.2.

Output 1.3 – Out of Home Care

Madam CHAIR: The committee will now consider Output 1.3, Out of Home Care. Are there any questions?

Mrs FINOCCHIARO: Thank you, Madam Chair. Minister, how many children are currently in out-of-home care?

Ms WAKEFIELD: At 31 March it was 1059.

Mrs FINOCCHIARO: That is as at on that date? How many children entered out-of-home care between 1 July 2017 and 31 March 2018?

Ms WAKEFIELD: I will get Jeanette or Brent to answer that. The answer is 33, Member for Spillett.

No, sorry. It was 232.

Mrs FINOCCHIARO: Thank you. A measure in the budget, page 258, shows the proportion of Aboriginal children placed with an Aboriginal carer. The budget KPI is set at 37%. As at April this year the figure is 32%. What measures are in place to achieve the budget KPI target?

Ms WAKEFIELD: Yes, we acknowledge that that is below where we want it to be, mainly because there have been a lot of myths perpetuated around kinship care, particularly over the last six months of conversation. We need to be clear that if we remove a child from a family that is unsafe or unable to care for that child, the first option should always be placing them with family members. It is what any of us would want for our own child, if for some reason we could not care for them. We would want, first and foremost, our family to be considered as part of that process.

Where that is not possible and they are living in a community that is similar to the community they were raised in, and there is access to the same language and cultural considerations they were raised in—that is for any child of any culture or background.

We have been working significantly around this issue. We have already talked about the work we have been doing with Tangentyere about identifying carers. We have also done a process of reviewing the care plans for all kids who are in care. In the southern region, that has led to kids being placed with kinship carers.

One of the things that we, as a government, changed coming into government was that, under the previous government, out-of-home care was done separately to the regional offices. We have gone through a process of regionalising out-of-home care to make sure regional offices have an oversight of that out-of-home care, because they are much more likely to be connected with that community and understand what the support is for those kids.

We have a range of money—there is \$5.4m into the budget to look at those processes and identifying carers, making sure we have a proactive point in time when we have a pool of carers available. We think there are opportunities to work in with the NDIS and aged care on remote communities in regard to people having a skill set in supporting kids who need to go to out-of-home care. We are doing that work with the Department of the Chief Minister on workforce capacity.

There is a range of things we can be doing to improve that figure because we do not believe that is where it needs to be.

Mrs FINOCCHIARO: Thank you. I should have asked this as a follow-up to my first question. Of the 1059 children in out-of-home care, are you able to break that up into the types of out-of-home care?

Ms WAKEFIELD: Yes, we are. We will just get that information. Obviously, there is a range of out-of-home care from residential care right through to—I will hand that one over to Luke Twyford.

Mr TWYFORD: Member for Spillett, of the 1059 children, there are 283 in foster care—or were as at 31 March—217 in kinship care, 373 in purchased home-based care, 107 in residential care and 79 in a category called other places of care, and that includes boarding schools, family group homes, transition from care—so they might be living independently with our support—as well as relatives without departmental financial support.

Mr WOOD: Can I just ask a question of the minister? Of the 107 in residential care, without being too specific, is that the sort of care that raised an issue in my area recently?

Ms WAKEFIELD: Yes, residential care is where there is staffing that supports children to live in a house in the community and those houses are spread throughout the Northern Territory.

Mrs FINOCCHIARO: On that, what is the difference between that and purchased home-based care?

Ms WAKEFIELD: I will get Luke to answer that question.

Mr TWYFORD: Purchased home-based care is where we will pay an organisation; however, it will be a home-based setting where two adults are provided with the daily care and control of a child. It is different to a residential care facility where there will be employees engaged, most probably on shift work conditions, to operate the house.

Mrs FINOCCHIARO: And different from foster care?

Mr TWYFORD: Absolutely.

Mrs FINOCCHIARO: So it is sort of an in-between model

Mr TWYFORD: Residential care is primarily for those children who are unable to live in foster care or kinship care situations, inclusive of children with disabilities.

Mrs FINOCCHIARO: Thank you.

Mr GUYULA: A question specifically in regard to my area, how many children from my electorate are currently in kinship care and how many are in foster care?

Ms WAKEFIELD: We have that information. I have appreciated your advocacy for people in your area, Member for Nhulunbuy, and it is something we have talked about during the year. I have to say, the leadership of the Mikan group in Nhulunbuy—those senior people who have been supporting the decision-making of

these office in Nhulunbuy—has, we believe, led to much better outcomes. There is much more we need to do, particularly if we make a crisis intervention around not having to take children off country and place them in Darwin while we source an appropriate carer. We know that has been the practice of the department for too long and we need to look at different models. That is something we have been working on closely with the community.

Taking a small child off community and placing them with someone who does not speak language has impacts on a child's development and we need to make sure that we have those options in place.

I will just see if we have those numbers. I will hand over to Luke. I think the Arnhem region has been particularly proactive in this area and we are very much appreciative of the partnership approach that the elders have taken in your electorate.

Mr TWYFORD: Member for Nhulunbuy, there are 45 children on a care and protection order through our Arnhem office and of those, 24 are in a kinship place of care, 13 are in a foster place of care, two are in family day care placements, one child is in a residential place of care and four are in the other category.

Mr GUYULA: Okay, thank you.

Mrs FINOCCHIARO: How many foster carers have been registered and how many have deregistered—I am sure it is for a variety for a variety of reasons—from 1 July 2017 to 31 March 2018?

Ms WAKEFIELD: We will get some detail around that. I have to say, in the first six months of being minister, the people who were most likely to turn up to my office with concerns were foster carers. Foster carers across the Territory were very distressed in the way that they had been provided with support. That is something we have taken on board.

I have gone to many meetings with foster carers. We did a consultation across the Territory with foster carers about how we can better support them. We have been working closely with the Foster Carers' Association to make sure they have a leadership role to make sure we are providing adequate support for those foster carers who are doing an incredibly difficult job, one that we could not run the department without. Bottom line, these people are basically volunteering their time to support very vulnerable kids, often with complex needs, in particular children with disabilities.

We have some foster carers—particularly in my community, who I can think of—who do extraordinary work with very disabled children who have significant needs. Our focus has been on improving that service delivery.

Later this year I will meet with those groups of foster carers to make sure that our charter of rights and responsibilities is making a difference to their day-to-day experience with the department. When we signed it we were very clear that that had to be a living document; we could not just sign it—something that looks pretty—and then not act on it. This is about us changing the way we run the organisation. We will be doing that over the next little while.

They are an absolutely essential part of our business, and I would like to take this opportunity to publicly thank them for that work.

Mr WOOD: Could I also put a good word in, because we know estimates can be critical of departments. I have some foster families in my electorate. I know one family there that has several children. One of these young persons, a young boy, is involved in just about every sport he can get involved in. He is not the best sportsperson but he is happy, active and goes to school. It just shows that with the right background this young kid has somewhere to go now. He has a future.

I just thank those good foster parents who do so much work and give so much love that these kids do not get.

Mrs FINOCCHIARO: Absolutely.

Mr DAVIES: Member for Spillett, I can give you a number if you like?

Mrs FINOCCHIARO: Yes.

Mr DAVIES: In terms of foster care and kinship care households, we had 99 additional foster carers come on this year. In 2016–17 we had 487 households. This year we have 519 as of 31 March. It is an increase and has been an increase across the years, back to 2013–14. Of course, at the same time we do have people exiting the system as well. So it is 519 with 99 new this year.

Mrs FINOCCHIARO: Do you know the number of people exiting?

Mr DAVIES: Yes, last year we had 137 that left the system.

Mrs FINOCCHIARO: Is there information collected about why they are exiting?

Mr DAVIES: Yes, there would be. I do not have that at hand, Member for Spillett. Some of the children are returned to family. Some of the children turn 18 and they move on. There are a range of reasons why that happens, but if you want me to get that information I could get it for you. I do not have it hand.

Mrs FINOCCHIARO: Okay, thank you. How many complaints have been received by Territory Families from foster carers? I assume they are registered as a formal complaint.

Ms WAKEFIELD: We can take that on notice, Member for Spillett.

Mrs FINOCCHIARO: I will just flag my next question just in case—how many complaints have been made against foster carers? Would that be on notice as well? I will do both of them together, thank you.

Question on Notice No 9.6

Madam CHAIR: Member for Spillett, can you repeat the question please.

Mrs FINOCCHIARO: How many complaints have been received by Territory Families from foster carers, and how many complaints have been made against foster carers?

Madam CHAIR: The minister accepts the question, which has been allocated the number 9.6.

Mrs FINOCCHIARO: How are you involving children in decisions about their lives? How many child interviews were conducted in the presence of the carer for this reporting period?

Ms WAKEFIELD: Again, there has been a very large gap in terms of the support we have, and the ability we have given kids to have a say in where they are going.

This year we introduced a survey for kids in out-of-home care and we surveyed 114 kids about the quality of their care. The initial analysis of that is 84% of respondents feel safe where they live now, and 78% feel completely safe, which was a fair strong outcome considering that is our first survey. A total of 78% of the children knew why they were living where they are living.

That shows that there are some positives for kids in care, that they do feel safer. A large percentage of them feel safer than where they were. However, there were some areas in the survey that showed we need to do better. A total of 41% of children do not get to see their family as much as they want. That is the feedback we have had from other forums, particularly Aboriginal-controlled organisations. The connection to family and extended family needs some extra support. A total of 27% of those kids indicated that they needed more help with their schoolwork.

There are things we can do to make sure those kids are well connected in the community and not just foster care or living situation—that they are well connected in their school and other things.

It is a very small start in letting kids have a say in their care situation. One thing we did last year which was very useful was the Youth Round Table. There was a young person who was in care as part of the Round Table. That brought a valuable perspective to the Round Table.

We are working with other places because we recognise that we cannot just stop providing support once a child turns 18. We are now working through programs like Anglicare to support children in their transition to adulthood. We need to use those kids as a resource as they become older and are out of care. It is difficult

when you are in a fairly powerless position as a child to critique the system you have been through. We need to support them when they are adults to give us meaningful feedback on that.

One thing I like about the way we did the survey was that it is through a survey tool that uses iPad. It is very to use if you are not highly literate. It is for different age groups and hits different levels. It has been tested outside of our jurisdiction as well. It is an important step forward, and one we need to continue.

Madam CHAIR: In regard to the survey, with the children completing it, is it done in language for those who are not English as first language speakers?

Ms WAKEFIELD: It is English based, unfortunately. We need to do more and we have acknowledged that. That is where we can work with our Aboriginal-controlled partners.

A total of 80% of the respondents of the survey are Aboriginal, but it is also quite visual, so it acknowledges that kids will have different literacy levels. That helps to support English as a second language as well. The majority of those kids were aged between eight and 12—it was 52% of them. It is the older primary school age we saw most.

We have much more to do. It is the first time I know of that this has happened in the Northern Territory, which is shocking to me, as a minister in 2018, that we have a survey for kids—as far as I am aware. It is an important step forward.

Mr GUYULA: I hear you talking about children turning 18. What happens to them and where do you send them after that?

Ms WAKEFIELD: This is an important question, it is something that other jurisdictions around Australia have been talking about and struggling with. This reform process does give us an opportunity to do this better.

One of the things that has happened in the past—the legislation basically says that once the child turns 18, as of their birthday, the CEO ceases to have responsibility for them. Those of us who are parents and have children in our lives know that hardly any child who walks out the door when they turn 18 never asks for help from their parents ever again. It is not a realistic way to manage the role of a parent, which government has had to take on when a child is in care.

We know from the research—one of the things that we have looked at closely is the Royal Commission in South Australia, acknowledging that other jurisdictions have had significant challenges requiring a Royal Commission. We need to make sure we are learning from those other jurisdictions as well.

Research has shown from the Royal Commission in South Australia is that kids go through out-of-home care are much more likely to have children younger. It is likely for those children to come to the attention of the child protection system. We end up with a generational face with child protection services.

One of the things they are doing in South Australia, and one of the things that we have funded in our family support program, has been to target young parents, particularly parents who have been in care, to make sure that they have support around their parenting skills. We need to acknowledge that those kids may not have ever witnessed healthy parenting skills or been in foster or residential care and different types of caring.

We have also acknowledged that we need to be planning for that transition from leaving care much better than what we have. We have put in three transition officers. They have been working hard in supporting kids from exit plan from 16 and that is something we need to do.

It is particularly true for kids in care who have a disability. We need to make sure that we are planning for those kids when they turn 18, if they require guardianship because they are not able to make decisions as an adult. That we are transitioning the care from the CEO being the responsible person to the guardian being responsible.

There are a range of work we need to do. There is an opportunity with the legislation to expand that 18 date. We have different levels of guardianship for different ages—acknowledging that a 16-year-old can make many more decisions about their future than a six-year-old can. We need to acknowledge that we have kids in care with a range of situations.

By providing the transition officers, the housing programs and the transition programs—for instance, we are funding Anglicare to do some work with the Moving On program of \$390 000. As well, the federal government has acknowledged this is a key issue and provides a transitional living allowance for kids coming out of care.

There is a lot more to do in this space. It is really important that we acknowledge that one does not turn 18 and magically become an adult, and may need further support, whereas other kids may not.

Mr GUYULA: My concern is about children mainly taken from Indigenous communities like East Arnhem Land. During their time staying in—you are talking about Mikan. I would like to see, as would the community—there is always a sound knowledge as they are growing up about their identity of who they are and where they come from, and language, of course. During the stages of their growing up, they need to be able to look back on who they are—their language, their songlines, their culture. From 16, 17, 18 and on, in those teenage years, that is the time that they start to take on further education—leadership education.

I encourage the department, the government and bodies like Mikan to start working on those children so that they can get their identity back. They need to go back and take up the leadership of their generation, and that way we can keep the mainstream language and culture strong as well as start walking in the mainstream, in both worlds—keeping up language and culture and how to survive in the world.

That is closing the gap towards parallel—walking along, rather than in a long, zigzag way. You start to learn how to survive in the mainstream but then you have a long gap, a wide gap. How do you close that gap when you go back? Somewhere along there it is very important for children to see—maybe we can work on that together, and this is where people like Makarr Dhuni, leaders in the community, Mikan and Territory Families need to come closer to the community and perhaps you do not have to show what happened to them a long time ago—but look at that angle in a way that they can improve their knowledge system without just departing, leaving it and walking away.

Ms WAKEFIELD: I completely agree with you, Member for Nhulunbuy. We need to make sure that as a department we are providing the kids within our care with a strong sense of identity because we know that is the most protective thing we can provide them. If kids are confident, have a strong sense of who they are and it is a positive identity, we know they are much less likely to end up in the justice system. They are much more likely to engage in education. That sense of self and identity is an important part of having children who are safe in out-of-home care and within the community. We know it is a very strong protective factor.

Mr GUYULA: When you said that there is no vision of, 'There is the world; go for it'—in Yolngu system there is a world. There is a system. We are always waiting there to take them back on. We know where they need to go. Apart from wanting to journey on and live and survive in the Balanda world—like I have tried to survive in the Balanda world. I try.

That is the opportunity we need to give them, not just completely take them away from who they are—their identity—or how to survive in a white man's world, a mainstream world. Let us keep it level, parallel, walking together.

Ms WAKEFIELD: I completely agree, Member for Nhulunbuy, and I do appreciate the way you have worked with us so far this term.

Mr GUYULA: I wish to continue working towards that.

Ms WAKEFIELD: I have put some dates in my diary to come out to Nhulunbuy, to sit down and meet with a range of people. We will be organising that soon with your office to make sure we have those conversations with the community. It is really important to acknowledge that Arnhem Land has the highest level of kinship care right across the Territory and. We need to make sure we take the lessons from the Mikan group and are able to apply them to other areas.

As I said previously, we have other groups of elders who want to take on a similar role elsewhere. We need to make sure we learn what we can from what has worked well in Nhulunbuy, and what we can improve. There is still more we can do to improve, always, because we want to be an organisation of continuous improvement.

Mr GUYULA: I want to keep reminding departments, and ministers in the government, to please use me as much as possible in every department. Let us work together. I have been voted in by my people out there, and said, 'Go and fix this problem with us, and let us try to work together'. So, I am here.

Madam CHAIR: Any further questions for Output 1.3?

Mr WOOD: Minister, you may (inaudible – mic off) the department has introduced a new measure of the proportion of Aboriginal children placed with an Aboriginal carer and they have set a target of 37% in the 2018–19. Why has the department set such a low target (inaudible) in accordance with the Aboriginal child placement principle? I gather that principle is a hierarchy (inaudible) designed to keep Aboriginal children from their families et cetera. Just the other part of that question—where can you find a definition of that term (inaudible)?

Ms WAKEFIELD: I might hand this question to the department.

Mr TWYFORD: Member for Nelson, I understand the question to be—why was the target of 35% set?

Mr WOOD: Thirty seven per cent, yes.

Mr TWYFORD: ... from the number of Aboriginal children placed with Aboriginal carers.

Mr WOOD: With in their principle.

Mr TWYFORD: The target is based on the trend line of how children are currently placed within the out-of-home care system. It is an increase and so in order to achieve that target we need to find more kinship carers and Aboriginal carers for children.

We are also—so that is the answer to the question of how the target was set.

The Aboriginal child placement principle is something we are looking at through our new legislative reform and, in particular, how we can use our new legislation to reframe the Aboriginal child placement principle to focus on family preservation prior to a child entering out-of-home care as much as family reunification when a child exits out-of-home care.

Our intention is that we focus on those areas, and therefore the overall proportion of children remaining in out-of-home care requiring to be placed with Aboriginal carers will be lower. We are balancing two things in setting that target. One is our historical trend and the need to increase our performance, and the second is our intention to see more Aboriginal children not come in to and more quickly exit the out-of-home care system.

Mr WOOD: I have heard of the complaint before—it would mainly be an Aboriginal person who will be settled, you might say, with a non-Aboriginal foster carer. That child is doing remarkably well and then someone in the department decides that it is time for that child to go back, and then you find out the home life they went back to is not much different to what it may have been before.

It might have been assessed as suitable—the child is then sent back to the foster carer and they have to start all over again. Then they say the child has gone downhill and been sent away. How do you make sure that does not happen? The welfare of the child is still the number one issue that we have to deal with.

Ms WAKEFIELD: I agree. The welfare of the child has to be central to all those decisions. This is a very difficult situation and I, too, have had conversations with foster carers who have found this a very challenging time. It is sort of the balance to the questions that were asked by the Member for Nhulunbuy regarding connection to culture and language. Where children have that connection to self—and we have plenty of evidence which shows that connection to identity, self and culture, and the long-term outcomes for that child, in general will be better.

One of the things we have done poorly as a department, like Luke said about us wanting to put the work in the front end—what has happened too often is that a child has been placed into a foster care situation and there has been no caseworker early on to make sure that is the right long-term placement, to support if it is, but also to make a decision early on about a permanent care placement.

That is where, as a department, we have started to improve our practice, but over a long period of time we have left children in placements over 12 months for a much longer period of time without ongoing casework or a good vision of the other options for the child, and without discussing with the child about where they want to go. Some of that will be improved by the work we are doing with Aboriginal organisations to identify kinship carers earlier in the process—having a more planned crisis intervention process where we feel that

the safety concerns are escalating to a point where we have a removal plan in place prior to making a decision so we know what the options are for that child or sibling group.

We also need to acknowledge and prepare much better support for our foster carers regarding a transition process. That is the most common complaint I have received from foster carers. They may support that child going back to family, but the transition process has not been planned as well as it should be. I think there is much further work to be done there.

It is a very difficult situation. We are, in some ways, making up for some of that poor practice of the past. The balance is between making sure we get the right outcome for that child and keeping their best interests front and centre of the decision-making.

Mr WOOD: Does the child have any right to say, 'I do not want to go back'?

Ms WAKEFIELD: Yes, they do. There have been circumstances where that has been the case. In regard to connection visits, where a child is coming back distressed from a placement, that is part of the decision-making process. They might visit family on a weekend as part of the process. One thing that has not happened in the past is consistent contact with family; it has been sporadic and unfair to family. By the time they get there, there has been an imbalance in that relationship because of the lack of time between visits.

It is a complex area that we need to continue to work on.

Mrs FINOCCHIARO: Obviously the child is not with the family for a reason, so when the child is visiting family or whatever it might be, does Territory Families do an assessment that the environment is suitable?

Ms WAKEFIELD: Definitely.

Mrs FINOCCHIARO: So, that happens first and then, for whatever period of time is agreed, the child goes home. What is the feedback mechanism when a child is returned to out-of-home care? Say they go back to their foster family and they see a change in that child—they are distressed and their behaviour has changed. How is that then fed into Territory Families so future interactions with the family are taken into consideration?

Ms WAKEFIELD: That was identified through the foster care consultation. Foster carers did not feel that their voices were being heard in the case planning process. That is something we have endeavoured to do better over the last 12 months.

I have received some feedback from some foster carers that it has improved. Other foster carers still have some concerns in that area. It is an ongoing process.

We have a process of supervised visits as well; we do not simply put a child into a circumstance—we not only assess, but we also do a supervised visit with workers. We take into account that feedback, but one thing we have not done well in the past that we need to continue to improve is—I do not know if we have given foster carers clear enough expectations around what the unification process might look like, and that process can actually take quite a long time in having family meetings, identifying the right people, making sure that their house is set up in a way that they can take on that foster care.

For instance, the minister for Housing and I are working towards—we have identified a foster carer—and we are using the Room to Breathe program to support people who will take on foster care—to get extensions to their home so they will be able to take on a foster child. That could be quite a long process. I do not think we have shared enough information with foster carers through that process, and that is something we are continuing to do.

Mr DAVIES: Just in terms of reunifications, in terms of aftercare support cases where we are going in, checking on the children, seeing how they are settling back in, whether they have been reunified—currently across the Territory we have 265 of those cases going on. We actually get in there and work with the families. We return to the family; we do not just walk away and say, 'That is it'. We are in there providing aftercare support.

We are trying to deal with this in terms of the reunification process and also with the foster carers. Part of what we have to do is work with foster carers very early. That is why the Foster Carers' Association is so important to us. They do a lot of this work with foster carers to make sure they know that the ultimate aim for a young person, if it is not long-term care, is reunification. They have a role to play there, so we support them financially to do that.

We make sure we are going to the issues that the Member for Nhulunbuy raised. We fly parents in. If they are out of state we will bring people up to meet with family. We will get them out remote with caseworkers. That is a really important part of a very complex set of processes. The ultimate aim is to, where we can, get the children back to their mum and dad, their immediate family, providing it is safe. But it is not an easy process, and we keep a good eye on what is going on.

Mr GUYULA: The culture I am talking about, or the identity that people go back to—maybe they had a bad life in their younger days with their immediate family, they mother and father, uncles and brothers. But there is the whole clan, the whole tribe. We should not be saying they should not be going back to the other clan because the other clans all feel that the children should be part of this. That is the one thing.

Taking children to visit parents and families is good—taking children to homes and bringing them back again through foster parents or carers. I have been told that some children are away from home and foster carers have been told not to speak language, even on the phone, to their parents. They were told they cannot talk in language. What do you do about that? That is something we need to fix. Children should be in connection with their family members to speak language.

On a couple of occasions parents said, 'I tried to ring my children and they speak to me in another language, like in Japanese or an Asian language or another language'. Parents or family back there get a very big shock that they are being told not to talk in language anymore. That is a concern for me and our clan leaders.

Ms WAKEFIELD: Can I say, it is a concern to me, as minister. I would be horrified if it was the direction of a foster carer for a child not to speak in language to a family member. If you have incidence of that I would really like to be aware of the circumstances—give them to me privately—because that is not what we would want as a department.

We know that children in care do much better when they have a strong sense of self and identity. Language is a central part of who we are as people. Our ability to express ourselves in our first language is a really important part of that strength of identity. That is not something I would want to see, as a minister. If there are examples of that, we would see that as a breach of the charter of rights within our legislation. Please let me know of any circumstances where that has happened.

Mr GUYULA: There are a few occasions, yes. I know.

Ms WAKEFIELD: Yes, in our next meeting perhaps we can go through the details of those cases.

Madam CHAIR: Any final questions on this output before we break?

Mr WOOD: It is a little comment ...

Madam CHAIR: Question or comment, Member for Nelson?

Mr WOOD: No, it is an important comment because I would like to thank the minister. We had an issue in the rural area regarding a residential place. We had a meeting amongst the local community and they had some real concerns. I would like to thank the minister for the staff members you sent out there, especially—I will not give that lady's name. That person was extremely professional and dealt with the local residents fairly and listened to what they had to say, but also responded in a very professional way. It was because of her professionalism that we had some good outcomes.

I am not sure what the results will be in the long-term, but people were quite surprised at the competency of that person, and so was I. I just thought it was an opportunity to thank that person because sometimes we forget the staff.

Ms WAKEFIELD: Thank you, Member for Nelson, you wrote a letter and I received that. I know the worker as well. She has worked in my region for a long period of time. I have to say, we have many competent staff who are very professional in Territory Families. The more people who have contact with them, the more people realise that.

We need to be more proactive in engaging the community around out-of-home care homes.

Mr WOOD: Absolutely.

Ms WAKEFIELD: That is the lesson. I have given very clear directions to the department about that.

Some of that also is about our NGO partners needing to get better at community consultation, because I have an out-of-home care home very close to my own home. I only know that because the kids are going in and out and there was no communication with the residents in the area.

We need to change that so there is engagement. We also need to be very clear that out-of-home care is very different to bail accommodation. In some of the debates we have had, those two types of care have been conflated together. When we are talking about an out-of-home care house we are talking about children who are not able to live at home because of safety reasons, and therefore the community needs to step up and wrap themselves around those children and provide that support. That is the whole purpose of Territory Families, but we also need to do that in better partnership and better communication with the local community which I agree, we need to do more of.

I am glad you had a good outcome in your electorate.

Mr WOOD: We are keeping an eye on it still.

Ms WAKEFIELD: Fantastic. I am more than happy to speak with you further about it.

Madam CHAIR: Thank you. That concludes consideration of Output 1.3. The committee will now break until 12.30 pm.

The committee suspended.

Output 1.4 – Youth Justice

Madam CHAIR: The committee will now consider Output 1.4, Youth Justice. I note that while the Minister for Territory Families has overall responsibility for youth justice under the *Youth Justice Act*, the Minister for Police, Fire and Emergency Services is responsible for Part 3 of the act relating to the diversion of youth; and the Attorney-General and Minister for Justice is responsible for Part 4 of the act relating to youth justice court. Consequently questions regarding such have already been answered.

Are there any questions for Output 1.4?

Mr WOOD: Can I just ask for clarification on that? Even though there is a budget amount somewhere here for youth diversion on page 255 of the Territory Families section, that needed to go to the police. Is that correct?

Ms WAKEFIELD: It is a quirk in the system that I am sure you are aware of, because it has been like that for a while. It is police that refer to the diversion programs but Territory Families, previously Corrections, had carriage of funding those programs. We can speak to the programs and what they are doing, but there are some quirks around police referral and when people are eligible for diversion because that is a policing decision.

Mr WOOD: I was interested in the programs. If this is the area we can ask.

Ms WAKEFIELD: Yes.

Madam CHAIR: If there is anything that is not in the minister's portfolio, she will let the committee know.

Mrs FINOCCHIARO: I refer to Budget Paper No 3, page 255, under the new initiatives funding section. There was \$5.094m for youth detention infrastructure. I wanted to know why \$5m is being spent on centres that the Royal Commission has told you to close.

Ms WAKEFIELD: Absolutely, Member for Spillett. The reality, is for them to be safe right now we have to spend the money.

I was at Don Dale on Monday and looked at the large water tanks that are being put in for \$2m because there was inadequate fire systems in that infrastructure. Clearly, as someone who has responsibility for this portfolio, I have a duty of care to make sure where children are being detained is as safe as possible. The

reality is, we inherited terrible infrastructure that was unsafe, that made staff and children unsafe. It limits the way in which staff can work with young people.

We have had to make some tough decisions on investing in that infrastructure so it is at a level of safety, but also acknowledging we need properly designed buildings that will meet the needs of our youth justice system moving forward, including the ability to have a modern and contemporary youth justice system that is focused on rehabilitation and training. That is where we are moving.

That is clearly a large infrastructure program; we cannot do it overnight. We have children who are in detention right now. We are balancing those needs. I would prefer to have not spent a single dollar on the existing infrastructure, but that was not the reality or choice that was put in front of me because of the poor standard of the infrastructure.

Mr WOOD: That facility has been there a long time. It is not as though the fire brigade would not visit there occasionally and there would be design work. How come, after all these years, someone has believed there is an issue about fire and, therefore, you have to spend \$2m on water tanks? What has changed to cause that to suddenly happen?

Ms WAKEFIELD: That, clearly, would be an issue for previous ministers and what they were briefed on and did not act on or fund ...

Mr WOOD: But there is a fire safety act ...

Ms WAKEFIELD: Yes.

Mr WOOD: If there was an issue before, surely the fire brigade would have said, 'There is an issue', and the government would have had to act upon it.

Ms WAKEFIELD: I will pass on what is happening and the process we have had control of, Member for Nelson, and where that decision-making process is at. But I cannot speak on behalf of previous governments and ministers' decisions.

Mr WOOD: I suppose I am trying to get an answer out of the people who told you to do it. What did they do previously?

Ms KERR: When we took over responsibility for youth justice and the Don Dale Youth Detention Centre footprint, we had to undergo a safety audit to undertake make safe works, because it was absolutely clear that the facility was not fit for purpose. That involves a range of engineers and certifiers. Those audits and inspections identified that the fire safety services were not at the standard they needed to be.

As a result of that we met with the Fire Service and various inspectors. We discussed a range of arrangements to bring the cost down to \$2m. That includes a range of buildings out there that we still cannot use because of the fire services only being sufficient for the footprint we are in.

The short answer is, it was a result of the audits that were done to make sure we could make the facility as safe as possible. As a result of that, it was found that it was not to the required standard.

Mr WOOD: I would not mind a bit more time to investigate, because buildings cannot be built—especially government buildings—without a certificate of occupancy. The certificate would have covered issues like fire—I am not blaming you, by the way.

All those sorts of things would have been done. It is a lot of money being spent. How come you have to spend all this money all of a sudden?

Ms KERR: It is a decades-old building. While it would have been compliant at the time it was built, it was not compliant at the time we needed to do fix and make safe works. Those works required us having those systems made compliant.

Mr WOOD: I always wonder why something was compliant a few years ago and now is not compliant. What was the big problem now that was not a problem before?

Ms KERR: The bottom line is the fire services did not work.

Mr WOOD: But you are talking about putting tanks in, are you not? When you say the fire systems did not work—I imagine they were connected to the mains? You have these tanks as a backup, I presume? Is that what they are for? Normally, tanks you see around buildings are a backup for a fire.

Ms KERR: I cannot give you the exact technicalities, but the pressure in the system was not sufficient to be able to give coverage to the footprint of the site.

Mr WOOD: Okay. I would love to ask more questions. That is a lot of money for a building that has been there a long time. A lot of it, but not all of it, is concrete. There are some prefabricated buildings there; I understand that.

Ms WAKEFIELD: We are happy to take any questions on notice regarding that, Member for Nelson. We are also happy to provide you with a briefing. I do not know if you have been out to the site recently with the work that we have done. It may be something you are interested in doing. I am more than happy to provide you with that information, but the bottom line is that it is not something that we have wanted to spend money on. We have had to spend money on it to meet our duty of care requirements.

Mr WOOD: All right. I will leave it at that.

Mrs FINOCCHIARO: Minister, it was an election commitment when your government was in opposition that it would close down Don Dale and build a new youth justice facility. We know that in Budget Paper No 4 under capital works—\$70m for a new youth justice detention centre has been allocated. Where exactly are you placing the Darwin and Alice Springs sites? How many sites have you contemplated for both of the new centres, noting that the \$70m is for both?

Ms WAKEFIELD: I know the minister for planning was asked questions about this earlier in the estimates process and did say that there is a planning process going around the existing Don Dale site. There may be a planning process where we look at the options for the sobering-up shelter that is in that location and the youth justice centre—and look at a planning process of placing them perhaps somewhere that is less close to residential areas.

We are in the middle of a planning process. At the moment our process is mainly around what the function of the building may be, what that might look like. We have been meeting with a number of stakeholders in the process.

We have taken on an architect who has extensive experience in building youth correctional facilities in America. That person is also working with the Victorian government about the replacement of their infrastructure. He comes with a significant level of skill. His name is Mark Ryan. He comes with that experience. He has met with a range of stakeholders. I met with him when he was in Darwin. He also went to Alice Springs and met with stakeholders there.

We have also met with Larrakia Nation as well as Desert Knowledge Australia in Central Australia to talk about how we might build a facility that is culturally appropriate, acknowledging that the majority of children in the detention centre are Aboriginal. We need to make sure that it also has a rehabilitation focus on cultural revitalisation—I think that is the word many people have been using—as part of the healing process and part of an accountability process.

We have also been working with education and health services on how we might provide those. We have also been working with legal services and advocacy services for young people.

The planning process is about what the facility looks like and how it is progressing. The location is part of a joint piece of work we are doing with the departments of Planning and Health. That process will continue through the leadership of the Planning minister. We will consider those locations, but there is still a lot of work to do around the concept—how it might look, how we might make sure we future-proof this facility as well, because we do not want to be having the same conversations about an adequate piece of infrastructure in 20 years. This needs to be a long-term piece of infrastructure that is flexible to changing use as well. We will continue to do that work.

Mrs FINOCCHIARO: Minister, if the construction of the new Don Dale has been flagged for quarter two 2019—\$70m across two facilities has been flagged. So, \$35m for the new Don Dale. How can you have arrived at this time frame and this dollar figure if we do not even know what it is you will be building?

Ms WAKEFIELD: We have been really clear in making sure we had an amount of money in the forward estimates to be absolutely clear that this is a part of the process. We also want to make sure though we go through a thorough planning process because, quite frankly, the reason we are here with this inadequate infrastructure that was moved between two sites multiple times—lots of money spent on inadequate infrastructure—is that there was not a proper and thoughtful planning process. As minister, I take that responsibility very seriously to make sure that we are getting a youth facility that meets the needs of the community because we do not have that at the moment.

Mrs FINOCCHIARO: I could not agree more that we need a very purpose-built facility that achieves all of our targets of reducing recidivism and re-engagement in all of those things. I just question, if this is a policy you took to the election—you have been in government for two years now and you have allocated money.

It is disappointing to hear that the plans are not very advanced, and it is indicative that you have not even established what site you will be building this on. Is the architect leading the consultation? Presumably, to inform yourselves of what it should look like, you will need consultation with relevant stakeholders. But also, once you select a site or triage a series of sites you will need consultation with the stakeholders within that vicinity. Is Mark Ryan leading all of those things?

Ms WAKEFIELD: I will hand that to the CEO.

Mr DAVIES: Member for Spillett, just in relation to the design consultancy, HDR Inc have been engaged locally by the Department of Infrastructure, Planning and Logistics. We have a full-time project officer that is outsourced from DIPL working with us in our infrastructure area at the moment.

Sasha Robinson, the head of youth justice, is working on the program. The program design is a bit like—the analogy I use is a high school. You design the high school around the program you want to deliver. The program design is being worked on very thoroughly at the moment, going by the minister's feedback. We are working with Health and Education and the program design will look pretty similar in Darwin and in Alice Springs, except that we are engaging with a different set of traditional owners—we will have a different overview there.

As part of that, the planning for the infrastructure is continuing based on a program design. The location is something that will be advised to us by government so there is a lot of advance work going on. The original \$70m figure was based on some original consultancy work. It was a benchmark figure only, so once we have used the program design to design the two facilities and then they are costed, whether there is enough to complete two with the \$70m or not is still to be worked through. That will be a Cabinet process.

The other thing we are doing as part of this program design is making sure we have the right footprint. At the moment we have young people in the Alice Springs Youth Detention Centre who are struggling to kick a football without kicking it over the fence or it ending up in the razor wire. We need a facility that is secure because the public expects the young people to be secure inside it. We need a facility that enables the cultural through-care as well in training and employment programs.

One of the things we are looking at with the choosing of the site is a footprint to enables us to look at the program we want to deliver. For the one in Alice Springs, the DKA sites are in the region of AZRI. There are issues around if we can set up some sort of animal welfare program or have a connection with the wildlife park. They are all things that are being built into the program design now. Similarly, for the Darwin facility, is there the capacity to run programs that will enable kids to care for something as well as being inside the detention centre?

That is where it is up to. The facility will be designed around that program itself and that work is well and truly on foot and continuing.

Mrs FINOCCHIARO: When do you envisage the program design work will be completed?

Mr DAVIES: I will go to Sasha Robinson just to answer that question.

Ms ROBINSON: Member for Spillett, we have been working previously to November 2017 and the release of the Royal Commission recommendations regarding the program of care for young people within the detention centre.

We were previously advised by the commission of their current findings and also work that had been done by collecting the young peoples' voices who had previously been in the centre but also were in the centre.

We have already been working with a number of NGOs, predominantly through AMSANT around the programs required.

Our approach is through a therapeutic treatment approach so that we are providing rehabilitation and preparing young people to re-enter the community into education and employment pathways. We will be on track to be able to deliver a draft of our model of care by 1 July to our CE.

Mrs FINOCCHIARO: 1 July this year?

Ms ROBINSON: That is correct. I would like to add that through them the consultation that occurs with our CE and minister is then shared with APONT and taken to the tripartite forum. There may be continual feedback and changes that are made, but we will certainly have the structure to what everybody working with young children within the centre and providing services will agree to as a basis.

Mrs FINOCCHIARO: Is the final version of that then provided to Mark Ryan?

Mr DAVIES: As part of this process of planning with DIPL, we will then do some design consultancy work to actually design the building. There will be a quantity analysis on the expected cost and then there is a procurement exercise on who will build the facilities.

Mrs FINOCCHIARO: There might very well be procurement of a site. Does the department have several sites for both facilities?

Ms WAKEFIELD: That process is being led by the department of Planning, that question would be to the Planning minister.

Mrs FINOCCHIARO: Once the program design work is completed, the physical design is done and there are costings around that, and whether you would need to go back to Cabinet—it is probably safe to say that the money allocated in this year's budget is there, so you have some. It will be revoted next year so you can start construction in quarter two of 2019, which would be in the next budget cycle?

Ms WAKEFIELD: We will have a much clearer idea by the next budget. We will continue that planning work which will give us a much better detailed idea of where we are sitting.

Mrs FINOCCHIARO: In respect to the Alice Springs centre, has Desert Knowledge Australia agreed to a location or there are several sites in Alice as well?

Ms WAKEFIELD: There was a recent meeting that was very positive and I think we have landed on a location which is on land adjacent to Desert Knowledge, as part of the AZRI site, and that is where we think there will be also scope for AZRI to be part of the program planning.

Desert Knowledge is still very positive about being involved in terms of training and leadership as well as being involved in the model delivery. Also the Centre for Appropriate Technology, which is based at the Desert Knowledge Precinct.

I think there is an amazing opportunity to develop something that is world-class in Alice Springs. I doorknocked one of the participants of that meeting, accidentally. The feedback I got from that person was incredibly positive as well. Overall people are wanting to do something different and are wanting to be part of the solutions, which is very positive in involving Desert Knowledge in that process in Alice Springs.

We also have opportunities to involve Larrakia Nation and others in Darwin as well.

Mr WOOD: Pity we did not retain Berrimah Farm? It could have been the same thing.

Mrs LAMBLEY: I would like to ask a question about the proposal to put this youth detention in Alice Springs.

Minister, once again, you must talk to some very different people to those who speak to me. The feedback I am getting is complete bewilderment. Why would you put a detention centre closer to town, where people are living, the Hetti Perkins nursing home and all those people who live at the back of the Desert Knowledge Precinct that work within the racing industry? There are a lot of people that reside around there.

I have spoken to people in the youth sector who ask why they cannot build a new one in the prison precinct. It is not just prison facilities; there is a health precinct as well.

You are not selling it well. Why would you put it closer to town? A lot of these kids are quite dangerous, angry, some of them get out fairly regularly, and they cause all sorts of trouble in town. I just cannot understand why you would do this. Why not keep a secure facility for kids in the secure facility precinct that we have in Alice Springs? It will cost you a huge amount of money for security and constructing that facility to the level that you have currently that exists out at the prison—what is the rationale behind this? It is all very well to hold these kids' hands and integrate them in to the community, but you also have to keep the community safe.

Ms WAKEFIELD: Community safety is central to all aspects of our youth justice plan. The way we will keep the community safe is by providing rehabilitation that works and stops the cycle of crime.

The facility that is out near the adult prison is completely not fit for purpose. It is part of an adult gaol that has been retrofitted. We have done extensive work on it to make it safer for staff and detainees as well.

I think that where we are looking at integrating this into an education precinct is fitting for what we are wanting to achieve from our outcomes, and it in no way needs to impede community safety because it will be a secure facility. We would want it to be more secure than what we have currently. I think that whilst escapes have gone down exceedingly in the last few years because of the work we have done on the facilities we know the new facilities will be more secure.

Community safety is the most important part of this reform, but we also need to be making sure it has a rehabilitation focus. We will continue to work with the community on the location of it and any concerns they have. That will be addressed through the design process so people can understand ...

Mrs LAMBLEY: Will people have a say in the site? Will you consult the community about the site for this new detention centre?

Ms WAKEFIELD: We already have had a process of talking with DKA around their willingness to be part of the process. Once we have a planning process it will go through a process that would happen within any planning process of government.

Mrs LAMBLEY: But not prior going to planning?

Ms WAKEFIELD: Once we have a plan then we have something to consult on, so we will go through that. It is really important that we continue to keep that focus on—this is about building a facility that is better able to meet the needs, including community security.

Mrs LAMBLEY: I just cannot understand why you would not put it within the current precinct. There is a lot of land out there in the correctional precinct. All those people who live at Kilgariff will be living very close to a youth detention centre. Is that fair on them?

Ms WAKEFIELD: I think one of the things that was very clearly said in the Royal Commission is that we need to make sure—and let us face it, at the moment there is a physical pathway between the youth justice precinct and the adult justice precinct. The all contemporary youth justice systems are focused on education and making sure that you give children a different pathway in to a way forward.

That means that we acknowledge there is a need for secure facilities, and part of the planning will be a more secure facility than what we have at the moment—and this is about making sure that we have access to those services and education. I have spoken to a lot of people in our community as well and people want a system that works.

What we know from many other jurisdictions that have reduced their youth crime rates that they have focused on rehabilitation, education, training and service delivery to make sure that kids are not only held accountable for their behaviour through being in a secure facility, but that we give them a pathway rather than funnelling straight into the adult correctional system, which is what is happening too often at the moment.

Mrs LAMBLEY: I do not think people would dispute the model that you have come up, and I think it is a great model. It is just the site. Once again, people will be impacted by this, and that used to be my patch. It used to be Araluen and they used to be my constituents. I know a lot of people who live and work out there who are not happy, so I am pleased to hear you will consult.

Ms WAKEFIELD: They will get a better understanding of what we are actually planning in regard to security and it will give them a better sense that this is a much more secure facility than what is in existence at the moment. Let us face it, if someone leaves the facility where it is at the moment, they will go past that—Alice

Springs is a small place. We need to make sure that we have a secure facility and, by doing so, we will have a much better outcome than what we have at the moment.

Mr WOOD: Can I ask about Berrimah? I know it is in your electorate, Member for Spillett, but it is next door to mine.

Who is the owner of the land where the existing Don Dale is?

Ms WAKEFIELD: That would be a question for the Planning minister.

Mr WOOD: You should know who owns the land because you are putting money in there, so who is the actual owner of the land?

Ms WAKEFIELD: I can hand that to the CEO, who has much more across the details of that.

Mr DAVIES: So in terms of the infrastructure, Member for Nelson ...

Mr WOOD: Not the infrastructure—the actual land that the infrastructure is sitting on must be owned by or responsible to some department.

Mr DAVIES: The Department of Infrastructure, Planning and Logistics is responsible for doing the master planning for that and any future submissions to government.

Mr WOOD: I know they are responsible for the infrastructure, I want to know who owns the land. There must be an owner of the land, so if I look up the titles ...

Ms WAKEFIELD: We are happy to ask the minister for Planning to provide you with that information. I am happy to provide that to you and we are happy to take that on notice. It is the responsibility of the Planning minister, who is doing the master planning process.

Mr WOOD: I understand that. We will get to that but the ownership of the land is all I wanted to know.

Ms WAKEFIELD: I am not saying it is not a simple question; I am saying it is not in my remit.

Mr WOOD: I could probably run over to the magistrate's court and ask them for a copy. Minister, could you please tell us, who is the owner of the old prison site at Berrimah?

Ms WAKEFIELD: Again, that would not be within Territory Families.

Mr WOOD: I realise that but if you are doing the work on this property, you would think you would know who owns the property you are doing work on.

Ms WAKEFIELD: No, the planning work is being done by the Department of Infrastructure, Planning and Logistics. We are working closely with them on the model. Our responsibility is the design and the model delivery. Where we put it is part of the process with DIPL, but it really is a matter for the minister for Planning. I am more than happy to get you that information.

Mr WOOD: I will ask the question via a letter to the minister. I was getting at whether Corrections still owned it.

Ms WAKEFIELD: All the work that has been done through the process is managed by DIPL as well—all the renovation as well.

Mr WOOD: I do not know how much input others can have into it. I was very pleased to hear Mr Davies say that there will be room for animals, not just chickens but dogs. I have been to a number of prisons in the United States where animals were used for therapeutic reasons and I am a great supporter.

You are also sited close to Wongabilla, which I am fairly sure was a diversionary program site. There are options there. Mr Davies would also remember there was a station called Mango Station at the far end of the prison site where prisoners could learn to ride horses and do fencing and all sorts of things. There has been some connection for that site with some animal husbandry. I am very happy to hear that at least that is part of the process.

I also heard you mention that you will make sure in Alice Springs there is a football oval big enough to kick a football. The old/new Don Dale—or whatever you call it—had a half-size oval. There is an existing oval already as you come in the front driveway. I hope you do not spend \$2m on upgrading that one, if that is where you are to go.

It concerns me that you said at the start that there was talk about removing the alcohol rehab centre that is there, which is using the old low-security section of the prison, because it might be close to residential. I would be concerned if you did that, simply because we have an alcohol rehabilitation centre smack in the middle of Stuart Park and the other one is out at Berrimah. They are not far from residential areas and they do not cause a problem

Ms WAKEFIELD: That is probably a matter for the Minister for Health. We are part of a process that involves the Department of Health and the department of Planning regarding what opportunities there are for precinct planning for service delivery of rehabilitation services moving forward. This is about making sure, as a government, we maintain a vision for the planning development of the whole Territory, particularly Darwin in this circumstance. Any issues around alcohol are a matter for the Minister for Health.

Mr WOOD: You mentioned it at the beginning and I am a little concerned ...

Ms WAKEFIELD: I am happy to let her know your concerns.

Mr WOOD: In relation to the site—there is no guarantee that will be the site. Is that correct?

Ms WAKEFIELD: At the moment, we are looking at what the options may be, yes.

Mr WOOD: Are we allowed to know if there are any other options?

Ms WAKEFIELD: The department of Planning is leading a process that includes us and the Department of Health. We are responsible for the model development and planning of what the site will physically look like, and the location will be joint work with the department of Planning.

Mr WOOD: Is there a set of guidelines from your department's point of view as to where you—I am not saying the actual location, but the parameters you would set out for where you think a facility should be built?

Ms WAKEFIELD: Absolutely. Our key criteria would be access to services—access to court without extensive periods of time for people travelling ...

Mr WOOD: Berrimah fits in well with that.

Ms WAKEFIELD: Also access to education and training, as well as ease for families to visit. It needs to be part of the public transport line.

Mr WOOD: What concerns me, minister, is that if there is pressure—and I mentioned the alcohol rehab centre—from the neighbouring development not to put that facility on the Berrimah site. The Berrimah site has some advantages, as you just mentioned—it is close to public transport and the courts. It is central so people can visit it. I am concerned that if the site is pushed out of the way—not because it is not a good site, but because some external influence is operating which says, 'We do not want it there at all'. Therefore you have to find a brand new site.

Ms WAKEFIELD: The stakeholder feedback is part of that planning process, which is the issue for the minister for Planning. We are being very clear about what the criteria is for our reform moving forward. We have done that through a process of looking at locations for more rural and remote training centres, which I am sure is an interest of yours.

Mr WOOD: It is a big piece of land there.

Ms WAKEFIELD: Yes. We have commissioned some work through the Coleman report—which I am happy to table today—about what other locations across the Territory are suitable for setting up youth training facilities as well. That has a range of criteria as well—which have not been put in place in the past with the planning of other facilities such as Loves Creek—about adequate water, access to service delivery, fire coverage and a range of other matters that need to be considered when you are looking at detaining children.

We have been working on what the criteria is for development as we move forward. We are very keen to develop a network of youth training centres similar to the Juno Centre, which will also be an alternative to detention for young people.

Mr WOOD: Are we going back in time a little bit here? We will have a youth detention centre, which we used to have at Malak, by the way. That was close to where people lived. Are we looking at re-inventing the Wildman River site with a slightly more modernised approach?

Ms WAKEFIELD: Not specifically. I know that is a program that is close to your heart, Member for Nelson.

Mr WOOD: It was, but it got closed down by the Labor Party.

Ms WAKEFIELD: I know. Hindsight is 20/20 with government decisions, is it not?

Mr WOOD: We tried hard. It was not hindsight.

Ms WAKEFIELD: Yes. We know that what we need to do for young people—not only those involved in the justice system, but to prevent children and young people going into the justice system—is provide them with other opportunities and pathways.

Mr WOOD: I absolutely support that. You can also look at Gunn Point if you would like with the brand-new bitumen road there.

Ms WAKEFIELD: We might table the report, Madam Chair, then the Member for Nelson can look at it. There are a number of locations that are identified through that process. There are three copies there. That is sitting with Minister Scullion. It was a joint report between the federal government and us about the options, including looking at Mataranka. I think Gunn Point is already on there.

Mr WOOD: Can I butt in? Are you talking about Mataranka Station?

Ms WAKEFIELD: Yes.

Mr WOOD: Was it not sold, unfortunately?

Ms WAKEFIELD: I will pass that on.

Mr DAVIES: I understand it is being leased by a private landholder who is working on it. Some of the training infrastructure is still there, but any access to that facility would require the permission of the landholder.

Mr WOOD: That is good news. To be honest with you, I think it is a great place, especially for Aboriginal men to be trained. It is close to my heart because my daughter learned to be a jillaroo there in the days when it was part of the Top End Group Training section. That is the best news I have heard. I thought that station had gone from possible usage—that is fantastic.

Ms WAKEFIELD: As I say, it is probably not in the report. A set of criteria has been set out. It is probably not the highest ranked out of all the facilities there, but please have a look at the report. It gives you a sense of where we want to head as a government. It also gives a sense of where we see the opportunities for the federal government to invest in that youth training facility, which is about a pathway prior to kids becoming part of the justice system.

Mr WOOD: Could you say about Mataranka why it is important? I think the Member for Nhulunbuy might have raised it with me. We talk about youth—many times ‘youth’ means 18 to non-Aboriginal people. To Aboriginal people it is lower than that. In places like Mataranka where youth and men can use that facility—there needs to be some discussion, especially with Aboriginal men or boys, about what is a youth and what is a man. Perhaps a place like Mataranka is an option, where people in that age group can be looked after.

Ms WAKEFIELD: Certainly, Member for Nelson. I agree. It was part of the conversation I had recently when I was in Ngukurr regarding the horse management program there, which is currently being revitalised and is seen as a really important way that young men can stay engaged in education. I think that access to training pathways and alternatives to education that are flexible around people’s needs—but I acknowledge that people can culturally be regarded as men, and therefore school is a more difficult process. If it is a youth training employment pathway, that may increase our engagement.

Mr WOOD: I think Mataranka would be more than just youth. It could include younger people.

Ms WAKEFIELD: Yes. As we move towards an 18 to 25 model of youth engagement as well, like that which will be part of this process, we will pick some of that group up.

Mr WOOD: I will be interested to read that report.

Mrs FINOCCHIARO: Just to finish my questioning on the detention centres, how will the department determine which facility it will build first? Are shovels in the ground on both sides on the same day?

Ms WAKEFIELD: That will be part of the planning process. Once we have a better understanding of the detail of that, we will then have an implementation plan moving forward.

Mrs FINOCCHIARO: Minister, there is \$1.8m in funding for wilderness camp programs. How much does it cost to run one camp? We have heard that Operation Flinders is a successful model, so why can that not operate here in the Territory?

Ms WAKEFIELD: This was a large body of work by the department. We acknowledge that one of the alternatives to detention needs to be access to circuit-breakers such as wilderness camps. We know that some of the sentence camps that were previously set up did not work very well. For instance, the Loves Creek camp in Central Australia—we spent \$2.2m on a credible and very skilled NGO service. But they were let down by the facility planning. There were issues with water and communication. Then we had a situation where 21 of the 23 kids we referred absconded from that position.

We know that youth wilderness camps, if badly planned, can have poor outcomes, as the Loves Creek process did. However, we also have examples where—for instance, the WYDAC program at Mount Theo in Yuendumu, which has been supported over many years by both sides of government, has a very positive outcome. We are just about to invest further in infrastructure there to make sure they can continue doing the good work they are doing.

I think the important thing about the Mount Theo program is that it is not just sentencing kids to be out bush for a period of time. It is about supporting them before they go out bush and then having a pathway when they come back. WYDAC does a lot of work with giving kids training opportunities to have leadership roles within the youth programs within Yuendumu—that it is linked to the school that is linked to youth services and activities, and then training pathways moving forward that are very flexible and responsive. That camp out bush is seen as a circuit-breaker, and a very important one.

We have used our current provider—Operation Flinders has been very successful in the initial stages and what we have done is link that in with our youth outreach workers. There is preparation time before they go on camp. The camp is then used as a period to achieve goals that have been set. Then there is a three-month follow-up to make sure what has been achieved in that camp is followed through.

So far, with the youths we have sent from Katherine and from Alice Springs, only one of those children has reoffended. So we feel that that is a very successful model.

Mrs FINOCCHIARO: Out of about how many?

Ms WAKEFIELD: Member for Spillett, you will be interested that the young people from Palmerston are in that very last stage before they go on to camp, and then doing the follow-up. We are trying it in a range of locations to make sure it does work.

There is \$140 000 in the current budget for four camps. There is \$32 000 for pre-camp expenses. That follow-up work is then part of the YORET budget. They are eight-day camps with 10 young people in each. We have to wait to see if kids are reoffending or not across the process. So far our feedback has been very positive, so it is something we are looking at rolling out further in a range of locations.

Part of the Coleman report includes a range of locations that we could use to use further camps and use that model. We need to be very clear that we need to give those alternatives to detention, such as wilderness options. We need to make sure they are robust and have tested them before—like we did at Loves Creek. The previous government set that up just before the end of term and we inherited a bit of a hotchpotch. Sentencing kids to that facility did not work either. We need to make sure we have that robustness of evidence to make sure it is a firm plan.

Mrs FINOCCHIARO: Youths are not being sentenced at this stage to the eight-day camps?

Ms WAKEFIELD: No, they are not.

Mrs FINOCCHIARO: They are coming from intelligence from the YORET?

Ms WAKEFIELD: Yes. The youth outreach workers are identifying the kids who are most likely to reoffend. It is about preventing crime before it happens. I found that with kids—either their presentation and circumstances and what we know from the evidence, or who have reoffended—we are preventing reoffending. We do not always want to be responding after something has happened.

Mrs FINOCCHIARO: That is a voluntary program. What has the response from parents been? Do you have statistics on how many youths have been approached to undertake a camp and how many will go?

Ms WAKEFIELD: I will hand over to Sasha, who has much more hands-on experience with the day to day—but kids' parents have to give permission for kids to go on this camp. That is part of the process of involving families in accountability and rehabilitation, and them being part of setting the goals for that program. We need to make sure families remain involved in this accountability process. We believe that, as a department.

Families and parents need to take responsibility for some of the parenting outcomes, but we need to provide them with the adequate support where they do not have the skills to do so.

Ms ROBINSON: We have had a total of 35 young people attend Operation Flinders and return. As of this morning, a group of eight young males left from the Darwin region to undertake their camp.

Part of the after work that occurs is working with the families, not just individually with the young person. There is an intake process where the youth outreach team, Education and non-government organisations that are working with families—such as Anglicare—complete a referral for a young person to attend camp.

There is a consultation process of who is selected to attend the camp. That is also in consultation with Operation Flinders. Parents participate with their young person in pre-camp activities, such as a barbecue at the park, attendance at Crocodylus or the water park—team building and connecting with young people and families. It builds on the need to transport to attend the sessions that the YOREOs are leading.

Upon return from camp we continue with those activities. With the Alice Springs group of young girls who went in September last year, the families participated in filming and shared their experiences of what they saw of their young people prior to attending and after.

We have continued that through our case management approach where we collate the information in regard to offending and reoffending. From our 35 young people only one has reoffended, and that was at a minor level compared to what they had done prior to the camp.

Parents were asked to provide simple feedback to us. A number of our young people are Aboriginal, so we ensure we have an interpreter with us. We have boys who just attended from Nhulunbuy and graduation is next Friday. We use our community members to support us to ensure we are getting the right feedback from the families.

Mr WOOD: I went to Loves Creek some years ago. There was an independent report on Loves Creek and it did not come out with many of the concerns I have heard since. I do not know if it is operating in a different way to when I was there and the government took over.

My understanding was that there was no accommodation for the young people there. The whole idea was that there would be some places for people from Flinders—they lived there. It was more like the boot camp—you had to walk a distance, and if you did not walk you sat down until you decided to keep walking.

I cannot remember the people who did the report, but it raised some issues. They did not raise the issue that it should be closed down. I am wondering why things have gone awry.

Ms WAKEFIELD: It was originally designed for a different purpose. Flinders was running a kind of boot camp model. It was used as a base and kids needed to walk from there. There was no pre or post intervention as well, and no follow-through because the youth outreach program was not in existence and did not provide that ongoing support.

It did change purpose. Just before the previous election, BushMob were given a contract to provide an alternative to detention in that location, where people were based there much more regularly and for longer periods of time—as well there being animals there, which is where the pressure on the water system came on. There was not enough water to provide that level of service.

There was issues with communications, there was no phone line to there, there were issues of satellite phones dropping out and a range of other communication issues. The purpose for what it was originally built was not the purpose it was then funded for. I have a lot of respect for BushMob as a provider of youth services, and my sense is that they were the ones who pulled out of the contract and said we can no longer provide this contract safely. I respect that decision, and that was also our assessment, but it was their decision to no longer provide that service in that location.

It is one of those things where we had inadequate infrastructure being retrofitted to a new purpose that it was not designed for and there being poor outcomes for young people, when we had 21 young people abscond from that facility and end up with further charges and being in further trouble. It did not provide that wraparound service, which is about a pathway out of the youth justice system and the justice system. It actually supported further offending behaviour.

I am very clear that if an NGO of the standard of BushMob cannot make a camp at that facility work, it is not the right location or facility. That is one of the reasons we asked for the Coleman report to look at other facilities that have the right access to educational services. There were no set-up for educational school purposes on that site or access to the right physical infrastructure, for example water, electricity, communications, medical services and a range of others—if children are going to be there for extended periods of time. There were also issues that the creek flooded and there were concerns around access.

There were a range of issues around that facility and we did not think it was worth further investment. It is one of those things where you do not want to invest in old facilities that are not working, as much as we have had the conversation about Don Dale. We need to look at other facilities.

The CEO might want to talk about repurposing that infrastructure for other sites. It is mainly demountables. Ken, you might want to talk about the other sites that we are looking at.

Mr DAVIES: We are looking at that facility and the infrastructure that is on it. We need a plan to fix it and make sure it is cleaned up. We are looking at where we can relocate some of the infrastructure that is out there. There is a kitchen—some good demountables that can be repurposed.

We have talked about maybe relocating some of the infrastructure to Mount Theo. John Coleman, in his report, references the NT Cattlemen's Association training centre in Alice Springs as a place where we could have a look at utilising the services there.

We are working with Balunu on the facility they have over the water, at Mica Beach, which we are wanting to use as a circuit-breaker for young people. We will have a program running through the school holiday period for some young people we have looked—and the crossover family work we are doing—to get them out of the situation they are in, give them a break and get them with some traditional owners and good role models to talk to about where they are up to. Our youth outreach service will be involved in that process.

In Tennant Creek we are looking at the Juno Centre, which is just next to town. It has been upgraded brilliantly. There are now horses there, and there is magnificent accommodation and a beautiful kitchen.

Mr WOOD: Was it not used some time ago for that purpose?

Mr DAVIES: It was, but—this goes back to my education days—the facility was run down. It is a really smart facility now. There has been a big investment from the Education department RTO into that place. One of our challenges is that it is also used for schoolchildren to come in from remote locations to visit Tennant Creek and access services as well. It is about a timing issue and when we can access it. School holiday time seems to be an option for us.

We want to build a range of options for young people across the Territory. We have been talking to the Anindilyakwa Land Council about an outstation on Groote Eylandt. We have five young people out there who are on community service orders at the moment. We have a senior youth outreach officer now based on Groote Eylandt. We are starting to look at involving traditional owners and alternatives to these young people being supervised to make sure they were complying with orders—to get them onto a pathway where there is some education, training and good case management going forward.

Mr WOOD: I do not want to sound negative, but there is a feeling of back to the future here.

Mr DAVIES: We have talked about that a lot, Member for Nelson ...

Mr WOOD: But it is good. I support any move to get kids out and doing something useful and away from the madding crowd, if I could put it that way.

Mr DAVIES: Our minister has made it very clear that we need to provide a range of pathways. We have the bail support service and the youth training infrastructure that we will build. We need this broader range of programs because individual youths require different approaches; there is no doubt about that. Some will have much higher needs. We have another facility we have been working with as well—Brahminy—where we put in kids with very extreme needs to give them a break and a hand to rehabilitate as well as supporting them.

Mr WOOD: Can I make a suggestion? If you are close enough to a community that plays football or any other game, try to get young people involved in umpiring. Believe it or not, that puts responsibility on to people.

Mr DAVIES: Going to that, we have had a judge issue us with an order where a young person was remanded to Don Dale—a young girl. Part of the order was that she attended a mainstream middle school during the school day, not the school inside the detention centre. So, we worked with the school and the Education department and facilitated that and it worked quite well.

We are getting some innovative approaches, where the risk is minimal, to look at some other options for young people. Part of that is about giving them leave from the detention centre in a properly supervised way to attend training and employment options where a proper assessment has been made around community safety.

Mr WOOD: Thank you.

Mrs LAMBLEY: You are probably aware that the Member for Blain and I went out to Loves Creek Station a few weeks ago. Did I hear you correctly? Did you say it is an old facility? Because it certainly did not look old to me.

Ms WAKEFIELD: No, it is quite a new facility. It was built during the last government. But it is not fit for purpose. I mentioned the other old facilities. It is similar to the older facilities where we would have had to spend significant money to make it fit for purpose, which we felt we could better achieve other outcomes with that money.

Mrs LAMBLEY: So, you have been out there and seen it?

Ms WAKEFIELD: No, I have not.

Mrs LAMBLEY: You need to go out there, minister. It is incredible. The facilities out there are amazing—nine bunk houses, three water tanks, a kitchen block, a dining room block, two ablution blocks, enough accommodation for 60 people, a gen set, diesel tank—Flinders have a separate cabin. It is an incredible facility, it really is impressive.

Ms WAKEFIELD: The outcomes are very clear. Out of the 23 young people we sent to that facility, 21 absconded. So, I do not think, in any measure, we can see that as a successful facility ...

Mrs LAMBLEY: I am talking about the infrastructure. You need to go out there before you make a judgment.

Ms WAKEFIELD: As the CEO said, we are looking at opportunities to use that infrastructure. We are looking at where we can repurpose it. There are issues with water on the site ...

Mrs LAMBLEY: And the roads. The road is horrendous.

Ms WAKEFIELD: And the roads. Absolutely, a horrendous road. I believe that with that assessment we need to look at the options. We do not want to waste that infrastructure in any way, shape or form, but we are looking at how we can repurpose it.

Mrs LAMBLEY: That was my question, minister.

Mrs LAMBLEY: It is an incredible facility. I was stunned by what is out there. It certainly is worth a trip. It is 10 kilometres from the Ross River Homestead. The chap from Ross River took us out there. It is such a waste of taxpayers' money. You have just acknowledged that. When you go out there and see it for yourself, you will be a bit shocked at how such a wonderful facility has remained there.

You need to move it and use it for some purpose because, as the Member for Nelson has alluded to, there could be many groups—non-government organisations—that could make enormous use of these beautiful facilities sitting in the desert going to waste. What is your plan?

Ms WAKEFIELD: We completely agree. One of the things we did very early on as part of this process was commission this Coleman report, where we identified issues at other locations where we could have a facility where we do not have the issues with water, road access and communication.

That was co-funded by the federal government. That is currently sitting on Senator Scullion's desk for consideration. This is one of the areas where we believe we can get support from the federal government. It is well and truly in their remit, as youth training and education, to be part of that solution. Unfortunately we have had to prioritise where we are putting our investments. We believe that the federal government can have a role in moving forward.

I know they had originally put money into that facility, but it was originally set up to be staff accommodation for Operation Flinders, not an ongoing facility for young people. Unfortunately, it was repurposed as that.

We have a plan in place around where we could put that infrastructure once we get the cooperation of the federal government.

Mrs LAMBLEY: I have one more question about this. When we went out there the road had been recently grated, so it was good. The proprietor or the manager of Ross River Homestead said that he was commissioned by Territory Families to grate the road. He told us that he had blocked off the gate allowing Territory Families access to that property because you have not paid the \$80 000 bill. I just wonder if that is the case. I said I would mention it to the minister in estimates.

Ms WAKEFIELD: I am more than happy to take that on notice and find out what has happened with that. I know the proprietor had significant concerns with the amount of absconding from that facility and was very concerned about the safety of his customers in that process. We agreed with him; we did not think it was appropriate.

Mrs LAMBLEY: He was also amenable to providing training for these kids in welding, hospitality and those things that happen out at Ross River. There is enormous potential there if you open your mind. Go out and have a look, and think more laterally about what you actually have. You are talking about something you do not know.

Madam CHAIR: Member for Araluen, do you want to place that question on notice?

Ms WAKEFIELD: Can I just say, Member for Araluen, we have had significant work done on that site. We have looked at it very clearly. I completely trust the judgment of my department on this issue. We know that BushMob, who both you and I absolutely respect the opinions of.

Mrs LAMBLEY: We went out with BushMob.

Ms WAKEFIELD: They were the ones who decided to pull out of that contract because of the insufficient infrastructure. I think we have put on the table a range of other options. We are currently accessing a range of other options that are working much more effectively than the Loves Creek one, which was a rush job by the previous government put out just before the last election.

Mrs LAMBLEY: I do not think it was a rush job. It was an election commitment.

Madam CHAIR: Member for Araluen, did you want to put something on notice? I just need to make sure.

Mrs LAMBLEY: No. It was an election commitment made by the former CLP government prior to the 2012 election. It took them four years to produce that facility. It was not particularly rushed, but I take on board your comments. It may not be suitable, but until you go out and have a look yourself you will not understand how magnificent the physical buildings are. Thank you, minister.

Mrs FINOCCHIARO: How many, if any, young people have absconded from the new wilderness camps?

Ms ROBINSON: Member for Spillett, are you referring to Operation Flinders?

Mrs FINOCCHIARO: Yes.

Ms ROBINSON: Zero.

Mrs FINOCCHIARO: Thank you. I just want to move on to youth diversion now. How many youth have been diverted so far this reporting period?

Ms KERR: Sorry, Member for Spillett. What was the question?

Mrs FINOCCHIARO: How many youth have been diverted in this reporting period?

Ms KERR: At the moment for pre-court diversion, there have been 225, 35 of which are currently being looked at. That is for pre-court diversion, which Territory Families funds. In terms of diversion from the courts to restorative justice conference, I believe the number is 42, but I can confirm that for you. That is a court-ordered diversion.

Mrs FINOCCHIARO: Is the only court-ordered diversion to the conference you mentioned?

Ms KERR: Yes, there is. That is done through Jesuit Social Services. They have done court-ordered 26 victim-offender conferences to 31 March. There has been additional since then.

Mrs FINOCCHIARO: The only diversion a court can order is to the victim conferencing?

Ms KERR: That is the only program they can be diverted to at the moment, but there is diversion in the sense that people can be put on bail and a range of different court orders to be supervised by youth outreach and re-engagement officers. There are a number where there are no orders to work with the YORET. In terms of the YORET—I can tell you the Justice brief.

Currently with youth outreach and re-engagement officers, we have 145 young people as of Monday this week who are being case-managed and working with Youth Outreach and Re-engagement Team mentors. In addition to that, there are 195 young people on court-ordered diversions or alternatives to detention.

Mrs FINOCCHIARO: How many of the youth who have been diverted have been diverted on more than one occasion? Of those 225—unless you have the figures for the court.

Ms KERR: In terms of pre-court diversion, that is a matter for police. That is their determination on whether they are diverted subsequently. We do not have that data.

Mrs FINOCCHIARO: For the court diversion, do you have that data?

Ms KERR: We would have to take that on notice, Member for Spillett.

Mrs FINOCCHIARO: Okay, but it is within Territory Families?

Ms KERR: Yes.

Question on Notice No 9.7

Madam CHAIR: Member for Spillett, would you like to repeat your question for the record, please.

Mrs FINOCCHIARO: How many youth who have been diverted by the courts have been diverted on more than one occasion?

Madam CHAIR: The minister is happy to accept the question?

Ms WAKEFIELD: Yes.

Madam CHAIR: The question has been allocated the number 9.7.

Answer to Question on Notice No 9.7

Ms ROBINSON: Sorry, in terms of court-ordered diversion to victim-offender conferencing, zero have been diverted a second time.

Mrs FINOCCHIARO: Okay, well that is the answer to 9.7.

Mrs FINOCCHIARO: So you could then get the data on court-ordered diversion to bail accommodation and other types of diversion?

Ms KERR: In that case, when we say 'diversion', Member for Spillett, it is diversion from detention to supported bail accommodation, in terms of remand—rather than being sentenced to detention, it might be to a bond. It is diversion in that sense. It is not diversion out of the justice system.

Mrs FINOCCHIARO: Which is different, yes. Which data do you keep then, or do you have both? We know the information about diversion in the sense of victim conferencing. 'Alternative sentencing' is the wrong term as well, but 'non-detention centre alternatives'—would that be a way to describe it?

Ms KERR: In terms of the young people that we have—and this will give an indication currently on court orders—there are 195. Three of those are for breaching those orders.

Mrs FINOCCHIARO: Right. Thank you.

I suppose this issue—people talk about diversion. I think we have just established that it conjures up all sorts of meanings and definitions to different people. Certainly in the community, a lot of the feedback I receive is like, 'What is all this diversion about? What does that mean?' That is extremely valid.

There is a lot of, I suppose people will say, soft talk around consequences. Are you able to explain clearly—because it is very easy to find yourself in weeds, as we just did—what the policy of youth diversion is? How does the pathway to diversion take place? Is it the YOREOs intercepting young people and putting them through a different process or program, or the courts sending them to camps, although that is not happening yet? Can you expand on that?

Ms WAKEFIELD: First of all, I need to be clear. We have not changed any laws around diversion, or the options for diversion, since we came to government. It is exactly the same as it was under the previous government.

We have resourced a range of options within that so the court has more options available to it. It is important to be clear because I think there is some misinformation in the community. I had someone ask me whether we had shut down Don Dale, which we have not, but that was the perception within the community. We have not changed any law in terms of the options for diversion.

One of the complexities of this reform process is that much of the diversion sits with police. Police have been working very closely with us on this reform process and I commend them for the work they are doing. Part of the Royal Commission recommendations is that police adopt a model of youth policing, which they have agreed to do. We are in the process of working with policing on how that reform fits in with our youth outreach officers.

Much of the decision-making around diversion sits with police. They have a lot of options available to them when they pick up a child or come into contact with them for whatever reason. They can refer to the child protection system or youth outreach workers, but also there are programs we fund—there is a process of reviewing those and making sure they are effective and that we have a wide range available to police so they have as many options as possible. That adds on to their already extensive options about what they can do when they make a decision whether to charge a child or divert. It is very much a police decision.

Mrs FINOCCHIARO: You mentioned that the Department of Territory Families pays for some of those police diversion options. Can you go through them?

Ms WAKEFIELD: I can get Jeanette or Sasha to go through that. It has been a long set-up where police have not funded the programs they refer to in diversion, and that has caused some frustration to police. We are working with them on what they want or need from a diversion program and how we fund that.

We have a range of services across the Territory, and I will get Jeanette to go through those.

Ms KERR: We have 10 agencies providing youth diversion services. They are currently Anglicare, Catholic Care NT, East Arnhem, GEMYDU on Groote Eylandt, MacDonnell Regional Council, Malabam Health Board at Maningrida, Relationships Australia, Tiwi Islands Council, Warlpiri Youth Development, YMCA Katherine—that has recently been ceased—and YWCA Darwin.

They all provide diversion programs which include victim-offender conferencing, family group conferencing, case management, through-care and activities.

Mrs FINOCCHIARO: That is paid for by Territory Families? How do you monitor the KPIs around that?

Ms WAKEFIELD: That is one of the systemic issues that has not be resolved. In part of our reform process we will be looking at how we do that.

Police are very keen to work actively with us to make sure they get the diversion options they want—also, their reform processes around working with young people in a certain way will be an important way forward.

One of the other difficulties we have had—this morning we spoke extensively about data. This is also an issue in the youth justice area. We have to get data from a range of sources. There is police data, court data and child protection data that all needs to go into the evaluation of this process. I do not think that has happened in the past. We have been funding services without a clear vision about whether they are working or adequate.

This is a big piece of work we need to do. That reform process is starting. Perhaps, Jeanette, you may want to speak to some of the work you have been doing in this area.

Mrs FINOCCHIARO: Jeanette, before you do—correct me if I am wrong. I suppose you are providing funding in return for diversion services from 10 agencies. Without a clear oversight over what they are delivering and outcomes they are achieving—that is, recidivism—you do not really know whether the expense is achieving any result. That is a body of work that is happening. Is that right?

Ms KERR: Yes, that is right. It is an issue in that youth diversion funding that police divert to pre-court has gone through a number of agencies. We inherited that and before we go ahead with future contracts we are going through a process with all the agencies, and others, to redesign what is wanted in locations, including place-based services.

For example, there have been some short-term activities with Palmerston council on basketball et cetera and a range of different agencies.

Ms NELSON: An audit, so to speak.

Ms KERR: Yes. In terms of the recidivism data, that is extremely difficult to access because it is across four different systems in three different agencies. It is not just a matter of whether they may or may not reoffend, it is the time between reoffending, the frequency of reoffending, or in fact, the seriousness of it.

Mrs FINOCCHIARO: And that is the key information. There is no point doing it if it is not having any achievement.

If a youth has been diverted to a program with one of the service providers, comes out the other end, goes on to reoffend but is diverted, police might not necessarily be able to see at that point in time what the diversion history of that youth might be. Then they are diverted to a different program. Foreseeably, in theory, you could be bounced through several programs without much oversight.

Ms KERR: The police will have oversight of the diversion history. It will be recorded in their system and they will have oversight of the outcomes. The YOREOs provide long-term through care. Recidivism data is

something we are very aware of that is essential for us being able to evaluate and individualise programs. Our Performance and Data Management area is building that capability, so it is essential we are alive to it and are working towards it.

Mrs FINOCCHIARO: Police would have that information you are sharing. If they pick someone up and then ...

Ms KERR: Not necessarily. What happens now is it would be in the IJIS system with AGD. Some of it would be in the IOMS system and some would be in the police system. It is about bringing that data together and have analysts look at it and have identifiers for each young person.

Mrs FINOCCHIARO: How much is the department spending on third party diversionary programs?

Ms WAKEFIELD: It is the same as under the previous government. We have added some money to that, but the contracts have mainly stayed the same as was under the Corrections program under the last government.

We have taken the time to make sure we get this right because it is a key part of the process. We know if we have a robust and contemporary diversion system, we will get better outcomes for young people. Unfortunately, we inherited a system that was a small part of the budget anyway—under-resourced but also with no ability for us to have vision on previous reports and what happened previously.

Mrs FINOCCHIARO: I can understand the exasperation of parts of the community. When you say diversion ...

Ms WAKEFIELD: The exasperation of us as a department as well ...

Mrs FINOCCHIARO: Yes, I can imagine.

Ms WAKEFIELD: This is a key part of our reform. Some of those programs are working very well. There is some strong feedback on the ones in my community, which has been positive. I also know people who have been through the victim conferencing program and have found that a very positive experience and a restorative one for them emotionally.

We need to be clear that these systems are not necessarily not working, but we want to be very clear that we have to be able to look at with a clear eye and be able to say this is working. Much like we have been able to with our Flinders camp—to be very clear about what the re-offending is there. We are much clearer around the programs that we have sent up while we have been in government, around what the evaluation is. For instance for Jesuit's family conferencing, we have a much clearer understanding of the success of that program than we have with the ones we inherited from the previous government.

Mrs FINOCCHIARO: The dollar figure?

Ms KERR: It is \$4.95m for youth diversion to those 11 agencies in total with the pre-sentencing or court ordered diversion. That also includes the boot camps or Flinders wilderness camp money.

Madam CHAIR: How much of that is allocated to GEMYDU—the exact figure, please?

Ms WAKEFIELD: Yes, I will hand that on to the department.

Ms KERR: The amount to GEMYDU is \$188 000.

Madam CHAIR: Is that per annum?

Ms KERR: Yes.

Mrs LAMBLEY: The Member for Nhulunbuy has asked me to ask a few questions on his behalf. Minister could you advise how many Aboriginal children are being held in detention and has this changed since the Royal Commission?

Ms WAKEFIELD: I will hand that to the department.

Mr DAVIES: Sorry, Member for Araluen?

Mrs LAMBLEY: Could you advise how many Aboriginal children are being held in detention and has this changed since the Royal Commission?

Mr DAVIES: I will hand that over to Jeanette or Sasha to get the exact numbers. I am not sure that we will be able to correlate it back straight away. We can talk about today's data. Certainly the numbers in detention have reduced since the Royal Commission—but I will hand back to Jeanette.

Ms KERR: As of today there are 17 young people in Don Dale Youth Detention Centre and 21 in Alice Springs, noting that four of those in Don Dale are from the centre—two from Alice Springs and two from Tennant Creek—and they are all Indigenous. The current projections for end of year for young people on a daily average in detention are 38 and the projection when Territory Families took responsible was 49. So it is a daily average of 10 less in detention.

Mr WOOD: Can you analyse, I do not know whether that is the right word, where those people come from? Are they from Darwin, Palmerston and the towns or from rural and remote?

Ms KERR: The vast majority of those young people are from Darwin and Alice Springs, in almost equal measure, about 35% to 37% of the total population each. Nine per cent are from Tennant Creek and the residual and 10% is from across the Territory.

Mr WOOD: The reason I ask that is because there is a lot of talk about cultural connection. I am always interested to know how you work the cultural connection with young people out of Darwin or Palmerston. What is the cultural connection there? I am not saying they do not have any cultural connection, but it is not quite as straightforward as maybe what the Member for Nhulunbuy is talking about.

Ms WAKEFIELD: It is a challenge for us and we need to be as flexible as possible. I might get the CEO to talk more about some of the strategies we have taken in terms of getting Aboriginal-controlled services to provide services within the facility. Often those organisations have a much better range of people available. It is one of the reasons why we are keen to work with Desert Knowledge on the detention centre in Central Australia because Desert Knowledge has a view across the whole of Central Australia and access to cultural knowledge across the desert region of Central Australia.

It is a challenge to make sure we are getting the right people. We also need to make sure we are utilising technology where we can. We also need to make sure where we have youth outreach workers who have built relationships with the kids that we have the flexibility for those workers to work with kids while they are in detention, or their child practitioner. We need to make sure that case management access is as flexible as possible.

It is one of the advantages of having the youth justice system within a broader service system of Territory Families where there is child protection, youth justice and a range of other services. It is a challenge, but I think if we want better outcomes for the kids that we are working with—the CEO mentioned that we have a senior practitioner in the youth outreach program now sitting on Groote Eylandt. I think that is a really important step forward. That is about making sure when kids leave the detention centre there is a continuity of approach and plans, so that the plan that was developed with them in the detention centre is followed through once they are back in the community. That was not happening prior to Territory Families being joined up as one agency.

Mrs LAMBLEY: The second part of that question—do you want to take that on notice? It was from the Member for Nhulunbuy. How many Aboriginal children are being held in detention and has this changed since the Royal Commission?

Ms KERR: As of today, 100% of the children in detention are Aboriginal. The proportions have not changed since the Royal Commission.

Mrs LAMBLEY: Another one from the Member for Nhulunbuy: the Royal Commission provided evidence that the ways that the Balanda system treats Aboriginal children is inhumane, costly and does not work. In my electorate of Nhulunbuy, we want to see our elders in control of *raypirri*—or discipline—for our young people. We want troubled young people out on homelands with oversight from elders and access to education from our people and through the school system.

The problem is, this requires a genuine partnership between government and Yolngu leaders with funding to assist our young people. Minister, are there any funding provisions in this budget for this kind of program?

Ms WAKEFIELD: It certainly is an issue that we have discussed with the Member for Nhulunbuy extensively. I think there are some further challenges on how we provide the in-place, community-based detention, where people are on country and remain on country and have access to senior people who can also take a cultural approach to what is needed for that young person. That is something we are continuing to do.

There is money within the budget for further regionalisation and I think further development of the model that we have talked about already with the Mikan group. But it is an area that we are going to need to continue to develop. I think it is probably going to look different from place to place. Whilst the Member for Nhulunbuy has a very strong vision for what happens on Yolngu land, I think that will look very different on Warlpiri land or on country as well.

We need to make sure we are linking this model with our local decision model so that local communities can make decisions around the ways that they want to respond to young people who are not meeting community expectations in terms of their behaviour.

Mr DAVIES: Member for Araluen, just in terms of numbers, over the data period up to 31 March we had one person from Yirrkala who was in youth detention; one from Maningrida, which is kind of out that way but not necessarily in the member's footprint; and then at Umbakumba and Angurugu we have had five young people, so that is on Groote. The numbers from the East Arnhem region are quite low in terms of being in youth detention.

Mrs LAMBLEY: Presumably he is talking about preventative measures.

Mr DAVIES: Sure. One of the things we have done with the Member for Nhulunbuy is to go out and meet with him. He is particularly interested in the Mikan group that has been set up. He has his own model of how we need to work with him to get the right advice about kinship relationships and who we need to be talking to in an authoritative sense about families. That is just part of our broader strategy.

He has been terrific in terms of supporting the work the minister is doing, as well as the agency, from being quite challenged by—initially when he first came to parliament—how it all worked. I think we are getting to the point where we are working much more closely together. That is a good outcome for us.

I just want to make a comment in relation to the Member for Nelson's question. Around the issue of engagement with traditional owners, that is why we worked with the Larrakia here and also with the Arrernte traditional owners in Alice Springs. They are the ones who are best placed to help us engage in a cultural sense with the other stakeholder groups and cultures coming into the youth detention centres.

They are the ones with really good insights into how culturally appropriate programs can be delivered in their space with respect and connection. It is just important to emphasise that we are engaging with them very early to build a model where that engagement process—they advise us as well.

Mrs LAMBLEY: One more from the Member for Nhulunbuy. He has asked about children in detention. Are they still being held in solitary conditions? This has changed, has it not?

Mr DAVIES: Yes.

Ms WAKEFIELD: We made significant legislative change around the use of isolation. It is now periods of separation from the rest of the prison population but with access to staff members at much more regular intervals. We made significant changes to that through the legislative process. I can provide some information on how we are implementing those changes to the legislation. I will get the team members to talk about that. That has been an important part of the legislative reform process.

Mrs LAMBLEY: Thank you.

Ms ROBINSON: Member for Araluen, through the legislation reform and the recommendations for the Royal Commission, our fix and make safe works have removed a lot of the high security, hard infrastructure that was used to have a young person in solitary confinement.

All of the rooms are now at the same level, apart from those that we have not done any work on due to infrastructure needs. Before a young person can be removed from a group and separated, there are certain criteria that the officers and youth workers who are supervising the young person must identify. That predominantly is that they are at risk of harm to themselves, to others or at risk of escape.

Before a young person can be removed from being a part of the group and separated, there must be due concerns. When a young person is separated and taken, not necessarily always back to their accommodation block—maybe to another area of our centre—they are supported by a youth justice officer and it is then reported in IOMS, which is basically our record keeping and monitoring for what we do in our centres.

If a young person is returned to their room, there must be 15-minute observations of that young person and communication between the officer and the young person. You cannot just look in and see them; you must verbally communicate with that young person. After 30 minutes the most senior person on shift must be informed that a young person has been placed back in their cell and that they have been separated. We have a register where this is recorded, and only permission from the CE allows us to have a young person separated for over 12 hours.

Mrs LAMBLEY: That is great. Thank you very much.

Mrs FINOCCHIARO: I might move on to bail accommodation when we have just ...

Madam CHAIR: Member for Spillett, we might just take a short recess. We will have a 10-minute break and recommence at 2.25 pm.

The committee suspended.

Madam CHAIR: Minister, I understand you have some answers to questions you would like address.

Ms WAKEFIELD: Yes.

Answer to Question on Notice No 9.1

Ms WAKEFIELD: Number 9.1 was to provide a breakdown of the number of Territory Families seconded and to what agency. That is 28. I will table which association and organisations they are seconded to, but I will note that 14 are with Northern Territory Police, including 13 in the Child Abuse Task Force.

Answer to Question on Notice No 9.6

Ms WAKEFIELD: I also have an answer to number 9.6, which is how many complaints were received by Territory Families from foster carers and how many complaints have been made against foster carers.

The answer is that at 31 March 2018, Territory Families had received 29 complaints from foster and kinship carers. Of these, three were regarding the de-authorisation of a foster or kinship carer and six were regarding payments to carers. The other, which is a total of 20, were regarding service delivery to children in care—for care planning direction, access arrangement. Territory Families received one complaint a Territory Families approve foster carer.

Answer to Question on Notice No 9.5

Ms WAKEFIELD: Question 9.5 was how many caseworkers have taken stress leave for the period of 1 July 2017 to 31 March 2018.

We received one workers compensation claim for a child protection practitioner which identified workplace stress as the causative factor.

Answer to Question on Notice No 9.4

Ms WAKEFIELD: Question 9.4: of the 133 staff resignations between 1 July 2017 and 31 March 2018 how many were frontline staff? What number of exit interview responses have you received and what is the predominant reason staff have left the department.

The answer for the Member for Spillett is, of the 133 resignations, 93 were frontline staff whose principal or primary function is providing direct service to the public. From 1 July 2017 to 31 March 2018, 14 exit interview responses were received, with the predominant reason for separating being relocation interstate for personal or family circumstances.

Answer to Question on Notice No 9.3

Ms WAKEFIELD: Member for Nelson, question 9.3—could the department say how many recommendations of the Bath report have been completed and how many have not been completed.

This is a copy of the statement from Mr Luke Twyford to the Royal Commission that addresses those issues.

We are more than happy to provide you with further information once you have looked at that, if you feel there is anything further you wish to know.

Answer to Question on Notice No 9.2

Ms WAKEFIELD: Question 9.2 which was for the Member for Spillett—provide the detail and the number of the type of applications TF—I presume Territory Families—has made to the Territory's local courts by region and application type.

I will not go through it, it is quite a significant amount of detail, but I will table that for your information.

Ms WAKEFIELD: The Department of Infrastructure has sent us some information, Member for Nelson, on the detention centre site.

It is Crown land utilised by the NT Government. DIPL manages all land for the NT Government. Territory Families has the controlling interest, therefore, this is on the Territory Families' land asset register. Assets have been transferred to Territory Families from the Department of the Attorney-General and Justice after the machinery of government changes.

Territory Families has the legal responsibility for the infrastructure on the site. Assets have been transferred to Territory Families but DIPL manages infrastructure works on the site.

Madam CHAIR: Thank you, minister. We will continue with questioning of Output 1.4.

Mrs FINOCCHIARO: I know we have less than hour to go and there is a huge amount of information we want to get, so we might have to whip through a few things more quickly than I would have liked.

Ms WAKEFIELD: I am more than happy to put some things on notice if you want further information or it gets detailed so that we can cover some of the really important areas of Territory Families, such as seniors and domestic and family violence.

Mrs FINOCCHIARO: Thank you. In respect to bail accommodation, will you be amending the *Bail Act*?

Ms WAKEFIELD: The *Bail Act* falls under the remit of the Attorney-General. We have been working on law reform processes across the whole of government as part of our response to the Royal Commission. I will hand over to Jeanette for the details on that.

Mrs FINOCCHIARO: If I could know how many sites and what the capacity of each site is.

Ms KERR: We have allocated \$4.86m to bail support services. That is for two service providers over three sites. One service provider is more for a niche market. We provided funding for four beds, essentially, on a permanent basis, and then there are 12 each in Alice Springs and Darwin, with Saltbush at Yirra House and the other house in Gap Road.

In addition to that we have the 1800 bail support line to provide easy access to police, legal service providers, YOREOs and our own workers to facilitate bail provision to young people, and for young people to contact their accommodation.

On 31 March we provided 729 bed nights to young people in supported bail accommodation. That was for 45 unique individuals, a total of 29 in Alice Springs and 16 in Darwin. As of today we have seven young men in Alice Springs, six in Darwin and one female in Alice Springs.

Mrs FINOCCHIARO: Do you keep record of how many of those have repeatedly been into bail accommodation? Are any of the 16 in Darwin and 29 in Alice Springs had an instance in bail support more than once?

Ms KERR: When young people are bailed it is to a remand date. When they appear back in court their bail will be continued, but it is not necessarily because of a breach. We have had some technical or compliance breaches due to getting home late or strap tampering. We have not, however, had any breaches that have related to fresh offending for any of the young people staying in bail accommodation.

Mrs FINOCCHIARO: When you have an episode of a bail breach, even if it is of the nature you described, what is the process of the department to notify police, the courts or whatever is required?

Ms KERR: There is a range of ways the breaches can be managed. It can be done through file or breach through a community youth justice officer to the courts. It might be a breach by police for fresh offending or if they identify a young person who has not complied. There are some cases where our providers or YOREOs provide evidence to the police to do the breach.

Mrs FINOCCHIARO: When a YOREO is the point of contact for a breach, what is the process for that YOREO to report upwards?

Ms ROBINSON: A YOREO completes a breach of notice form. The form is then provided to their senior officer, who signs off the form, and it is submitted to police.

Mrs FINOCCHIARO: That happens on every occasion?

Ms ROBINSON: It does. We have discretionary powers, very similar to what Corrections had. Parole and probation officers had the same with Corrections. Every young person who breaches the senior YOREO or YOREO who is supervising the young person must complete the breach. It is at the discretion of the senior officer within our YORET. They usually—I will not say all the time—will contact the senior director of youth justice programs or me.

Mrs FINOCCHIARO: So, the YOREO completes the form, the form then goes to a senior YOREO for assessment, and that may or may not go further up to you. When does that get to police, or it might not? You are saying at that level it stops?

Ms ROBINSON: That is correct. What we have had in terms of our data, from 1 July 2017 to 31 March 2018 there has been 435 breaches of bail. We always complete the breach. It may be that a young person has been 15 minutes past their curfew time. We will complete the breach notice. It is provided to their senior officer. The senior officer then considers if there were any negative outcomes to the community, any risk to a person or any additional offending. That then is entered into a register, so we hold all of those breaches.

If we believe there is a pattern of a young person breaching, we then submit it to the police and also provide notice to their legal representative. If it is the first time for a young person, the senior YOREO will have a

conversation with that young person and also the family, because we are moving towards the strengths-based approach.

Mrs FINOCCHIARO: How would the YOREO or senior YOREO determine whether or not there has been offending during the breach? You mentioned the example of a young person who is 15 minutes late for curfew. How would they know if a crime had been committed during that period?

Ms ROBINSON: They will not. That is why they must complete a breach of notice and then that is held. If police then—and every morning when a senior YOREO attends the office, they then go into IJIS, which is the police computer system, to see if there is any new offending, and also into IOMS. IJIS is held by AGD, sorry. We do a check every morning, but that breach of notice is still completed. It is not at the discretion of the YOREOs to decide if there has been offending or not.

Mrs FINOCCHIARO: I am just trying to get a clear picture of how that would be matched up. Say, theoretically, a young person did commit an offence in that 15-minute gap. Whilst they have come back to bail accommodation the YOREO does the right thing and completes the form. Separately police have been dealing with an issue elsewhere. Where does that intelligence match up so police can put two and two together?

Ms ROBINSON: The only way that a youth can be identified as offending is if they are apprehended for that offending or they make an omission or they are a witness, and in that case they would be arrested by police. If police have reasonable suspicions that a young person who is with us may have offended, if they are on electronic monitoring they request the tracking data for that, which we provide.

Mrs FINOCCHIARO: So there is no real-time reporting to police, who might be in the process of an investigation. They would have to approach Territory Families and ask, 'Have any of the people in your bail accommodation been out during these hours or in this area?' For example, to complete their intelligence?

Ms WAKEFIELD: I think the overall point though, Member for Spillett, is that this is a much higher level of supervision that has ever been provided before in the Northern Territory. Previously, the kids that were in the bail accommodation were most likely to be on community orders. Where there was not this level of supervision from the Corrections service. This is a much more joined-up way of working collaboratively with police that is much more accountable than what we have had in the past.

Mrs FINOCCHIARO: On the point of supervision, how does that work? If someone has been bailed to bail accommodation, the court prescribes what activities they are allowed to participate in. If the court ordered that someone is bailed to the accommodation but they are not allowed to leave—I do not know whether that is ever a real scenario or not, how does Territory Families ensure that that person is compliant with their bail?

Ms WAKEFIELD: One of the things that I am most proud of in the system is that we are able to provide the courts with much more information than previously, so that the court can make a much more effective order that is based around the issues of the individual child and what will prevent further offending. One of our roles, as the YOREOs, is to provide information to the court, to provide youth assessments to the court. They are done through a significant assessment process.

There is a holistic and rigorous process of assessing young peoples' suitability for bail in the first place. Also providing the option of 24-hour supervision whilst in the community, whilst the child attends school and gets those other parts of their life back on track. It is the first time that the courts have had those options.

The courts are more able to make nuance decisions and I will get the team to talk about what some of those options have been used for.

Ms ROBINSON: As part of the supervision process, the YOREOs must complete compliance reports and that provides the courts and legal representatives with information, pending the young person meeting their conditions.

Our supervision is not just to support them so they are in the right place at the right time doing what the judge has put within their conditions, but also monitoring that, talking with families, gathering information to support that the young person has completed court-ordered assessments as well, counselling sessions if necessary. That then goes into a compliance report, including breaches, when that young person returns to court for their next appearance.

As part of our supervision process, there are different supervisions. There is bail supervision, community-based supervision orders and, if they are on parole, we also have parole reports. There is quite significant information that goes into the supervision of any young person that is supported by a youth justice officer.

Mrs FINOCCHIARO: Using an example of Yirra House and Gap Road—I am not as familiar with Gap Road. They are not secure facilities. So, people who are bailed are free to come and go—that is not where you see your role as being the gatekeeper, as such?

Ms ROBINSON: We ensure that the young person meets their conditions set by the courts. If the court says that a young person does not need to return to the bail support accommodation until 8 pm, we certainly are not the gatekeeper.

Territory Families has funded, in each of our bail support services in Darwin and Alice Springs, a bail support practitioner who supports young people through case management in conjunction with their senior YOREO, and they ensure that the young person understands their conditions. Often what we have gathered from working closely with previous information, young people have not met their conditions because they did not understand them. Our work is ensuring that they understand, that the family understands as well, and that we are pre-empting conversations with young people where we believe that they may be in the wrong place.

We frequent areas where young people are, Casuarina Plaza for example. We are always connecting with the families as well to make sure the young person understands. Using electronic monitoring we are able to identify if a young person is coming up to curfew and they are not close enough to meet that curfew, we can contact the young person.

Supervision is broad, very broad.

Mr WOOD: Could I just ask one question about tampering, because I asked way back ...

Mrs FINOCCHIARO: Wait, let me ask my question first.

Mr WOOD: It is 407 questions to nil.

Mrs FINOCCHIARO: Yours follow from my question, they are connected. On electronic monitoring, what proportion of young people in your bail accommodation enter bail accommodation with a monitoring bracelet?

Ms ROBINSON: That changes daily. On average, electronic monitoring is through the courts or the police, but the courts. As of today we have four of our young people in our bail support services on electronic monitoring. This changes daily. On average, since 5 January—if we use 5 January as the start date for the Darwin bail support accommodation—we have had three young people on electronic monitoring within our Saltbush facility.

Mr WOOD: I was going to ask about tampering. Have there been cases of tampering? What sort of tampering has occurred?

Ms ROBINSON: Yes. Member for Nelson, up until 7 June, we have had 44 young people on electronic monitoring. In total, we have had 26 strap tampers. Strap tampers can also be accidental. We recently had a young person who we breached for a strap tamper but were able to confirm that it was due to their unit being faulty and not working.

There have also been situations where the strap tamper has accidentally been caught on something. It measures that it has been agitated, when it has not. Hence, why it is very important that the senior YOREO who supervises the young person has a relationship of trust with that young person so that we can do the review. It is signalled straight away and we are informed by G4S to provide us with that information.

Mr WOOD: Out of the 44, how many would be deliberate tampers?

Ms ROBINSON: We have had 10 young people who have re-offended on their strap tamper. We have had three young people who have absconded—not returned when their curfew has been and we have been unable to find them.

Mr WOOD: Have any straps been cut?

Ms ROBINSON: Yes, we have had straps that are cut. I would have to take that on notice to provide you with an actual accurate number.

Madam CHAIR: Member for Nelson, would you like to place that on notice?

Mr WOOD: Thank you, Madam Chair.

Question on Notice No 9.8

Madam CHAIR: Member for Nelson, please repeat the question for the record.

Mr WOOD: Minister, could you provide the details of how many electronic monitoring devices have been cut from young people on bail?

Madam CHAIR: Minister, do you accept the question?

Ms WAKEFIELD: Yes.

Madam CHAIR: The Member for Nelson's question has been allocated the number 9.8.

Mr WOOD: I just have a question on the cutting of them. Is the ability to do that something you look at in regards to whether you can have a better design?

Ms KERR: We could get a bracelet that could not be cut, but there are serious safety issues that go with that. It has to be that they can be cut.

Mr WOOD: There was some talk with the Minister for Police, Fire and Emergency Services that they were looking at a new style of bracelet. That is all.

Ms WAKEFIELD: I think that we also need to be really clear that bail is an opportunity for young people to change their behaviour and show they can and are willing to change their behaviour. If they are on electronic bracelet monitoring, there has already been a community safety assessment so they are not in detention for that reason. It is also about that young person having a change of behaviour. If they are cutting off the bracelet, I think that shows they are not in a position where they should be on bail and should be in detention.

I do not think we should back away from that. We need to be able to provide young people opportunities to make the changes, but where they are showing they are not, we need to respond very quickly—around their accountability. Electronic monitoring enables us to do that very quickly because we know straightaway that has happened. Whereas, if they were on another type of community bail, we would not have that information.

Mr WOOD: I support the concept. I just did not want to see a weakness in the process. It is only three, so it is not too bad.

Mrs FINOCCHIARO: In the instance of removing a bracelet, that would be a bail breach that would be reported to police?

Mr DAVIES: Definitely.

Mrs FINOCCHIARO: Okay. How many times have police been called to bail accommodation either here or in Alice Springs?

Ms WAKEFIELD: I think we will take that on notice.

Question on Notice No 9.9

Madam CHAIR: Member for Spillett, can you please repeat for the record.

Mrs FINOCCHIARO: How many times have police been called to bail accommodation in both Darwin and Alice Springs?

Madam CHAIR: Does the minister accept the question?

Ms WAKEFIELD: Yes.

Madam CHAIR: The question has been allocated the number 9.9.

Mrs FINOCCHIARO: Thank you. I might just ask a question regarding females in bail accommodation. I am just conscious of time. How are females on bail being supported through the Alice Springs and Darwin bail accommodation?

Ms WAKEFIELD: I will get Sasha to talk about some of the detail of that. I have to say, one of the most challenging parts for me in reading the Royal Commission findings was the area of young women in detention and some of the challenges young women face that are different to young men, being in a detention facility.

We also know there has not been adequate planning around the type of facility. One of the reasons we now have a separate female accommodation in the Alice Springs facility is that it was clearly not a safe situation for young women to be detained in that small, very unsafe dormitory space prior to us putting on that extra accommodation.

We have been working on that considerably, especially in Alice Springs. I would like to publicly acknowledge ASYASS for being so willing to take on the work of working with young women who are on bail and provide bail accommodation options for young women in Central Australia.

I will pass on to Sasha to talk about what the actual options are.

Mr ROBINSON: Member for Spillett, in regard to the young ladies we have in bail support accommodation, in Alice Springs we have had 12 individual young ladies with us since we have been offering that support and one in Darwin. The one female that we had in Darwin, her mother was able to stay with her in our accommodation for the three evenings. That was because of the use of the facility where we are able to open up sides.

We also have two—as I said previously—bail support clinicians, who are able to work very closely with our young females. They support them through their case management plans. They also are supported with predominantly a female YOREO as well. The way we support them is ensuring that we are following the Royal Commission recommendations in regard to having female YOREO youth justice officers if they are within our centres before they move into our bail support. We have female staff who work with them while they are in our centres.

We also have identified officers who provide female-directed activities with them, so working with employment providers to prepare them for employment opportunities, preparing to interview. We take them to Centrelink. We engage them in vocational training courses, such as hair dressing, beautician—through our case management we identify the needs of each individual female, and we have females who support wraparound services with them.

Mrs FINOCCHIARO: Minister, we spoke in parliament about the types of courses and opportunities we are giving young people.

Ms WAKEFIELD: We have a bipartisan approach on this issue, Member for Spillett.

Mrs FINOCCHIARO: We agree that an expansion on hairdressing and cosmetic-type opportunities should be explored. I trust that is in train.

Ms WAKEFIELD: Absolutely. The activities are requested by the young women, but I suppose it is also about challenging their view of themselves and what they are worth and capable of, and to make sure that we are providing young women who are in our care with a vision of themselves that is beyond some of those traditional roles.

Mrs FINOCCHIARO: Last question before we move on—in this reporting period, how many youth outreach and re-engagement officers have separated either for retirement, permanent transfer, resignation or termination?

Ms WAKEFIELD: Can we take that on notice?

Question on Notice No 9.10

Mrs FINOCCHIARO: Between 1 July 2017 and 31 March 2018 how many youth outreach and re-engagement officers have separated either for retirement, permanent transfer, resignation or termination?

Madam CHAIR: The minister has indicated that she accepts the question. That has been allocated the number 9.10.

Mrs FINOCCHIARO: That is all from me for that output.

Madam CHAIR: Are there any other questions for Output 1.4?

Mr WOOD: No, the Member for Spillett has asked all mine.

Madam CHAIR: That concludes consideration of Output 1.4.

Output 1.5 – Domestic, Family and Sexual Violence

Madam CHAIR: The committee will now consider Output 1.5, Domestic, Family and Sexual Violence. Are there any questions?

Mrs FINOCCHIARO: Minister, has construction commenced on the Alice Springs Women's Shelter?

Ms WAKEFIELD: I am very pleased to say that the service moved on Monday to its new home where it will be accommodated. The site has been cleared for the contractors to go in. There has been someone—a tender awarded. I would say it would be days before there is a sledgehammer, which will not be a minute too soon.

Mrs FINOCCHIARO: When will that be completed?

Ms WAKEFIELD: I can ask for the detail of the time frames for the delivery of that, but I know there is a plan for the service to be accommodated in its current location for an extended period of time to make sure we have enough time to build that.

Mrs FINOCCHIARO: I think the Member for Araluen has a follow-on question.

Mrs LAMBLEY: I notice in Budget Paper No 3 the variation in domestic, family and sexual violence output 2017–18 reflects the carryover of the one-off funding to the Alice Springs Women's Shelter from last year to this coming year. How much has been spent and what is the carryover?

Ms WAKEFIELD: I may get Kim Charles to talk about that, as the Chief Financial Officer. We have carried that over because the planning process has taken longer than was originally planned.

Ms CHARLES: A total of \$3m has been paid to the Alice Springs Women's Shelter in preparation of the commencement of those works and the engagement of the contractors to complete the works, and \$3m will be paid in milestone payments next financial year.

Mrs LAMBLEY: Last year's budget was just over \$28m and \$3m is being carried over to this year—to the next financial year. That means that apart for the funding for the Alice Springs Women's Shelter, the funding for domestic, family and sexual violence services has basically stayed the same from last year to this year?

Ms WAKEFIELD: We added an addition \$6.2m, I think, to the budget last year. We were very disappointed that there was no addition in the federal budget with the homelessness funding not changing at all in this

agreement. There is still no long-term agreement with the federal government around homelessness services, from which the domestic and family violence money is based.

That money is the Northern Territory Government's proportion of that homelessness money, but we report into the homelessness money from Territory Families.

It will probably be another piece of work into next year's budget around how we better support domestic and family violence services. We know all of them are under pressure. We also know that the safe house program, which is funded by the federal government, is coming up—when is it coming up again?

Mr DAVIES: In 2020.

Ms WAKEFIELD: In 2020, so we need to do some further work with the federal government about what its plan is to continue to support remote communities to have access to services that are available everywhere else in Australia.

There is also another large piece of work in the domestic and family violence area that is identified in our action plan going forward. It is around making sure domestic and family violence services and domestic violence services work much better in a coordinated way. That impacts on the workload of our specialist domestic and family violence sector.

Mrs LAMBLEY: Just one question around that. There will be no increase in funding in this area in this budget?

Ms WAKEFIELD: In this budget, yes.

Mrs LAMBLEY: Despite the fact that the sector is calling for more money? Obviously, they see their demands increasing. I know they do in Alice Springs.

Ms WAKEFIELD: Yes, yes. We are very aware of that, particularly with the Alice Springs situation. We want to get that new building built. Their capacity will not be the same. It would be difficult to have an increase in service delivery under the current situation while they are building the new building.

We will look at that again once the new building is completed and how that impacts on their service delivery model.

There is a hope that women will be able to stay in that accommodation for longer and better stabilise than they have been able under the previous model, but that will have impacts on the service delivery.

We are having significant conversations with the sector about how we move forward in terms of development of the sector. While we are developing that policy work with our action plan, whilst we continue to negotiate with the federal government about their homelessness funding and their long-term benefit—they have only rolled that over again for another 12 months.

While we are continuing to develop the capacity around what service delivery is required in remote regions, particularly around the safe house model, we feel like there is more development work to do there and to understand what the long term need and costs are.

Ms NELSON: Is that funding tied into the COAG action plan, the domestic violence framework?

Ms WAKEFIELD: There is a national plan for domestic and family violence. Our plan mirrors the structure of that plan. We have also gone through a similar time frame so that it does ...

Ms NELSON: So that we are all on the same page nationally?

Ms WAKEFIELD: Absolutely. In the national plan there were plenty of opportunities with the federal priorities for us to work closely with the federal government. What has been disappointing, I know there has been national conversation around that, is that there was no money within the federal government to increase domestic and family violence services.

We know it is a significant issue, it is something we have been asked to be part of the Closing the Gap measurements. We know the impacts of domestic and family violence on our child protection statistics are significant and that is one of the reasons why we have put in a new measure within the budget papers this

year, so that we can clearly track that. We are counting the number of cases where domestic and family violence is involved in our child protection system.

One of the weaknesses of the review of the Royal Commission was that domestic and family violence was not included in that process. We have to do that as a government to make sure we are truly understanding what is driving not only our child protection system, but our youth justice system as well.

Ms NELSON: In Katherine the biggest issue we have got right now is obviously physical space, more so than anything else. It is a bit like what came first, the chicken or the egg?

Ms WAKEFIELD: We are investing in infrastructure in Alice Springs at the moment. Alice Springs Women's Shelter is by far the busiest shelter in the Northern Territory, so it is appropriate to invest there first. We also know that Tennant Creek, Katherine and places like Dawn House in Darwin also need further infrastructure investment. There has been no investment in the infrastructure of domestic and family violence services for a significant period of time. I can remember previous ministers telling me that it was never going to happen.

I am very proud of a government that is building that support service. Beyond just building a new building, building it so it has more positive impacts into the lives of women and children.

Mrs FINOCCHIARO: In May you announced the funding of Safe, Respected and Free from Violence Prevention Fund of \$300 000, but half of that money was allocated to the Tennant Creek action plan. Could this action plan have been funded from elsewhere, so that the full \$300 000 could be utilised by organisations. I wanted to know the rationale of allocating half of that fund to the action plan?

Ms WAKEFIELD: I can perhaps hand to Danyelle to talk about some of the detail of that. One of the things in that funding plan is we clearly identified—and this was well before there was any publicity around Tennant Creek—that Tennant Creek was an area where we really did need to invest in our domestic and family violence services.

Mrs FINOCCHIARO: I am not disputing that. I just thought, could we have done that ...

Ms WAKEFIELD: We know that we have to get ahead of the game in terms of prevention and coordination in Tennant Creek. It is about prioritising that area. I will hand to Danyelle to talk about the process of how that happened.

Ms JARVIS: The inaugural grants program which was focusing on prevention was one of our priority actions of our new framework. We recognised that there was a strong need for prevention activities for Tennant Creek and, through consultation with the NGO sector, agreed that we would quarantine \$150 000 to focus on Tennant Creek. We have only just completed the selection round, and I am pleased to advise that two NGO grants have been awarded that will focus on Tennant Creek.

Of the \$300 000, \$200 000 of that will be quarantined, focusing on Tennant Creek and Alice Springs, which will be via the Tangentyere and Alice Springs Women's Shelter, working closely with a very well-regarded consultant, Maree Corbo, for some exciting prevention activities.

Mrs FINOCCHIARO: The remaining \$100 000 will be distributed to organisations in the Top End or the Katherine region?

Ms JARVIS: We are really conscious of trying to have a diversity of grants, so we will see activities occurring in East Arnhem; there will be programs happening in Darwin, Katherine and one in a remote community—I can provide you that information.

Mrs FINOCCHIARO: Have those been announced yet?

Ms JARVIS: Yes, all the organisations have been advised.

Mrs FINOCCHIARO: The \$300 000 has been expended, or at least allocated?

Ms JARVIS: Yes, it will be expended this financial year, and we will look at another program later in this calendar year. This was an inaugural program as one of our priority actions under the new framework.

Mrs FINOCCHIARO: Has the safe house in Galiwinku been constructed?

Ms WAKEFIELD: There has been an ongoing conversation with the community about the location of the safe house, and there are still some land tenure issues that need to be resolved. We are continuing to work with the community to make sure the women's group that has driven this outcome is still developing what the model inside the building looks like, which is the more important piece of work.

The Northern Land Council is leading that tenure process. I spoke to some of the women on that community who have been strong leaders in this area and said to them, 'Tell me straight; is it more important to wait for the right piece of land or should we push forward with something else?' They were very clear they want it to be on the right piece of land, and they want to take the time to understand the process.

We think there are some ways we can provide them with some space to do other work on development of the model—strengthening their ideas around governance and how that might work while we are waiting for that land tenure to be established.

Did you have anything to add to that, Brent?

Mr WARREN: The only thing I want to add is that we have been working with the women to take them on a bit of a study tour. They have been across to Angurugu and to Katherine to inspect those facilities and understand how they are operating as part of their development process.

Ms WAKEFIELD: We are very keen for this to be a community-led project—a template for communities to take responsibility for the service delivery that works in their community. We are very fortunate to have such a group of strong women who are so engaged in that process supporting us through that.

Madam CHAIR: Thank you. That concludes consideration of Output 1.5 and Output Group 1.0.

OUTPUT GROUP 2.0 – REFORM MANAGEMENT OFFICE **Output 2.1 – Reform Management Office**

Madam CHAIR: The committee will now proceed to Output Group 2.0, Reform Management Office, Output 2.1, Reform Management Office.

Mrs FINOCCHIARO: I only have one question in this output. Given the glaringly obvious issue of IT services, databases, and infrastructure that is chronically needed in Territory Families and across agencies, I want to understand what role the Department of Corporate and Information Services has in this. They have been on a different day, but the department flagged \$66.9m to develop this software. What involvement is that other department having at this strategic level?

Ms WAKEFIELD: Good question, Member for Spillett. I have met with the department on multiple occasions to really flesh through what is required, what they planning is and how they have developed what we want. It is a significant ask from a budgetary point of view and certainly from me, coming from an NGO background. It is a huge amount of money.

Mrs FINOCCHIARO: It is a huge amount of money. DCIS is the agency that will delivering as such?

Ms WAKEFIELD: Yes. There is a governance process that is put over the top of DCIS around some of these larger projects, which we have approved as a Cabinet. We will continue to have that governance process.

We are very much following the way that DCIS has worked proactively with the Health department, and there has been very positive feedback to me from clinicians on the ground about the amount of input they have had into designing the program and making sure it works for workers on the ground. We really want to make sure that is the process for us as well. It is a close collaboration.

Is there anything you want to add to that, Ken?

Mr DAVIES: Thanks, minister. Member for Spillett, we have been working very closely with Kathleen Robinson, the CE of DCIS around this project. Clearly, it is a huge expense of public money. We want to make sure it is done properly.

There is quite a complex governance process that has been set up around this that involved input both at the chief executive level, but also around regular reporting through to government regarding progress.

In terms of determining the specifications for the new system, I understand the Health department system was rolled out with an additional 4000 specifications in it in terms of requirements that were generated by practitioners and the medical profession regarding the needs of that system—to be built around—so that a decent case management system could be built.

We are going to adopt the same process. We will be consulting extensively with our practitioners and clinical practice people, who have an extensive role in this. I have given a commitment as well to talk to the non-government sector. Clearly we want a case management system in the longer term that enables—especially for outsourcing services—some sort of an interface with non-government service providers so we can build a good data system that enables us to deliver in-time services and measure what we are doing.

It is a very comprehensive process. A lot of risk-management is being built into it. In terms of the design of the specifications around the system we want delivered, we need our youth justice and child protection practitioners as well as our domestic violence practitioners involved in the specifications that they need. It is really important.

Ms WAKEFIELD: That being said, as we said previously, there is already work commencing on the most urgent parts, making sure there is enough movement forward so that we are meeting the needs of the workforce now—in regard to the tablets and the better vision of multiple notifications.

It is a continuous process moving forward. I think it will be a significant piece of work. We are trying to future-proof it as much as possible, as much as one can with technology.

Mrs FINOCCHIARO: in my view, this cannot be done quickly enough. It is a huge piece of resolving—not resolving, but it is a huge tool. The power of it cannot be underestimated. You fully have the opposition's support to execute that as swiftly as possible.

Having said that, with IT projects—you really have to approach those really carefully. History will show that right across the country and indeed the world, they need to be managed very carefully. We have seen that with AMS and other projects.

Ms WAKEFIELD: As a Cabinet, we are very aware of that and have put in significant governance processes that mean DCIS needs to report to Cabinet on a regular basis—and that there is external oversight of that governance. It is external input into that governance as well.

Mrs FINOCCHIARO: Thank you. That is all from me for that output.

Mr WOOD: Minister, the Reform Management Office has a total budget allocation of almost \$3m for the year 2018–19. What is the current staffing level of this office and what has it achieved since commencing operation in November 2017?

Ms WAKEFIELD: I will get Janet Anderson to answer that as the Chief Coordinator of the office. One of the things we were very mindful of, as a government, was how we do this response to this report differently so we are not doing as you said previously, not implementing the outcomes. We know that has been an issue in the past; there have been multiple recommendations that have not been put through.

We have wanted to set up a process that means that not only is Territory Families accountable for the implementation, but there is a whole-of-government approach and a central coordination point for that to make sure that all agencies are part of that moving forward.

This is a very significant way of us resourcing the public service. Too often, what we have done in the past is ask people to implement reform on top of their normal job, which is already clearly overstretched and not necessarily working very well—hence the reason for the report. Whereas, this is about having another set of skill sets going over the whole-of-government.

I will get Janet to talk about the resourcing we have put into it.

Ms ANDERSON: Thank you, minister. Thank you for the question, Member for Nelson. The staffing complement of the Reform Management Office is five full-time equivalents for the moment. That includes one project support officer and four staff, including me.

The second part of your question is what we have been doing. Since the report was released in November, we have supported the government in providing a full and complete response to all 227 recommendations.

As you would be aware, there was significant work involved in informing government about the options for expenditure that came to certain views about the budget allocation—a very significant amount of work put into the announcement of over \$200m new money over the five years—then in establishing the project framework for implementation, working very closely with other agencies.

There have been a number of references over the course of today about the whole-of-government cross-sectoral approach that has been taken to ensure we get full scope of implementation and sustainable delivery of better outcomes for children and families across the Territory. That does not happen overnight. That requires a significant amount of coordination, collaboration with other agencies, both across and deep into the non-government sector, which all requires a degree of coordination and communication.

Recently, we have been asked to take on responsibility also for supporting the Northern Territory Government response to the national Royal Commission into Institutional Responses to Child Sexual Abuse. That will be an additional term of reference, if you like, for the Reform Management Office. We are looking at the resourcing that might be required additionally to support that effort. The government has also asked us to take charge of overseeing the reform components in the early childhood development planning area. That also will be something we are working on.

Part of our work has included liaison with the Commonwealth Government. There have also been a number of references today about the various things the Northern Territory Government is hopeful of working on with the Commonwealth Government. Our colleagues in the Commonwealth Department of Social Services have been very willing, enthusiastic and energetic about working closely with us. We are working to establish the tripartite forum, which is the recommended body comprising representation from the Northern Territory Government, the Commonwealth Government and what is called the community sector to oversee the reform agenda and ensure that we are delivering the results that Territorians expect.

That does not have many precedents and the level of response we have so far garnered from the Commonwealth Government, frankly, reflects credit on them. Their senior bureaucrats are very prepared to work alongside and closely with us as we pursue that joint agenda.

We are also working on other recommendations with the Commonwealth Government, including some work on the child and family centres. While we are still hopeful that they might provide a capital contribution towards that, there is no doubt that they are working closely with us to see whether they can make a recurrent funding contribution through some of their existing programs. We are very enthusiastic about what that might hold for program delivery.

It has been a fairly busy time. There continues to be a lot to take our efforts and attentions and with the additional roles that the RMO is taking on, I expect it will continue to be busy.

Madam CHAIR: That concludes consideration of Output 2.1.

Output 2.2 – Support Families Earlier

Madam CHAIR: The committee will now consider Output 2.2, Support Families Earlier. Are there any questions?

Madam CHAIR: That concludes consideration of Output 2.2.

In consideration of time, are you wanting to go to Output 3.1?

Mrs FINOCCHIARO: Output 3.1? Yes. Are you happy with that Member for Nelson?

Mr WOOD: Is that seniors?

Mrs FINOCCHIARO: Yes

Madam CHAIR: The minister has two more answers.

Answer to Question on Notice No 9.9

Ms WAKEFIELD: I have an answer to question 9.9. How many times have the police been called to bail supported accommodation in Darwin and Alice Springs—from the Member for Spillett.

NT Police have been called to bail supported accommodation in Darwin on four occasions. The police have not been called to bail supported accommodation in Alice Springs for antisocial behaviour to date.

Police have attended bail supported accommodation for a breach or have visited to follow up or speak to a young person in support of their compliance or to discuss matters that will be going before the court.

Answer to Question on Notice No 9.10

Ms WAKEFIELD: I have an answer to question on notice 9.10. Between July 2017 and the 31 March 2018 how many YOREOs have separated through retirement, permanent transfer, resignation or termination— from the Member for Spillett.

That figure is seven youth outreach re-engagement officers have separated from the agency, all of which have been by resignation.

Output 2.3 – Evidence-Based Practice

Madam CHAIR: The committee will now consider Output 2.3, Evidence-Based Practice.

Are there any questions? That concludes consideration of Output Group 2.0.

OUTPUT GROUP 3.0 – SENIORS, PENSIONERS AND CARERS
Output 3.1 – Seniors, Pensioners and Carers

Madam CHAIR: The committee will now consider Output 3.1, Seniors, Pensioners and Carers. Are there any questions?

Mrs FINOCCHARIO: Minister, I know we both value the contribution that seniors make in the Northern Territory, particularly in Palmerston and the rural area. We have an extremely vibrant community of seniors who make a valuable contribution.

With respect to the changes to the Pensioner and Carer Concession Scheme, and now being split into two, there have been concerns from seniors, and people have been telling me that it has now created essentially two tiers of senior. I wanted to ask why three levels of eligibility have been stripped out of the new concession scheme. I cannot remember the names of them, I am sure you have them. There were three cards that made you eligible under the previous scheme, which have now been removed out of the concession scheme.

Ms WAKEFIELD: I will get the officers to talk about those levels that are no longer eligible. We are now ensuring that all seniors are included in the scheme at some level. The Seniors Recognition Scheme, which is \$500 a year, can either be used for travel or towards Power and Water bills and is available to all seniors in the Northern Territory, no matter what their income or where they live. This is about supporting seniors to stay in the Territory and it is the most generous scheme of its type.

We also have a pensioner concession scheme which is much broader in its scope, and that is about providing a Power and Water concession and a range of other concessions (inaudible) and a range of other things for people who are on a pension. That acknowledges that people living on a pension are doing it tough with expenses and day-to-day living expenses. It is about us providing support to the most vulnerable people in our community around those day-to-day living expenses.

I think it has been an important step to separate the two. It gives us more flexibility going forward. It also means that all seniors are recognised for their contribution to the Territory. We have also made the decision to grandfather people who were in the scheme. There are people in the scheme.

Mr WOOD: Is that the original scheme?

Ms WAKEFIELD: Yes. The people who were receiving a concession, even though they may have a significant income, are still going to receive it if they were in the scheme previously.

It means people that were in the scheme can plan and move forward. Their circumstances have not changed. We thought that was the fair thing to do. Moving forward, we want to support seniors with a scheme that is sustainable and less open to fraud than our previous scheme. We are also supporting the most vulnerable Territorians with cost-of-living expenses.

Mr WOOD: The grandfathered original scheme—do they have to register?

Ms WAKEFIELD: I know some people will find this difficult, but they will have to register annually. We know that is where some of the checks and balances fell through the cracks, with some people receiving the scheme who no longer live in the Territory, and people continuing to receive the concessions even though someone may have passed away.

When we originally sent information to people regarding the scheme, we had a large proportion of letters returned because people were not receiving the letters.

Mr WOOD: I think that will need publicising. I tried to learn about it from the website, and I found this website very difficult to get through. It came out on my printer with lots of pages, small print and bits of things on the paper. Is there something wrong with my computer or is something wrong with the website?

Ms WAKEFIELD: I think it is fantastic that you road tested the system for us, Member for Nelson, and I take on your feedback. It has been a difficult reform and I know many people are anxious about it; however, we have done a wide range of information sessions that have been well received. We have contacted people who were worried ...

Mr WOOD: Will seniors get a reminder to register? That is what worries me.

Ms WAKEFIELD: Yes they will. It is very clear, the information coming out. We are recommending people who are not confident using the computer to go in and talk to a person at Territory Families. We have excellent front counter staff who are able to support people with their individual circumstances. One of the things we found when we talked to people is they are concerned about their individual circumstances. We encourage people to do that or call the phone number.

We are not going to suddenly cut everyone off on 1 July or anything like that. We will go through in a staged and clear way to make sure everyone gets the information they need to re-register and the process to re-register.

Mr WOOD: Can you upgrade this website a bit more so it is readable?

Ms WAKEFIELD: I am sure Nicole can talk to you about your concerns and get that feedback so we can take on board any changes that need to be made.

Mr WOOD: Something I can print off?

Ms WAKEFIELD: Yes.

Mrs FINOCCHIARO: Member for Nelson, there are PDF versions. In relation to my previous question, why were those three layers of eligibility cut out? I believe carers was one of the layers?

Ms WAKEFIELD: Yes. I might hand to Danyelle around the small group that were changed.

Ms JARVIS: Member for Spillett, we had extensive community consultation looking at what were the best options for the NT Pensioner and Carer Concession Scheme. Strong feedback was about ensuring it was a sustainable scheme going forward.

As part of that process we looked at all concession types, and our eligibility. Types of eligibility included a mixture of short-term and long-term pension types. The decision was made to focus on what we decided to be long-term pension types. There was only one concession type that was removed, which was carer's allowance, which is a non-means tested payment that is provided.

Acknowledging that some families have made planning association with receiving the ongoing concessions, those current members up to November, when the announcement was made, have been grandfathered into the scheme.

Ms WAKEFIELD: It is important that people on a carer's pension are still eligible. It is just that one small payment, yes.

Mrs FINOCCHIARO: For the carer's allowance, yes. One last question—I wanted to ask about people in rural and remote areas who are off the grid. How are they expected to access their concession?

Ms WAKEFIELD: Most often it happens through a store or a token process. Kim can give more information about that.

Ms CHARLES: Member for Spillett, if remote members are off the grid we either load the electronic pre-paid meters in communities or we send out physical tokens. The Power and Water Corporation is currently in the process of moving all of the physical tokens over to electronic meters, which will be a much more efficient way for us to provide that concession moving forward.

Madam CHAIR: Thank you. I believe the minister has an answer for a final question.

Answer to Question on Notice No 9.8

Ms WAKEFIELD: One last one, number 9.8—the details of how many electronic monitoring devices have been cut by young people on bail.

The number is eight, between 5 January and 31 March this year, in Alice Springs and Darwin.

Mrs FINOCCHIARO: Thank you. Madam Chair, can I put on record my thanks to the Department of Territory Families for all their hard work in the lead-up to today and for being prepared and present today. Thank you very much.

Mr GUYULA: Hear, hear. Thank you.

Madam CHAIR: This concludes the time allocation for the consideration of all output groups relating to Territory Families. On behalf of the committee, I thank the minister for attending and the officers who provided advice to the minister today.

The committee will now move on to consider the activities, performance, practice and financial management of the Power and Water Corporation. I will allow a 10-minute changeover. We will recommence just after 3.40 pm, thank you.

The committee suspended.

SCRUTINY OF GOVERNMENT OWNED CORPORATIONS

POWER AND WATER CORPORATION

Madam CHAIR: We will recommence the hearings. I welcome John Langoulant AO, Chair of the Power and Water Corporation Board. Mr Langoulant, would you please introduce the officers accompanying you today.

Mr LANGOULANT: Thank you, Madam Chair. It is a pleasure to be here. The members at the table are Michael Thomson to my left, who is our Chief Executive; Neil Siford to his left, our Chief Financial Officer; Djuna Pollard, who is our Executive General Manager Power Networks; and to my right, is Malcolm Conway, General Manager Systems Control.

We have a few other officers behind us in case there are questions which will require technical answers. We will be able to draw on them, I am sure.

Madam CHAIR: Fantastic, thank you very much. Mr Langoulant, I will invite you to make a brief opening statement, then I will call for questions regarding that statement. The committee will then move on to consider questions regarding the corporation's 2018–19 statement of corporate intent. I will invite the shadow minister

to ask their questions first, followed by the committee members, and finally any other participating members may ask their questions. The committee has agreed that other members may join in a line of questioning pursued by a shadow minister.

Mr Langoulant, would you like to make an opening statement on behalf of the Power and Water Corporation?

Mr LANGOULANT: Yes, thank you, Chair. I have a relatively short opening statement, you will probably be pleased to hear.

Following our unqualified audit opinion which was given to the corporation by the Auditor-General last year, we are of the view that we are on track for another healthy set of accounts in 2017–18. As work continues to improve the rigour of our overall financial governance to further improve our core systems and processes and a continuing focus on revenue recovery and delivering an efficient cost base within the context of an acceptable risk profile, our profit forecast and key financial metrics across the statement of corporate intent period continue to show an upward trajectory.

They are accompanied by forecast returns to our shareholder over the statement of corporate intent period. Notwithstanding that the financial outcomes could be impacted by the final Australian Energy Regulator determination, which will be effective from 1 July 2019, and the continuing risk in the gas business unit that may result in headwinds in covering the cost of the long-term gas supply agreement and associated transport contracts.

In April of this year the Treasurer appointed four new directors to the Power and Water Corporation Board. They were Mr David Bartholomew, Ms Teresa Dyson and Ms Rowena McNally, who all started in April. And Ms Gaye McMath will commence in September. Each of the new directors brings a raft of experience and expertise to the Power and Water Corporation. I am looking forward to working with them.

This has meant, however, that three directors have recently retired from the Power and Water board. They being Mr Richard Griffiths, Ms Helen Stanton and Ms MaryAnn Bin-Sallik. I would like to take the opportunity to thank them for their dedication and commitment to the Power and Water Corporation over the course of their terms as directors.

I would also like to make special mention of Mr Ken Clarke, who will be retiring from the Power and Water board in August this year. Ken has dedicated many years to Power and Water in various board roles, including as Chair, and currently as my deputy. I am very appreciative of the support and guidance he has shown me in this role over the course of the past 12 months.

Looking to the future, Power and Water is embarking on an ambitious yet necessary reform of the way it organises itself and the way it operates across its six lines of business, those being water, sewerage, generation, network, retail and system control. This is called our target operating model project. An operating model describes how the major parts of a business—the structure assets, systems and processes—work together to deliver value.

Under the operating model project we are aiming to remove duplication across the corporation to address red tape and internal barriers that prevent high performance, especially with respect to customer service. The objective is to create an integrated workforce where accountability lines are clearer and people capability gaps are addressed; and to establish a platform for providing effective, efficient services; and to maximise value for customers in the Northern Territory.

The board is expecting to review a blueprint of the operating model project later this month. By the time we come back to you here next year, I am confident we will have started to make solid inroads towards our goal of becoming a more accountable organisation with good risk management and governance practices. We have simplified systems and processes that leverage the synergies of being a multi-utility. The ultimate outcome, as I said, is to improve customer service.

The operating model work is consistent with the plan set down in our statement of corporate intent and with the expected outcomes from our transition to the Australian Energy Regulator determinations.

I am happy to take questions.

Madam CHAIR: Are there any questions relating to the opening statement?

Consideration of Statement of Corporate Intent 2018–19

Madam CHAIR: The committee will now consider questions relating to the Power and Water Corporation's 2018–19 Statement of Corporate Intent. Are there any questions?

Mrs FINOCCHIARO: Thank you, Madam Chair and the hard-working team at Power and Water who have obviously done significant preparation for today to happen and to appear today. Thank you very much.

Mr Langoulant, you mentioned in your opening statement the departure of the Deputy Chair, Mr Ken Clarke. There has obviously been announcements around the four directors. Should Territorians be concerned with this level of turnover and continuity of service delivery, given that high turn-over at such a high level for the Power and Water Corporation?

Mr LANGOULANT: No. I do not believe anyone in the Territory needs to be concerned by that. The quality of the people we have brought on to the board is extremely high. They have joined an organisation with significant maturity. In the last couple of years, an enormous amount of very good work has been done. For instance, I mentioned the unqualified audit. As a group of executives and as Chair of the board, we are delighted we are in this position compared to where we have been over the previous years.

Each of the new board members will have the support of the executive. They bring diverse experience. I think the new board will actually step up the governance capability of the corporation.

Mrs FINOCCHIARO: What is the size of your board?

Mr LANGOULANT: It is six, plus me as the Chair.

Mrs FINOCCHIARO: So three will remain on it with four new.

Mr LANGOULANT: One of the members was re-appointed for 12 months. Another one of the members, Ian Kowalic, will also be stepping down in September. There has not been any announcement of who will be replacing Ian in September.

Mrs FINOCCHIARO: Thank you. Have there been any significant changes in executive management over the past year or reporting period? Are any foreseen in the coming financial year?

Mr LANGOULANT: I will let Mr Thomson talk about this matter. In the period of time that I have been Chair, which is a year to the day ...

Mrs FINOCCHIARO: Congratulations.

Mr LANGOULANT: Thank you. I only noticed that when I was reading the notes. I was waiting for the cake when I arrived today but it was not there.

Ms NELSON: You just have our undying gratitude for being here. Happy anniversary.

Mr LANGOULANT: Thank you. It has been a very stable term. I have to say, I have been very impressed with the quality of the team, which sits under Michael's leadership. There has been a huge amount of work, which you will gather as you go through your questions this afternoon, both in terms of the business operating model and development, and particularly with respect to all the work around the move to the new Australian Energy Regulator—just getting the accounts to the point where we can have an unqualified audit.

Those three matters in particular, together with normal business—we had the cyclone. From a board point of view, we were extremely impressed with the way the organisation responded to the matters flowing out of that cyclone. All of those things—for yours and for all Territorians' perspective—should give you great comfort in terms of how the management of the corporation is progressing.

I am not sure there is anything else to say.

Mr THOMSON: Over the last 12 months the executive leadership team has been very stable. We are working through our target operating model, which will look at how we organise ourselves going forward. There may well be some changes as a result of that. We want to put more focus on the customer. We have a significant IT program coming up. Again, we will probably look at some of those appointments. There will be changes, but we have had a very stable team over the last 12 months.

Mrs FINOCCHIARO: Okay. Thank you very much. We should mention the news today regarding the testing of uranium in water supplies. I just want to ask some questions around that, which I am sure you anticipated.

More broadly, what is Power and Water's policy around the testing of water in urban, rural and remote contexts?

Mr THOMSON: I will take this first at a high level—and then if you want to go into more detail. Across the Territory, particularly in the regions and remote areas, we have increased significantly the work we are doing around the water catchment areas in particular. We view that there are different risk ratings associated with different water issues. The highest risk issue for us is pathogens in water—bugs that can make you very sick. So, we spend a fair bit of our program putting a lot of new bores in, getting the water from underground, and removing the surface water dependencies where it is easier for pathogens to enter the water supply.

We have had a significant expenditure program on that and that has been our priority. As we complete that work, we then move from the source water to the distribution—the local pipes and things like that where, again, pathogens can enter the system. That is the next highest priority of risk.

Following that, we look at the longer-term mineral-type issues—whether it is uranium or other sorts of minerals which tend to have a lifetime issue rather than immediate sickness. Again, we are conscious. Over the last couple of years, the risk to our water has significantly been reducing. We still have some way to go on those mineral-type issues. But again, the high priority for us has been the pathogen risk.

I am happy to get a more fulsome answer if you are looking for that or ...

Mrs FINOCCHIARO: I have more questions on the water testing. Who conducts water testing for Power and Water? Is it something you have within the organisation, or is that something the Department of Health does, or do you contract a third party to provide a service?

Mr COUCILL: David Coucill, General Manager Regions and Remote. We use external services for the testing. We provide our contract staff in the field to do the water collection and samples. They are brought in on a regular basis and go to external testing.

Mrs FINOCCHIARO: Do you have a regular regime of water testing across the Territory or does an event trigger a water test?

Mr COUCILL: We have monthly tests that provide our database, if you like, which we monitor and trend. Obviously, if we have a specific issue, we will up the testing to manage that specific issue.

Mrs FINOCCHIARO: So, you are looking for that organism-type presence in the water and minerals. Is that the two?

Mr COUCILL: That is right. With pathogens, E. coli is one that is regularly referred to. It is a serious bug. We are generally looking at the testing for E. coli, for instance. That will lead to additional chlorination or treatment if we find that.

Also, we keep an eye on all the chemistry in the areas and provide an annual water quality condition assessment report across all the communities, which is publicly available as an external document.

Mrs FINOCCHIARO: So, treatment of pathogens seems reasonable straightforward because you can use a product to kill the problem. If you are detecting higher levels of chemicals or the wrong chemical—whatever it might be—how is Power and Water able to deal with that issue?

Mr COUCILL: There is a number of chemicals naturally occurring in the water sources. They vary between regions and communities. There are some that can cause acute issues, such as nitrates. We detected that in a couple of communities in years gone by and we have introduced what we call advanced water treatment plants to manage the nitrate risk in those communities. Kintore, Ali Curung and Yuelamu all have advanced water treatment plans. That addresses that issue.

We then move into the lower level, more chronic long-term concerns, uranium being one of those. As Michael mentioned, they are more a lifetime exposure type issue. They are on the plans to address. We cannot leave that issue forever, but we go back from the acute issues to pathogen management and move into the chronic issues.

Mrs FINOCCHIARO: How many areas in the Territory has Power and Water identified as having elevated levels of chemical compounds such as lead, uranium, PFAS or whatever it might be? Are you able to break that down by area?

Mr COUCILL: We have the Australian Drinking Water Guidelines, which give us some indication of where we should be sitting. There are about six communities at the moment that sit above those levels, for different combinations of chemicals.

In the article last night, uranium was mentioned at Laramba that is above drinking water guidelines. We were aware of that. It is not at levels that concern us in the near term, but it is something we are developing a management strategy for, as we are with the other six communities.

Mrs FINOCCHIARO: How does that work? If a chemical compound is found to be above the recommended level for drinking water, how does Power and Water intervene? You mentioned this case is not of concern.

Mr COUCILL: There are a number of treatments, the first being if we can blend the water source. You mentioned PFAS, which is not so much in the remote areas, but blending is a way of controlling this. For instance, if we have a bore that is particularly high in a chemical such as uranium, if we have other bore sources in that same feeder system, we will intermingle and that will be a way to get the average to a level well below the Australian Drinking Water Guidelines.

In some communities that is not possible. If we talk about Laramba, there are a couple of bores that feed the Laramba system. They are both fairly close together. They are in the same aquifer, and that is a considerable distance away. We have to pipe water to Laramba from about 30 or 40 kilometres away. That is the nearest economic and tenable water supply for Laramba.

Both bores have different results, but both are fairly high so we do not have the option to blend out. We do not have a surface water source either, in that region. It is in the desert region.

Advanced water treatment is the next way to go. We are looking at research, potentially with a University down south. They will look at the best option developed. We have had some issues with reliability on our current standard technology, so we do not want to rush into these things. We want to make sure we can plan an optimal result for the long haul. If we can get a stable way of dealing with this sort of chemistry, we can roll that out across all our communities, not just one.

Mrs FINOCCHIARO: In the situation such as Laramba, where the two bores which are the only source of water for that community have high levels of uranium, and you need to find a long term solution, what happens in the interim? Is it acceptable to just allow that water to be drunk in the interim or is there an interim provision put in place?

Mr COUCILL: The water is perfectly safe to drink today.

Mrs FINOCCHIARO: Okay.

Mr COUCILL: The main issue is chlorination and pathogen control. Laramba has one of our best control systems in terms of pathogen risk. That was our number one priority down there and is dealt with. The water is safe. The next priority at Laramba has been security of supply.

The pipeline is 30 to 40 kilometres away and is not in a good condition. We have sought and received from the government stimulus funding to replace the asbestos cement piping underground, and we are about to contract third parties to do that work. We have been working on that the last few months. It will secure the reliability of those two bores and the transmission system into town.

The third priority then moves into longer term chemistry issues. You can drink the water today; you could drink the water next year. It is not going to hurt you in that time frame, but if you are going to stay there forever, we need to at some stage move to water treatment of that aquifer. That is the plan.

Mrs FINOCCHIARO: Whilst there are high levels of uranium presenting in the water, it is not a health risk at this stage?

Mr COUCILL: That is right. To be acute, it would need to be combined with other chemicals such as nitrates and there are situations where there are uranium and nitrates, not feeding into our communities, but that is known to occur in other areas.

That is not what occurs in Laramba, so there is no acute or short-term risk there at all. It is long term.

Mrs FINOCCHIARO: How many communities or towns across the Territory are acquiring a longer-term measure from Power and Water to ensure there is a safe and secure water supply?

Mr COUCILL: That is a big question. We are starting with the pathogens and have done most of the work. We have an ex-community we are investigating now, which will close off pretty much all our surface water risks. Then we are looking at bolstering up those controls because, as with any system, the risks—they have human intervention so we try to minimise that and put more information and fail-safe systems. If a pump goes down another pump will automatically kick in. These sorts of measures and controls to proof those systems are our current media focus—and the next two years—bolstering our pathogen risks.

We are trialling some water treatment technologies. We are engaged in some design work now. We were contemplating putting that into Yuelamu in conjunction with the water treatment plant to use as a test site. We consider that perhaps Laramba would be an equally good site to engage in that testing. That is discussion we need to have further with the Department of Health and our funder. It is a tripartite approach in terms of managing funding priority, health risk and ability in the field to manage. All three parties work together to come up with a solution to the priorities

Mrs FINOCCHIARO: Who are the three parties?

Mr COUCILL: The Department of Health is the regulator and the adviser to us of safe levels and concerns in water supply sources. The department will issue a boil water alert if it deems a site to be a risk for a period of time. We meet regularly. Also, our funder, which is the Department of Housing and Community Development. It is the funding agency on behalf of the Treasury which administers our grants. As a not-for-profit we are largely grant funded, so the department gets heavily involved in the prioritisation of where our funds go.

Mrs FINOCCHIARO: When Power and Water detects higher levels of a chemical compound, what is the reporting process for that? If there is a national standard on what is safe drinking water and then Power and Water conducts its tests and they come up as an elevated level, what is the next process? The Territory Department of Health is notified and it is up to them to issue health warnings on water?

Mr COUCILL: We will consult and tell them where our readings are. They will consult with us in regard to extra testing, what sort of testing they would like, would they like us to test for other compounds—we can go through that process. They will consult with us and provide the advice, and if they deem something as unacceptable they will notify us through normal channels.

Mrs FINOCCHIARO: The response comes from Health—for example, if there was a community that had excessively high levels of lead, magnesium or uranium, you would provide to the Department of Health and then it would issue the warning to the consumers?

Mr COUCILL: That is right; they are ultimately accountable for the health parameters. They will make that call.

Mrs FINOCCHIARO: Whereas you are focused on them fixing pipes and tanks and other solutions.

Mr THOMSON: We provide the data for the Department of Health to determine what is safe and what is not. Power and Water does not determine what is safe. We do the collection and put in implementation to take it to what the Department of Health deems is safe.

Mrs FINOCCHIARO: So, Power and Water is not making the decision of a community should be drinking bottled or boiled water? They are not decisions or advice Power and Water would provide?

Mr THOMSON: There are a number of instances where we provide the data to Health and they will issue the boil water alert or suggest what will happen.

Mrs FINOCCHIARO: I understand. Thank you. What plans do Power and Water have for extending the reticulated water supply to the rural area, replacing banjo lines or the private water mains in areas like Southport, as residents are currently required to rely on rainwater tanks or carting water?

Mr WOOD: I am not sure the end of that is exactly accurate. I am interested if Power and Water is looking at extending the town water supply into the rural area. Two reasons—one is to reduce the number of leakages

from private water lines. The other one would be, perhaps, from a natural resources position, to cap bores as a swap for being connected to the town water supply, because as you know there are a number of aquifers in the rural area that are at risk because they have been over-pumped. There may be a question I might ask about Power and Water pumping out of that same aquifer.

There are certainly issues about too many bores. It is also the issue about, as the Member for Spillett said, the banjo lines now starting to age and leak in many places.

Mr PUDNEY: Thank you for the regular question of rural water supplies. Power and Water is working very closely with our Living Water Smart group in terms of the leakage. That is growing over time. We have recently introduced some smart metering to the rural area, and that is currently being rolled out to help customers manage their private lines.

There are a number of initiatives. Under the Living Water Smart program in the Darwin region we have introduced incentives and contributions towards leak finding and leak management. It is an ongoing issue, and we continually work in that space.

As for replacement or a program to extend water mains, it is not a commercial activity for Power and Water. It is a fairly major exercise. We have costed that. To do something like 350 connections in the rural area, it is around anywhere between \$20m and \$40m. It is a big program and we will continue to have ...

Madam DEPUTY CHAIR: Sorry, Mr Pudney. I was just wondering if you could move the microphone away. Thank you.

Mr PUDNEY: We will continue to discuss finance arrangements. As I said, it is not a small exercise. You mentioned the benefits in the rural area around saving water for the overall aquifer and is it more efficient for Power and Water to provide the water rather than individuals dragging it out of the aquifer. We are working with the Department of Environment and Natural Resources in this space and with their policy. That aquifer is shared by everyone, so the efficient use of that is important and we see our initiatives in the space of water efficiency and making sure whether it is someone on town water or on their own bore, that they are no over-extracting.

We see that there are some opportunities in that space to be efficient over the overall aquifer. Yes, over time you will see some policy changes. But you probably need to ask the Department of Environment and Natural Resources in regard to the bore policy.

Mrs FINOCCHIARO: Apologies if there needs to be a personnel swap, but I did just want to ask a further question on the water contamination issue. Given the angst that there would be in communities around water quality—even if it is within acceptable tolerances, people would be anxious about the quality of their water. Power and Water collect the data and provide that to Health. Health are the ones who send any health messaging around whether or not water is safe to continue to drink or what people need to do in that situation.

How does Power and Water determine how swift its response needs to be to upgrade that infrastructure? Is it Power and Water itself that determines, 'Okay, we are going to take two years to upgrade the pipelines', for example, or find a new bore or whatever it might be? How is that response per community or town that is affected—how does that time frame get sorted out, and is it done in consultation with the affected communities or town in the Territory?

Mr THOMSON: We work with the department of Housing. We work on a forward program of work with them. We sit down and prioritise with Housing because they are the owner of the funds. We sit down and suggest a program of work and then there is normally debate and things are moved, depending on priorities from Housing. But Housing is certainly informed of the risk status, as we see it, from different assets in terms of what we do or do not do. We have that discussion with Housing. Ultimately, they are the ones to determine the program. We are a service provider, in that respect, to Housing.

Ms NELSON: Sorry, Member for Spillett, but can I build on that question? What happens if there is an acute issue—not crisis but for the PFAS in Katherine, for example. That is obviously not in the scheduled program works. What is the formula? How do you guys come to that decision that you will need a water treatment plant for Katherine or go to a new bore? Can you walk us through the process for that?

Mr THOMSON: It depends a bit on if it is remote or if it is urban. If it is urban, Housing does not fund that. If there is an acute problem that comes up, the first thing we do is deal with the acute problem—whether it is

chlorination or boiled water alerts or whatever. We go to the Department of Health and will take immediate steps we need to.

Following on from that, we then work through what the options are. Are there short-term versus long-term fixes and what do we need to do. In the regional area in particular, we will then engage with Housing to put up some suggested solutions. There will be discussion with Housing, 'Okay, this is the issue. Here are some short-term fixes. Here are some longer-term fixes. How do we go about that?' We will have that in the regional areas with the Department of Housing.

In places like Katherine, which you are very familiar with, that is within what Power and Water does, so we will look at it and decide the best solution for the short-term and long-term issues in the urban areas.

Ms NELSON: Thank you, Mr Thomson.

Mrs FINOCCHIARO: Would Power and Water be responsible for the consultation with an affected community or town?

Mr THOMSON: Yes. In the majority of cases we will issue a boil water alert and consult with communities, particularly in some of the remote areas where there are particular issues. We often have Essential Services Operators at a number of the regional towns. Again, we will use those ESOs to help us in communicating urgent messages and things like that.

Mrs FINOCCHIARO: Sorry, Mr Thomson. You said when you issue the boil water ...

Mr THOMSON: Health will say a boiled water alert needs to be issued and we will push out that message.

Mrs FINOCCHIARO: Okay.

Ms NELSON: That is done in conjunction with the Department of Health?

Mr THOMSON: Health will as well.

Mrs FINOCCHIARO: I wanted to make sure I was not misunderstanding the roles. Okay, that is fine. Thank you.

Have projections been prepared that would estimate the cost to Power and Water if the corporation was reintegrated with Jacana and Territory Generation back into a single entity?

Mr LANGOULANT: No, we have not done that work or been asked to do that work. The short answer to your question is no.

Mrs FINOCCHIARO: That is fine.

Mr MILLS: Would it have been done informally, or ...

Mr LANGOULANT: No.

Mrs FINOCCHIARO: Following the last election in late 2016, Power and Water engaged a consultant at a cost of \$241 010 to undertake investigations for the Adelaide River Off-Stream Water Storage project. My understanding is a submission was made to the Commonwealth Department of Agriculture under the National Water Infrastructure Development Fund, but it was rejected because it did not meet the criteria and was noncompliant. Is this correct?

Mr PUDNEY: We, with other Territory departments, made submissions for funding. In this regard, the submission was in two parts—there were two components to this. The AROWS program in itself is something long-term. It is a \$300m to 400m project. We do not really want to build it tomorrow unless someone has that cash spare in their back pocket.

Our strategy at the moment is to defer that major expenditure and do other things that are a lot cheaper. However, there was the opportunity to look at what the federal government might have had. They are both in terms of the planning and construction.

The construction side is really off the table. Those projects that were looking for funding or even with the North Australia Infrastructure fund, where loans are available for projects in the short-term, it did not meet that criteria. As for research, we were unsuccessful in getting the planning dollars; however, Power and Water is still doing that planning work. CSIRO has also been funded through the federal government to do some broader research around water resources in the Top End.

Mr WOOD: That dam is off the schedule altogether now, is it?

Mr PUDNEY: It is on the schedule, but we are looking at an over 15-year time frame, not five years.

Mr WOOD: It is a five-year plan that I tell people. I think last time we were told it was about five years off being built. That is not going to happen?

Mr PUDNEY: Not unless there is a new major demand or significant change in demand. We have been successful in moderating demand in the Darwin region through our Living Water Smart program. That has been a good cost-benefit to the program.

Mr WOOD: If that will not be built, will that put more pressure on the rural bores? That is one of the issues I have to ...

Mr PUDNEY: Thank you, Member for Nelson. The next stage of growth—at the moment, the current strategy is to potentially bring Manton Dam online if it is needed within that 15-year period. Of course, that may change. We will continue exploring opportunities to increase our water efficiency. We still have a number of initiatives to complete. We have a target, which we are close to meeting. We still have several gigalitres of savings we believe we can achieve, which will take pressure off the rural area and the whole system.

Ultimately, our strategy may change depending on the success and demand of growth in the Darwin region. To defer \$300m or \$400m of a new source is good value for money.

Mrs FINOCCHIARO: Can I just ask, when was the last time Manton Dam was used as a source?

Mr PUDNEY: As I understand, it was 1974 or close to that when Darwin River Dam was commissioned.

Mrs FINOCCHIARO: But it is not out of the question that it can be brought back online?

Mr PUDNEY: No. We are doing the planning work for that. We are looking at all scenarios. Obviously the recreation component is sensitive. We are looking at different scenarios and how much we might need to limit recreation, what the treatment options are, as well as the infrastructure options. To bring that dam online, it still requires some additional pump upgrades. The current water mains are too thin. We would need some expenditure in that regard. Of course, we will look at all levers we can pull to meet the demands.

Mr WOOD: It could taste a bit fishy, because there are 110 000 barramundi fingerlings in there.

Mrs FINOCCHIARO: There are plenty of barramundi. Manton Dam is a significant recreational facility for Territorians and visitors alike. It would be a great interest of many Territorians. There is also the historical component, when you walk to the wall from the bottom of the fall, and how that might be preserved. It is a historical walk.

Mr PUDNEY: The heritage items, yes. We will work with our customers to look at what they value. We have had some initial discussions with some of the users of that area. That will ramp up. It is part of our planning process, talking with our stakeholders and customers.

Obviously water quality is our number one priority.

Mr WOOD: Could I ask another question on infrastructure? The Zuccoli water tower, which I always hoped you would allow people to climb and have a view of Darwin Harbour from—but obviously you will not let me do that.

Mrs FINOCCHIARO: I do not think the people in Zuccoli want people looking into their back yards from a water tower.

Mr WOOD: It would be the best view in Darwin, and maybe Power and Water could earn a few dollars from doing it. Be that as it may, I understand it is not full. Could you explain the reasons why it has not filled, and what are the issues that need to make it work to its full capacity?

Mr PUDNEY: It is still being commissioned. We need to change pressure arrangements throughout Palmerston. We have some pressure control valves. There is a commissioning phase that will take several months to go through. It is not fully operating, and there was a delay in construction of that facility. The tank was completed, then we had to add all the pipework, pumps and valves et cetera. Now we are in the commissioning phase.

Mr WOOD: Was it built to budget?

Mr PUDNEY: Yes. Whilst there were difficulties, the project came in on budget.

Mrs FINOCCHIARO: I think recently in Zuccoli and Johnston, you mentioned water pressure and there was a decrease in water pressure in those suburbs. Was that a result of something to do with the water tower?

Mr PUDNEY: Yes. Through the commissioning we will have to adjust the pressure. There are some areas of very high pressure and regrettably we need to bring them down to reasonable levels, because high pressure causes leakage problems. Individuals will end up with leaks and high water bills.

It is not that the pressure is low, it is just that people were used to high pressure; cleaning their car with half the tap turned on.

Madam CHAIR: Member for Blain.

Mr MILLS: Thank you, Madam Chair. I direct my question to Mr Langoulant, first. In your opening statement you made reference to two areas of concern or potential risk: the Australian Government regulatory framework review; and the gas business unit. Could you elaborate on both of those, briefly, and explain the potential risk in those two areas?

Mr LANGOULANT: Thank you for the question. I will start with the Australian Energy Regulator. The decision was taken a number of years ago for the Power and Water Corporation to move into the national energy system, and moving under the AER was part of that. I think it was 2015 when we formally moved under the regulatory arrangements of the Australian Energy Regulator. That moved us away from the Utilities Commission in the Territory.

The Australian Energy Regulator's approach to regulation varies from the Utilities Commission, and the degree of rigour and the management by which they assess system efficiency is different to what we have operated under in the past.

We have been engaging with the AER for a considerable period of time, and made submissions. As they consider what will be the regulatory outcomes for Power and Water under the new arrangements, we understand we will see a draft of that in November [correction provided by Power and Water on 27 June: September].

Then we move into 2019 for a final determination and we go effective from the end of June 2019. So we are in a process of engagement with the AER under, effectively a new set of regulatory arrangements in a territory, in the sense of the AER's operations, where a number of things are unclear for us in terms of their final determinations.

So that is clearly a risk. We have made substantial submissions. There is engagement, but we will just have to wait until November [correction provided by Power and Water on 27 June: September] to see where their draft ruling will take us. That could be a ruling which requires the organisation to achieve a certain level of efficiency beyond where it is currently operating. Those outcomes will have an impact clearly on our operations, which we will need to adjust to.

I do not want to speculate about what all that might mean, because frankly that is all it would be, just sheer speculation. But, there is clearly a risk which we do need to manage.

Does that satisfy you on the AER?

Mr MILLS: I am just intrigued by the couple of areas that you are unclear on, what could be these potential areas that may pose the greatest risk. One of them, I think, you referred to as being efficiency.

Mr LANGOULANT: It will essentially come down to tariff levels. That is effectively where it will impact. That means what revenue do we have available to the organisation to provide services that the community should be provided—we have made strong submissions to the AER on that. We are hopeful that those submissions gain the currency of the board of the AER. But like all of these matters you will not know until you see the ruling.

Mr MILLS: Thank you. We will go to gas in a moment, but just remaining on this—the area of renewables. Is that one of the areas of potential uncertainty as to what impact this may have on efficiencies of the core business?

Mr LANGOULANT: Not as directly as other aspects of what the AER will make determinations on. They are primarily looking at—you know, we are a provider, a carrier, of the energy. They are not looking at the generation side of the business per se. The renewable aspect is not a direct component of what they would look at.

Madam DEPUTY CHAIR: I think the Member for Port Darwin had a couple questions.

Mr MILLS: Yes, sure. Hopefully we do not forget the gas part of it.

Madam DEPUTY CHAIR: I definitely will not forget the gas part of it. Trust me.

Mr KIRBY: Gas was one of the things I was going to hark back to as well. May I say to start with, after working for Power and Water for 15 years, it is a great pleasure to be able to ask some questions. I keep saying, I have been waiting for this day for a long, long time.

I understand there are derogations and things that are available under some of those national models that we may have to, or are, aligning with the efficiencies that we are talking about. As the Member for Blain insinuated, they probably do cause some concern in some of the meetings I have had with people just about overarching risks and securities. Efficiencies can play out a number of different ways.

I am keen not to ask your opinion, but are there risks around the number of workers? Is that part of what you will have to look at into the future for efficiencies?

Mr LANGOULANT: We can speculate on where they might come out in terms of the tariff levels. We have a view as to where we think they will come out.

Mr WOOD: Up or down?

Mr LANGOULANT: Our expectation will be that there will be an efficiency requirement for us to achieve. I do not think we could work with any other expectation. In fact, our submission to the AER does identify the possibility of achieving some efficiency savings. How we manage that across the business, we will have to make judgments on that when we see the determination from the AER.

We have been managing this organisation in a way in which we have been seeking to improve its operating performance through the chief executive and his team. We have made what I describe as steady progress in that regard. We believe there is still some further improvement to be made. The target operating model, which we have talked about already, is one opportunity in that regard.

In terms of impact on employees, one of the things we are very proud of in Power and Water in the recent period—since I have been there over the past two years—is that we have managed this organisation to improve efficiency in a way which has been very sensitive to our staff. We will continue to do that.

Mr KIRBY: I am interested to get back to the gas question, but while we are talking about staff I understand there are some operational vacant positions at the moment? I am not keen on asking your opinion but do you think that slowed any of our cyclone response? Could it have been done any better? I realise it is easy to look back now—I would like to be put on record as thanking the management team and particularly the workers as it was great to have people in here recently to do exactly that, to thank them. The query is around vacant positions and if, operationally, that impeded our progress?

Mr LANGOULANT: From the Chair's position—I will ask Mr Michael Thomson to comment as well—the board was extremely concerned to see a fast response from the corporation to deal with the issues which the cyclone caused. From day one, we were impressed. We thought the response was outstanding.

Michael organised resources from across and outside the Territory, particularly in linesmen capability, to ensure that the damage from cyclone was corrected as quickly as it possibly could be. The team out of Power and Water Corporation worked long hours over that time frame and responded well. They take a great deal of satisfaction out of what they achieved in bringing the system back into full operation. It would be my judgement, from the Chair's role, that the organisation responded well with its resources and any vacancies in the organisation would not have materially changed the outcome.

Madam DEPUTY CHAIR: Some of those vacancies have been there for quite a while. I am wondering if you could explain what is happening with the recruiting process. What are we doing to fill those vacancies? I also want to ask about apprenticeships.

Mr LANGOULANT: I will ask the chief executive to deal with the vacancies.

Mr THOMSON: You might get a cascade of answers. We did very well in the cyclone—we mobilized and had between 18 and 29 crews on the road all of the time. We could have brought more crews in but we had the number of crews that we could operate safely and efficiently.

If you look at our cyclone response, our ability and efforts in bringing people on—while there is a lot of sympathy for those customers who were the last ones switched on. If you compare us to Townsville and other places, we got customers restored in a very good amount of time. I do not believe we were hampered by the mobilisation of crews.

In terms of the rest of the answer, there are some vacant positions—not many, but a couple are being held over for apprentices to finish their apprenticeships. As we go forward we need to look at the right level across the organisation of numbers and what we are doing.

We think our resourcing levels are right for where they are now but we are looking at what we need to do going forward. We are coming off a big program of work too—the Casuarina event, where a number of substation builds have been done. The work program across the organisation is smaller than it once might have been as well.

Mr MILLS: I am only halfway through the answer to the question. The question had two parts and the first one was the AER—the description of that risk. The next one was the reference in the opening statement to the gas business unit. Some more elaboration on that—thank you.

Mr LANGOULANT: Sure. Turning to gas, gas is an important part of the operations of the Power and Water Corporation. We have, as you would be aware, gas contracts and a particular gas contract on a take or pay basis.

We sell that gas to several customers. Part of the environment in which we trade is that the future demand for those gas sales are always uncertain, despite having as long contract as we can possibly have with the various players. Some are to other government entities such as TGen, and some are to private entities.

We also have the opportunity, we believe in the not-too-distant future, to take advantage of what we might call non-firm spot sales in the marketplace. That would be a new form of business for us. What opportunities there would be for that again are unclear. We also trade in the market, so we are subject to the vagaries of the international price. In those contexts, there is risk in that side of our business. In identifying the risk, the two matters which we are talking about are probably our two larger risks.

In all respects, we probably look at our gas contract with some hope and optimism about what it might deliver for our P&L and ultimate balance sheet, but time will tell.

Mr MILLS: Thank you, Mr Langoulant. I am interested to know what—I think you have already indicated the answer to this. Is there some impediment to consideration of international sales of gas by Power and Water?

Mr LANGOULANT: Impediment?

Mr MILLS: Yes. Is there any opportunity—you have already indicated. I would like more clarity on the ability of Power and Water to sell gas on the open international market.

Mr LANGOULANT: It is not an area of activity which we would identify as being the most likely. Unless you have an issue?

Mr THOMSON: No, just to broaden out the gas conversation a bit further. We have had new sales this year—about \$200m to \$300m in gas—so we are moving a lot of gas. We are actually at the point where we have limited firm gas that is available to sell.

If you are running a power station or mines that want 24-hour operation and need the firm gas commitment—we are running out of firm gas so we have to hold gas back for electricity generation. So, the sun goes under a cloud and therefore a lot of the electricity generation—TGen has to crank up, and we have a reserve gas for that happening. We are working with TGen to work out how we can get better at forecasting and whether there are ways to flatten out what they are doing, which will free up more gas for firm sales. The gas price you get for firm sales is significantly more than the spot price.

We do not have a lot of firm gas left, we have sold most of it. We have a fair bit of spot price gas which, again, will sell particularly when the pipeline goes in. That will open up a lot more spot price opportunities. But for us, the challenge is converting and getting better at forecasting so we are not holding back and we can provide more firm gas.

Mr MILLS: To be clear, spot price opportunities are domestic?

Mr THOMSON: They are a combination of both because a lot of the spot price are done on swap contracts where you swap it with others. They do not have to take it down the pipelines and they might be exporting it, so it is very difficult to say. We will not be, per se, pursuing an offshore market but will be selling into the east coast market, potentially, with our spot price gas.

Mr MILLS: Is there any conversation with Eni and Evans Shoal on further access to increase the flow?

Mr THOMSON: Yes that is one of the options going forward, if we have the customers out there. We have discussions with Eni and there is potentially some capacity to crank up what they are doing. That is not our committed gas. As you know we have contracts for about \$4bn of gas, so this is outside of that. Of course, we would want the customers before we commit to taking further gas.

Mr MILLS: Very interesting, thank you.

Mrs FINOCCHIARO: In terms of the take or pay, is our supply currently outweighing demand?

Mr THOMSON: We are running out of firm gas but not spot price gas. You get a premium for being able to sell your gas at firm, rather than spot. We are running out of the firm but still have plenty of the spot gas available.

Mrs FINOCCHIARO: Have Power and Water engaged in any new contracts?

Mr THOMSON: Yes we have done about \$200 to 300m in sales. We are waiting for customers to make announcements, otherwise I would tell you who they are.

Mrs FINOCCHIARO: That is fair enough. How will this situation be further impacted by the government's 50% renewable target?

Mr THOMSON: TGen is our biggest customer in terms of electricity generation, so we are running off their forecast for gas. If renewables is displacing some of what they are doing, that will come through in the forecasts they give to us. We cannot forecast what they are doing. We rely on their forecasts as to how much may or may not be displaced by renewables.

Mrs FINOCCHIARO: If the Territory was to achieve its 50% renewable energy target in 12 years' time, Power and Water cannot forecast what impact that would have on Power and Water, it is relying on TGen modelling?

Mr THOMSON: Yes, because TGen are buying the gas from us, so they have to tell us how much gas they need, and they are the ones working out how much the 50% renewables will impact on their business.

Mr WOOD: Reading TGen's last annual report, it spoke about their requirement to become more efficient because they see the threat of renewables as making life a bit harder for them. My understanding is they made a loss last year.

They mention in here perhaps one of the ways to become more efficient would be to renegotiate the gas price with Power and Water. I was going to ask, considering you do not want to lose your revenue either, would you see that as a false hope that they could negotiate a lower price with you?

Mr THOMSON: We are currently in negotiations with them, so I will not comment.

They have factored into their SCI their assumptions on what they pay for gas and we have factored in ours. There are negotiations around potentially whether there are step-downs in what they are doing over time, as well, and negotiations around if they exceed what they are asking us to reserve. There are a number of discussions to be had.

Madam CHAIR: Do you have a question on that, Member for Port Darwin?

Mr KIRBY: Perhaps a point of clarification. So, \$200 to 300m worth of gas dealings—I think you were alluding to TGen being one of the major components?

Mr THOMSON: No these are new gas sales for new customers, in the future.

Mr KIRBY: Okay. Clearly from what the Member for Nelson said, the commercial arrangement between TGen and Power and Water, which by their commercial nature try to do the best they can for each entity. I will not ask you to comment on your current negotiations. I am assuming that would not have been the case under a conglomerate of Power and Water where generation was held within? There was no need for Power and Water to sell gas internally, previously?

Mr THOMSON: No. There was no need but, again, there probably would not have been discussions on what might be a good price. Those discussions would never happen. At least there is discussion about how much should be charged to TGen, which flows into electricity generation versus how much goes elsewhere. Those discussions are happening, whereas once upon a time they probably never would have.

Mr KIRBY: That is perhaps what I am trying to highlight. We have two government-owned corporations, one selling a product to the other, and both very commercially driven and efficiency-driven. At what benefit to the taxpayer? You do not have to answer that. It is just a thought.

Mr WOOD: I am a little confused. For a long time I thought we had a contract with Eni—and there was another company—to supply gas to the Northern Territory, and that we had excess gas because we paid so much for it but do not use it all. Therefore, we were paying for some gas and making a loss—the government was, because it was paying for gas it did not use.

The idea of the Northern Gas Pipeline was to sell that excess gas to reduce the cost to government of paying—I do not know if it is the government that has to pay for that excess gas or you. Do I have too simplified a version of how gas operates?

Mr THOMSON: No. Over the last couple of years we have made significant progress in getting away a number of gas sales. We have done about \$200m or \$300m worth of new sales this year, so we have run down a lot of the firm gas. We have plenty of spot gas, so the Northern Gas Pipeline will help us sell that into other markets.

The other issue we have is that because of the way the accounting standards work, we have paid for gas we have not yet used. It is called bank gas. When we sell that gas we have already paid for it, so it comes back in future years as revenue without the cost associated with it. We get a benefit in future years to the extent that we sell that bank gas.

Mr WOOD: You are selling some of your gas to competitors; is that right? I noticed in your annual report—hopefully I am right—EDL. Is that another company that provides power into the grid?

Mr THOMSON: They are not a competitor to us; they might be to TGen.

Mr WOOD: Could you supply gas to them?

Mr THOMSON: Not at the moment, no.

Mr WOOD: Is there anyone else who generates power that you provide gas to?

Mr THOMSON: Yes, or we have contracted again, as not all of those are known in the market yet.

Mr MILLS: I am intrigued by the take-or-pay concept—that you have paid for gas you have in reserve now. How much is in the bank?

Mr SIFORD: Good afternoon, Member for Blain. Off the top of my head, the number is around \$121m. There is forecast to be another \$29m of bank gas in 2018–19 before it starts to be utilised through the period to 2021–22. That is based on the best modelling we can see today. When it is utilised we pay [Correction provided by Power and Water on 27 June: we do not pay] for it in cash terms. That will benefit both the income statement and the cash flow. And that is reflected in the SCI.

Mr MILLS: Thank you. Mr Thomson, you made reference to \$4bn worth of gas. Can you unpack that number?

Mr THOMSON: That was the original amount that was committed to in regard to gas and transport for gas.

Mr MILLS: Is that figure going back from 2008?

Mr THOMSON: Yes, pre-separation.

Mr WOOD: Is ‘transport’ the pipeline?

Mr THOMSON: Yes.

Mr MILLS: Is that value on your books?

Mr THOMSON: Yes.

Mr WOOD: I know I got told I was cheeky, but the issue of the tariff—if it goes up what effect does that have on the consumer?

Mr THOMSON: Sorry, which tariff?

Mr WOOD: The tariff we were talking about—what is the replacement for our Utilities Commissioner? The acronyms leave me at the moment, but the body that took over from the Utilities Commission—if the tariffs do go up, what is the effect of that?

Mr THOMSON: Most customers are protected by the pricing order, so a lot of customers will not see their tariffs go up. At the moment in the submissions, we are seeing the tariffs go down, on average, for most customers. We are not seeing tariffs go up, going forward.

What the Chair is talking about is electricity tariffs as opposed to gas tariffs and pipeline tariffs.

Mr WOOD: That is what I meant.

Mr THOMSON: That is what I wanted to work out, which tariffs.

Mr WOOD: Can I ask a question on the network? What has concerned me a lot of the time is that, if we are talking about a level playing field when it comes to the provision of energy, people with solar panels are small contributors to power in the Northern Territory. They do not pay for the network. Of course, some of them are also subsidised.

How does this all fit with Territory Generation saying we will be affected by solar renewables? To some extent, I imagine that could affect you because you might be selling them less gas. You have another provider of power that in many cases is being subsidised by government subsidies and is able to use a network they did not build, but also to use your network to provide power back into the grid.

Do governments need to look at levelling the playing field so that the companies are competing against people on equal footing? I see the subsidies as making it harder for companies that we will need to operate. We still need TGen to produce power. We need that baseload power. Yet, we will say to them that they have to become more efficient. Part of that efficiency is backed up against the section that distributes power into the grid and is subsidised. Is that a fair way that the system should be operating?

Mr THOMSON: There are different parts to that. There is the network poles and wires part and how it plays out in that space. There is also the large solar, which potentially has some different considerations as well. Are you talking about the large solar?

Mr WOOD: No. I can get on to the large solar later because I think that is part of the renewable side of it. It could be a large solar farm. I am talking about presently—a lot of people have solar power. They provide—that power goes back through a grid.

Mr THOMSON: Okay, the rooftop PV type of things.

Ms POLLARD: Member for Nelson, if you are referring to the feed-in tariff arrangements, at the moment that sits with Jacana Energy. It is still the one-for-one, buy-sell electricity retail tariff.

Mr WOOD: I am not so worried about the tariff. I am saying that to get the power from a house back to the power station uses your network, but no one pays that network—it is an expensive network. People are more or less getting a network free to earn some money.

I am not against the idea of people having solar panels. A lot of the solar industry has been subsidised. We have one section of the industry, which is the solar rooftops, providing power back into the grid. On the other hand, we have been told that Territory Generation and you have to become more efficient. One of the reasons you have to become more efficient is because of the renewables coming more and more into the system.

Should renewables be on a level playing field when it comes to producing electricity—not subsidised or having free access to the network et cetera—if we are to look at a process that is fair and even. People who do not have solar panels are subsidising people who do under the present system.

Ms POLLARD: That is right. In our pricing proposals that we have just put recently to the Australian Energy Regulator, AER, we do not have anything happening in that space just yet. Certainly in the next pricing period, that is something that we will definitely be considering.

From an electricity network perspective going forward, we see our role as being more of an enabler in terms of enabling different sources—solar, different types of renewables—to access the network as well. So how do we position ourselves going forward into that space as well?

Electric vehicles is another consideration. Smart metering to enable that going forward is another consideration. There are a number of elements. That all needs to be considered in the broader context of the large-scale renewable sources as well.

Mrs FINOCCHIARO: You just mentioned smart meters. Where is the corporation at with the roll-out of those smart meters and how many have been installed in this past year and how many do you have to go?

Ms POLLARD: Under the determination that the local regulator approved for us back in 2014, we had a program to roll out smart meters to electricity customers consuming greater than 40 megawatt hours per annum. I do not think I have the exact numbers here today, but we can certainly provide those. We are close to the end of that roll-out program.

In terms of our proposal going forward, that we recently submitted to the Australian Energy Regulator, we have actually gone through a comprehensive customer engagement program. We commenced that in February last year, and smart metering was one of the areas that we tested with our customer representative groups. Interestingly, we had unanimous support behind rolling out smart metering over the next five-year period from 2019 to 2024.

We have included that into our proposal to the regulator; however, we will not have a final outcome on that until April next year.

Mrs FINOCCHIARO: In relation to Cyclone Marcus—we touched on parts of it. Obviously, significant power outages across Darwin, Palmerston and the rural area occurred. I think by all accounts everyone felt that the crews did a terrific job in prioritising getting power back online. It raised a question around undergrounding power and the program that should recommence.

So the government has now made that commitment for 2018–19, but there are still question marks around what will be the first location to recommence that program of undergrounding powerlines. Does Power and Water have a clear picture of where it would like to start those works?

Ms POLLARD: We are still working very much on that program, with the view to taking a submission back to government in July. There are a number of considerations in terms of the prioritisation around that program. We look at things like reliability, past reliability and performance across the various suburbs that still have overhead power running to them.

We also look at constructability. There are certain suburbs—Stuart Park, for example—that are largely built on rock. For us to underground in those sorts of locations it costs more as well. The other overlay that we take into account is the population or the number of properties and how we prioritise across those three areas. We are still working on that at the moment.

There are around 10 suburbs off the back of undergrounding Nightcliff, Millner and Rapid Creek. With the previous undergrounding program we still do have around 10 suburbs that are overhead, and we are working through the prioritisation of those at the moment.

Mrs FINOCCHIARO: Does that include the rural area?

Ms POLLARD: The 10 are around the Darwin urban areas. In terms of the rural areas, we are looking at—the cost to underground in the rural areas is two to three times generally what it costs us in the urban areas. That is largely due to customer density.

We are looking at other options other than undergrounding that we could offer into the rural areas as well. Some of the thinking there at the moment is going to the heart of non-network solutions, so looking at battery storage combined with rooftop PV systems as an example, and a number of other models have been implemented not only in other parts of Australia, but internationally as well.

Mr WOOD: Generators—there were a few of those sold. Could I keep asking about Cyclone Marcus? There are some areas maybe you could put some underground powers. There are some subdivisions where the density is higher. Has the cost of Marcus to Power and Water been established? How do you recover that cost? Is there help from the Commonwealth and Territory governments to offset that cost, which would have been fairly substantial?

Mr SIFORD: We have been keeping track of the costs ever since Cyclone Marcus occurred. The total incurred expenditure to date is \$4.6m for Power and Water. Some of those costs are still coming in from suppliers, so there is a bit of a tail. We would expect the final costs to be in the region of \$6.2m. That is on a full-cost basis, so that is with the full cost of labour that was deployed into Cyclone Marcus works.

In respect of recovery of those costs, my team have been in discussion with the department of Treasury. Those discussions are ongoing. We are waiting for formal Treasury feedback on what might be recoverable, what the rules around that might be and what evidence of cost we would have to provide to satisfy those tests. It still remains open at this stage.

Mr WOOD: I suppose the question I want to ask is, what lessons have we learned from Cyclone Marcus? I know everyone has done very well, but obviously there were some issues—and I know there were some issues in the rural area. It was about the time that people got out there on the ground to assess it and for that assessment to be turned into details of what areas would be targeted first, second or third. There were definitely some communication issues.

When you rang up, for instance, they would say it will all be fixed on Wednesday and they would name all the streets. Especially in the rural area, we knew it would not be fixed on Wednesday. By the time Wednesday came it was going to be Thursday and some Saturday. The recorded communication side of it needed some assessment to make it more accurate for people.

As the local member—and I am not saying I know everything either, but a lot of people would ring me and ask what was going on. I would go out and have a look at the street and there were wires down and piles all over the place. Trees had not been chopped up. Someone said Wednesday and I knew that would not happen. I believe it would be good to review how that worked—communication with the public. You would have gotten a lot of phone calls, I imagine, but it is just an area that could be looked at.

The other area was in relation to supply. You can tell me if I am wrong, but some people said to me that Power and Water had run out of cable and it had to rely—and I am not saying had to rely on them in a bad way, but use then supplies of cable from private companies. Would Power and Water normally have an emergency supply of cable or would the normal thing be to rely on other people to supply that cable as well in an emergency like Cyclone Marcus?

Mr THOMSON: To break up that question a bit, yes. There are lessons to be learned and we have gone through an internal review process where we have had an external expert—who has worked in Townsville and on other cyclones—come in to lead that. Unfortunately we have not yet received the report; that is due imminently.

There are certainly some lessons learned in there. Some of them was for us internally getting a single point of truth. We do not have an outage management system, but we are putting one in at the moment, so that would solve a lot of our single sources of truth for data between the networks and the control room and others, so there is some improvements in that area.

There are some improvements in some of the customer messaging and I think we got much better on some of that as we went along. I think when we started forward calling people I think that that was a great initiative that came in, not at the start ...

Mr WOOD: It certainly improved.

Mr THOMSON: It certainly did. Again, I just want to say yes there are lessons learned and we are taking it seriously and as I said we have run a number of post-incident reviews. It is all being collated at the moment and there will be a report in due course, which will set out areas where we can learn and improve as well.

Mr WOOD: From a local perspective I was also able to use the crews, just go up and see the crews and say what roads have you got on your agenda—they could tell me which ones they were going to do in the next few days, which at least I was able to get round and ring people or see them and say look, there is a pretty good chance you will be done on Sunday or Sunday afternoon. Pretty well, all that communication was accurate and people were a lot happier. It is the unknown that was reason people were ...

Mr THOMSON: Agreed. There are some lessons learned. There is also a lot of reprioritisation that goes on. You get out to a job and work out that there is a lot more involved so you are constantly having to move where your crews get to and things like that. That is the nature of the emergency side.

Mr WOOD: And I was part of the nuisance. I had a person ring me up about their pet meat supply; they had about one more day to go. They had a generator but it was not enough to keep all the freezers cold, and Power and Water did make the effort to get that person back on line—because businesses are also important, of course.

That is not meant to be a criticism; it is constructive criticism that we can learn from another time.

Mr THOMSON: Yes, and we have. In that report we have also gone to some external stakeholders as well and asked their views where we can improve, so all that is being collated and we will learn. In relation to your other question on cable—we do a cyclone readiness exercise when we lead in to the cyclone season every year where we go around and assess the condition of our assets, what we have in store and those sorts of things.

I was in the emergency room during most of that crisis and there was a constant reporting and monitoring of critical spares. I do not recall any cable issues or that we were out of any critical spares.

Mr WOOD: And poles.

Madam DEPUTY CHAIR: Do you have any other questions, Member for Spillett?

Mrs FINOCCHIARO: I do.

Mr WOOD: Sorry, it was just an add-on to the cables.

Mrs FINOCCHIARO: I think they are obviously waiting on their report, Member for Nelson.

Mr WOOD: I know they did borrow poles from a pile that were going to Alice Springs.

Mrs FINOCCHIARO: Sorry, Member for Nelson. I thought your questions were continuing on about undergrounding power lines. Ms Pollard, if I might continue with that.

I think the Treasurer, or one of the government ministers, mentioned they wanted Power and Water to look at how they would get most bang for buck—I think that was the comment—when it comes to which suburb

would be the first cab off the rank. How will Power and Water be determining what is the most bang-for-buck suburb?

Ms POLLARD: Thank you, Member for Spillett. I mentioned earlier that we are looking at the reliability population and constructability matrix in our consideration, but we are also looking at—there are at least three options that we are considering around undergrounding. When we did the previous undergrounding project across Nightcliff, Millner and Rapid Creek we undergrounded all of the network infrastructure external to the customer boundary, as well as the service pole and the wire feeding in to the customer's property.

That is certainly one option that we will be looking at this time around, and that is at the higher end in terms of the most expensive option, but then there are other options that fall away from that as well.

To give ballpark figures—to do an undergrounding program similar to what we did previously—we would be looking at roughly \$25m to \$30m per suburb. If we then look at option two would be stepping back from that and looking to underground the high-voltage and the low-voltage network infrastructure but still having a service pole and wire running in to the customer's premises.

Some of the feedback we had from the undergrounding project previously was that not all customers wanted to have their driveways and front gardens dug up and so forth. There were also some access issues with customers getting their vehicles out, and so forth, to leave their homes.

We are taking all that feedback into consideration in terms of the optionality at the moment.

Mrs FINOCCHIARO: Is there a ballpark figure per suburb for undergrounding the high and low voltage?

Ms POLLARD: Yes, so for that option it gets to about \$20m to \$25m per suburb. That is roughly 20% lower than option one. The third option is looking at just undergrounding the high-voltage network infrastructure, so there would still be visibility of power lines and poles in the suburbs, but the high voltage part of the network would be underground. That would represent a considerable cost savings. That gets down to about \$15m to \$20m per suburb, which compared to that first option is around a 60% saving.

As I mentioned, there are a number of different options. We are still working through the biggest bang for buck in terms of suburbs and how we make the funding stretch as far as we possibly can.

Mrs FINOCCHIARO: What about business districts, for example Winnellie and Berrimah? In our view it sort of seems critical to keep businesses operational because they are the ones providing services. When Power and Water assess a suburb like Winnellie, for example, how does that factor in—I assume those three indicative prices you gave with those options for residential would be quite different to if you are to underground power in an industrial suburb. How does that compare with bang for buck and how does that factor into your assessment?

Ms POLLARD: There are a couple of things around that. In the commercial or industrial areas we do not tend to have as much vegetation, which through cyclone events that is what tends to cause most of the issues with the overhead power lines. That does get factored into our thinking though. The other thing we look at is where we have critical infrastructure located. Defence is obviously a good example when we are in an incident or emergency management situation. They need to be part of that response.

We then look at where that critical infrastructure is located—places like Larrakeyah et cetera—and definitely take that into our thinking as well. We sort of still have all of that in the mix at the moment, and we have not landed on the prioritisation of the suburbs at this point.

Mr KIRBY: We do need to have Larrakeyah looked after.

Mrs FINOCCHIARO: I think with Winnellie, even with what you have said with trees and things like that, which I completely appreciate—Winnellie was still out for at least four days, from memory. You mentioned earlier, in terms of having a different program for the rural area, having solar or other types of options. Is Power and Water looking at recommending to government some sort of rural subsidy scheme for solar installation generator purchasing? Is that how that would operate?

Ms POLLARD: Not necessarily. There are certainly other examples in other states and internationally where the network operators would actually invest in those sort of non-network solutions and factor that into their submissions and proposals to the regulator.

Mrs FINOCCHIARO: So you might install solar on someone's roof and Power and Water would continue to own that asset?

Ms POLLAND: Yes, or invest in the batteries. We have not landed on any of this, but this is some of the broader thinking that is going on in Power and Water.

Mr WOOD: I would push for hydrogen and fuel cells rather than batteries. Anyway, that is another opinion.

Mr THOMSON: Some of that is what is being trialled in other places, but there is a lot of work before we suggest something like that. For example, going on to somebody's roof and putting our solar panels and all those sorts of things. I guess the main point is that Power and Water are thinking about different solutions that might be appropriate for different cases and not necessarily just trying to roll out the tradition line or do something. So we are looking at those different non-network ...

Mrs FINOCCHIARO: When will that body of work be provided to government to make its final investment decision?

Mr THOMSON: In terms of the options, it has to go to our next board meeting and then the board will take a view on whether it is comfortable and on those recommendations and from there it will go to government.

Mrs FINOCCHIARO: What is that indicative time frame?

Mr THOMSON: We are hoping to get it to the board next week.

Mrs FINOCCHIARO: Sorry, you said July. Sorry, you did say that. Apologies. So, pending approval from the board and what that is, government should have it in July. They are all my questions on Marcus.

Mr WOOD: I have some new questions. I should ask about the sewage ponds issue regarding smell into the northern suburbs. What work is happening to try and reduce the smell?

Mr PUDNEY: Member for Nelson, since September last year, significant effort has been put into the level of service of Leanyer Sanderson ponds. We got a message from the local community that they expect a higher level of service and of course, we have a number of projects underway at the moment. One of the major projects is the new inlet works which attached to it are an odour scrubber—odour removal device. Those inlet works will remove a lot of the wipes and other things that come down and cause problems within the ponds as well—and those floatables within the ponds that cause odour—so we are taking those out. We are stripping out the odours in the most highly odorous component of the flow, which is the inlet part.

Those inlet works which are due to be commissioned at the end of this year should see in the order of a 30%-plus odour reduction.

On top of that, we have introduced a number of operating changes and we are trialling some biological additives into the waste stream. We are trialling chemical additives in other components of the waste stream and we have a number of operational improvements. For example, we are regularly skimming the surface of the waters to make sure there is a reduced amount of floatables and odorous material. It is pretty intense on the site at the moment. We are still making visits to those interested, but obviously it is a work site.

We have had some open days with the community. Part of the work is about managing expectations and keeping the community informed.

We will never eliminate all the odours. There has been and will continue to be environmental incidents, like last September when we had a water temperature inversion in the ponds. At the same time last year we had an upper air inversion where the odours could not get out of the atmosphere. They are trapped, a bit like when you have a foggy day and the fog is trapped—the odours can be trapped.

We had all the ducks lined up the wrong way, if you like, last September with the inversion in the ponds, extra floatables and a whole range of things. We did get complaints. We are sorry about that, but we have an incredible amount of work going on and we expect much improved level of service.

As I said, there will still be the occasional challenge with the weather, but those extra mitigations will still improve it.

Mr WOOD: And would you have a budget cost in the budget for that? Was that something you had prepared for or was it a new expense?

Mr PUDNEY: Some of it is additional. The \$16m inlet works was part of the SCI. That has been programmed and has been planned for a number of years. We sent our engineers around the country to look at the smartest technology and we put business cases up, so ultimately those dollars were budgeted for and we are on budget in the current program.

Operationally, we are not budgeted for that higher level of service from an operational point of view, so the extra skimming in the short term over this next six months—there are some additional operational costs, but they will not necessarily continue, and they are in the order of \$300 000 to \$500 000.

Mr WOOD: Are there lessons to be learned? Muirhead and Lyons did not exist some years ago, and there was a bit of an issue around people living in Leanyer.

Should those suburbs have been built there? Because \$16m is no small amount of money. To fix a problem in a suburb that was not there, and people knew when they built those suburbs there were sewerage ponds there—do you think that is good planning? Is that too much of an opinion to ask?

Mr THOMSON: That question is for someone else. I will make this general observation. Across a number of areas we deal with, particularly in the environmental space, customer expectations move on. In the water and remote space, expectations continually increase and improve and part of what we need to do is keep up and work with those customer expectations.

I think one of the lessons learned from Leanyer, for us, was the customer consultation. We picked up on a lot. We are offering a number of public forums now and getting out much more with our communication. There are ways of managing expectations as well without pre-empting what the planners choose to do with their planning decisions.

Mr WOOD: Do you have input at the planning stage?

Mr THOMSON: We make submissions.

Mr WOOD: It is not the only set of sewerage ponds in the Darwin region. You have the ones down at East Arm, at Berrimah, and the ones at Palmerston. Are there potential issues, for instance with the expansion of Zuccoli down to Mitchell?

Mrs FINOCCHIARO: Do you mean Marlow's Lagoon?

Mr WOOD: No, on the Zuccoli end going down towards Archer.

Mrs FINOCCHIARO: Mitchell is behind Zuccoli.

Mr WOOD: Is there a risk that development could be affected the same way as Muirhead?

Mr PUDNEY: Unlikely because of the location. It is further away than some of the closer suburbs, and the Palmerston ponds that service the area have been designed for that growth. The loadings on them are not expected to create any additional loadings.

We monitor complaints and we do not have a high level of complaints from those suburbs or anywhere near them. Obviously someone right next to the ponds—we have had the occasional complaint. It has not necessarily been the ponds—but a low level of complaints. I must say, historically at Leanyer the level of complaints have been relatively low.

In terms of Power and Water being caught on the hop, we did not expect the level of complaints from Muirhead. Notwithstanding whether the planning is right or wrong, historically we have not had the high level of complaints we got last September. That surprised us as well.

Mr WOOD: My last question is, what expense do you have to put into infrastructure or headworks around the Berrimah Farm development? Do you have any input into that area or is that all the responsibility of the private developer?

Mr PUDNEY: We have a set of ponds at Berrimah, and Northcrest subdivision, if that is what you are talking about? Those ponds accommodate that load. The infrastructure to get the effluent from the subdivision to the ponds is partly funded by the developer.

Mr WOOD: And other works, like electricity and water? Is that entirely the developer's responsibility, or are you involved in bringing water and electricity to that site?

Mr PUDNEY: In the water space, the developer is doing a number of things. There are some contributions from the developer and some headworks that Power and Water is doing over time. That mix of works was worked out well before with government, and forms part of the arrangement.

Mr WOOD: That is all the questions I have.

Mr MILLS: Sorry to go back to the gas one. I was interested in the value being \$4bn—I think we are talking since commencement, around 2008. Is that correct? If that is the case, how far into it are we?

Mr SIFORD: A point of clarification—the \$4bn is approximately the value to go on the total of the Eni gas and transportation contracts, not the value since inception.

Mr MILLS: I see—going forward?

Mr SIFORD: Yes. That goes to 2034.

Mr KIRBY: I am happy for you to take these questions on notice—understanding your comments on not being asked about reintegration of utilities and generation. Can I ask that you provide service worker numbers across the organisation since structural separation? Also can you supply middle and upper management numbers since separation and associated middle and upper management wages since separation?

Mr SIFORD: Yes, we can do that.

Question on Notice No 10.1

Madam CHAIR: Member for Port Darwin, please repeat the question for the record.

Mr KIRBY: Can you please provide service worker numbers across the organisation since structural separation; middle and upper management numbers since separation; and middle and upper management wages since separation?

Madam CHAIR: The Member for Port Darwin's question has been allocated the number 10.1.

Madam CHAIR: Any further questions?

Mrs FINOCCHIARO: Recently a two megawatt hour battery paired with a one megawatt photovoltaic system was installed at Daly River, which would allow the community to run almost entirely on solar during the day. How much did this installation cost in total, and what is the expected break-even point over time?

Mr THOMSON: David will answer a lot of that, but a lot of it is ARENA funded Commonwealth in a joint arrangement.

Mr COUCILL: The system at Daly River is a subcomponent of the whole program we call the Solar SETuP roll-out. That involves around 25 communities, of which Daly River is one. That was a subset, and for today I would be hesitant to give you the numbers. I would rather take it on notice.

Question on Notice No 10.2

Madam CHAIR: Member for Spillett, please repeat your question for the record.

Mrs FINOCCHIARO: How much did the installation of the photovoltaic system at Daly River cost in total to install, and what is the expected break-even point in future years?

Madam CHAIR: The Member for Spillett's question has been allocated the number 10.2.

Mrs FINOCCHIARO: You mentioned the SETuP program. Approximately \$59m has been allocated to installing 10 megawatts of solar systems across—is it 30 remote communities?

Mr COUCILL: The number has moved a bit throughout the program. The exact number is in the order of 25, including Daly River and tranche one—which are commissioned sites—and there are 10 of those.

Mrs FINOCCHIARO: There are 10 communities in tranche one, is that right?

Mr COUCILL: That is right, they are commissioned and operating. My belief is we are probably targeting 15 in tranche two, so that would be 26 in total, which is beginning construction now.

Mrs FINOCCHIARO: Tranche one has been completed and tranche two is soon to commence?

Mr COUCILL: That is correct.

Mrs FINOCCHIARO: How much of the \$59m has been spent on tranche one?

Mr COUCILL: I would like to take that on notice and refer to the detail. I could make an estimate but I would prefer to check.

Mr THOMSON: Just to give you an idea, we have also done a couple of solar diesel hybrids. We are doing those outside of the solar program. Two of those are at some of our minor centres and one of those has about a three-year payback, and the other one is about a six-year payback to displace about 15% diesel. That is the sort of payback on those ones. I imagine it would be similar, but we can get you the details.

Question on Notice No 10.3

Madam CHAIR: Member for Spillett, please repeat your question for the record.

Mrs FINOCCHIARO: As part of the set-up program, what communities were part of tranche one, and how much of the \$59m was spent in tranche one? What are the projected costs of the 15 communities for tranche two?

Mr COUCILL: We can respond in detail to those, but when we respond with tranche one, a lot of the program costs are setting up for the whole program in terms of a lot of engineering, planning and land acquisition and so forth that were made to be (inaudible) across 25 sites or so. Tranche one will, per station, look like a higher number than tranche two for that reason.

Madam CHAIR: The Member for Spillett's question has been allocated the number 10.3.

Madam CHAIR: That is the final question, so I would like to conclude this session. On behalf of the committee, I thank you all for appearing before the committee today.

The committee will now consider the Jacana Energy Corporation. Thank you very much.

The committee suspended.

JACANA ENERGY

Madam CHAIR: Thank you. I welcome you, Mr Noel Faulkner, Chair of the Jacana Energy Board. Mr Faulkner, can you please introduce the officials accompanying you today.

Mr FAULKNER: Thank you. On my left is Stuart Pearce, Acting Chief Executive Officer. Next to Stuart is David Walker, Executive Manager Operations. On my right is Rod Williams, Chief Financial Officer.

Madam CHAIR: Thank you. Mr Faulkner, I will invite you to make a brief opening statement and then I will call for questions relating to that statement. The committee will then move on to consider questions regarding the corporation's 2018–19 Statement of Corporate Intent. I will invite the shadow minister to ask their questions first, followed by committee members. Finally, other participating members may ask questions.

The committee has agreed that other members may join in a line of questioning pursued by the shadow minister. Mr Faulkner, would you like to make an opening statement on behalf of Jacana Energy?

Mr FAULKNER: Thanks very much, Madam Chair. We have a presentation that we have made available to members. In the interest of providing adequate time for questions, with your approval I might just touch on a couple of the key issues contained in the presentation, particularly our 2016–17 performance against the SCI, and also how we are currently travelling against the 2017–18 KPIs.

Dealing with 2016–17 first, our gross margin—5.3% of revenue is well above the 2016–17 SCI of 4%. The main drivers of that improved performance are retention of C&I customers. I think there are six or seven retailers who have licences in the Territory at the moment. They are not all active. One in particular is probably very active. Most of the others sort of come and go, I think, depending on the market.

We have done better than expected in terms of retention of C&I customers. The other driver of that gross margin performance is we are able to negotiate an electricity wholesale agreement with another generator, which has provided significant savings for us during 2016–17.

We always struggle with our cost to serve given the size of the customer base. Our SCI had a target of \$165 and during 2016–17 we were running about \$20 a customer above that, unfortunately. Keep in mind that a large percentage of our costs are fixed costs, and in our case it is spread across a relatively small customer base of 83 000 customers. I think the next smallest retailer in Australia, as far as the customer base goes, is Aurora Energy in Tasmania. Their customer base is almost three times what ours is. I think it is around about 270 000 to 280 000.

Cost to serve is always going to be a challenge for us, but having said that, the difference in \$20 for financial year 2016–17, the main components of that variation associated firstly with our forecast of customer numbers for that year. We forecasted a growth in excess of what was achieved during the year, a growth in customer numbers. Secondly, we factored in some savings from some new IT systems that we are implementing. One was our financial management system called Pronto. The other one was our retail operating system, abbreviated (inaudible). Those two combined contributed most of the \$20 in excess of the target.

Our EBIT, the bottom line—we were able to achieve a \$9.5m result compared to an SCI target of \$200 000. We are particularly happy with that. That is, of course, driven by the improved gross margin for the reasons that I outlined earlier. Return on equity, once again, was almost double the target. Four per cent was the target. We ran at 10.2% at the end of the year.

Our greater service, which is the percentage of telephone calls that are answered within 30 seconds—our target was 70, and we came in marginally below that at 69.3, so we were fairly comfortable with that result. The abandonment rate, which is the calls that actually drop out before they are answered because people feel they have been waiting too long—we have a target of less than five and the final result for the year was 4.2%.

I might ask Stuart to provide some highlights for 2016–17, and then we will move on to the 2017–18 performance to date.

Mr PEARCE: We did quite well in the commercial and industrial segment. We retained a lot lower profit than we otherwise expected. The other key driver was lower than expected consumption in the mass market, which is mums and dads and small businesses. The retail tariff for those customers is set below cost, and we receive a fix community service obligation funding. If consumption increases in those segments but CSO funding goes from profit to loss fairly quickly. When people are using less energy it actually helps our bottom line, and that was the case in 2016–17.

Mrs FINOCCHIARO: I am sorry to interrupt. Madam Chair and Mr Faulkner. I completely appreciate the detail you are going through. Thank you for the presentation. I just sort of thought in the interest of time—we have less than 45 minutes now. I do not know how other committee members feel but perhaps we can ...

Mr WOOD: I would just like to hear where we are going there.

Mrs FINOCCHIARO: That is fine. I am just conscious of time. Thank you, Mr Pearce.

Madam CHAIR: Let Mr Pearce just round off and then we might move into the question phase.

Mr PEARCE: I guess a couple of our highlights, where we did implement the new financial system, Pronto—which meant we could move away from Power and Water’s financial systems. We did implement a new billing system for our C&I customers. That was the first phase of the ROS implementation. We completed the transfer of credit management from Power and Water Corporation to Jacana Energy and ran an EOI process for renewable project developers to look at renewable generation in the Territory. We continue to provide financial and hardship support for our vulnerable customers. They were the key highlights of 2016-17.

Madam CHAIR: Thank you, Mr Faulkner and Mr Pearce. Are there any questions relating to the opening statement?

Mrs WORDEN: I wanted to ask about your new billing system. You might have known this was coming—I have written prolifically about it in the last few weeks. With the transition—it came out with some glossy information that explained the new billing system—how was the decision made about whose name was going to be left on that bill? So everyone is aware, it used to be in joint names and now it is just one. I have asked for an explanation outside of this process and I cannot seem to get a straight answer on who is deciding who is left on the bill.

Mr WALKER: The process was, the first named person who was originally on the bill, unless one of the people on the bill was a pension or concession holder. If that was the case, they were the person that defaulted as the first name on the bill. The rest of the people still maintain authorisation on the bill. Rather than having multiple names—we have had some instances where we had up to seven names on the bill—we have standardised to what our new system has—that is, a single name, a host of, and authorised names if need be.

We have ensured we have kept anybody who has a concession as the first named, otherwise it would default to whoever was first on the bill.

Mrs WORDEN: Supplementary to that, could you tell me how many complaints you have had so far in relation to those changes?

Mr WALKER: I cannot give you complaints—we have had enquiries from customers but I have not had any written complaint that I have dealt with as a result of this at this stage.

Mrs WORDEN: I have put one through. Perhaps it has not made its way.

Mr WOOD: I did not realise that was the case—that I how much I look at my power bill. My power bill should be in joint names and my wife is on the old concession method that the government had. People do use their power and water bill for other reasons—especially if they are getting their points up for the bank or to acquire their passport. If a name is removed, is it removed totally?

Mr WALKER: It is not removed totally. There is still an authorised person on the bill and if someone was in that position, we would be able to provide written evidence that they are authorised on the account.

Mr WOOD: But it is not actually on the bill?

Mr WALKER: Not on the bill.

Mr WOOD: For my people in the rural area there will be a requirement to do something—you have your rates or your power and water bill with your address on it and they use it for ID. It seems it is going to be harder if they want to use their electricity bill because they are going to have to make an application to get their name put back on the bill. Is that correct?

Mr WALKER: What we would do is provide written notification that they are an authorised person on the bill. That would suffice in regards to any ID requirements.

Mr WOOD: I see that as a hurdle for people who walk into my office and have bits of paper that I have to stamp as being the original copy. They have not had to go to anyone else because it has always been on

their bill. I know you may be coming from an efficiency process for yourselves, but I get a lot of people walking into my office asking for copies so they can get licence and passport. This would be an impediment for people. They would say, 'Bugger that,' and it requires me to ring you up and ask for my name to be on the bill. I just see that as a bit of a retrograde step.

Mrs WORDEN: I am wondering if I can put a question on notice around how many complaints or inquiries have been made about that particular change. I understand that you cannot go back now; is that correct? It is just a functionality of the new billing system.

Mr WALKER: That is correct.

Madam CHAIR: Member for Sanderson, would you like to place that question on notice?

Mrs WORDEN: If I could.

Question on Notice No 11.1

Madam CHAIR: Member for Sanderson, please repeat the question for the record.

Mrs WORDEN: Could we find out how many complaints or inquiries have been made about the move to only having one name on the new Jacana power bills?

Madam CHAIR: The Member for Sanderson's question has been allocated the number 11.1.

Madam CHAIR: Are there any further questions regarding the opening statement?

Consideration of Statement of Corporate Intent 2018-19

Madam CHAIR: The committee will now consider questions relating to Jacana Energy's 2018–19 Statement of Corporate Intent. Are there any questions?

Mrs FINOCCHIARO: Thank you very much for attending and for all the hard work, no doubt, that Jacana has put in to preparing for today. It is certainly much appreciated by the opposition.

I think a question on a lot of Territorians' lips is about power prices and any increases into the future. We know this government had made a 50% renewable energy commitment and we know that Territorians—there is a significant uptake of solar on people's homes. I wanted to know what modelling Jacana have done in terms of any impact this has on its operations and on any future price rises.

Mr PEARCE: We do not set power prices so that is a government decision around retail tariffs for pricing order customers.

In terms of the impact on the business for solar PV, we do pay a very generous feed-in tariff which is a one-for-one, which at the moment is probably around about 25c for domestic customers, and a little bit more for commercial customers. The avoided cost to our business is significantly less than that, which means it is a cost that sits on our books and grows over time as we get more and more customers on the feed-in tariff. It is probably the most generous feed-in tariff currently available for new connections ...

Mrs FINOCCHIARO: And does Jacana set that tariff?

Mr PEARCE: It was set originally by Power and Water. We did not set the tariff, we inherited it. It is something that needs to be looked at, at some stage.

Mrs FINOCCHIARO: That is within Jacana's remit to assess—obviously as that increases as more people take up solar panels on their roofs, you are paying more of those tariffs. Is that something going forward that Jacana is looking at in terms of reducing the tariff or changing it completely?

Mr PEARCE: We do not have any plans at this stage to change the tariff. We have done some work to look at what the cost of that is on the corporation and. It is quite onerous and it is growing.

Mr FAULKNER: Just a couple of comments. My understanding is that the government is looking at that feed-in tariff in conjunction with the renewable energy policy and how that is progressed. Just a couple of other comments on pricing.

The Territory has the third lowest price in Australia for mass market customers. It is only the ACT and Tasmania who have lower prices, and it also has the third highest consumption. So the third lowest price, third highest consumption so when people have bill shock, it is not so much about price it is about consumption. The other two lower priced states and territories, ACT and Tasmania, have even higher consumption than the Territory.

Mrs FINOCCHIARO: All small jurisdictions, ours is obviously the smallest. Are you able to table any modelling or provide any details of the modelling that has been conducted?

Mr PEARCE: Yes. That is the retail prices. Around the impact of the feed-in tariff—I think we have a paper—it is probably something we would prefer to provide in confidence if we could?

Mrs FINOCCHIARO: Okay.

Mr FAULKNER: The uptake of solar has actually dropped off in the last 12 months. The previous year was probably the highest percentage increase the Territory has seen but year to date this financial year it has dropped off.

Mrs FINOCCHIARO: If we were to achieve our 50% renewable energy target as the government intends—I think in 12 years' time—is your modelling for that 12-year period or leading up to it?

Mr PEARCE: You are testing my memory here. It certainly goes out for about 10 years but I would have to check that.

Mr FAULKNER: The rooftop solar of course is only one component of that renewable energy target.

Mrs FINOCCHIARO: Yes, of course. It is sort of two pronged, there is the government's targets and then there is the peoples own take up in their homes.

Mr FAULKNER: The solar cost compared to the current gas fired and diesel fired generation is very favourable.

Mr WOOD: Can I just ask, how real is the cost of solar? If all things were equal—and I am not saying it is not cheaper than diesel—and we are looking at comparing it with gas, if it was unsubsidised and you got competitive tariff feedback for the people who have rooftop solar panels, do you have any idea how much the cost of that electricity is compared to the cost of the gas fired power station?

I see subsidies for solar power from governments. As I mentioned before to the other group here, they use the network for free, as well as that you have—I have lost my train of thought here. The issue we are talking about is whether that feedback price is actually real. Is it a proper price or is it a price to get people in to the market?

Mr PEARCE: The high feed-in tariffs were originally set to try to encourage the uptake of solar PV, and then as consumers uptake the technology and the cost of the technology declines, the market takes off by itself. On the other side you have the cost of grid supplied energy which is increasing. At a point in time, rooftop solar becomes competitive with grid supplied energy and across most of the eastern seaboard that is certainly the case. I am probably reasonably confident that will be the case up here in the Territory as well.

From our perspective the cost of that feed-in tariff is—the benefit for us is the avoided cost of not having to buy that generation off the grid. It is not 25c; it is something a lot less than that. It is probably around 15c or 14c, so the cost of that subsidy is 10c to the organisation.

If we are talking about utility scale solar and solar farms—the cost of the energy produced by a big utility scale project is significantly less than the cost of grid supplied or centralised thermal or gas-fired generation. It is intermittent and you need to add its cost for back up to cover that intermittency but it is still cost competitive compared to most generation.

Mr WOOD: Even over the long term?

Mr PEARCE: Even over the long term.

Mr WOOD: Do you have any idea what the long term is today with a solar farm? Is it 15 years, 20 years or less?

Mr PEARCE: Most PPAs are around 10 years to 12 years.

Mrs FINOCCHIARO: Would we be able to, if you are happy to provide that in-confidence to the committee we can resolve to keep that modelling confidential?

How do we do that, Madam Chair?

Madam CHAIR: The committee proposes to resolve that the tabled document provided by Jacana Energy will remain in confidence.

Mr WOOD: I will second that—if that is a motion.

Madam CHAIR: Moved by the Member for Spillett and seconded by the Member for Nelson. Thank you. Member for Spillett, will that be tabled now or will it be on notice?

Mrs FINOCCHIARO: On notice, I think.

Madam CHAIR: Thank you. Just making sure we do not have staff coming to collect a paper.

Question on Notice No 11.2

Madam CHAIR: I will allocate that a number. Member for Spillett, could you name the question on notice regarding the tabled document so we can allocate it a number?

Mrs FINOCCHIARO: Could Jacana Energy please provide details of its modelling?

Madam CHAIR: The question has been allocated the number 11.2.

Mr FAULKNER: Sorry to be difficult, Madam Chair, but I wonder if that is specific enough. Modelling of solar—are we talking about solar farms?

Mrs FINOCCHIARO: The modelling of the impact of the 50% renewable energy target and homeowners' uptake of rooftop solar. Could you please provide the forecast of the impact of the take-up of rooftop solar, over the next forward period?

Mr FAULKNER: There will be some assumptions in terms of feed-in tariff associated with that of course, because that will impact the uptake.

Madam CHAIR: Thank you.

Mrs FINOCCHIARO: Following on from what the Member for Nelson said, I want to ask if Jacana had done any estimated impacts of the alternative provider, such as Rimfire Energy? Such as what impact that might have on Jacana.

Mr PEARCE: Do you mean in terms of customer retention or customer loss?

Mrs FINOCCHIARO: Yes, sorry—of Jacana customers switching to Rimfire.

Mr PEARCE: Okay. Well, we do. We constantly monitor and report customer activity; retention, acquisitions, win backs and those sorts of things. We keep extensive reports about those sorts of things. It is a competitive market, and we win some and lose some in a competitive market.

As Noel said before, activity can be sporadic. It can be quiet for a few months and then suddenly you might lose a number of customers. We watch and monitor it closely. We think we are competitive in the market.

We offer a localised customer service. We also offer account management services for our large C&I customers, and we compete successfully against our competitors.

Mr FAULKNER: Generally what you find in a competitive market, particularly a newly opening competitive market, is that the incumbent retailer is the one that will lose out. They have 100% of the market to start with. We are aware of the figures from other states in terms of what they lost to competitors when they opened it up to competition, and we are happy with the way we are travelling to date.

What you find with the incoming retailers is they cherry-pick. They go for the most profitable customers and we have a loss-making mass market we have to deal with.

Mrs FINOCCHIARO: You must have done some projections around that? As you said, starting from 100%, it was always going to go down. So you have done that modelling?

Mr PEARCE: We do. In our statement of corporate intent, we provide a forecast of what we think our mass market consumption is going to look like, and we make assumptions about customer usage. For our C&I customers, we make assumptions about how many customers we think will retain what the average load will be, and what price we will need to offer to remain competitive. We factor that into our SCI every year.

I am sure you would appreciate that information needs to be kept confidential, as well?

Mrs FINOCCHIARO: I was just wondering.

Mr WOOD: Could I ask a question on customers? You have had two large developments in this part of the world. One would be Gateway and one would be Coolalinga Central. Do you supply them as a total package, if you supply them? Or is it basically individual supply to each shop within those complexes?

Mr PEARCE: With the big shopping centres it tends to be with the one big account, like the owner of that shopping centre.

Mr WOOD: And then they somehow sub-meter each shop?

Mr FAULKNER: I think you will find they sub-meter and then pass the costs on.

Mr WOOD: They have the opportunity to bargain with you for a better price.

Mr PEARCE: Yes, definitely. It varies from customer to customer. Some of the big shopping centres contract directly.

Mr WALKER: With the big shopping centres there is a large amount of support services that go through the centre. As you would appreciate, when you walk through there is a lot of air conditioning. Those services are provided across the centre and it will be up to the developer—generally you would have all the shops sub-metered and have individual accounts. Those services to heat—or in Darwin's case, cool—such a large, open area draws a significant amount of energy. That is generally where a big piece of the load is, whereas the individual shops are more lighting to supply their services.

Mrs FINOCCHIARO: Can you outline the management changes that have taken place in the last 12 months and the reason those changes were made?

Mr PEARCE: Generally we do not like to talk about individual cases, but like with all businesses people come and go. People leave for various reasons and in retail businesses it is not uncommon for people at senior levels to move.

Mrs FINOCCHIARO: That is fine if you do not want to go into the reasons. What changes have there been to those management positions in the last 12 months?

Mr PEARCE: The structure has been pretty much the same over the last 12 months. We are currently recruiting a couple of senior roles, but they have always been there; they are just vacancies we need to recruit to.

Mrs FINOCCHIARO: Is it a vacancy that has always been there?

Mr PEARCE: No, the role has always been there. For instance, it might be in the sales and marketing area or the operations area. We have not have a restructure, but we do have vacancies at the management level.

Mrs FINOCCHIARO: How many vacancies are there?

Mr PEARCE: At the senior management level—that is a good question.

Mr FAULKNER: Sorry, I think I missed the original question.

Mrs FINOCCHIARO: Could you outline the management changes that have been made in the last 12 months?

Mr FAULKNER: Yes, sure. Rod Williams has come on as Chief Financial Officer. We are happy to have Rod. He has experience in the energy industry in Queensland. He is performing exceptionally well to date.

We have recently appointed Kelvin Strange, who was formerly company secretary of PWC and brings a lot of experience to the table. He has been appointed to company secretary of Jacana Energy.

We have one other vacancy, which we are recruiting for at the moment, but we have someone acting in that role.

Mrs FINOCCHIARO: How many fly-in fly-out employees does Jacana have, and how many are part of its executive team?

Mr FAULKNER: There are no permanent members of the executive team who are fly-in fly-out.

Mrs FINOCCHIARO: So everyone is based in Darwin?

Mr FAULKNER: Every permanent member of the executive team is based in Darwin. David is acting in the role at the moment. He is based in Melbourne, so he might be what you call fly-in fly-out. I think he goes home once a month.

Mr WALKER: I actually spend more time in Darwin than I do in Melbourne.

Mr WOOD: Especially this time of year.

Mrs FINOCCHIARO: Can you break down how many members of the executive team are permanent in Darwin? Whilst that may very well be the case, how many are not based in Darwin or the Territory?

Mr FAULKNER: Correct me if I am wrong, Stuart, all the permanent members of the executive team are Darwin-based.

Mr PEARCE: That is correct.

Mrs FINOCCHIARO: So how many non-permanent members do you have that are not Darwin-based?

Mr FAULKNER: Two. One of them is Stuart as Acting CEO and we are currently recruiting for the CEO and that person will be permanently based in Darwin.

Mrs FINOCCHIARO: Stuart, are you in Darwin.

Mr PEARCE: I have flown back twice in the last six weeks so that classes as fly-in fly-out.

Mrs FINOCCHIARO: So Mr Pearce and Mr Walker. Thank you. In the past 12 months has been spent on recruitment and how much of that total amount was spent on executive recruitment?

Mr FAULKNER: We might have to take that question on notice, if you do not mind.

Mrs FINOCCHARIO: That is fine.

Question on Notice No 11.3

Madam CHAIR: Member for Spillett, could you repeat the question.

Mrs FINOCCHIARO: Can Jacana please provide the information on, in the past 12 months how much has been spent on recruitment and how much of that total amount was spent on executive recruitment?

Madam CHAIR: The number is 11.3.

Mrs FINOCCHIARO: Thank you. How many FTEs are employed in the customer care team?

Mr WALKER: Customer care we define as our customer contact team, which deals with all of our customer calls and customer inquiries through email. We currently have 31 in that team.

Mr WOOD: Could I just ask a question on that? I have the annual report but it does not have figures from how many people are employed, unless I missed it.

Mr FAULKNER: As at the end of March 2018 we have ...

Mr WOOD: I am just asking, should it be in the annual report? You are not the only one that is missing those figures.

Mr FAULKNER: Good question. Off the top of my head I cannot think of any reason why it could not be.

Mr WOOD: I might have missed it, but I went through it a few times looking for it. Another branch—another GOC—has had the same problem over the last couple of years. I just thought maybe you could check up why that is not in the annual report.

Mr FAULKNER: We can certainly look at including it. Did you still want to know the number employed? We have 63 people. From what David just said about half of those are in the front line, in the customer care area. Actually, I am looking at some percentages in front of me now—70% of those people are frontline staff; 71% are female, which is great in terms of diversity; 46% of the leadership positions in the organisation are filled by females as well; 7% are Indigenous; and 20% are non-English speaking background.

Mrs FINOCCHIARO: Okay, thank you. So that was 31 in the customer care team.

Mr WALKER: That is correct. We also have another team which is our credit and collections team that are customer-fronting and we have ...

Mr FAULKNER: It is about seven in that group.

Mrs FINOCCHIARO: Thank you. The cost to serve presented in the statement of corporate intent was \$186 per customer in 2018. How does this compare to other providers around the company and how will the decrease to 2021–22 be achieved?

Mr FAULKNER: Good question. It is difficult to find an accurate benchmark figure. You have to be careful that you are comparing apples with apples, the same with any benchmarking. We think the best practice is probably around \$145. I do not think we will ever get to \$145 with our current customer base given the comment I made previously about the percentage of our fixed costs. A 50% increase in our customer base would not increase our cost by anywhere near 50% so we will not get down to best practice with 83 000 customers. I think we will get down to about \$165.

The other thing you have to be mindful of is comparing the services provided by each of the organisations and what they charge for. Some retailers charge you to send out a paper bill; some retailers charge you credit card fees; and hardship vouchers is another thing. When you look at the services we provide and do not pay for, that comes to about \$24 per customer. If you take that off, you are down to about \$160, and then you have a gap of about \$15 from there to best practice.

Mrs FINOCCHIARO: There is a steep forecasted decline on return to equity and EBIT from 2018–19 to 2021–22. What is driving that decrease? Is it the rise of the solar PV? What is the decrease in operating expenditure for the same period?

Mr WILLIAMS: The earlier discussion around competition—as we forecast out for fall in demand and turnover of customers—losing the profitable customers, maintaining the non-profitable mass market customers—that is driving the lower margin and lower profit over the fixed years.

Mrs FINOCCHIARO: Is any of that attributed to the solar PV?

Mr WILLIAMS: Not directly, no. It is compensated through the CSO.

Mrs FINOCCHIARO: Recently there have been some changes to how Jacana is operating the shopfront, and that was communicated through electorate offices that we were all aware of what those changes were. How much longer will Jacana customers be able to pay their bills at Power and Water shopfronts?

Mr WALKER: There is no stop to customers being able to pay at Power and Water. The differentiation is that if customers choose to pay it with cash they can no longer do it there; however, they can do so at Australia Post outlets. There are around 25 throughout the Territory. Most of those are within easy walking distance of existing Power and Water stores. In-store they can pay either over the phone or through our kiosk that we have established at each of the four shopfronts. They can pay via credit card through that facility.

We have no time lines on stopping that facility from being in the shopfront, so there is no end date to a credit card payment through the shopfronts.

Mrs FINOCCHIARO: Has there been any job losses in Jacana as a result of this change in service delivery?

Mr WALKER: Previously the service that was provided through the shopfronts has been supported by the Power and Water Corporation. Those resources are still in the shopfronts. What we have actually done since we have gone on to a new operating system, which has facilitated this change in service within the shopfronts, is we have actually added resources to support our customers transitioning from an over the counter service model through to a self-service kiosk and over the phone model within the shops. We have had concierges in the busier shopfronts of Darwin, Palmerston and also Alice Springs. They are there to help the customers transition through.

There has certainly not been any job losses from Jacana Energy. It has actually increased employment in the short term.

Mr WOOD: Can I just ask a question on this? I cannot quite remember the full details, but people can build up a credit on their account so they can pay straight into their electricity account so they know they will always be covered. If they want to withdraw that money because of some emergency, are they able to do that easily or are there issues with doing that?

Mr WALKER: They can do it very easily. They can do it by making an application online or they can put it through a telephone call. What we do is process it. It is not a process that is overnight. We quote seven to 10 days, although with the new system we are doing that in a shorter time frame. We process that either by cheque back to the customer or we will directly deposit it into their bank account.

Mr WOOD: If it was directly deposited in their bank account—this is a question I get asked a bit—why does it take so long? When I do it—when someone wants me to pay a bill—it is usually instantaneous.

Mr WALKER: That is one of the improvements we have made through the new operating system, as I have mentioned. We do quote seven to 10 days but are finding it is a three to five-day process. However, when we are dealing with funds that are going back to a customer, we make sure we go through all the appropriate checks, balances and approvals before we deposit the funds. We do allow enough time for it to be approved and processed back via the bank.

Mr WOOD: The customer sees it the other way, if he or she puts it through your bank account it goes instantly, but if it comes back the other way it is slower.

Mr WALKER: That may be what they think happens, but generally there is a delay between when you do a deposit—it depends if you are going through BPAY it can take two to three business days for the funds to

come across and whether or not you are using the same back as what we use. There can be delays across that as well.

I can understand there would be the perception that it comes directly across. The other point to take note of there is that when the customers—they are in control of the process—are committing the funds, there is no approval process and it is just pushing a button. We need to have an audit trail and the right governance processes in place to ensure that we are protecting ourselves and the customer in terms of the funds that we are sending back.

Mrs FINOCCHIARO: I want to ask about the changes to service—the shopfront service—as Jacana Energy must have done that for a reason. Has it achieved savings from that change in not being able to make cash payment?

Mr WALKER: The savings will come further down the line. What we have done is moved off the previous billing system that we shared with Power and Water Corporation. Now that our customers are no longer on that system, the Power and Water Corporation team that operate behind the counters no longer have access to that customer information.

From our point of view, we are moving to a lower cost channel through those shopfronts. In the longer term, it is our objective to be able to get the savings. In the short term, the savings have not been realised because we still have an agreement through our transitional services agreement with Power and Water Corporation to jointly fund those shopfronts.

We have that additional support team to help our customers' transition but ultimately, it will give us more flexibility to be able to provide cheaper services in the long run.

Mr FAULKNER: In relation to David's comments, we are talking about the cost to serve earlier. The shopfronts add \$13 to that cost to serve—it is a significant component of the cost to serve. The other thing in terms of the retail operating system—it is not only about reducing costs; it is about providing additional services. The services that will be available to the Territorians as a result of this IT implementation will now be equivalent to what the other states and territories have had access to for years.

I can get David to outline some of those additional services if you would like.

Mr WALKER: One of the key services that we have now been able to provide is delivering—as simple as it may seem—bills via email. Since we have gone live with the new system on 3 April—we are not through a full billing system and we have not rolled out any marketing campaign—we have had an uptake of around 2800 customers that have moved to eBilling. There is an appetite from our customers to move to more of an electronic or digital relationship with us. That is one of the great benefits with the system.

We also have another module that is still to be delivered. It will be delivered in the latter part of this year but it is our online self-service portal. Our customers will be able to go in and pay bills through the portal. They will be able to look at recent transactions and previous bills. They will be able to update their account details and will also be able to do simple things such as request a bit of extra time to pay for a bill and request or look at some of the plans we have that could suit them.

One of those plans we call ReliaBill. We were talking before about the high consumption here in the Territory. A lot of that comes through the wet season when everybody is running their air conditioners. What the ReliaBill product will do is add more certainty and allow customers to budget better by forecasting their usage over a 12-month period, and then setting up a payment plan that is constant across the 12 months.

It will basically take out those peaks and troughs we see from Wet Season to Dry Season, and allow customers to budget and have surety around their bills. That is the other product that will be rolling out with the new system.

Mrs FINOCCHIARO: For those customers who cannot, or do not feel comfortable accessing online, are there any changes to service delivery from your phone service? Will customers still be able to have that live customer experience?

Mr WALKER: Most certainly. That service is still a core piece of our service delivery. We believe with the new system, we are already seeing that our customer service agents find it easier to navigate. We are still on a learning curve in terms of their competency, but we believe with the format of the information presented,

we get more of a single view of a customer so we are able to provide better information in a shorter period. That is our long-term view. It is still a key plank of our customer service going forward.

Mr WOOD: Can you tell people online when they have not paid their bill, and when their power is likely to be cut off, or is that Power and Water's job?

Mr WALKER: Power and Water do the notification around planned and also unplanned electricity arrangements, but in regard to customers that have not paid their bill, and with the new system will be able to use ...

Mr WOOD: Bright red words across the screen?

Mr WALKER: Certainly our new look bills and reminder notices are superior to what we previously put out there, so it will draw it to their attention more. We will also be doing things like emails for those customers who have elected to receive emails. Importantly, there are additional messages for those with mobile phones that will alert customers who have, in most cases, overlooked or misplaced their bills.

Mr WOOD: Just black out the screen, that is a reminder.

Mr FAULKNER: I think I might have mentioned when we were before the committee last time, as a result of that initiative the number of disconnections per annum is down to less than half what it used to be. Just providing that simple reminder.

This system also provides additional business-to-business functionality with PWC, which will help speed up our processes. It is a new-age system to the old legacy system at PWC. We are pretty pleased with the outcome. We delayed the implementation a couple of times because we wanted to make sure we got it right. This is a system where, if implementation was not correct, it would impact everybody in the Territory. We have all heard horror stories about IT system implementations. We had significant issues in terms of data cleansing and migration from PWC. That is not a criticism of Power and Water, because you find that in any old system when you are transitioning.

As a matter of fact, I would like to take the opportunity to thank PWC. This was a joint effort and we could not have achieved what we have without their assistance. They have been fantastic throughout this whole process. It went live. A few weeks after it went live, people were asking if it had gone live yet. I think that is a good outcome, when an IT system goes live and nobody knows anything about it.

More importantly, the actual costs were comparable to budget. I think we were about 3% in excess of budget.

Mrs FINOCCHIARO: Thank you.

Madam CHAIR: I have two more questions from the Member for Port Darwin and then finish, Member for Spillett.

Mr KIRBY: Thanks. I commend you on the new initiatives. I am sure people will get the hang of using them. In the Territory we have been stuck in our old ways for a long time. The support Power and Water give you at the shopfronts, are you saying there is a time line on that? Will that mean those shopfronts will disappear at some stage?

Mr WALKER: We do not have any plans in terms of the shopfronts. We are unaware of Power and Water's plans to move out of the shopfronts or for them to disappear, but we will maintain our presence in the shopfront with our customer service kiosk. What we will do is once we are comfortable that we have transitioned the customers to the new service arrangements, we would look at withdrawing what we term 'customer concierges' within the shopfronts.

That is something we are looking at doing over the next month or so. The outlook was to run it through a full billing cycle for a mass-market customer. That is three months. We want to make sure we have the opportunity to communicate on a one-on-one basis with all those customers who would go through that one billing cycle. Then we will monitor it.

Mr FAULKNER: As part of that process, we are monitoring the transactions, the number of transactions and what type of transactions they are. We will get a bit of a feel for how long we need to keep that service in place.

Mrs FINOCCHIARO: I wanted to know what is the number of the last reporting period, 1 July 2017 to 31 March this year, of incorrect disconnections to people's power, where power has been cut and it has turned out to be the wrong person. I want to know what the process is for reconnecting someone's power who has been wrongly disconnected in the first place.

Mr FAULKNER: We will probably have to take the first part of that question on notice, if you do not mind.

Question on Notice No 11.4

Madam CHAIR: Member for Spillett, please repeat the question for the record.

Mrs FINOCCHIARO: Could Jacana please provide the details for the reporting period 1 July 2017 to 31 March 2018 of how many household and businesses, disaggregated, were wrongly disconnected by Jacana.

Madam CHAIR: The minister accepts the question and it has been allocated the number 11.4.

Madam CHAIR: And the second part?

Mrs FINOCCHIARO: What is the process where someone's power has been wrongfully disconnected? What is the pathway for that consumer to get it reconnected?

Mr WALKER: The customer will contact us and we will arrange for a reconnection. If it is after hours—we have certain cut-off times with our agreements with Power and Water. There are significant fees incurred. We will incur that cost. It may be in some cases that the customer may be comfortable to remain off supply and take a settlement on the cost. However, we will ensure we will get the customer back on supply.

Mrs FINOCCHIARO: Can I just clarify that? If it after hours, what does the consumer do?

Mr WALKER: If it is after hours, the customer is advised to contact Jacana Energy on the next business day.

Mrs FINOCCHIARO: So they go without power that night?

Mr WALKER: We will ensure that they are appropriately compensated. If there is an emergency—for example, if there was a health issue or something like that—we have an escalation process where, through Power and Water, they will contact us and we can arrange for a reconnection to be made.

Mrs FINOCCHIARO: Because people are deferred to Power and Water after Jacana's hours?

Mr WALKER: Correct. Our contact centre is open 8 am to 6 pm on business days. In terms of a wrongful disconnection, it is not a regular occurrence. But for the customer to be unaware of it in out of hours is even less likely. There is a process in the event of an emergency to get that customer back on.

Madam CHAIR: Thank you, and that concludes this session. On behalf of the committee, I would like to thank all of the officials for appearing in front of the committee today.

The committee will now consider Territory Generation, and we will do a quick five-minute swap over.

The committee suspended.

TERRITORY GENERATION

Madam CHAIR: Mr Bree, could you please introduce the officials accompanying you.

Mr BREE: On my left is the Chief Executive Officer, Tim Duignan; and on my right is acting Chief Financial Officer, Maria Walters.

Madam CHAIR: Thank you. Mr Bree, I will invite you to make a brief opening statement and then I will call for questions relating to that statement. The committee will then move on to consider questions regarding the corporation's 2018–19 Statement of Corporate Intent. I invite the shadow minister to ask their questions first, followed by committee members, and finally other participating members may ask their questions. The committee has agreed that other members may join in in a line of questioning pursued by a shadow minister.

Mr Bree, would you like to make an opening statement regarding Territory Generation?

Mr BREE: Thank you, Madam Chair. The past six to 12 months have been challenging ones for Territory Generation. Our 2018–19 statement of corporate intent has been developed in complex commercial and policy environment. It follows the Colvin report into TGen's financial position in December last year, as well as publication of the Northern Territory Government's *Road to Renewables* report.

The government's adoption of that report ultimately means that TGen will not have a major role in solar power generation. This is a significant break from previous SCIs.

The SCI recognises that the introduction of solar power will reduce the overall cost of power to consumers but will lead to higher costs for TGen. I am sure we can cover some of these issues in questions. It also recognises that the system will not work without TGen's participation as a generator of last resort and provider of ancillary services to ensure reliability and stability of the system, at least in the medium term.

We heard from the Chief Minister last week in estimates describing the commercial environment being dominated by an expected increase in entry of solar power, both rooftop and large scale, the parallel reduction in cost of production of solar power as well as battery storage technologies. The policy environment supports and probably accelerates the expected increase in penetration of solar power through the government's target of 50% renewable by 2030.

Territory Generation's key role through this transition will be to ensure the reliability of the generation systems while keeping the cost of transition as low as possible. It also aims to be a trusted adviser to government on all matters within the electricity industry. We heard the Chief Minister reinforce this when he made reference last week to TGen taking a lead role looking at solar hydrogen. This may be something we can expand upon later.

Through this transition, Territory Generation will be conscious of the impacts on the Territory economy, the government budget and cost to customers. In that vein, I would like to briefly tackle the issue of the \$150m impairment of our assets this year. The media has reported that this is evidence that TGen is broke. This is not the case. Impairment is a recognition that our assets are now worth less than previously, largely because their ability to generate income has been reduced.

Accountancy standards rightly say that we must report this change in our operating environment, and we have. I am happy to take further questions on this matter.

Madam Chair, we live in challenging times and TGen has, by and large, been the most effected by the clear direction government has made and the commitment to reach 50% renewables target by 2030. TGen is also committed to supporting this target and many of the initiatives we have been working towards over the past two to three years will provide support. This includes large investments in Tennant Creek and Alice Springs power stations, plus the battery energy storage system in Alice Springs, which will be virtually going online as speak.

This provides the platform for us to very soon be providing government with options for a similar but much larger system in the Darwin/Katherine network.

This has occurred within an operational context of both setting a yearlong new safety loss time injury record as well as new reliability records for the Darwin Katherine system, which only this month reached 1000 days without a single contingency under frequency load shed events. An important reliability measure in our industry.

In addition, our role from here will be to continue to identify savings and efficiencies in our cost base, including reviewing its future the ongoing business model. Amongst all this, can I say on behalf of my fellow directors that it has been a challenging six months which is ultimately reflective of the disruptive industry that we are working.

I would like to conclude by paying tribute to the management and staff of Territory Generation who carry out their roles diligently 24/7, 365 days a year to provide power to Territorians while ensuring that safety is their number one priority. Thank you. I would like to take questions as you request.

Madam CHAIR: Thank you, Mr Bree. Are there any questions relating to the opening statement?

Consideration of Statement of Corporate Intent 2018–19

Madam CHAIR: The committee will now consider questions relating to Territory Generation's 2018–19 Statement of Corporate Intent. Are there any questions?

Mrs FINOCCHIARO: Thank you, Mr Bree. As you are aware, in December the Territory Generation Board was replaced and the interim board was put in place pursuant to section 13(5) of the *Government Owned Corporations Act*, has a new board been appointed or the interim board is the new board?

Mr BREE: The interim board has recently been appointed as the board. I think the Treasurer mentioned that in estimates last week.

Mrs FINOCCHIARO: Have there been any significant changes in executive management for a TGen in the past year and are there any foreseen changes in the coming financial year?

Mr BREE: I might let Tim answer that question just to make sure we get them all right.

Mr DUIGNAN: Thanks for the question. Recently we had one of our senior executives retire, Mr Robert Ross, after a 41-year stint in the electricity industry in the Northern Territory—a well-deserved retirement. Most recently, last week, our General Manager Commercial and Strategy took a position up after three years in Tasmania and has departed our business as well.

Mrs FINOCCHIARO: A total of \$150m in asset impairments were booked in the 2017–18 financial year, as outlined in your statement of corporate intent. Can you please outline what the reason for that decrease in the value of those assets is and whether that increase is attributable to solar PV?

Mr BREE: Thank you, Member for Spillett. I will talk about it just broadly first and then I might hand it over to Maria to give you some detail. Essentially what you have said is true. We have to empower our assets when they can no longer deliver the income and revenue that we expect that they would. That is largely being caused by the incursion of solar power in to the industry, but also we lost a significant customer right at the start—I think it was June 2017. The Pine Creek Power Station went out of our system, but I will pass it over to Maria for the technical reasons that we had to do that.

Ms WALTERS: Assets are impaired when the carrying amount is higher than the fair value, so the fair value is the present value of future cash flows of what we refer to cash generating units. For Territory Generation a cash generating unit is a region, and when those cash flows come in and the values that result from those are lower than what we have it on our books, we have to impair.

Mrs FINOCCHIARO: Has TGen developed a strategy to protect from future impairments?

Mr BREE: It would be fair to say the current trend means that we are more likely to lose market than gain it. As we said in the SCI, the economics are such that the downward trend in cost of solar power suggests that it is the right place to be for at least six hours a day that solar power can be provided.

Our market is reducing. I would not be surprised if we have further impairments as we go through this process. That would be what you expect, in a sense, as we transition from thermal generation, which we have had for many decades, to a new technology that is not owned by us. It is going out of our system.

Mrs FINOCCHIARO: Have previous boards had to make impairments to account for the take-up in renewables?

Mr BREE: No, they have not.

Mrs FINOCCHIARO: TGen is forecasting that renewable energy is exponentially increase?

Mr BREE: No, I certainly would not say exponentially. My judgment is that people will continue to take up this technology because the economics are right for them personally and for businesses. Also, there is a

market design being developed which will allow people to come in with large-scale solar to the system. In the medium term you would have to say that six hours a day is solar and 18 hours a day is thermal. That is around 25% of the load. There is not an unlimited degradation of our business in the short term. But we have to make—and we are making—adjustments for lower revenue, looking at our costs and where we can be in business elsewhere within the policy framework the government has given us.

Mrs FINOCCHIARO: So, it will not be exponential—the projections for TGen are such that they will taper off given that six-hour ...

Mr BREE: I think that is in the medium term. To talk in the long term with the technology that is around is very difficult. In the three to five-year term I would think we will have more impairment, but there is a limit on how far it will go because we are required to be in the system.

Mrs FINOCCHIARO: How do you future-proof TGen?

Mr BREE: The way we think about it is trying to align and advice government on the rate at which solar power—large solar power, as there is no control over people putting things on their roofs—installation has come into the system, ideally, would be at a rate at which we retire some of our older assets. That is one part of our business.

Our inclination is that it will tend to align a bit like that. At certain stages we will retire our old assets and they will have seen their useful life anyway. That does not have the same impact.

Mr WOOD: If you retire the old assets, what happens to your baseload power? You get three weeks of tropical monsoon, no sun at all, and people still expect to have all their air conditioners going. Can you get rid of those assets?

Mr BREE: Some, but I will hand you over to Tim because he will be able to explain it more technically.

Mr DUIGAN: The reality of it is, yes, we are going to need to keep enough capacity to meet the maximum demand. The maximum demand in the system will move from what has been traditionally in the afternoon to early evening, and possibly early morning in some of our markets. There will be the opportunity, depending on technology and thinks like battery energy storage systems as part of that technology, as to what the cost of those systems are moving forward and the reduction expected in those costs, whether that comes through.

As to how much of that peak—the new peak with solar in during the day, we can actually shift to a different time or flatten out, and therefore reduce the amount of thermal capacity that we will need to provide. The simple answer is yes, we need to keep enough capacity to meet the system peak at any point in time.

Mrs FINOCCHIARO: Is TGen also looking at innovative ways, or ways in which to diversify its model for example so that it participates in the solar industry in order to future proof TGen or is that not part of the thinking?

Mr BREE: No, the *Roadmap to Renewables* report—which was adopted, I understand, by the government—keeps us out of the large solar industry, so we are not doing that. We will be attempting to keep our skill levels up in that area by offering operation and maintenance support in that area to various people but not put taxpayer's money into new installations in that area. I think that answers your question to some degree about future proofing, keeping our skills up.

Mrs FINOCCHIARO: So would TGen be relying, into the future, on government to subsidise TGen's operations?

Mr BREE: We hope not. We have set in our SCI a target of not returning a dividend to the government but not asking them for money—for further cash in the out years. We are trying to be cash positive in our business over the period of the SCI.

Mrs FINOCCHIARO: How will TGen be achieving that? Will they need to increase their wholesale price, for example charge Jacana more to achieve that?

Mr BREE: I will let Tim—do you want to talk about what we are doing in this area. It is really more controlling our own costs, our efficiencies, rather than pushing up prices.

Mr DUIGNAN: The simple answer to the question is that we have based our SCI moving forward on a set of forecasts which we think are reasonable for the entry of renewables and solar energy. To some degree, as Dennis said, that has led to impairments on our assets. The megawatt hours that we generate, we spread our fixed costs across. The less megawatt hours that we generate, the less we can spread our fixed costs across. Therefore, the price will be greater—or we take impairments on our assets because the market will not support the price. Our price increases like that.

Mrs FINOCCHIARO: I was going to say, if you pass on those costs to Jacana, they will undoubtedly pass that onto the consumer and then we see ...

Mr BREE: Or they will get their energy somewhere else.

Mr WOOD: Can I ask a couple of questions on that? I do not know whether it is in your SCI or your annual report, but you mentioned that you would have to become more efficient. One of the things I read was that you would look at negotiating a new price with Power and Water for gas, but talking to them before, I am not sure they would be very comfortable with that because they would lose profit. Is that really something you can rely on as a means of becoming more cost-effective?

Mr BREE: I understand where you are coming from, Member for Nelson, and the gas prices are internal to government.

We do have a view, and I think they do, that we could better structure the gas tariffs so both of us could place our risk where we can most control it. I will not go into the details but we are working through it.

That is not the answer for us to keep our business afloat.

Mr WOOD: The other issue is staff numbers. I do not know whether I have the media release or the report when the minister announced the board was going.

She also announced there would be quite a reduction in the number of workers in TGen. I tried to look that up. In your annual report for 2016–17, there is a figure of about 251 or 241 employees. In the previous two annual reports, I cannot find a figure at all. I have mentioned to Jacana the same thing. They have not included their employment numbers.

Have you looked at what cuts you would require? Bearing in mind this is what the Treasurer said would happen?

Mr BREE: Yes, Member for Nelson. I preface that by saying that the organisation had a very big capital works program in the last couple of years. Some quite significant projects I mentioned in my address—the Tennant Creek power station; Owen Springs power station; battery storage in Alice Springs. People were brought on specifically for those projects, and are now winding out of the business as they are finished.

There has been a significant drop in staffing over the last six months due to that.

Mr WOOD: That would not show up in your last annual report?

Mr BREE: No. We are down to 204; that is the latest figure we have. Nearly all the people that have moved out were on temporary contracts because they were brought in for specific purposes. And we are now settling down to a business as usual organisation.

Some other savings in staff numbers are obviously going to occur over time through the retirement of Ron Goodin power station, and we are working with staff and unions through that process.

Mrs FINOCCHIARO: Thank you. In December 2017, a report found that TGen's budget was overspent by at least \$43m. Has that position improved or worsened as the financial year has gone on, and what is the estimated overspend to the end of this financial year?

Ms WALTERS: Sorry, could you repeat that? The \$43m has thrown me.

Mrs FINOCCHIARO: Okay. In December 2017, a report found that TGen's budget was overspent by at least \$43m. Is that not correct?

Mr BREE: The figure is not ringing a bell I am afraid.

Mrs FINOCCHIARO: Okay, no that is fine. Was there an overspend by TGen?

Ms WALTERS: In the 2016-17 year, TGen recorded a loss of just under \$600 000. That was compared to our SCI where we were expecting a profit of \$16.7m. I am not quite sure about your number.

Mr BREE: Not sure where the \$43m came from.

Mrs FINOCCHIARO: No, that is fine. Would TGen ever consider selling direct to customers? I believe that becomes an option at the beginning of 2019, is that correct?

Mr BREE: That is a policy issue of government, I think.

Mrs FINOCCHIARO: Okay, thank you.

Mr WOOD: Before you get off the profit topic, I have the profitability of each of the government-owned corporations—it says for Territory Generation you are expecting a loss of \$200 000 this year, and a projection for next year of \$3.1m; 2020–21, \$9.2m; and 2021–22, \$13.2m, which is a big turnaround. You must have had something in mind that would allow you to project that amount. What did you see as the big change that would allow you to turn a loss next year to a profit in 2021–22?

Mr BREE: Member for Nelson, there are a number of things. Firstly, managing our controllable costs—and we are working on that. This financial year we have had a number of large projects which were built—the power stations in Tennant Creek and Alice Springs and the battery storage—to give us a return. A lot of the problems with this financial year have been that those projects have been significantly delayed and we have not had that built in. In future years, the dividends from those investments will be coming through and that will help us.

Tim, is there anything else you would like to say to that?

Mr DUIGNAN: It is a reflection of our budget process this year as well with the impairment and the way we have now structured the business—or the business going forward for the forward SCI period that the business, and as Mr Bree said, with regards to our cost saving measures now and getting the benefits out of those projects or investments that we have made for efficiency. We will start to see those dividends paid through.

Mr BREE: There is one other thing I should mention. The impairment leads to a lower depreciation charge going forward as well.

Mr WOOD: I read this statement a few times and I thought—this it out of the statement of corporate intent and it says:

It recognises that the introduction of solar power will reduce the overall cost of power to consumers but will lead to high costs for TGen.

The overall government point of view—I am a taxpayer so on one hand I might be getting cheaper electricity, but on the other hand I have to pay for a higher cost of running TGen. If I was looking at the bigger picture, is there any saving to the average person in the Northern Territory if you are picking up a higher cost for keeping those generators going?

Mr BREE: Member for Nelson, this is an opinion, because I think we are still working through some of this. I am sure there is if you look at the figures. If you look at the figures at a high level, you will see there is potentially significant savings for that six hours a day on solar. That will feed through—as I understand it—into the community service obligation payments in Jacana Energy.

Our costs go up, largely because of our fixed costs which we have to spare over a lower revenue base. That is what hits us—the system needs us in to do that. You cannot do without it.

Mrs FINOCCHIARO: Has the government had to provide any funding to TGen in this past reporting period?

Ms WALTERS: As part of our SCI process we have included a \$15m equity injection which we are expecting to receive before 30 June. Throughout the year, we had our overdraft increased in December from \$10m to \$20m. We have only had to marginally dip into that once and have managed to no have to utilise that facility—it was only once we dipped into it for a minor amount throughout that period.

Mrs FINOCCHIARO: Has TGen had to do any projected work going forward of what injections it might require from government in the future?

Ms WALTERS: That was part of our SCI process and the result was the \$15m equity injection only.

Mrs FINOCCHIARO: For this year?

Ms WALTERS: Yes, for this year.

Mrs FINOCCHIARO: So it is forecasted that next year there will not need to be any?

Ms WALTERS: Yes, that is correct.

Mrs FINOCCHIARO: Have any projections been prepared that would estimate the cost to TGen if the corporation were reintegrated with Jacana Energy and Power and Water Corporation into a single entity?

Mr BREE: Are you asking us if we have done any work on that?

Mrs FINOCCHIARO: Yes.

Mr BREE: No, we have not.

Mrs FINOCCHIARO: Thank you. Total current and noncurrent borrowings in the annual report for 2016–17 were \$100m. What is the estimated figure for the current financial year?

Ms WALTERS: We have currently have borrowings of \$200m. We rolled those facilities over and we now do not have those in our current liabilities at all. Our current assets and current liabilities (inaudible) for this year.

Mrs FINOCCHIARO: The total forecast for capital expenditures in 2017–18 in the statement of corporate intent is \$52.2m, yet the budgeted capital works for the year is \$38.3m. What is the estimated actual total amount for capital works in the financial year 2017–18?

Ms WALTERS: Because of the delays in the major projects they were expecting some to be finalised in June; however, that has recently just been pushed out again. As part of our annual report we will be reporting through all of this information. But there is still some work to do there, and we still need these audited. Those numbers will be available when we release our annual report.

Mr WOOD: Two things that were in the statement of corporate intent—one was ‘work with the Department of Treasury and Finance to ensure market rules are fair to all parties,’ and the Treasury also asked for 3% efficiency savings. Where will you find 3% efficiency savings?

Mr BREE: We did not get the 3%. We got \$3m. That is what we were asked to find.

Mr WOOD: Okay. You were asked to find \$3m?

Mr BREE: Savings—same as everybody else. But that was our target and out of our controllable costs. Member for Nelson, we are just working through each area about our cost structure and making sure we only do what is absolutely necessary.

Mr WOOD: What does it mean by ‘ensure market rules are fair to all parties’?

Mr BREE: Could you give me the context of that?

Mr WOOD: It was just one of those notes. It might have been at the end of this one. What is meant by ‘work with the Department of Treasury and Finance to ensure market rules are fair to all parties’?

Mr BREE: The Department of Treasury and Finance is working on a market design at present. I guess it was a reference to that. There are so many ways you can do it, and I guess we are one of the players in it. When they talk to us about it we are putting our view on what it should look like in a way that does not hurt us. It is really a general comment.

Mr WOOD: I better get my hydrogen question in before the Member for Spillett.

Mrs FINOCCHIARO: Yes, please.

Mr WOOD: Unfortunately, I had to race down and pick up my questions and I just heard you mention hydrogen. I was interested to know what the context of that comment was.

Mr BREE: The context in my opening statement was about—the Chief Minister mentioned in discussions with you last week that Territory Generation has been authorised to look into solar hydrogen as a potential renewable fuel—so we are. Tim is much more across it than I am. Would you like to know where we are going?

Mr WOOD: Yes, please.

Mr DUIGNAN: We have kept a very high level watching brief on solar hydrogen, and it is emerging very quickly across the world. We have looked at it for one of our sites down at Yulara as a potential there. We were not able to make that a commercial outcome. It would require some input of grants, if you like, to make it work for us in Yulara because of the scale issue there.

I think, as you have indicated in your report, that Tennant Creek has one of the best solar resources in the world, if not the best. The only problem is that there is no electricity laid there. We need to find some way of exporting sunshine out of that region. Hydrogen is one of those ways you can do it. The next step from that—once we have hydrogen, you can extract nitrogen out of the air and create ammonia.

There is a lot of work going on in the electricity industry on actually burning ammonia through gas turbines. For us, it is an opportunity to look into that to see whether we can extend the life of our existing thermal assets and turn them into renewable thermal assets by burning hydrogen, or in fact ammonia, through those existing assets. We have a keen interest in that.

Mr WOOD: Of course, fuel cells in themselves can produce electricity. Just aside from that, I sat with a lady from CSIRO, an environmental engineer and she has given me a look-in to go down to, I think, Newcastle, where CSIRO are doing some of this work. I intend to get going when I can get a space in my life to look at it.

I really think it is something Australia has a great opportunity for. You have export markets as well, Japan and Korea. We have the sunshine, the right place, water and air. I would be interested, as it goes along, how you are going with all of that. I might drop in occasionally.

Mr BREE: That is fine.

Mrs FINOCCHIARO: The Territory currently has a generation mix—correct me if I am wrong—of 4% renewable and 96% gas and diesel generation. If a further 46% of gas and diesel is to be phased out, what would TGen's role be in this massive increase in renewable energy in the next few years?

Mr BREE: If I understand that correctly, the figure that was being phased out was a very large figure.

Mrs FINOCCHIARO: If the government wants to achieve its 50% renewable target, sorry. That is what I am getting at.

Mr BREE: I understand that. Even with 50% renewables you will need—I do not know what the percentage is—a significant percentage of thermal generation or maybe even hydrogen to keep some stability in the system, ancillary services and things like that. It does not quite equate fifty-fifty. It might end up being one-hundred-and-something percent of what is there now. We do not have a role on the solar side, if that was the thrust of your question.

Mrs FINOCCHIARO: I am just trying to understand how ongoing—I suppose you explained it to some extent—how TGen would maintain an economically viable position. You are right; we need TGen, but as that is whittled away ...

Mr BREE: I think part of it is to make sure the services we provide, and are essential for the system being stable and reliable, are paid for correctly. For instance, we would argue that the first cut at what is called ancillary services—I think it is the public tariff for ancillary services—in the system-controlled, is about \$5.40 or something per megawatt hour.

Our view is that is not high enough. That is an internal—in-between parties playing in the game sort of tariff. If we get our costs right and the tariffs, then it is a smaller but viable business. I think that is the high-level view of it.

Mrs FINOCCHIARO: Okay. What is the status of the Alice Springs Energy Storage Project? What is the expected completion date for that project?

Mr DUIGNAN: The expected completion date for the Battery Energy Storage System in Alice Springs is by the end of July. We are currently in commissioning and in negotiations with system control on the exact tests that they want to see done. It is a new technology. System control are excited about it, but they are asking, to some degree, 'How do you test this new technology to make sure it will be stable in the grid?' System control is currently working with us to design the tests they want to have undertaken.

Mrs FINOCCHIARO: Was that mid-July?

Mr DUIGNAN: By the end of July.

Mrs FINOCCHIARO: Did TGen submit an expression of interest for the Darwin-Katherine Alternative Energy Storage System Project, and would TGen still commit to that project if it was awarded the tender?

Mr BREE: We actually call the tender—expression of interest on that one, which people have put to us.

Mrs FINOCCHIARO: When is that project being awarded?

Mr BREE: We went out for expressions of interest, not a tender. The expressions of interest have all closed and we are reviewing them. It has been to the board once but questions were asked, and we are expecting it back to the board in the next couple of weeks to make a decision. That decision will be whether or not we recommend government to go.

Mrs FINOCCHIARO: The intermittency of solar power is something the Member for Nelson was speaking about before. It is not just a problem for the Territory; other jurisdictions have experienced those problems. How do we build the storage capacity, supply—in those instances? Particularly in the Top End, as we have huge periods of cloud, but even in Alice Springs. How can TGen build this capacity into the grid without increasing prices to consumers?

Mr BREE: That is our great challenge, I have to say. We are looking at it, but I will let Tim talk about some of the technology. We have talked about it already. At its base we talk about spinning reserves, so we keep machines on. We try to run those as efficiently as possible. Very soon we will have a battery in the system in Alice Springs. We will learn a lot from that, I am sure. We have great hopes for that assisting in making sure our system is more efficient. If that is the case we would be looking at that in other parts in the Darwin-Katherine system.

Mr DUIGNAN: The Battery Energy Storage System is obviously a very important part of the transition to renewables and supporting the 50% renewables target the government has mandated. The technology in Alice Springs will be critical for us. We are fast approaching a period where we will have negative demands because of solar in the middle of the day. The Battery Energy Storage System will be critical to manage the system's stability.

Part of our vision moving forward is about the reliability supplier into the system. With our thermal general and these battery energy storage systems, technology is investing, or playing a part, in that so we can maintain the stability and reliability in the electricity system through the transition with more renewables and the intermittency, while always keeping an eye on the maximum demand and the capacity to meet that at any point in time.

Mrs FINOCCHIARO: I suppose TGen is conscious to learn the lessons of other jurisdictions where that reliability is not there. You are trying to start that work now to ensure we have that reliability in the power supply?

Mr BREE: It is to be reasonably conservative about it. We have a different situation in the Territory in that it is dominated by government-owned instrumentalities. We recognise that our role is to support the community before it is to make a buck. That is a real insurance policy for the Territory. We do not have a market where people are selling into it on a regular basis and do not have responsibility for the whole outcome. I think we are learning. We are seeing that. Like all players in the system here we are taking a pretty conservative

approach as we go forward and to some degree that has reflected in some of our costs that have been higher than we expected on reliability. I think to be honest, it is just a price we will pay as we go through this process.

Mr KIRBY: Given the time we have left I will submit these questions in written form. I am happy for you to take them on notice. They are similar questions that I had put to the Power and Water Corporation were about service worker numbers since separation, management numbers since separation, and management salaries since separation. Probably an explanation of contractors and outlays over the last few years—but if it is easier, Madam Chair, I will put them into writing rather than try to detail all of those.

Madam CHAIR: Do you want to put them on notice because then it will be in writing. Yes.

Mrs FINOCCHIARO: Or you can do it as a written question.

Mr KIRBY: There is a host more questions to go in so I will submit them all as written questions. They are about the remote operating centre, time lines, costs and where to from here, and what sort of investment to get it to where it needs to be.

I wanted the opportunity to make a statement on the retirement on one of the gentleman you mentioned. It was my great honour and pleasure to work with Robert Ross for 15 years and to me he was like Clark Kent or Superman, depending on what situation you were in. He worked at system control and he was the man who took the reins in the direst of situations. There is absolutely no man who treads this earth that I respect more than him. He is an absolutely superstar and I wish him all the best in his retirement.

Mr WOOD: Thank you, Madam Chair. You would have seen the article by Ashley Manicaros in the *NT News* a little while ago which was basically saying we can have this nice solar renewable form of energy, but it comes at a cost. I suppose there would not be too many people who say that renewables is not a great idea, but the Territory is a place that relies very much on Commonwealth funding.

Maybe this will be a question I have to ask next year and the year after. What cost is it to the general population overall? We might get cheaper power—and I was talking about this before—but we will still have generators going, so we will have two systems of producing power. We have to maintain those assets. Right at this moment, what does it cost to run Territory Generation and in ten years' time what will it cost to run Territory Generation? What is the cost of electricity now and what is the cost of electricity in the future?

Mrs FINOCCHIARO: One way or another the Territorian pays.

Mr WOOD: Yes, that is right. That is what worries me. We can have a false sense of, 'This is fantastic,' but we are actually paying more for it because we still have to keep a thermal energy going.

Mr BREE: There is a formula in there, in a sense, and that is—is the difference in price between our marginal cost to producing the power and the price that solar can be produced at—is there enough in there to offset the ongoing cost to us of keeping our machines available? We are not certain yet, but it potentially looks like it works. The next question of course is, where is the benefit captured? That is, is it captured by the producers of solar power? Because they do not have to sell it at the lowest cost. That is a reference to market design. But the economics say that the community should benefit.

Mrs FINOCCHIARO: Has TGen considered or done any studies on the viability of a concentrated solar thermal generation plant in the Territory similar to the Ivanpah Solar Electric Generating System in the Mojave Desert in California that produces 392 megawatts of electricity? Are there any similar projects being planned in the Territory?

Mr BREE: No, we are not.

Madam CHAIR: That concludes this session. On behalf of the committee I would like to thank you all for appearing in front of the committee today.

That concludes the committee's public hearings on the estimates of proposed expenditure contained in the Appropriation Bill 2018–19 and the statements of corporate intent for the Power and Water Corporation, Jacana Energy and Territory Generation.

I remind officers that all answers to questions taken on notice must be given to the First Clerk Assistant by 12 July 2018.

On behalf of the committee I extend my thanks to the ministers, board chairs and officials who appeared before the committee. I also take this opportunity to place on the public record our appreciation of the assistance provided by the agency staff.

Last, but certainly not least, on behalf of the committee I acknowledge and thank all the staff of the Legislative Assembly for their hard work and support during the two weeks of estimates hearings. Your efforts over the early mornings and very late nights is very much appreciated. Thank you.

The committee concluded.
