

The Estimates Committee convened at 9 am.

Mr CHAIR: Welcome to today's Estimates hearing. A reminder that standing orders apply, particularly Standing Order 109: Manner and Form of Questions.

MINISTER YAN'S PORTFOLIOS

DEPARTMENT OF TREASURY AND FINANCE

Mr CHAIR: Treasurer, I invite you to introduce the officials accompanying you.

Mr YAN: This morning I have with me Tim McManus, the Under Treasurer; the Deputy Under Treasurer, Mr Mick Bulter; and Executive Directors Tiziana Hucent, Tarrant Moore and Jason Robertson.

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

Treasurer, do you wish to make an opening statement regarding the Department of Treasury and Finance?

Mr YAN: Mr Chair, I thank all the committee members here today. I take the opportunity to make an opening statement in relation to my responsibilities as the Treasurer.

Along with the officials I have with me this morning, we also have other officers who we may invite to the table at an appropriate time, if required, to provide information to the committee.

As Treasurer I will address the financial and economic matters related to the 2025 budget, including financial statements and fiscal strategy, Territory revenue and the Territory economy. I will also provide details on specific agency budgetary matters, including infrastructure projects which can be addressed by ministers responsible for those portfolios should that be required. Any questions relating to infrastructure should be put forward to me later today.

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

In addition to whole-of-government financial issues I will answer questions relating to the Department of Treasury and Finance as an agency, the Central Holding Authority and the Northern Territory Treasury Corporation. Furthermore, I will answer any questions in consideration of the Appropriation 2025–2026 Bill 2025 and relation revenue Bills.

The 2025 budget restores confidence and rebuilds the Territory. It puts crime victims first, prioritises law and order and begins the long task of repairing Labor's mess. As part of our year of action, certainty and security, we launched our Rebuilding the Economy Northern Territory Economic Strategy 2025–2028 and are already delivering results.

Gross state product is forecast to surge by 7.8% in 2025–26, followed by a further 5.9% in 2026–27. The unemployment rate is forecast to be 5% in 2025–26 and steadily fall to 4.5% by the end of the forward estimates.

Currently, inflation is the second lowest in the country and is expected to remain around 2.5% across the forward estimates. Recent data is also promising. Residential building approvals are the second strongest growing in the nation; inflation-adjusted household spending in the Territory rose by 1.6% in the March quarter of 2025 and by 4.8% over the year, reaching \$2.3bn. That is the strongest result of any jurisdiction across both periods.

Independent economic forecasts as at the March quarter 2025 show that there is up to \$9.3bn of projects under construction in the Northern Territory, with a further \$680m committed and a total project pipeline of \$12.9bn.

Private sector confidence is back, and we are working side by side with businesses through our industry-focused agencies and the Territory Coordinator through tax relief, land release and streamlined approvals to develop the Territory's economy.

On the fiscal side we inherited deep deficits and mounting debt from Labor. Importantly, we also inherited a string of unfunded frontline services and programs, with funding of up to \$350m per year scheduled to cease across the budget and forward estimates. To fill that gap and stay under Labor's so-called debt ceiling, we would have had to deliver deep and damaging cuts worth around \$1.4bn over the period.

Territorians need to know that Labor budgeted for severe funding cuts to frontline services in health; courts; Corrections; youth justice; and domestic, family and sexual violence over the forward estimates period in its 2024 budget. Territorians also need to know that Labor shamefully announced a record number of infrastructure projects but did not provide enough cash to deliver on many of them. Despite these record announcements Labor budgeted to reduce capital works cash allocations, again only providing time-limited funding with a reduction of \$250m planned for 2025–26 in Labor's final 2024 budget.

We have chosen a more responsible path. We have stabilised Labor's reckless budget without resorting to austerity and without putting the Territory's economy at risk. We will not punish Territorians for Labor's failures.

While we have removed Labor's arbitrary debt ceiling, the public sector will not have a licence to spend money. Agencies have been directed to find \$20m per year across government in operational savings, focused on reducing consultancies, travel, communications, marketing and other discretionary spending. In place of Labor's debt ceiling the CLP government has introduced a budget repair strategy to address the fiscal position and challenges that we have inherited. It comprises five key priorities:

- growing our own-source revenue through economic development and population growth
- containing employee cost growth and focusing on resources to the frontline
- engaging with the Commonwealth to unlock economic opportunities
- enable sustainable debt management and support regional and remote Territorians
- strengthening policies and processes across government to improve effectiveness and government spending
- implementing a new contemporary and simplified fiscal strategy focused on realistic and achievable debt management.

As part of this budget we have introduced legislative amendments to the *Gaming Control Act 1993*, establishing a 50% tax rate of profits from lottery ticket reselling and matching activities under internet gaming agreements. This will standardise the taxation of internet gaming in the Territory and ensure a level playing field for online operators who offer ticket reselling or matched lottery products.

We are also amending the *Racing and Wagering Act 2024* to double the annual tax cap for bookmakers and betting exchanges from one million to two million revenue units starting on 1 July 2025.

I am happy to take questions from the committee.

Mr CHAIR: Are there any questions on the statement?

Ms UIBO: Thank you, Chair, and Treasury department. Treasurer, your government's so-called major review of the infrastructure program resulted in a brutal \$1.1bn cut from the 2024–25 published program. Let us be clear, that is \$1bn ripped out of job-creating, economy boosting infrastructure. What exactly is your criteria in the cuts that you have made around the infrastructure program? Did you go suburb by suburb or did you just slash whatever Labor did and committed to without thinking of the consequences to Territorians overall?

Mr YAN: This question is better asked of me this afternoon during Infrastructure, but I will answer what I can now.

You mistakenly called it 'cuts to the infrastructure program'. You cannot cut something that was not funded and did not have any cash allocation. The department went through the infrastructure program, which was

your \$5.2bn infrastructure program. A number of the projects were many years old and the scoping and costings for those projects were no longer relevant. The department went through the entire program, along with me, and looked at what was in the program, what could be delivered and what was now effectively out of scope. There was no going through suburb by suburb or region by region; it was a clinical assessment of the program to see what can be delivered.

We have pared that program back and made it effectively more realistic. It is not cash that has been removed, Leader of the Opposition. We have cashed the infrastructure program higher than what you did. I need to make it very clear that the record infrastructure program you put in place—you had only cashed at just over \$300m for the next financial year, should you have come back into government. That \$300m would have only funded a very small amount of programs, probably the Mandorah jetty, the art gallery next door and some remote housing projects. That would have effectively utilised your entire \$300m budget.

We came in and looked at the program that was in place. We have had to fund the stuff that was already underway, as there were things we could not stop and would not stop as they are there to service Territorians. That required us to increase the cash allocation to your previous infrastructure budget.

The infrastructure budget now is more realistic. It is focused on things that can be delivered, not things that have been sitting on that program for so many years that the scope and costings are no longer relevant.

I think we could probably get an idea of that if we talk about the Tiger Brennan overpass. The previous Labor government used costings on that project, I believe, from the 1980s and only scoped that project at \$65m, yet when it went to market it required over \$160m to complete. The art gallery next door was scoped at \$45m to \$50m; it will now cost over \$145m. I spoke about the Mandorah jetty facilities, which you put out to tender so many times with only a small allocation of cash, and it required double the amount; it is nearly up to \$100m to deliver that project.

These are some examples of why the program needed to be revisited. You cannot just keep putting out tenders for projects which are relying on scoping and costings that are maybe eight years old. The marketplace has changed. What costs might have been eight years ago are very different to what the cost is today. Your government kept putting out things with old costings and those costs escalated sometimes double or triple what the program and cash was available.

That is why that program has been revisited to look at what we can realistically deliver. Any of the projects that may have been on that program, should we choose to go and revisit those, will need to be recosted and rescoped. The costings you put in that program from eight years ago, when they had been sitting for that long ...

Mr CHAIR: Apologies Treasurer, if you could refer to the Leader of the Opposition as either Leader of the Opposition or the former government or the former Labor government ALP?

Mr YAN: Thank you. Those costings which were over eight years old are no longer relevant. If we were to deliver those programs, we would have to rescope and recost them because we need to put costings relevant to today's dollars in place, rather than putting out projects that have costings and scopings which are so old that they are no longer fit for purpose. From that, we need to do the cash allocation to support those programs, which is something that the former government did not do.

I will not continue what the former government did and just keep putting out tenders using old scoping and costs, then have those programs blow out in costs, causing issues for the budget. We will not do that. We will continue to work on the infrastructure program and analyse what that is and make sure that the projects we put out are scoped effectively and priced properly so that we can deliver them on time and on budget. That is something the previous government certainly failed to do.

Ms UIBO: Your approach is not to go out and do the hard work and rescope the costings and have the up-to-date costings for any infrastructure projects and just cut projects altogether. That is your approach, is it?

Mr YAN: I did not say that we would not do the work. I said that many projects in that infrastructure program were out of date. The costings and scopings were no longer relevant because they had sat there and were that old. You put in place a \$5.2bn program with, in your previous budget, only \$300m in cash. The program had to be rationalised.

We need the department—I have said it publicly many times and to the department—to be delivering 100 things very well rather than 1,000 things very badly. The program you put in place was so large and driven by press release it put the pressure on the department to get out and try to scope and cost all these projects. It put them under immense pressure. The push from the previous government to get these things out pushed the department to get things out that were under-scoped. Without the proper scoping that allowed the program's costings to effectively blow out. You pushed them to put stuff out without appropriate scoping.

That has changed. We have pulled back the program. We are delivering on things that specifically matter for Territorians. We are going to look at ...

Ms UIBO: Which Territorians, though?

Mr YAN: All Territorians.

Ms UIBO: It sounds like most of the projects you have cut from the infrastructure ...

Mr YAN: Maybe you should direct your questions through the Chair.

Ms UIBO: It sounds like the Treasurer has cut most of the infrastructure program from the bush.

Mr CHAIR: Leader of the Opposition, thank you.

We will remove all personal connotations in both questions and answers. Leader of the Opposition, your question had 'your' in it as well. It is 'Treasurer', 'current government' or 'CLP government'. Treasurer, please also ensure we uphold that.

Please let the Treasurer finish an answer before you come in with another question.

Mr YAN: I think I have answered the question.

Ms UIBO: When you were in opposition you regularly attacked Labor over debt, warning about interest costs, future burdens and the need for fiscal discipline. You have now had your first crack at a budget, which includes a net debt projection of \$13.5bn by 2028. That is a \$1bn increase from the budget projection 12 months ago under the former Labor government. You have also removed the debt ceiling and spent an extra \$1bn in your first budget. How do you explain your hypocrisy to Territorians?

Mr YAN: I think that is easy to answer. I have spoken at length publicly and in parliament, and I will say it again today, about the funding cliffs and the unfunded liabilities that we inherited from the Labor government.

When we came into government I sat down with the Treasury officials and looked at the state of the books. It was clear that in the out years there would be a breach of Labor's arbitrary debt ceiling. What we found when we had a close look at the previous budget and what the forward estimates were going to look like was the unfunded liabilities that Labor left behind. These unfunded liabilities were in Health, Corrections, mental health, aged care and family and children's services.

These were programs that you knew would be ongoing over the next four or five years, but the previous government chose not to fund them beyond the 2024 budget. This was done on purpose to show that the previous government and its budget was not going to breach its own arbitrary debt ceiling. These projects—I think it was \$350m a year—were unfunded, and these were frontline services to deliver to Territorians. These were not in your budget papers going forward from 2024. These were services required for Territorians.

We made the conscious decision in this budget that we will not try to hide the numbers or facts. These were things that needed to be delivered for Territorians. We included those in the budget going forward because we needed to know what the real cost would be in delivering service for the people in the Northern Territory.

In addition to that, we have seen an increase in spending because the previous government failed to invest in the justice system. For many years it has been raised that if you invest in police, you need to invest in other justice services, which was not done.

We have seen large investments in police over many years but very little in the way of investment in Corrections, courts, the justice system overall, including Legal Aid, Community Corrections and those all-

important services to help people who have come into contact with the justice system. They were also part of the funding cliffs—or the unfunded liabilities—from the former government.

We have been upfront and adamant that we will invest in social order. This budget shows that—a \$1.5bn investment in the social order system to deal with crime and antisocial issues across the Territory, with \$600m of that going to police and the rest spread through Corrections, the courts, Community Corrections and the treatment services that go along with it.

They are the things that have driven the debt for this budget. They are things we could not control in effect. These were things left over from the previous government. Those funding cliffs were huge. If we had stopped those and did what Labor did and not budgeted for them or delivered on them, the effect on Territorians and the lack of services delivered would have been profound and would have sent the Territory and Territorians into a very difficult position and a downward spiral. Those programs had to be funded.

If Labor had won the election it would have been in the same position that the CLP is here today. It would have had to either choose to not fund them—which I guarantee it would not have done—or fund those services and programs, and find its budget position very similar to ours.

The difference is that Labor would have only funded them for one year—I guess that is a bit of supposition—to show that its budget would have looked good into the outer years. But we have made the conscious decision ...

Mr BROWN: Mr Chair, he is making assumptions. Can we bring it back?

Mr CHAIR: We will bring it back to the answer.

Mr YAN: We have made a conscious decision to fund those programs, ongoing, and show them in the budget papers. We know what the actual cost is to delivering to Territorians and what the cost will be going forward. That is what shows in the change in the budget position, from last year to this year.

In the forward estimates in this budget, we start to see a return to surplus in the government sector. With a \$730m deficit, we have reduced that by \$215m. It will go from a deficit to a surplus in the outer years of the forward estimates.

We also see a change in the financial public sector. Whilst that is high, we are seeing a change in it. We have reduced that to \$1.3bn in this budget and we see it reduce to \$530m in the outer years of this budget. It will take a long time to repair that.

We have a program in place to work on debt repair and efficiency in spending. I have outlined that in my opening statement.

Ms UIBO: Moody's reviewed the Territory's credit rating in March 2025, and it remained unchanged on the 2024–25 midyear report. However, your own Budget Paper 2 notes the following:

Since this assessment, government has repealed the legislated debt ceiling and has approved significant new operating and capital commitments, increasing fiscal balance deficits and debt levels in the 2025-26 Budget.

Are you concerned that the credit rating will be further downgraded as our debt and interest payments continue to spiral? If so, what analysis have you done into the impact of a downgrading by Moody's? And if not, why have you not done your work and given some genuine thought around this?

Mr YAN: Moody's will be assessing our debt rating. That will take place, I believe, in their meeting in September this year. I will hand to the Under Treasurer, who probably has more information on this.

Mr McMANUS: You are correct, Leader of the Opposition. Moody's will make an assessment on the 2025–26 budget. We met with them late last week, or middle of last week, to provide them with an update on the budget position and the economic forecasts that underpin the 2025–26 budget. They will take that away, and they issue six-monthly community assessments of the budget for all jurisdictions. Given their last one was in March, the next one is due in September this year.

It is important to note that Moody's take into account a range of quantitative and qualitative factors into their credit rating assessment. It is not just based on the fiscal aggregates. A lot of the reason they came to visit

Darwin in person is to better understand the economic climate and potential over the coming years. They will take all of that into account, along with liquidity ratios and a bunch of other accounting ratios in their assessment, and we expect to get a revised assessment in September this year.

Ms UIBO: Treasurer, are you avoiding accountability by your removal of the debt ceiling, and does this give your government free pass to borrow without limits?

Mr YAN: Absolutely not. The arbitrary debt ceiling that was put in place by the previous government—there were a number of flaws with that debt ceiling. For instance, it was not matched with CPI, so it was an arbitrary cap. Looking at the previous budget showed that ceiling would be breached in the outer years. The previous government did everything it could leading into last year's election to show that it would not have that breach and have to report on it, which would have been in last year's Estimates.

Whilst we have removed the debt ceiling, it has not given us free reign to spend money. It has allowed us to be a bit more flexible in how we spend. We will have to borrow money and spend money to deliver for the Territory. Our fiscal strategy, specifically in regard to growing our own-source revenue, will help to reduce that debt burden by increasing revenue for the Territory, by managing our public sector and focusing on the frontline staffing and not seeing increases in the back end, creating that regulatory environment for private sector to invest. To grow the economy we also need private sector investment; it cannot all be delivered by the government.

To do these things costs money. We still have to borrow to deliver on those services for the Territory because we are in a position from previous budgets where we are seeing increases. The only way to stop that breach of the debt ceiling—we would have to find \$1.4bn in savings within the public sector. I have said this a number of times. To do that would require the sacking of 4,000 public servants to stay under that \$1.4bn cost in the budget. We will not do that. We said we would not, and we will not. To cut \$1.4bn out of the economy to try to stay under the previous government's arbitrary debt ceiling would be detrimental to the Northern Territory and would send our economy into freefall.

Removing that many public servants would be catastrophic because it would kill our economy, and we will not do that. We need our public sector working with us to help us grow the economic, so we will not go down severe austerity measures to try to remove that \$1.4bn, which would have been to try to stay under the previous government's arbitrary debt cap.

We are working through other methods to not only maintain and reduce our spending but also work on our budget repair strategy to reduce that debt. That will take some time; it is not something we can do overnight.

I will throw to the Under Treasurer, who has some more detail on that as well.

Mr McMANUS: It is important to note that at the time of the 2024–25 budget under the Labor government projections to breach the debt ceiling were—we were expecting to breach the debt ceiling by around 2028–29 or 2030. Through the PEFO numbers, if we were to add back in the time-limited funding that was dropping away, the adjusted timeline for breaching the debt ceiling would have been 2026–27. Similarly, under the 2025–26 budget if the debt ceiling had not been repealed we would have also been forecast to breach the debt ceiling in 2026–27, so it would have required some significant savings in order to avoid that.

Ms UIBO: Have you replaced the debt ceiling accountability measures with anything else to hold yourself and the government accountable when it comes to the Northern Territory economy?

Mr YAN: We released our fiscal strategy and budget repair as required in the *Fiscal Integrity and Transparency Act 2021*. Of course, this is based on principles of sound fiscal management. Our strategy, objectives and targets within the new fiscal strategy was simplified from the 15 of the previous government to six fiscal objectives that are focused on debt management and debt reduction. Our fiscal targets represent what is needed to return to a financially sustainable position and take into consideration the current fiscal and economic conditions that we face. We measure those against other jurisdictions—their performance and our performance.

On 31 January 2025 Cabinet endorsed the replacement of the legislated debt ceiling with a broader repair strategy. There are five repair strategy components. Those five priorities are:

- growing our own-source revenue through economic development and population growth, which I have spoken about

- constraining employee cost growth by restraining growth in non-frontline staffing
- engaging with the Commonwealth to unlock economic opportunities for the Territory to enable sustainable debt management and support our regional and remote areas
- strengthening our policies and processes across government to effectively improve the effectiveness of government spending
- developing a new contemporary and simplified fiscal strategy focused on prudent debt management.

Cabinet replaced the efficiency dividend with a budget repair measure directed for agencies, which I spoke about in my opening statement. That is now \$20m per annum across the whole of government. Rather than go down the road of efficiency dividends each agency now is required to have input into that \$20m per annum efficiency and savings across the whole of government.

I hope that answers your question, Leader of the Opposition.

Ms UIBO: How can you justify forcing every department to find the \$20m in austerity measures while your decisions in your first budget have resulted in total government debt growing by \$1bn?

Mr YAN: It is a change from what was previously the efficiency dividend, which was levied across all departments arbitrarily and which was a specific percentage. Now with that change it is focused more on how departments manage within and where they can find savings measures through different areas. Each department is responsible for providing savings up to that \$20m. The CEs of those agencies will be responsible for working with their agencies to deliver on that.

I will flick to the Under Treasurer who has some more detail.

Mr McMANUS: There are two savings targets and budget repair measures within the budget. There was \$20m that was factored into the midyear report for all agencies to identify and focus on operational efficiencies, consultancies and travel expenses. Also, the efficiency dividend, which has been in the budget and is, I guess, a measure that is used by all governments over the course of time to constrain growth in expenditure, has just been relabelled as a budget repair measure.

Those savings and budget repair measures are factored into each agency's budget. BP3 provides the basis of how they are factored in. Some agencies get a discount on that budget repair measure. I referred to those frontline agencies in recognition of the limited capacity they have to reduce staffing costs. Each agency is assigned their target, and are working through their CE with their minister to remain within their overall budget and achieve that target.

Ms UIBO: According to Treasury's Economic and Fiscal Update released in February this year, population growth will be central to your government's budget repair strategy, which you spoke about already, yet your budget economic outlook has population remaining steady over the forward estimates at 1.2%. Will you be honest and admit that you do not actually have a population growth strategy?

Mr YAN: I disagree with your statement; we certainly have a population growth strategy. We are quite realistic about the numbers we are projecting in our budget papers. I remember being here last year questioning the previous Treasurer on the population growth ...

Ms UIBO: Mr Chair, can we stop with the long story narratives and just get to the answer from the Treasurer? I am actually interested in the figures, so I would love to hear the story about their population growth strategy.

Mr CHAIR: Let the Treasurer speak. I suggest taking out the personal aspects, so removing 'you' and replacing it with 'the government'. Then we can go straight to questions and answers.

Mr YAN: I sat here last year and questioned the previous government on the 3% figure it had for population growth, which was not supported by any strategies whatsoever. We and other ministers—particularly Minister Cahill—worked with the federal government to change the details of the DAMA agreement, so we now have an increase in the ability to get people to the Territory under DAMA. That will underpin some of the population growth as well. The figures we have in our budget paper are actually realistic. They are achievable and on par with other jurisdictions on percentages.

The other thing we are doing, if you look at our FreshStart and HomeGrown grants, is using those to attract people to the Territory or get people to stay here by having the opportunity to build a house, put down roots and stay here. The FreshStart grants, specifically the \$30,000 grant, targets people interstate who might want to move to the Territory, build a house and call the Territory home.

We have a strategy. The figures in our budget are realistic. If we exceed those, I will be very happy. We will be working to exceed those. The opportunities we have been provided within the DAMA help, and we are also continuing to work with the federal government on interstate and overseas migration focused on the Northern Territory to assist us in growing our population base.

Ms UIBO: Your government is running larger deficits than the former Labor government whilst also claiming to be fixing the books. How much will the Territory pay in interest repayments on this growing debt over the forward estimates, and how does that compare with the cost of core services like health and education, which you mentioned earlier?

Mr YAN: I open my response by going back to the unfunded liabilities which sat in the previous budget and we then funded to deliver the services to Territorians, which sees the larger fiscal deficit than we had before.

Interest expenses are projected to be \$679m in 2025–26, increasing to \$911m by 2028–29. Interest expenses per day are expected to be \$1.86m in 2025–26, increasing to \$2.5m by 2028–29.

Ms UIBO: You have made many public comments about there being no austerity measures in your budget. Can you please confirm whether you have asked every agency to find that \$20m saving which could also be called austerity measures?

Mr YAN: Effectively, Leader of the Opposition, they are efficiencies. It is certainly not what you would call austerity. I am not trying to cut \$1.4bn out of the public sector over four years. This government has asked all agencies to find efficiencies of \$20m across the public sector, per annum, which is somewhat in line with the previous efficiency dividends. It allows the agencies more flexibility to find how they make those savings and efficiencies within, rather than just pulling it straight out of the bottom line of their budgets.

Ms UIBO: Would that include staff cuts in each agency should they choose to go in that direction?

Mr YAN: It does not include staffing cuts. We have been open about how they can find their efficiencies. There are ways to do it within consultancies, advertising and, of course, other methods within their agencies to reduce costs and be, probably, more efficient.

Ms UIBO: Can you please detail what each agency has offered up to achieve their \$20m saving? If so, could you table that?

Mr YAN: I cannot provide that detail because that would be the responsibility of each minister and CEO. It is safe to say that ministers are working with their CEOs and CEOs are working with their agencies to find what is required of their agencies to contribute towards that overall \$20m of savings.

Ms UIBO: Would you be able to detail what your Department of Treasury and Finance is offering up as the \$20m cut to their budget?

Mr YAN: I will hand to the Under Treasurer who will be able to answer that.

Mr McMANUS: The Department of Treasury and Finance had a savings target of \$152,000 per annum. We will be focusing on reducing our use of external consultancies, travel and other operational efficiencies to be able to manage that.

Ms UIBO: How much public money has been spent to date on advertising and promoting the 2025 Northern Territory budget. Can you provide a breakdown please?

Mr McMANUS: The media campaign for the 2025–26 Budget was \$47,512; budget book production was \$34,683; and budget banners was \$935—a total of \$83,130.

Ms UIBO: How many public or stakeholder events did you host or attend as part of your budget roadshow?

Mr YAN: I think it was seven. There were three in Darwin, Katherine, Tennant Creek, one in Alice Springs and one in Nhulunbuy—so, seven.

Ms UIBO: Do you have a breakdown of how many members of the community attended each of those events, excluding public servants?

Mr YAN: No, we do not have that detail.

Ms UIBO: Would you be able to take that question on notice?

Mr YAN: I do not think I can. I do not think we recorded that data. No, I cannot provide any detail on that. Also, some of those events were hosted by industry and, of course, I do not have access to their data and who attended all of those industry forums.

Ms UIBO: Can you give us an idea of your regional roadshows? I am assuming they were hosted by government. For Katherine—did you do one in Tennant Creek? I missed hearing if you said Tennant Creek.

Mr YAN: Yes, we did. We hosted an event in Tennant Creek on a Wednesday evening at Battery Hill. Katherine was at the Godinymayin centre, Alice Springs was co-hosted by the Chamber of Commerce and Master Builders, and Nhulunbuy was hosted by the Northern Territory Government.

Ms UIBO: The cost that the Under Treasurer provided earlier regarding the promotion, would that include the cost for the roadshows?

Mr McMANUS: No. Some of the budget book production and banners were used at the roadshow, so the budget overviews were handed out at the roadshow and the banners were standing behind as the Treasurer presented. No, the roadshow invites were managed separately and, like the Treasurer said, some of them went through peak organisations who manage the invitation list, so they were not included in the media campaign.

Ms UIBO: In the case of the Katherine budget presentation roadshow, can you provide an update to the committee of how much that roadshow cost?

Mr McMANUS: I do not have it by region, but the total hiring and catering of three locations that were hosted by the government was \$2,976.

Ms UIBO: Can you confirm that you did not keep a list of who attended any of the roadshows?

Mr McMANUS: No. There were invitations sent out to a wide range of stakeholders and interested parties, but we did not have a list ticking people off as they came in. Some of the events were managed and coordinated by industry bodies and not from us.

Ms UIBO: As an example, in Katherine how many people attended the budget roadshow?

Mr YAN: In Katherine there may have been 10 to 12 people, if I remember correctly. The attendance in Katherine unfortunately was not what we would have expected. Our first budget presentation there earlier this year was well attended. Unfortunately, we did not see the attendance rates we would have liked in Katherine.

Ms UIBO: What is the actual stated objective or outcome of these roadshows?

Mr YAN: What we were achieving with the roadshows is providing people in communities an overview of what the budget was—that was the Under Treasurer's job to talk about the high-level numbers and what the budget looked like for the Territory—as well as the regional components of our budget. A lot of that focus was on infrastructure and spending in those regions and giving the people the opportunity to ask questions of us.

Not everybody can make it to Darwin, and not everyone can make it to the events that happen here where there are large numbers of people, so it is an opportunity to get out to the regions, talk to people, listen to what they have to say and answer what we can for the people in our communities. Previously, this was not happening. The budget was presented and delivered in Darwin. There was not that much industry participation on those budget days, and we have gone back to that to provide what information we can to the regions.

Ms UIBO: Do I understand you correctly in saying that there were no regional budget roadshows by the former Labor government? Is that what you are insinuating?

Mr YAN: No, I am not saying that. I am saying that there was a lack of consultation or presentation in the regions. I understand that industry lunches and breakfasts in Darwin fell away. It was just one presentation after the budget was delivered at the Waterfront. We made the commitment to engage with industry, businesses and the community to give them the opportunity to ask questions directly to me, as the Treasurer, and the Under Treasurer. It is good to give that opportunity to people in the region, which is something that has certainly been lacking.

Ms UIBO: To confirm, there were regional budget roadshows. You may not have ever bothered to attend them, but they were delivered under the former Labor government.

Treasurer, are you willing to provide the committee with a breakdown of each of the events that were hosted and organised by the Northern Territory Government of the budget roadshows? You have already said that some were industry-supported and arranged, but in terms of the NTG organised and paid for, including venue hire, audiovisual, event management support, catering, travel and accommodation for the Treasurer and any department staff?

Mr YAN: We are happy to provide that detail, but we cannot provide it now. We are happy to take that question on notice.

Question on Notice No 2.1

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

Ms UIBO: Are you willing to provide the committee with a breakdown of the total cost of delivering the budget roadshows in 2025 that were delivered by the Northern Territory Government, including venue hire, audiovisual, event management support, catering, travel and accommodation for the Treasurer and any department staff?

Mr CHAIR: Minister, do you accept the question?

Mr YAN: Yes.

Mr CHAIR: The question has been allocated the number 2.1.

Ms UIBO: Has the government collected feedback and measured the effectiveness of the first CLP government roadshows and, if not, will you do so?

Mr YAN: Not at this stage, as it only happened the week before last, and we are now here for Estimates. I know we received feedback and took questions, and we endeavoured to get back to a number of people on some of the questions that were asked. We have, in that respect.

Ms UIBO: What measures are in place to ensure budget advertising and roadshow messaging is informational and not political in nature?

Mr YAN: When we look at the roadshows and the way they are structured, there are two parts. The Under Treasurer gives an overview of the total budget, and I gave an overview from a government perspective and a regional perspective of what we were spending in those regions. I spoke specifically in Katherine about the Big Rivers Region, in Barkly about what was happening in that region as far as investment and the same for Central Australia and Nhulunbuy.

I do not know what the premise of your question is, but we were there providing information to those regions from a government and a CLP government perspective, in respect to what the CLP government was delivering into those regions.

Ms UIBO: When you went fishing the week before the budget was handed down, why did you not formally declare leave or appoint an acting Treasurer, as is standard practice when a minister is unavailable for their normal duties?

Mr CHAIR: Leader of the Opposition if you could re-ask that question removing the—if you could ask about leave?

Ms UIBO: I am sure the Treasurer can answer, if he would like to—why did he not take leave on the week before when he was out enjoying the Territory lifestyle and not doing his job as the Treasurer before the first CLP budget was delivered?

Mr YAN: That is an interesting question, and I will provide an answer. I was doing my job as the Treasurer; I never not do my job as the Treasurer. As the Leader of the Opposition would understand, when she was a minister in government representing an remote electorate, that you can still do your job and not be in your office. I am a bush member, and I have spent ...

Ms UIBO: How is being out fishing and marshalling for a fishing classic your job as Treasurer?

Mr O’GALLAGHER: A point of order, Mr Chair! Can the Treasurer answer the question.

Mr CHAIR: The Treasurer has the floor.

Mr YAN: As a remote member I am able to do my duties as a minister and be out of my electorate at the same time. Whilst ...

Ms UIBO: I did not know that the Daly was your electorate, Treasurer.

Mr CHAIR: The Treasurer has the floor.

Mr YAN: I am becoming very tired of this line of questioning and the interjections from the Leader of the Opposition whilst I am ...

Ms UIBO: Why did you not take leave?

Mr YAN: ...trying to answer the question.

Ms UIBO: That is standard practice if you are not doing your duty as a minister.

Mr CHAIR: Leader of the Opposition! I refer everyone to Standing Order 109 and that we are not to ask questions critical of character. I accept the question, Leader of the Opposition. The Treasurer will be heard in silence. Any more interjections will lead to a warning.

Mr YAN: As I was saying, I represent a remote electorate and I spend time in my electorate, and I am still able to fulfil my duties as a minister whilst I am not in the office.

In the week leading into the budget I was not in my office; I was volunteering for a community organisation in an event that brings considerable income to the Northern Territory. I am a proud volunteer of that event, and have been for 13 years. Whilst I was volunteering I was also able to continue my duties as the Treasurer, thanks to technology. I was able to be out of the office, volunteering and helping a community-based organisation—an organisation and event that brought significant income to the Territory and to the Daly River region—and I was still able to perform my duties as the Treasurer because I was in constant contact with my office via either phone or data and emails. I consistently worked with my agency and my office on the delivery of the budget.

If the Leader of the Opposition thinks that the budget is developed and delivered in the last week before the budget, she is misinformed. As a member of the former government and probably as a member of budget Cabinet the Leader of the Opposition would know very well that the budget is developed way ahead of the actual delivery date in parliament in May. So I was able to do my duties whilst I was volunteering for another organisation, very similar to what the Opposition Leader would have done when a minister in the former government when out bush. I think the question is a moot point.

Mr BROWN: What was the biggest barra you caught there?

Mr CHAIR: As funny as the question is, we will not be going into that.

Ms UIBO: It goes to the economic value of the fishing classic, which the Treasurer just spoke about.

Mr YAN: I can inform the committee that during the Barra Classic I think there were 684 barramundi caught for the week, and they were tagged and released. The tag-and-release procedure then assists Fisheries in tracking fish and looking at fish stock development, movement and growth rates, so not only does that event drive economic benefit for the Northern Territory in a large way, it also works with Fisheries in measuring barramundi growth and movement across the board.

Ms UIBO: While you were out on the boat, can you confirm who was making the financial decisions on behalf of the Northern Territory in your absence?

Mr YAN: That is easy to answer. I was making financial decisions for the Northern Territory as the Treasurer.

Ms UIBO: When did the budget go to print? The exact date, please. What was the last possible date to make changes to it?

Mr YAN: I will hand to the Under Treasurer to provide detail on that.

Mr McMANUS: The budget papers go to print at various timeframes throughout the budget production process. The last paper that went to print was the speech, which went on Sunday morning. Other books, including the Economy, Budget Papers 2, 3 and 4, all went to the printer the prior week. The first one went Wednesday, the week prior to the budget.

In terms of the final cut-off for making decisions into the budget, I think we put the disclosure in BP2 on 7 May. The usual process is that there are no further Cabinet decisions that affect or impact the financial statements made a few weeks prior to that to enable time to run consolidated financial reports and ensure that the figures in the budget are all correct and consistent across all books.

Mr CHAIR: We will break for five minutes.

The committee suspended.

Mr CHAIR: Leader of the Opposition.

Ms UIBO: Treasurer, I want to confirm the timeline. You mentioned, and the Under Treasurer confirmed, that the final books of the budget papers were completed on Wednesday 7 May 2025. You were already out on the Daly doing your fishing/volunteering on that date. How do you justify to Territorians that, as the Treasurer of the Northern Territory, you did not take leave and were out on a boat on the Daly fishing before the budget books were completed with printing?

Mr YAN: I will clarify, the Leader of the Opposition keeps making imputations that I was fishing. I have been very clear that I was volunteering at a community event. The imputation that I was fishing is not correct. While I was out, I have a Starlink in my boat and am in contact constantly through that technology with my office and the team at Treasury. While I am not in the office, I am still in contact, as I would have been anywhere else in the Territory, whether I was driving around my electorate or driving up the Stuart Highway to come to Darwin for work, or whether I was out doing other duties as the Treasurer or the Minister for Logistics and Infrastructure.

Whether or not I am in my office—I suppose I need to clear up what leave is, so that people tuning in understand what it is. Politicians, while we take leave and abrogate our responsibilities to another minister, do not get paid leave or sick leave the same way other MLAs do. Due to the technology I had at hand, not being in the office, I was still able to continue my duties as the Treasurer of the Northern Territory. I was able to review speeches, budget books and emails, and other parts of work in my responsibility as a minister were not hindered in any way, shape or form due to me not being in my office because I was volunteering for a community organisation.

Mr CHAIR: Leader of the Opposition, if you have any follow-up questions, now is the time to ask. I would like to close that.

Ms UIBO: Were any key Treasury briefings, pre-budget consultations or final budget sign-offs missed or delayed due to your absence.

Mr YAN: No.

Ms UIBO: Would you accept the same behaviour from a departmental CEO or executive disappearing before a major report deadline, such as the Northern Territory budget papers, and not declaring leave or refusing to hand their duties over to a responsible CEO to take their place while they are off duty?

Mr YAN: The responsibilities between a CEO and a minister are very different in this respect, so I cannot compare, for example, what the Under Treasurer may or may not do leading into a budget cycle. If required, for instance if the Under Treasurer had to take leave, there are processes in place within the Northern Territory Government for another person to step up and cover those responsibilities, if that was necessary.

As I said, I was able to fulfil my duties as the Treasurer and the Minister for Logistics and Infrastructure whilst not in my office because, luckily, I have the technology to do it. I can safely say that if the technology was not available and I could not do it, then I would have made the decision as to what may take place—would I have been able to go away and volunteer for that organisation or abrogate my responsibilities to another minister. That would have been a decision I would have made. However, due to the technology I had at hand I was able to continue my duties and do them as well as I could, whether I was in my office, out in a remote area doing my job as a local member or anywhere else in the Northern Territory.

Ms UIBO: One other question on this topic, but I still have opening statement questions as well. Do you accept that this time should have been used instead to perhaps talk to groups and stakeholders across the Northern Territory about the coming budget cuts that the CLP government has put in its 2025 budget; for example, the Aboriginal rangers grants program which has been cut.

Mr YAN: I was still able to communicate with various groups. There was a number of media releases done. I spoke to the media in the lead-up to the budget. The engagement with industry and stakeholders took place after the budget was handed down so that those people had the opportunity to then look at the budget papers, see what was in the budget and come to us during those events we attended to ask questions of government about what was in the budget and what it meant to them.

Mr CHAIR: I now hand back over to the Leader of the Opposition. I consider this line of questioning closed, if you are happy with that?

Ms UIBO: I will save the rest of my questions for the outputs.

Mr CHAIR: I will now open for other questions.

J DAVIS: I have some questions about GST. Can I ask them under this? Yes.

Are you able to explain to me why the Northern Territory receives much higher GST distribution per person compared to all other states and territories.

Mr YAN: I will pass to the Under Treasurer. He will be able to give you a more detailed answer than I can.

Mr McMANUS: The GST distributions are based on the relativity or the cost of providing a similar level of government services across all jurisdictions. Our higher share of GST per capita takes into account the cost of delivering services in our remote and widely dispersed population. I will hand over to Tarrant Moore to provide more detail on that.

Mr MOORE: The Territory's relativity—one is basically a per capita share of the pool. Our relativity is much higher than that, as you have noted. That is because providing services in the Territory costs a lot more than the national average. Aboriginal Territorians generally are higher users of government services than non-Aboriginal Territorians. That is the same nationally.

The Commonwealth Grants Commission uses weightings to try to determine how much more certain cohorts of the population use government services, and therefore are more expensive per capita compared to other cohorts in the population. Some key drivers for us are remoteness. Obviously it is more expensive to provide a government service in a remote area than in an urban area; as I mentioned Aboriginal people tend to use government services more than non-Aboriginal people; there are also differences based on gender and age; for example, young males are much more likely to use justice services than older females—things of that nature. All of those things combine to give us a relativity much higher than one.

On the other side of the equation is revenue. The Commonwealth Grants Commission looks at the cost of providing government services and the levels of revenue that you can generate per capita to meet the cost of those services.

I will add that the relativity is about how much it costs to provide the national average level of service. It is not designed to meet outcomes or close the gap. That is not the purpose or how the methodology works for GST. That is achieved through specific purpose payments from the Commonwealth through things such as the Northern Territory Remote Aboriginal Investment, which is focused on delivering services to close the gap.

We get more GST revenue principally because the cost to provide the average level of services is a lot higher in the Territory per capita than in southern states.

J DAVIS: You have pre-empted some of my follow-up questions. Given what you have said, do you consider our very high GST distributions, as you have described them, may amount to needs-based funding to some extent?

Mr MOORE: They do to the extent that the average level of services provided Australia-wide is meeting the need. If there are unmet needs at the national level then, no, it will not. It is fair to say that because of the other payments that are made—for example, the Northern Territory Remote Aboriginal Investment—that the GST processes and weightings alone are not fully needs-based. They capture the average policy of what on average states actually do in this space as opposed to what someone might deem that they need to do or should do. That is not how the GST process functions.

J DAVIS: So I can understand properly, you said that the GST funding is treated as totally separate to anything to do with Closing the Gap goals, for example. It is untied. Is that correct? As it is untied, and as it is given to us weighted given our particular needs in the Territory, how does the government ensure that it supports those Closing the Gap goals, especially in health, education, housing and employment for Aboriginal Territorians?

Mr MOORE: The Closing the Gap goals are generally met through specific purpose payments negotiated between the Territory and Commonwealth governments. That will be things such as the Remote Housing Agreement which is a 50–50 contribution between the Commonwealth and the Territory governments, where that is excluded from consideration through the GST process. That is designed to address overcrowding and unmet need in remote communities.

Those sorts of things, such as the Remote Aboriginal Investment, have separate agreements which are specifically tailored to close the gap in certain areas, whereas the GST funding is to provide the average level of core services, such as teachers, nurses, doctors—that kind of thing. It is not, of itself, designed to close a gap or meet unmet need.

J DAVIS: Are there any systems in place to track whether GST funding is reaching the communities most in need and not being absorbed elsewhere in the system?

Mr MOORE: It is difficult to determine exactly where all the funding goes. We have done Indigenous expenditure reports in the past, which show that we spend more than we received, servicing Aboriginal and remote Territorians. This question has come up in the past.

Where it gets tricky is that people see the GST funding as we receive more funding because we have more Aboriginal people and therefore we should be spending more. We do spend more, but that funding is not designed to close the gap.

Often that is a misunderstanding of the processes of GST, whereas the Closing the Gap funding and the Northern Territory Remote Aboriginal Investment funding are tied to specific services and milestones. You can see where that money goes, whereas with the GST funding—for example, we get more GST funding for schools per student. We can show that we are spending that money in schools and on health but on core services. Our hospitals are used more per capita by Aboriginal people than non-Aboriginal people. We have more nurses and doctors because of that, but that is harder to tie to specific patients.

J DAVIS: When you say that there is some data available, where would we find that?

Mr MOORE: There has not been an expenditure review since COVID; it has been a number of years. They are labour-intensive reviews to run. Two or three were run. Some of them were done by the Northern Territory

initially, and then I believe the Productivity Commission ran one of them. The findings are pretty consistent. There has not been one run since COVID, to my knowledge.

J DAVIS: Is there another one planned?

Mr McMANUS: Not at this stage.

J DAVIS: In terms of reviews and evaluations and data around that, how do we know how that is going? How do we know where the money is going?

Mr McMANUS: The budget dictates or explains where the money is going in terms of core government services and expenditure, and they are detailed quite clearly in the budget papers. We do not have any lines to say, 'We received this much in GST, and this portion of it was spent in this department or delivering this service', but we break down by classifications of expenditure where the money has been spent. I guess the purpose of the budget is to explain that.

J DAVIS: In terms of Closing the Gap, I understand that is seen as separate from the GST funding. In terms of determining how money for Closing the Gap targets is spent, what role do Aboriginal organisations and communities have in determining that?

Mr YAN: Some of that money goes out in grants funding to different organisations. The Territory assists a number of Indigenous organisations providing services either in urban, regional or remote communities. That money would sit in grant funding or other direct funding from the Northern Territory Government to those agencies.

I will hand over to the Under Treasurer who has some more detail.

Mr McMANUS: That question is best answered by the Aboriginal policy area, maybe within CMC. For example, the Remote Aboriginal Investment funding agreement has been developed under a tripartite agreement with the Northern Territory Government, the Commonwealth Government and the Aboriginal-controlled organisation sector, so there is input through their peak bodies in that regard in development of that funding agreement and the targets and measures within it.

J DAVIS: This is in relation to my earlier question about GST evaluation. Is there a way that Aboriginal communities can have access, or is there data around funding and services to deliver results in terms of Closing the Gap targets? Is there a way that Aboriginal communities can get access to that data?

Mr McMANUS: I understand the Commonwealth publishes the results at particular milestones, the data and the targets and how we are achieving them—how we are positioned against the targets, so it would be available publicly.

J DAVIS: I have some broad questions about home owner grants. What is the total amount of grants that have been given under each of the grant schemes?

Mr YAN: As at 10 June 2025 for the HomeGrown \$10,000 for established dwellings, there were 89 in Alice Springs, 251 in Darwin, 16 in Katherine, 105 in Palmerston, 34 in rural and three in Tennant Creek. For the \$50,000 HomeGrown applications for new home builds, there was one in Alice Springs, 47 in Darwin, two in Katherine, 80 in Palmerston, nine in rural and none in Tennant Creek. For the \$30,000 FreshStart grants there was one in Alice Springs, 16 in Darwin, none in Katherine, 20 in Palmerston, 19 in rural and none in Tennant Creek. For the \$30,000 FreshStart grants there was one in Alice Springs, 16 in Darwin, none in Katherine, 20 in Palmerston, 19 rural and none in Tennant Creek.

J DAVIS: Can you tell me on what date the first payments were made for those grants?

Mr YAN: We would have to take that on notice.

Question on Notice No 2.2

Mr CHAIR: Member for Johnston, please restate the question for the record.

J DAVIS: What date were the first payments made for the HomeGrown and FreshStart grants?

Mr CHAIR: Minister, do you accept the question?

Mr YAN: Yes.

Mr CHAIR: The question has been allocated the number 2.2.

J DAVIS: I understand that from the date the announcements were made people could apply for them, but monies would be granted from the date the Bill was passed. I also noted that there were two media releases from the NTG, one on 6 November saying that 12 grants had been paid and one on 26 November saying that 90 had been paid or approved. The Bill was passed on 26 November—I remember the date because that's my birthday. I am curious about how they may have been paid if the Bill had not yet been passed?

Mr YAN: I will pass this to the Deputy Under Treasurer who has the detail on that.

Mr BUTLER: In terms of the grant systems there are two components, one of which is an administrative grant and one requires amendment to legislation. The \$50,000 grant for new homes and the \$10,000 grant for established homes are done under the First Home Owner Grant, and that was the amendments to the legislation you were dealing with. The \$30,000 FreshStart grant is an administrative grant, so that one did not require the legislation to be passed, and they all commenced from 1 October. What we had in place was a risk-based approach because we understood the legislation would be passed. In terms of the grants that were put in place under the legislation they were administered and paid in accordance with the terms of the legislation as though it had been put in place. The legislation, once passed, was retrospective back to the date of 1 October, therefore authorising those grants.

J DAVIS: Just to clarify you did it because you knew the legislation would pass even though it had not come to parliament yet?

Mr BUTLER: Yes, on the understanding that the legislation would be passed and the legislation would have effect from 1 October.

J DAVIS: Just for the record, as a member of parliament, I find it disturbing that you can act on a law that has not yet been passed by parliament, understanding the context that we have a parliament with a huge government majority. It appears incredibly undemocratic to me. I put that on the record.

What specific evidence or data led to the decision to extend the \$50,000 grants for new builds to 30 September 2026.

Mr BUTLER: The Department of Treasury and Finance can declare that a review of the HomeGrown grants program—a six-month review of the program in April 2025. We went through a process of having a couple of industry roundtables collecting feedback from banks, mortgage brokers, conveyancers, representatives from the building and construction bodies, some peak bodies and industry attendees. The process of that was to ensure that administrative process we had adopted through the grants were facilitating the grants and were appropriate to ensure delivery of it. We went through some changes in the manner of which we did the grants in terms of the IT programs we used to deliver advances to ensure the banks were comfortable with the \$30,000 grant, which was the administrative grant. We lined it up with the processes we use for the First Home Owner Grant. This review said, 'Yes'; they were comfortable with the IT systems and approval processes behind it so that banks could utilise it in their assessment of applicants' finances.

The other part was to see, in terms of the way the grant was going out, who the recipients of grants were, the demographics of those receiving it and whether or not it was achieving the effect we were looking for. We had a lot of grants going out in the established space and, I suppose, a bit more of a lag in the new home space.

Generally, the consensus was that the grants were appropriate, and they were driving demand in new homes. There is a longer lead time on those grants, both in terms of builders gearing up and ensuring that they have appropriate workforces in place to deliver the housing as the demand comes through and also for people who make the decision that they want to move into new homes. They have to ensure they have their appropriate savings history and savings in place to get the grants, make decisions around getting their finance, securing a piece of land and contracting with a builder for the delivery. All that timeframe meant was that an extension of the grant will allow the full delivery of the program, because people were just now ramping up through the delivery process. The 12 months was probably not going to see the delivery of the full program. On that basis, the new home grants were extended, and the established grant will cease in September.

J DAVIS: When you said that you did a review, which you talked about, which involved talking to industry and banks—if I am correct, I understand that the purpose of this loan is what the Treasurer referred to—to build the NT population and the economy. Have you got data in relation to that?

Mr BUTLER: In terms of the recipients?

J DAVIS: In terms of the purpose. I understand the purpose of the scheme is to build the Northern Territory economy and our Northern Territory population.

Mr BUTLER: We are collecting data in terms of the cohorts of the recipients, their ages, demographics and whether they are from interstate or overseas. We will be using that data when we obviously undertake a program evaluation at the end of the grants.

J DAVIS: When you say at the end of the grants, will that be 26 September?

Mr BUTLER: Yes, post the cessation of grants, we will undertake a normal program of evaluation of the grants to give feedback to government on whether it has achieved its objectives.

J DAVIS: How is compliance with the 12 month residency rule going to be implemented?

Mr BUTLER: Our revenue officers are quite well-versed in maintaining these grants and obviously there is a range of data they use to basically match and do risk assessments on whether people are in the premises. Without giving away all the secrets, we can check the administrative data in terms of drivers licence and other things that show that it was their place of residence. Through the bills—power consumption—indicates someone is actually living in the premises. That is a lot of data which, I guess, target whether we need to investigate further whether a person has lived in the property.

J DAVIS: What would be the consequences if someone did not meet that 12 month residence?

Mr BUTLER: It is a part of the legislative criteria for the First Home Owner Grant and the Act requires repayment of the grant if someone has not met the criteria. There is capacity for the commissioner to make a decision allowing for a shorter term of residence, where the circumstances are appropriate. There is a guideline in place which frames the manner in which the commissioner would make those decisions.

J DAVIS: Did you say earlier that you could get information on the demographics of who was receiving those grants?

Mr BUTLER: Yes, that is correct.

J DAVIS: Is that something that I could take as a question on notice?

Mr YAN: Anecdotally, in relation to your question, we have seen an increase in statistics on increased building and construction over the last quarters. I believe that comes through from the Australian Bureau of Statistics. We have seen an increase in our construction industry and home loan approvals. From those statistics we see coming through from the ABS, we are seeing an increase in builds in the Territory and investments in new builds.

In relation to your question about demographics, I believe the Deputy Under Treasurer has an answer.

Mr BUTLER: We can take in on notice.

Question on Notice No 2.3

Mr CHAIR: Member for Johnston, please restate the question for the record.

J DAVIS: Could you provide demographic or regional data on who is receiving the grants; for example, age, income bracket and geographic location?

Mr CHAIR: Treasurer, do you accept the question?

Mr YAN: I accept the question, but that data will be de-identified.

J DAVIS: Absolutely, thank you.

Mr CHAIR: The question has been allocated the number 2.3.

J DAVIS: I wonder whether there has been any modelling on the inflationary impact of these grants on housing and build prices?

Mr BUTLER: We have not modelled an inflationary impact in terms of the cost of building or as an outcome of the grant. However, as part of the program evaluation that is one of the components we would look at.

In terms of the success and outcomes of the grant, we look at whether it moved people into homes, supported construction and what the economic outcomes of that construction were. One of the factors we would look at is costs of building. Part of that would be whether there was an inflationary effect or was the cost of building just the normal outcomes of input costs. That would form part of the program evaluation.

J DAVIS: In evaluating this program as a success—this is a question for you, Treasurer—what would you see as a successful outcome? What impact are you hoping from it, in a tangible way?

Mr YAN: There are a number of things we would measure to look at the success of the program. First and foremost would be an increases in the construction industry; more construction happening in the Territory; more people employed within the construction industry; and increased spends locally from the construction industry with supplies.

That overall economic piece is quite critical to this program. Not only are we talking about increasing our population, we were also talking about stimulating the construction industry and the economy. That would be key point.

The second part is population. Again, that would come as part of the review—where are the people coming from; are they now living in Darwin; and have we seen an increase in our population figures? Even though it might be small, any increase is a benefit to the Territory.

They would be some of the key elements we would be looking at as part of the review. Some of what we are trying to achieve with these grants is an increase in our population, more people residing in the Northern Territory, more people calling the Northern Territory home but also then not leaving. I know we have a large transient population in the Territory.

It is well known that generally if someone buys or builds a house they are less likely to leave. If people are buying and building they are more likely to reside in the Territory, which means we are not losing population, we are maintaining and keeping it.

Second is the stimulation of the construction and building industry by increased activity, which means increased spending. Of course, that mean increased revenue across the board for the Territory.

J DAVIS: What kind of numbers does that mean? What would be a good increased population as a result of this view?

Mr YAN: That is probably hard to quantify. If I could see an up-tick of 0.1% or 0.2%, or even better, I would be happy, but any quantifiable increases in our projected population growth based on these grants is a positive for the Territory. It would show that these grants are keeping people here or attracting people to the Territory. That would be a positive.

For specific numbers in the economic side of the construction industry, we do not have any figures to date. We do not have what I would see as a goal. It is hard to determine that because the construction industry fluctuates.

Overall, through the ABS stats and what we collect, if we see a continued increase over the next 12 to 18 months in the construction industry, that would point to the benefit of the grants stimulating the construction industry. That takes into account the increases we have seen in home loan approvals, which is measured by the ABS and not specifically by us. We would be relying on that data to see what those increases are. It is hard to predict the net benefit to the Territory. That is something we could do at the end of the scheme. As we get towards the end of the scheme, if we are looking at pulling all that data together

and seeing what the net benefit is—construction industry, home loan approvals and population—that will determine what the future looks like for home owner grants.

J DAVIS: I understand it is difficult to be specific about numbers when you say 1% or 2%, so maybe 120 or 240 more people here potentially. Will you do a cost-benefit analysis of how much money is being put into this and what we get out of it?

Mr McMANUS: Yes, that will form part of it. With regard to population, it may not necessarily result in additional population, but it is targeted at those who are currently in the Territory renting or purchasing their own place and setting their roots in the Territory to stay here. We may not have as much of an impact on attracting new people to the Territory. We do have the most generous home owner incentive grants in the nation, but the main target is maintaining the existing population and seeing less outflow there.

Another part of the program, another benefit of it, is to increase the overall housing stock in the Territory. By that I mean taking pressure off the rental market and making sure there is availability for others who come to the Territory for that at affordable prices.

K McNAMARA: Following on from the question from the Member for Johnston to the Deputy Under Treasurer about looking at inflationary pressures, I understood your answer was that there will be an evaluation afterwards to look at that, if there were any, but does that mean in the planning of this you did no modelling to look at potential inflationary pressures like housing increases, costs, or to look at other examples interstate in regard to how these schemes can inflate the housing market?

Mr BUTLER: We have undertaken a review in the past on the outcomes of previous homeowner grants. One of the outcomes of those is they can tend to have an inflationary effect on housing prices where demand exceeds supply, or where the demand brought forward or increased by the scheme occurs in a situation where you do not have sufficient supply of land. We have seen previously that there have been inflationary effects.

One of the considerations going into this grant scheme was looking, through the departments, at the amount of titled land available that was planned to be released over the period of the grants, and it was different from previous grants where we had put those in place, where it was sufficient titled land for the expected level of demand and the amount of grants that had been funded. The expectation was that inflationary effect would not occur.

That is the evaluation we did. We did not model an inflationary outcome.

J DAVIS: I think I have asked you about this before in regard to concerns about the Master Builders Fidelity Fund and the impact of that on the building and housing sector. I am wondering how that is interacting with this new HomeBuild.

Mr YAN: I think that question is better off passed to Minister Burgoyne because it forms part of his remit, not specifically Treasury.

Mr BROWN: Why are you scrapping the \$10,000 HomeGrown Territory Grant on 30 September, given how popular it is?

Mr YAN: When we are looking at the First Home Owner Grants overall—the \$10,000, the \$30,000 and the \$50,000—we have seen a large increase in the \$10,000 grants. There is the opportunity for people to access a federal grant towards existing homes.

What we were specifically looking to do with the grants is stimulate the construction industry along with new homes, as we just mentioned to the Member for Johnston. We need to increase housing supply, and we want people building and moving into new homes.

We saw a huge uptake in the \$10,000—new home owners buying existing homes—but the specifics of what we would need to achieve for the Territory is new builds, increasing our housing stock and stimulating the home build and construction industry. Those were the decision points for what the grant will look like going forward. We will be specifically targeting the \$30,000 and \$50,000 grants for new builds. There is a federal grant available that people can apply for first home owners for existing stock.

Mr BROWN: You stated that you would review the scheme before extending it. Have you done a review? Why would you not keep an option that is obviously popular with Territorians?

Mr YAN: I will pass to the Deputy Under Treasurer regarding the review that we have spoken about.

Mr BUTLER: Just to clarify, in terms of the \$10,000 grant, like the \$30,000 and \$50,000 grants, it was a new grant introduced by this government. It was always intended to be a limited-time stimulus measure.

In conducting the review we found that the \$10,000 being for established homes did not have the lag time in terms of its take-up. Because it was for established homes, there were people who were already in the market looking to move into homes and were able to avail themselves of this assistance immediately because they were not having to locate land, contract with a builder or have the building industry ramp up. It had achieved its outcomes as was intended.

We found the new homes scheme needed an extension of time to fully deliver through because of that lag effect. One had achieved its outcomes and had ceased, and then, as the Treasurer said, the other one needed further time to ensure that people could avail themselves of it. Government made the decision that it was focusing on ensuring that the dual lanes of the new home grants, in terms of both home ownership and stimulation of the construction industry, was to occur. That scheme was extended.

It was not scrapped. It was ceasing at the time it was always intended to cease. The \$30,000 and \$50,000 grants were extended.

Mr BROWN: Will the government publicly release any independent evaluation or analysis of the program's impact on affordability, equity and market performance?

Mr YAN: At the end of the program there will be an evaluation. We are happy to make that evaluation public as to what we have achieved and what the outcomes have been.

Mr O'GALLAGHER: I am a pretty passionate supporter of local content and building local content capacity. This question may not belong to you. Please tell me if it belongs to another minister.

I am conscious about local content weighting and doing that in favour to help stimulate local business. We will be asking questions of various agencies because they report on their contracts. This is in your other output, the Department of Logistics and Infrastructure. There were 256 contracts awarded locally and 10 awarded outside the NT. That is a good example of commitment. There are always exceptions to the way you might want to do it.

Where should I direct the broader question of how government monitors its commitment or pushes the commitment for local content? Is it through Treasury or is it through Minister Cahill? Can you speak broadly as a commitment on behalf of the government?

Mr YAN: Local content is extremely valuable to the Territory because that means it is Territory businesses working for the Territory, and that money stays in the Territory. The more local content we have means that spend by government stays in the Territory. Quite a bit of that would sit with Minister Cahill and the Department of Trade, Business and Asian Relations.

We do an annual review of procurement contract management activities of each agency. That happens within Treasury. I know there are changes in the Department of Treasury and Finance. Since coming into government there is a greater focus on contracts from Treasury, being effectively the financial body—and has the expertise in the agency. There is some ability for analysis and audits of those contracts.

Mr McMANUS: You are right; the Northern Territory Government Value for Territory Assurance program requires an annual compliance review of procurement and contract management activities for each agency to assess their compliance with the procurement framework that includes the Buy Local policy. Each year the Buy Local industry advocate provides an independent advisory function to government on behalf of local industry and assesses each agency's compliance with procurement, in particular looking at the value for the Territory and engagement with Territory businesses through the procurement framework.

Ms UIBO: Regarding Buy Local, has that position remained in this budget or has it been scrapped?

Mr YAN: That is a question for Minister Cahill under Trade, Business and Asian Relations.

Mr CHAIR: What is our current debt?

Mr YAN: I will pass to Tiziana Hucent, Executive Director Finance, to provide some detail.

Ms HUCENT: Mr Chair, were you talking to net debt or borrowings?

Mr CHAIR: Net debt.

Ms HUCENT: The Territory is projected to have net debt in 2025–26 at \$12bn, increasing to \$13.9bn by 2028–29.

Mr CHAIR: Can you break down our borrowings and the interest rates we have on them?

Ms HUCENT: Yes. Borrowings are projected to be \$15.9bn in 2025–26, increasing to \$18.3bn in 2028–29. For our weighted cost of borrowings, in terms of interest rates, at the moment we are at 5.42%, and it is held steady at 5.5% over the forward estimates.

Mr CHAIR: In this budget how much has been allocated to projects of the former government? How much money has your government spent following on previous commitments?

Mr YAN: There are few new projects from this current government in this budget. The majority of this budget is funding pre-existing initiatives and programs from the previous government.

The easiest one to explain would be the infrastructure budget. There is \$1.25bn or \$1.26bn in cash going into the infrastructure budget. They are not new projects of the current government; these are dealing with legacy issues from the previous government. These are projects that were underway that cannot be stopped. It would cost more money to cease than it would to continue them and expose the Northern Territory to legal costs. If you look at the infrastructure program as a larger part of that you see that it is all dealing with the previous government's infrastructure program.

Leading into the next few years' budgets we can then start looking at what the infrastructure program looks like as some of these projects are completed and we are able to put new programs on and stay within our cash limits and not have to borrow more to deliver on that program.

When you look at the overall agencies outside of the Department of Logistics and Infrastructure and that construction program, the majority of that is dealing with previous commitments and programs from the previous government. There is little change in that expenditure with the change of government.

Mr CHAIR: You gave that figure of one-point-something billion. Do you have an exact figure—I will clarify the question. In the current government's budget, how much is allocated in the infrastructure budget to works that came from the previous government?

Mr YAN: If we look at the infrastructure program and the cash allocated to it—there is I believe \$170m going into Corrections infrastructure for its program, which was not part of the original program. Specifically for Alice Springs, we reprioritised—it is not effectively any new money; it was existing. There was \$25m towards creating a rugby oval at Kilgariff. We reprioritised that money to deliver on other projects in Central Australia and Alice Springs: a grant to the council for the library; \$5m towards the multicultural centre; money towards the sporting ovals along Memorial Drive; a commitment to the skate park; \$4.2m towards the Tourism Central Australia move into the library; and some remediation works at the old Shell fuel depot adjacent to Anzac Hill. From not progressing the oval at Kilgariff we reprioritised the money in Central Australia. Out of that \$1.2bn-plus in cash from the infrastructure program the only new stuff from this government is for the infrastructure program for Corrections.

Mr CHAIR: How many budgets will these previous government's projects last? When will you be able to fund the current government's anticipated work?

Mr YAN: Looking at DLI, I suppose there are a number of projects coming to completion. The State Square art gallery will be completed next year, I believe. That program will cease. Mandorah, across the harbour, should come to completion later this year or early next year. That program will cease.

The ship lift will continue. That program is not due for delivery until late 2026 or early 2027, I believe. That is a large proportion of the infrastructure cash. That program has increased exponentially from the original budget that was allowed for the ship lift. It has increased by \$300m from the last increase in 2024, I believe.

As some of these projects are completed we can start looking at how the infrastructure cash is then utilised to start delivering on the infrastructure program of this government. At the moment we are still dealing with the infrastructure program of the last government.

Mr CHAIR: The time now is 11 am. We will break for 15 minutes.

The committee suspended.

Mr CHAIR: We are still on questions on the opening statement with the Treasurer.

Mr YAN: Before I proceed, I have an answer to a question on notice from the Member for Johnston.

Answer to Question on Notice No 2.2

Mr YAN: This is about the dates for payment of the grants. For the First Home Owner Grant of \$10,000 the first one was paid on 17 October 2024. For the FreshStart Grant of \$30,000 the first payment was made on 8 January 2025. For the First Home Owner Grant of \$50,000 the first payment was made on 14 November 2024.

K McNAMARA: Either the Treasurer or the department can answer any of these. Does the Treasurer and the department accept the science of anthropogenic climate change and the risks it poses to the NT's economy?

Mr YAN: Yes, we accept climate change. Apart from that I think it is not something for Treasury. It is more of a policy decision rather than a specific output of Treasury.

K McNAMARA: The reason I think it pertains to your department is that we have our economy and industries such as agriculture, aquaculture, tourism that are vulnerable to climate impact. Nowhere in this budget have I seen a climate risk assessment or a climate risk framework. There are in all other state and territory budgets. Other states and territories have, to different degrees, types of climate risk analysis and mitigation measures. I want to know how it was determined that it was unnecessary to include any climate risk assessment or adaption framework as established as best practice in other government financial risk management?

Mr McMANUS: The Territory government is currently preparing for a future climate-related reporting requirement in compliance with the new accounting standards. I will pass that to Tiziana Hucent, Executive Director of Finance for further detail.

Ms HUCENT: The Australian Accounting Standards Board has issued new climate reporting requirements called S2. At the moment the S2 reporting requirements are only applicable to the corporation sector. It is on a phased approach dependent on that corporation's revenue size asset base and the like. The new climate reporting requirements will require those entities to do climate resilience and scenario analysis as well as greenhouse gas emission disclosures and metrics and targets.

Power and Water Corporation will be disclosing for the first time in 2025–26, in compliance with this reporting standard, then Territory Generation and Jacana Energy will follow in the following two years. However, the Territory government is preparing for those disclosures to be applicable to the not-for-profit sector for when they do. Currently no other jurisdiction prepares consolidated reporting on climate-related risks or analysis; however, the Office of Sustainable Energy has undertaken reporting for whole-of-government and has done some work in this space, so that question is probably better directed to them. However, from Treasury's perspective, we are planning for those reporting disclosures for when they do become applicable to us, which will include climate analysis and risk assessments.

K McNAMARA: That will pertain to agencies, which will come up in the next financial year?

Ms HUCENT: For the corporation sectors only, so entities which have to comply with the *Government Owned Corporations Act* are mandated to comply with those reporting standards; however, like all Australian accounting standards, they tend to then convert and require not-for-profit sector entities to comply at some stage. We are anticipating those to be applicable to the not-for-profit sector, being government, in the next coming years and we will be ready to do that reporting from a whole-of-government perspective.

K McNAMARA: That is a really great inclusion, and I am happy to see that happening. There is still an element, though, that we see in other states, territories and governments across the world, where Treasury and budgets in part of their financial planning look at how we mitigate for issues with insurance that will come up. We do not see that in this budget, which is why I am trying to get to why it was deemed not necessary.

Ms HUCENT: In our budget papers we have a risk section where we talk about risks to the budget. In there we discuss risks in relation to natural disasters and the impact that may have on our fiscal aggregates, should there be a cyclone and the impacts that has on our expenditure, as well as our revenue inflows from our entities providing payroll tax and the like.

We provide that generic risk—obviously with natural disasters we cannot predict them, and we are unable to quantify those risk until that event occurs. There are then estimates on expenditure in terms of damage and what that costs to the budget. We cannot quantify those, so it is just generic risks.

K McNAMARA: That is what I am getting at. It is generic and, yes, we have natural disasters, but there is nothing in there that puts in the fact that climate change accelerates those risks and what that looks like going forward?

Ms HUCENT: As part of our transition to compliance with that S2 reporting standard, Treasury will mandate for agencies to start risk assessments and include climate risk in their risk registers, in particular to our asset base from a Territory government perspective and our service delivery capacity in any areas that might be affected by climate risks. That is coming as part of the transition and compliance with the new reporting standard.

K McNAMARA: Okay, so coming soon. Some of the risks to infrastructure and economy include changes to financial systems, for example the availability of funding and insurance for infrastructure projects. Once again, if we do not have a climate risk framework in this budget, how are you addressing these economic risks?

Mr YAN: I suppose we assess the economic risks particularly around, if we are talking insurance, what we currently know. With what Tiziana is speaking about with the possibility that S2 framework being required of government, then there will be a point where those risks will be identified as part of that reporting procedure. It would then form, I suppose, part of the assessment when we are looking at different projects, government assets and tenders that are being released, as far as insurance and other pieces go.

At the moment, it is not included. If the S2 reporting requirements come to government—which we seem to think they will—then there will be a requirement, and we will have that data. Then it will be collected from agencies as to how we would then may be required to what we are doing in a Territory context.

K McNAMARA: It is 2025, and I am just really surprised. I am glad to hear it is coming, but currently in 2025—for example, looking at the risks to insurance—you are saying that there is nothing in this budget in terms of addressing the climate risk?

Mr YAN: No, that is correct.

K McNAMARA: I have some other questions, but I think they might be under outputs, on the changing to the gambling cap on tax. Would that be under taxation?

Mr YAN: Yes.

K McNAMARA: I will wait until later outputs.

Mr YAN: It is up to you, Member for Nightcliff. You can ask them now because I mentioned it in my opening statement. You can ask now, or I can provide answers in the later outputs.

K McNAMARA: The NT's revenue from the gambling industry sits at around \$145m, yet the Menzies School of Health Research has quantified the total social cost of gambling to be between \$165m and \$380m. Does the Treasurer consider the full economic impacts of gambling when considering its viability as a revenue stream, as well as when considering the increase to gambling taxation?

Mr YAN: I will pass to the Deputy Under Treasurer to speak about the changes to the regime as far as the Gaming Act is concerned, where we are talking about the revenue units and the changes in percentage.

Mr BUTLER: The assessment of the changes for the gambling taxes is largely predicated on moving away from what is currently an agreement-space regime. The Act, particularly in relation to internet gaming, provides for taxation to be set up agreements between providers and the government.

The government has moved to legislate it and ensure that there is transparency in terms of taxation. It is not by negotiation. It is a set rate that is imposed on all providers. That provides certainty to industry and Territorians as to the level of taxation that will be imposed on internet gaming providers.

In terms of the changes to the sports bookmakers' tax cap, that was taken on the basis of ensuring a fair return to government for the provision of regulatory services in the environment for those providers, bearing in mind that they are subject to a range of taxation across point-of-consumption taxes in every other jurisdiction. You have to look at their entire tax load they are subject to across Australia and ensure that the industry is capable of paying a fair return to government. It is balancing those two objectives. That was the methodology by which we undertook those taxation changes.

K McNAMARA: Just to clarify, do the social costs from the harms of gambling not take into consideration what it is costing versus what we are taxing?

Mr YAN: No, it does not. As the Deputy Under Treasurer has spoken about, it is assessing what is reasonably payable from the gambling entities. Treasury does not then balance that against what, as you might say, the Menzies School of Health Research says is the cost of gambling to the community.

K McNAMARA: So, the cost to the community is not factored in. Okay.

Talking about the cap on the tax that I realise was increased from one million to two million revenue points. This equates to an increase from \$1.4m to \$2.8m on an industry that is headquartered here with a \$50bn turnover. Two point eight million does not seem like a lot to a lot of people. Why was it only increased to two million revenue points? Could it be more?

Mr BUTLER: It depends on your frame of reference. Looking at it as a percentage of the turnover of the industry, it is a small amount. Probably a better point of comparison would be what these entities are taxed. These entities are subject to point-of-consumption tax in every jurisdiction. Every state and territory of Australia imposes a tax on these industries for bets taken by residents of those states and territories. That leads to their total tax load.

If the Territory was to impose a tax in the same manner—a point of consumption on residents in our territory—we would actually get a lot less revenue. From that point of comparison, the tax that we impose based on just industry turnover with a cap to come to a level, provides a tax base bigger than if we were to tax them on the same basis as every other jurisdiction. On a per-capita basis, we are taxing them on a much higher rate than every other state does.

In terms of setting the cap, we are trying to ensure that we have to be mindful of what their total tax load is. They pay Commonwealth income taxes and point-of-consumption taxes in every jurisdiction, which also get increased at points in time depending on industry events in those states. They have this total taxation load and the capacity to pay a certain amount of tax in the Territory. We tax them at a rate higher than we would where we tax at point of consumption, and we are trying to set it at a level where we can get what we consider an appropriate return that does not drive them out of being regulated in the Territory and us losing that taxation revenue.

K McNAMARA: The taxation regime for online gambling companies here has been described as a light touch, and there is a reason they are all here. Obviously, we have issues with debt; is there room for that to be increased so we can get more from these massive, billion-dollar industries?

Mr BULTER: Our assessment was that the room we had to move was where we moved that level of taxation to.

Mr O'GALLAGHER: Following up on the Member for Nightcliff, can you confirm, is our per-capita rate the highest in the country—the tax on these organisations?

Mr BULTER: I do not want to describe it that way. I would say that if we imposed a tax that was based on consumption in the Territory, at about the average of the other states, so 10% to 15% on bets that occur in that jurisdiction, we would raise less revenue than we do under the methodology that we currently use.

Mr O'GALLAGHER: Just confirming, this method gives us more revenue than going back to the previous method?

Mr BULTER: They are imposing it in the same manner the other jurisdictions do.

Ms UIBO: Did the government consult with the gambling and hospitality industry before announcing or introducing the new gambling tax?

Mr YAN: No. I have been asked this a number of times by the industry. We did not consult with industry prior to implementing these changes, and there are specific reasons for this. If we go out to speak to that industry about changing their taxation regimes, we knew the answer we would get. There would have been opposition, and they would not have agreed with the changes, so the decision was made not to consult with industry. We advised industry just prior to the Bill being introduced, and we have since engaged post that announcement. The decision was made not to engage with industry prior.

Ms UIBO: Did your government receive any advice or warnings from the affected companies about this new tax regime, which may impact the future investment or employment in the Territory of those companies based here.

Mr YAN: Nothing specific to the legislation. There are always people coming in from the gambling industry advocating for lower taxation regimes for their industry so they can maximise and maintain or increase their profits.

There has been much discussion from numerous organisations leading into it, but they were all about lowering their taxation regimes to make it more beneficial for their organisations.

Ms UIBO: How does the government expect to do business in the Territory and plan for investment with companies when tax settings can be changed without warning or consultation?

Mr YAN: You are only talking about one specific business and industry in the Territory, but there are many other things we are doing to work with business and industry to improve our taxation and regulatory regimes to attract business here. The first one would be the changes to the payroll tax regime, increasing that from \$1.5m to \$2.5m, which benefits many small to medium businesses across the Territory and saves them up to \$68,000 per annum, which they can reinvest into their business.

I could talk at length about the work taking place with the Approvals Fast Track Taskforce. That is about looking at what government does, how it does it and improving our timeframes for working with business, changing and improving regulatory frameworks to make the Territory an easier place to do business. We will hopefully see that report come out in another few days. I believe the Chief Minister spoke at length about it yesterday.

The Territory Coordinator is another piece of work delivered to the Territory.

Mr BROWN: Mr Chair, could we stick to the gambling question?

Mr CHAIR: I will let the Treasurer go; I do not see an issue with the answer he was giving.

Mr YAN: We are talking about taxation regimes and regulatory reform for all business. Of course, gambling is one small part of a larger piece of what is Territory business and industry.

I go back to the Territory Coordinator. The position has been implemented to drive and find investment and make sure that investment happens in the Territory. That is about regulatory reform and driving and changing how we do business.

Yes, in this instance, there is a change in taxation regime for a business, or a subset of businesses in the Territory. Then, of course, if you look at the rest of business in the Territory, there is a lot of regulatory reform and change going on to drive investment and grow our economy through that regulatory reform.

Yes, there have been some changes to racing and gaming and online betting area in relation to taxation. We do not believe that they are outside the ballpark when you consider what we are doing with other jurisdictions. Funnily enough, I believe we are not the lowest taxing environment in the country. I believe Tasmania is the lowest taxing environment. However, we have the best regulatory framework in the country in relation to online gambling and racing and wagering. That is something we are quite proud of. We have given

assurances to the industry that we will not change that. If anything, we will probably improve it and make it easier for them to do business.

There is a requirement for those doing business in the Territory, in this area of racing and gaming and online betting, that they pay a reasonable amount of tax to the Territory for the business they do here.

Ms UIBO: Can your government categorically rule that you will not be introducing any further taxes, levies or charges during this term?

Mr YAN: No.

Ms UIBO: Is it your intention that you will increase taxes, charges and levies and will not consult on it?

Mr YAN: I did not say that. In relation to the racing and gaming and wagering industry, I have given the assurance to that industry that there will be no taxation changes in their area for the term of this government. I do not know what will happen after four years. Will I be in government or not? Will somebody else be in government? I said that I could not give them that assurance, but for the next four-year term of this government there will be no changes to the taxation regime for online wagering and racing and gaming.

Ms UIBO: Is this a prime example of the CLP government saying one thing before the election and then doing the opposite after being elected?

Mr YAN: Absolutely not.

Ms UIBO: It is not an example of promising not to do something without consultation and then doing it without consultation after the fact?

Mr YAN: This government never said, leading into the election, that we would not be reviewing taxation regimes on racing, gaming, wagering and online betting.

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

Mr CHAIR: The committee will now proceed to consider the estimates and proposed expenditure contained in the Appropriation 2025–2026 Bill as it relates to the Department of Treasury and Finance. Are there any agency-related whole-of-government questions on budget and fiscal strategy?

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

OUTPUT GROUP 1.0 – FINANCIAL MANAGEMENT

Output 1.1 – Financial Management

Mr CHAIR: The committee will now proceed to Output Group 1.0, Financial Management, Output 1.1, Financial Management. Are there any questions?

Ms UIBO: Can you confirm when the Sage integrated budget management system will be finalised? When is it expected to be fully operational across all NT Government agencies?

Ms HUCENT: We are in the rollout phase of Sage. We have 12 agencies on board at the moment, and we are expecting to have full rollout across the NTPS by December this year.

Ms UIBO: Will agencies be required to publicly report budget variances using the data from Sage to help improve public trust in how taxpayer dollars are managed by the government?

Ms HUCENT: Sage will deliver significantly new enhanced reporting capabilities for agencies, and they will have access to reporting by outputs from a budget and actual perspective. Agencies, Treasury and the whole of government will have significantly more data and analysis capabilities with Sage. To answer your question, yes, they will be able to report that.

Ms UIBO: Will that be publicly available, and would it be live in real time?

Ms HUCENT: Yes. That data will be used to create the budget process. The budget output reportings in BP3 will be derived from Sage budgeting as well as their annual reporting actuals, their budget and variances to budget for outputs in annual reports will also be derived from Sage reporting.

Ms UIBO: Is there a costing for the new Sage development and process, and what is it?

Ms HUCENT: We expect that the total cost on completion of the Sage rollout will be around \$14m, and that has been fully funded through Treasury.

Ms UIBO: If there is a breach of any financial management rules or budget principles, will the Treasurer immediately implement any consequences? Will that be to the CEO, CFO or a delegated official?

Mr YAN: There will be a requirement for strengthened budget accountability through the CEOs, from me and from all the other ministers. Under the CEO code of conduct there is a framework dealing with financial matters. Under the framework agency budget performances are assessed for compliance within the employee expense caps we spoke about, operational expense caps and budget outcomes—total revenue less expenses. Throughout the year Treasury will monitor agencies' performance and their compliance against the effective three caps.

Updates on the assessments will generally be provided for the Budget Review Subcommittee of Cabinet on a quarterly basis. Treasury and Finance assessed every agency against each cap at the end of the financial year to determine potential rewards or penalties. Treasury provides submissions to the Executive Remuneration Review Panel and BRS against those parameters. The caps will be monitored by Treasury, will then be referred to BRS, then down to ministers through their CEs to manage any issues around the three caps.

Ms UIBO: Can you provide any examples of what consequences or penalties would be enforced?

Mr YAN: CEO accountability has not changed from previous governments. There are a number of action items: there is the ability to issue a formal warning to a CEO; a direct and independent financial review of an agency should it be required; and depending on how serious things are there can be suspension of the CE for serious breaches or even termination of the CE. Nothing has changed in this space from the previous government.

Mrs ZIO: Treasurer, when I speak to members of my community one of their biggest concerns is the financial debt that we are currently in. Can you provide some information on what this Appropriation Bill contributes to this figure compared with some of the unbalanced budgets of the previous government?

Mr YAN: If we look at some of the reasons we have ended up in the position we are in—I will throw to the Under Treasurer to talk about the high-level numbers.

When we see some of those time-limited initiatives—or, as I call them, funding cliffs—the commitments reflected from the midyear report, there was \$16m in 2025–26 that we have increased and \$36m ongoing for domestic, family and sexual violence prevention measures. That was falling away. The input we have put in place to reduce crime is \$86m and \$126m per annum for costs associated with the rise in prisoner numbers, which again was not included in previous budgets. There was none of this moving forward from the previous 2024 budget. Over the budget cycle 2027–28 there is \$63m for funding to support urgent legislative amendments to reduce crime and operational systems associated with delivering whole-of-government ICT systems. We had to put in \$1.5m in capital development—again associated with ICT.

A decision from the previous government to accept the World Motocross GP—the funding line provided for that was minimal, and once we got in and had a look at it, there was a shortfall of \$6.5m to deliver that program. There is an additional expense we have had to put in place, otherwise we would have been in breach of contract, which then brought a financial penalty.

We put in \$18m to boost construction of home ownership through those HomeGrown and FreshStart grants, as we spoke about earlier. There is another \$40m to \$50m per annum ongoing, so \$40m in 2025–26 and \$50m in 2026–27, to address the expected increase in prisoner numbers within Corrections and demand pressures.

There is an additional \$13.5m in 2024–25 and \$21.5m ongoing from 2025–26 to deal with those justice system demand pressures. These are the things that were not considered with the increase in police. There was no increase in budget within Corrections or the justice system, being courts. We have invested \$10m in 2024–25, 2026–27 and \$2m ongoing to support the upgrades to the JESCC and \$6.6m for physical upgrades to that facility. There is \$130m in 2024–25 and \$180m in 2025–26 to support delivery of infrastructure projects.

We have increased R&M, which is a major boost to the Territory. R&M has always sat at very stagnant levels. We have increased R&M by \$20m into the new budget, but we have also indexed that at 3% so it keeps increasing because we have seen an increase in government assets being built through the infrastructure program but no additional money being put into R&M. It has not been indexed to deal with inflation going forward. We made the decision to do that so that we can look after and support those assets rather than see them falling away due to lack of maintenance because of the lack of budget.

There is \$8m per annum ongoing from 2025–26 for visitor information centres and \$2m ongoing in 2025–26 to 2026–27 to support skilled migration, which works towards growing our population and increasing skilled workers in the Territory because we are struggling. We want to develop our economy. We want to see growth in our economy. To do that we need people to come to live here and to work here, so we are putting investment into that.

We spoke earlier about the ship lift. There is \$305m in 2025–26 and 2026–27 to continue the development of the Darwin ship lift facility. The Darwin ship lift will be a large asset to the Northern Territory and will help with economic growth within our maritime industry, supporting not just the Territory's maritime industry but those in northern Australia and into Asia. We are working closely with Defence so that it can utilise that facility as well. It will form a cornerstone of our economy in the Top End moving forward.

I will throw to Tim for some of the higher numbers.

Mr McMANUS: In terms of net debt the impact of all those expenditure decisions netted with additional revenues that we have received, in August 2024—just before the election—the Pre-Election Fiscal Outlook forecast net debt in 2024–25 to be \$10.8bn. That has increased now under current budget. In this current financial year it is reducing by \$273m to \$10.5bn. In the PEFO by 2027–28 net debt was forecast to reach \$2.25m. Under the current budget it is forecast to reach \$13.5bn by 2027–28, an increase of \$1.2bn in net debt as a result of this budget since the PEFO.

Mr YAN: With some of that key funding from the 2024–25 budget that was expiring, there is \$110m in 2024–25 expiring from the Department of Health. That was a temporary budget, so it was not included in the forwards.

There was \$20m per annum disappearing out of that 2024–25 budget from youth justice. Another \$20m per annum ongoing for tourism initiatives was not funded going forward, even though those programs would continue. There was \$80m per annum for justice demand pressures, such as alternatives to custody and victims of crime support.

In addition, there were further funding reductions, budget-related, to step-down funding for Corrections and justice services, which I have spoken about, which were predicated on reduced offending and prisoner numbers. Crime has escalated and budgets have reduced in those areas, which did not make sense. It was not in the context of what we have seen with the changes in the Police budget. Its budget was increasing and others were decreasing.

There was temporary infrastructure funding of \$250m that was also budgeted to cease in 2025–26. That is against a record capital works program, under the previous government, of \$5.2bn. We are reducing cash while increasing the program.

We have included in this budget all those things that need to be funded to support the Territory and provide the services that we need. We have been open and transparent regarding those costs. We have shown them in the forward estimates so that we know what the actual costs will be in the Territory rather than trying to hide them and keep people in the dark and gaslight them about what the budget position is.

We have been open and transparent about that. We are funding what needs to be funded to provide for Territorians. The transparency is we are showing it into the outer years and what the real state of delivering those services for Territorians is.

Mrs ZIO: When you speak to people in the community they want to see our debt reduce, but costs are going up and going through the roof for a lot of things. We have spoken already regarding agencies having to find savings of about \$20m per year and we have also talked about the debt ceiling being removed. Have there been any measures put in place in this budget to make sure there is long-term sustainability to ensure that we do not repeat those challenges that we have and that we slowly reduce debt despite ongoing cost increases?

Mr YAN: I spoke earlier about our fiscal strategy and what that looks like going forward. There are some key measurables for the Territory in the change to our fiscal strategy. The previous government had 16. Some that were in place were very easy to attain so that it showed there was some obvious progress and possibly some good news. We have been realistic about what those targets are.

We are measuring ourselves against other states and territories. We want to be at least above the average, that being in population growth, dwelling growth, gross state product and state final demand. Those are the sorts of things that we want to be above the average. We are going to do that in a couple of ways. Growing our economy is one piece. We know that 71% of our budget comes from the Commonwealth, whether in tied or untied funding through grants and GST. We will continue to work with the federal government on what our proportion of GST looks like, but the best way that we can improve our economy is to grow our own-source revenue. That is through engaging with business, proponents and growing our own piece of the pie. There are a number of ways to do that. Regulatory reform is one thing and improved productivity is another. That is why the public sector is focused on frontline services.

The frontline services are out there for other people who work in business, industry and the public to deliver for the Territory and Territorians. There is a huge focus there. We need to address crime and antisocial behaviour, whether we like it or not. There is an actual cost of crime. If you look at this budget where we put in \$1.5bn into crime and antisocial behaviour that is an actual cost, but the Australian Institute of Criminology has a formula where it looks at the larger parts of what crime is and what it contributes to an economy. Based on their numbers—and these are probably at the lower end—that comes in about another \$650m.

When we look at what we are paying in that justice area of crime, \$1.5bn or \$1.6bn investment, add another \$600m to that. The cost of crime is, I suppose, \$2.2bn. If we can reduce that crime number through a number of methods, we can reduce that cost. That is money we can spend elsewhere.

Crime and antisocial behaviour are having an effect on our economy because it is about business investment and business confidence. We know that, and we need to turn that narrative around so that people see the Territory as a place to invest, come and live and to give a go.

Whilst we are addressing the crime stuff over here, the productivity stuff and business investment again is key. For those who were at the Darwin Major Business Group presentation—the economist said that the private sector would be the way the Territory could grow itself out of its debt and increase our own-source revenue so that we are not as reliant on the federal government.

Without labouring on it, the Approvals Fast Track Taskforce is one piece to change that regulatory framework because even the federal government know that unless there are changes to the regulatory framework, we will not improve productivity. That has been in the news in the last couple of days. The Territory Coordinator is another piece of that as well. To go out, find and drive that investment in the Territory we need to play to our strengths. Those strengths are the resource sector, mining and energy; tourism; agriculture; horticulture; and Defence. They are the five key things that will drive our economy forward.

As a government, we are focused on making sure we are delivering in that space to change the regulatory framework so that we can attract proponents to the Territory and increase our own-source revenue, so that we are not as reliant on the federal government and can start work paying down that debt. We need that revenue so that we borrow less and start reducing the debt burden on Territorians.

This is the first step, and we have a long way to go. I would love to be able to wipe the debt out next week, next budget or by the end of this term of government. The reality is we cannot, but we can start the work now to put that regulatory framework and processes in place. We can start to work on that piece to reduce that debt and borrowings so that we have more discretion over the funds we receive from the Commonwealth and also our own funds received through our own-source revenue, to do those nice-to-do things in the Territory. Until we can do that, we are always going to struggle delivering just the basic services, and we might be able to do more.

Mr CHAIR: We have a bank-up of questions, so I will give them in order that people have notified me. We will go Member for Johnston, Member for Karama and Member for Gwoja. Welcome Member for Gwoja.

Mr PAECH: Thank you, I thought I would come fishing.

J DAVIS: This is a question from the Member for Mulka. You just made reference to this, but in the Treasurer's budget speech you stated that \$1.5bn has been invested into public order and safety. Specifically

mentioned is 500 beds for prisons, and we know there has been increased infrastructure for prisons and increased staffing. Is it the job of Treasury to work out how this enormous investment is paid for? Where has this funding come from? What are the most significant cuts across government spending for this proposed budget?

Mr YAN: Some money came internally from the Corrections budget, and there was an additional \$170m provided to Corrections to deal with rising prisoner numbers and infrastructure needs. There are no cuts to any other agencies to deliver this. This is additional money put into the justice system within that \$1.5bn for social order and justice. The additional 500 beds are funded from that \$170m and from the existing Corrections budget, delivered in conjunction with the Departments of Logistics and Infrastructure and Corrections. That is where the money has come from. There were no cuts to any other agencies to deliver on that.

Mr O’GALLAGHER: First of all, congratulations on bringing down the CLP government’s first budget. I have Budget Paper No 3 here, which I will refer to. Obviously, you had to make some hard decisions, including savings and expenditure priorities, and I appreciate that.

Mr PAECH: Cuts.

Mr O’GALLAGHER: It probably comes as no surprise that there is close attention paid by the media, the public and MLAs as to who are the winners and losers in this budget, and that is fair enough. I refer to Budget Paper No 3, page 161, Department of Housing, Local Government and Community Development. I think we can all agree that the provision of housing is an important component of our economy and for the growth of the Territory going forward.

I am aware that the opposition and the crossbenchers have claimed that the Housing budget has been slashed by over \$100m, and they are probably looking to headline figures in this budget paper where it says for housing in 2024–25 it was roughly \$807m and in 2025–26 it is listed as about \$704m, so a reduction of about \$103m. You can understand where that figure may have come from.

I want to know if this is true, because I look down and see a detailed footnote, number 1, which explains the variations and touches on things like timing of Commonwealth funding. Is this true, or have the opposition and others not read the variation statement? They have chosen to ignore it or just do not understand, I am not too sure, but can you explain it?

Mr BROWN: Could I get some clarity on what output this is?

Mr CHAIR: Member for Arafura, I understand where you are going. Can we keep the questions to the Treasurer.

Mr YAN: Minister Edgington and I received some questions about this in the last parliamentary sittings. When you look at BP3 on the overall housing number, you see a reduction from \$806m to \$703m. Footnote 1 gives an explanation of that. I will pass to Tiziana, as she is very much across what the accounting standards are, and what this means. There are other parts within the budget where we see changes, and it is not specifically a reduction or a cut, just how the allocations happen and how the accounting standards are applied.

Ms HUCENT: Each year agency and whole-of-government statements are affected by non-cash adjustments, and they are a requirement under accounting standards. Non-cash adjustments are book entries to adjust for the value and volume changes of assets and liabilities across government that affect financial statements but do not involve any in-flows or out-flows of cash.

Typically, each year as part of the budget development process, the Department of Logistics and Infrastructure advises agencies of completed capital works items up until March and what they expect to complete up until the end of June resulting from completion of capital works projects. The agency then gets that data and determines whether or not they capitalise those assets on their books. When they capitalise those assets it results in a non-cash adjustment affecting depreciation. Depreciation expense is the largest non-cash adjustment affecting agency books, and that reflects an expense for the consumption of that asset over that useful life.

What we saw in the Department of Housing, Local Government and Communities was about a \$45m one-off increase in depreciation expense in 2024–25. This resulted from an accounting policy change for the revised useful life of public housing dwellings. In 2023–24 the Department of Treasury and Finance had issued a

new Treasurer's Direction on non-financial assets that required agencies to reassess the useful life of their assets.

The Department of Housing, Local Government and Community Development undertook that work with an independent valuer to reassess the useful life of public housing dwellings, and that saw a reduction in the estimated useful life for those assets. What we saw in this budget was a catch up of depreciation expense to reduce that useful life. Annually, going forward, it will be adjusted through a straight-line method for the asset base, but it required a one-off catch up depreciation adjustment.

The other large non-cash adjustment that we see as a result of capital works cash assessments and data provided to agencies is asset write offs. Part of the information that the Department of Logistics and Infrastructure provides agencies is that they are required to assess the works and expenditure to determine whether they capitalise or expense those costs. Not all costs undertaken are capitalisable under accounting standards, and the agencies have to go line by line to determine what becomes capitalised and what becomes expensed. The Department of Housing, Local Government and Community Development budgeted for a non-cash adjustment relating to asset write-offs of about \$76m also affecting the 2024–25 year. That relates to costs as part of the development of remote housing that are not capitalisable, either under accounting standards it does not result in an asset we can use or does not meet the threshold for capitalisation.

The 2024–25 budget for that department is affected by significant non-cash adjustments that resulted in one-off expenditure in that year and does not affect following years. The agencies' non-cash adjustments can only be adjusted in the budget when data is known and we can estimate those costs. With the data that DLI provides agencies they can do that in the year, but they cannot project that in the following years, so we often see these one-off non-cash adjustments affecting agency financial statements in the current year but not the forward year.

Mr O'GALLAGHER: We take into account the non-cash adjustments, and then we see it as a steady flow going into forward years, is that right?

Ms HUCENT: Yes. If you look at the 2024–25 budget and the output for the agency as well, there is no decline. If you looked at least year they also had non-cash adjustments in the year, so it reflects an increase in that output if you removed those non-cash adjustments.

Mr PAECH: Can you confirm that there has been an overall increase in repairs and maintenance for urban and remote housing?

Mr YAN: There has been an increase of \$20m in the repairs and maintenance budget for the Department of Logistics and Infrastructure.

Mr PAECH: Is that new money or is that existing?

Mr YAN: That is new money and is indexed ongoing. That is on top of the pre-existing budget, an additional \$20m and that is 3% indexed forward.

Mr PAECH: Is that borrowed funds or is it used from the Commonwealth grant?

Mr YAN: That is borrowed money.

Mr PAECH: I understand that you spoke earlier about the Sage program and financial management. You mentioned the performance indicators that CEOs were to abide by. Given that your government is interested in ensuring that there are consequences for everyone, what are the consequences for ministers whose agencies repeatedly breach their own financial management?

Mr YAN: I am not aware of any specific consequences for ministers. That might be a decision of the Chief Minister. The Chief Minister is effectively the boss of all the other ministers, but it is up to ministers ...

Mr PAECH: Thank you, that is all. There will be no consequences for ministers whose agencies continue to breach financial management. That is effectively what you have said.

Mr CHAIR: Member for Gwoja, please. Earlier this morning we clarified that we will not cut off members and that goes the other way with questions.

Mr YAN: As I was saying, ministers will be responsible for their CEs and the CEs' performance and disciplinary measures within the framework of the CEs.

I have an answer to a question which I am happy to table about the budget roadshow cost by location. I can read them out or I can table the document, whatever is easiest for the committee.

Mr PAECH: Table.

Mr CHAIR: Is it large?

Mr PAECH: There is no need. You can table it. It gives the members more opportunity to ask questions—unless you want to gag us?

Mr CHAIR: Member for Gwoja! It is up to you, Treasurer.

Mr YAN: It is not that long.

Mr PAECH: Might as well kill a bit of time, Bill.

Answer to Question on Notice No 2.1

Mr YAN: Katherine venue hire was \$750, catering was \$669 for a total of \$1,419; Tennant Creek venue hire, including audiovisual equipment was \$330, catering was \$552 for a total of \$882; Nhulunbuy venue hire, cost including audiovisual was \$175, catering was \$500 for a total of \$675. A total of those costs was \$2,976.

The events in Alice Springs were hosted by the Chamber of Commerce and Master Builders and were not costs incurred by government. The travel for the Under Treasurer: airfares were \$2,635.15; accommodation was \$740.60; CTM fees were \$63.15; and Alice Springs event tickets were \$55 for a total of \$3,493.90. Travel for me and ministerial staff—there was only one person—airfares were \$4,525.83, accommodation was \$1,088.67 and total vehicle hire, TA and CTM fees and other expenses was \$2,771.39 for a total of \$8,385.89.

Mr PAECH: You said this morning that there is no real consequence for ministers whose agencies repeatedly breach even when they replace their CEO. That would potentially be a decision for the Chief Minister or the Cabinet; is that correct?

Mr YAN: That would be correct. As the Member for Gwoja is a former minister he would understand this.

Mr PAECH: I am just asking. You are talking about your own Sage program. I just wanted to get some clarification.

Mr CHAIR: Are you happy with the answer, Member for Gwoja?

Mr PAECH: I am happy, and happy to move on to Output 2.0.

Mr CHAIR: That concludes consideration of Output Group 1.0.

OUTPUT GROUP 2.0 – ECONOMIC SERVICES

Output 2.1 – Economic Services

No questions.

Output 2.2 – Payments on Behalf of Government

Mr CHAIR: The committee will now consider Output 2.2, Payments on Behalf of Government. Are there any questions?

Mr PAECH: In BP3 there is a funding increase for this output attributed to an increase in the community service obligation payments for retail electricity tariffs offset by a reduction in the Commonwealth funding for the national Energy Bill Relief Fund program. Can you give us a breakdown of those two figures?

Mr ROBERTSON: Yes, there has been a substantial increase in the CSO funding requirements for 2025–26, as you will see in the budget papers. Primarily that is driven by increases in the cost of supply into the electricity system driven through regulated decisions of the Australian deregulator as it relates to the Power and Water network tariffs. Decisions are expected. There is a draft decision available from the Utilities Commission as it relates to system market operator charges and higher generation costs as well. That is driving the uniform tariff CSO increase.

The Commonwealth—as would have been announced in the Commonwealth budget and has been confirmed since—is extending its electricity retail bill relief for six months at a slightly different rate, but largely on the same terms and conditions as occurred in 2024–25.

Mr PAECH: The significant increase in the utility payments, the CSO payments—I am just getting an understanding—from \$155m in 2024–25 to \$192m or thereabouts in 2025–26, you are suggesting is driven by the national energy regulation prices and the demand on energy pressures?

Mr ROBERTSON: It is increase in the cost of supply. For the large majority of Northern Territory customers, they are subject to regulated prices to the extent that the cost of supplying to those customers increases faster than the increase in the charges that are provided. Then government has to meet that cost and pay retailers the difference.

Mr PAECH: To be clear, is that the demand pressures or the supply pressures? Obviously, government buys its energy. Is that the area you are talking about, or is it attributed to both?

Mr ROBERTSON: Retailers purchase the energy on behalf of customers through generators' network of charges. The cost of those generation charges and network costs have increased.

Mr PAECH: Do you intend to continue the CSO payments to keep energy prices down for consumers?

Mr YAN: Yes, we certainly will be. We will see an increase across the budget cycle in the CSO payments as the cost of generating power increases, so we are increasing the CSO payments to maintain tariffs in line with our policy. Yes, the CSO will continue. The CSO will increase in the outer years.

Mr PAECH: On that, obviously we are talking about energy. It is difficult sometimes to look at the demand and supply pressures. In terms of that, what do the forward estimates look like in the ongoing CSO commitments?

Mr ROBERTSON: In recognition of the increased CSO costs over the forward estimates the government has provided an additional \$255m from 2024–25 to 2027–28 to support the regulated utility tariff subsidy—\$103m in 2028–29 and a further \$101m ongoing beyond the forward estimates.

Mr PAECH: Just to be clear, where was the formula to develop that \$250m?

Mr ROBERTSON: As part of the budget process, we forecast future electricity charges and costs of supply and provide that advice to government. It makes the decision about how much they choose to fund the forward estimates.

Mr PAECH: Okay. This position on the CSO payments—what impact will that policy have in the future, if any, on power prices?

Mr YAN: The ongoing CSO maintains power prices and current levels. They are adjusted by CPI every year. We have capped that at 3%. The CSO works alongside those tariffs to maintain the cents per kilowatt hour costs within that increase of 3% ongoing.

Mr PAECH: If there is an increase in CPI that could potentially have an increase on power prices under this policy?

Mr YAN: Sorry; could you repeat the question, please?

Mr PAECH: Bearing in mind that you said it has been factored in, in line with CPI, which is 3%. If CPI continues to grow that would then need to be a matter for government to consider additional financial support, otherwise power prices would increase?

Mr YAN: There are CPI numbers in the budget papers. We are expecting CPI to remain—again, they are forecast, so they are not exactly definitive—between that 2.5% and 3% into the outer years. If there was any change to that CPI figure, and if it increased significantly above that 3%, then government, yes, through the budgetary process, would have to come back and review what the CSO looked like.

Mr PAECH: The formula of \$250m is based on CPI staying at 3% each year; is that correct?

Mr YAN: Yes. There is a combination of things there. Not only is it just the CPI, it is also what government decides to maintain the regulated tariff at. The current tariff is 32.63c per kilowatt hour for 2025–26. We have the fifth-cheapest power in the country. The tariff rate is determined by government. If CPI changes and affects that, it would be a decision of government what that tariff rate would look like. The CSO is there to maintain that tariff rate.

Mr CHAIR: That concludes consideration of Output 2.2 and Output Group 2.0.

OUTPUT GROUP 3.0 – TERRITORY REVENUE

Output 3.1 – Territory Revenue

Mr CHAIR: I now call for questions relating to Output Group 3.0, Territory Revenue, Output 3.1, Territory Revenue. Are there any questions?

Mr PAECH: Can you confirm how you are reprioritising the \$60m allocated for underground power projects in the northern suburbs of Darwin that was funded in the wake of Cyclone Marcus?

Mr YAN: I am not sure whether that sits in this output ...

Mr PAECH: It is. It is on BP3 on page 100, listed as a footnote.

Mr YAN: Yes, the \$60m from the undergrounding of power—mind you, we have only done a little bit—has been reprioritised and used to fund the home owner grants, and the balance is used as savings.

Mr PAECH: Is it being used for home owner grants and gone into general revenue for other areas of saving?

Mr YAN: That is correct.

Mr PAECH: Is there any future project now, in terms of undergrounding power and Treasury's consideration of budget allocations?

Mr YAN: That would sit in a couple of areas, such as Power and Water Corporation. After the decision was made to remove that \$60m, which would only have done a very small portion, I went to Power and Water to find out the true cost of undergrounding power in the northern suburbs. It was in excess of half a billion dollars. If that were to take place, it would have to be planned and staged. That is half a billion dollars in today's dollars, and that project would take a considerable period of time. If Power and was to consider doing that there would have to be some very significant planning about how that might take place, then significant decisions needed regarding what that budget might look like to be able to deliver a project of that scope and magnitude.

Mr PAECH: Just to confirm, in terms of the work that Treasury is doing, there is no work on understanding what the costs might be to underground power throughout the northern suburbs of Darwin.

Mr YAN: That is not something Treasury is working on. You are better to ask the Power and Water Corporation and government-owned corporations on the following Thursday.

K McNAMARA: I have some questions regarding the revenue from the gas industry. It has been challenging to get a clear answer from this government on how much money the NT receives from the gas industry. All the figures in the budget papers tend to lump mining and gas revenue together. It is important that these figures are broken down so that the public can understand the contribution of the industry. Why are these figures not reported on separately? And can you please tell me how much the NT receives per year from the gas industry alone in revenue?

Mr YAN: I will pass to the Deputy Under Treasurer, who has a brief on revenue. We cannot identify any of those sources but, if we are talking gas, we are receiving revenue from Central Australia because it is in production now. No-one else has come into production yet.

Mr BUTLER: Gas royalties are incorporated in the overall statement of mineral royalties because under our mineral royalty legislation, like our taxation legislation, we are not to identify the tax affairs of individuals. Because there is only one entity currently paying gas royalties, were we to put that as a line item in the budget, it would identify its taxation affairs.

At the time when we have more than one producer and the number can be published such as it does not identify the individuals' payments, we will be able to de-aggregate it and show gas royalties as a separate line item.

K McNAMARA: We heard in the March sittings from the minister for Mining that the revenue from the gas industry was \$8m. Are you able to confirm if that is correct?

Mr BUTLER: I am subject to those obligations in terms of our taxation legislation. If that minister gave a number then he was presumably giving it from information that industry had provided to him, not that we had acquired through our compulsory legislation in terms of the tax.

K McNAMARA: Currently, as it stands, is there no way to get an answer from these figures on just the revenue from the gas industry?

Mr BUTLER: We cannot publish them.

K McNAMARA: Just to speak broadly about this revenue, though, I will go off the \$8m figure that we heard from the minister for Mining. If my math is correct, that is about 0.09% of the Territory's total revenue. What is the rationale for investing hundreds of millions of taxpayers' money into the gas industry for that sort of revenue?

Mr YAN: The revenue currently, as we have said, is from one supplier in the Territory. We know from exploration and data we have received that there is the opportunity for more onshore gas production within the Territory. Those numbers range anywhere from \$100m to \$400m in revenue, but that cannot be realised until production takes place and whether those entities go into full production. I do not know what those numbers are—we do not know what those numbers are—but we know that there is the opportunity for significant onshore gas production within the Northern Territory

As part of our revenue stream, moving forward, we are in support of the gas industry. We understand, based on the exploration data to date, the initial flow rates from some of the exploration and other proponents—some of these numbers come out of the Pepper inquiry as there was discussion around what the volumes are within the Beetaloo Sub-basin—that there is the opportunity for large-scale production from onshore gas. From that large-scale production there is the opportunity for increased revenue to the Territory long term. That is the reason there is support for the onshore gas industry from this government. There was support from the previous government as well. We will continue to support that industry as it grows,.

K McNAMARA: You mentioned the fracking inquiry, and they did modelling and looked at the flows. ACIL Allen Consulting did the modelling for the previous Northern Territory Government on the potential revenue from onshore gas industry. The modelling in the most optimistic scenario—high output and thousands of gas wells—demonstrated that average royalties would be about \$68m per year in the most optimistic scenario, which they said was unlikely. That is less than 1% of the NT Government's held revenue. Even with that model revenue from payroll tax and derived GST from fracking added, it would be around less than 2% of the Territory's budget. That figure will not even cover the amount your government is spending on paying for things for the gas industry. In this budget there is \$180m on building roads ...

Mr CHAIR: Sorry Kat, what I the question?

K McNAMARA: Excuse me.

Mr PAECH: She is asking it, if you would listen. The truth hurts.

Mr CHAIR: Member for Gwojla!

K McNAMARA: The question I am asking is that in this budget we have seen, for example, \$180m on building roads for the gas industry, and we are paying more in tax handouts and building infrastructure for the gas industry than we potentially will be getting in royalties, at \$68m.

Mr YAN: The roads we are talking about in the budget also support the regions. We are talking about the roads to Borroloola; it just so happens the Beetaloo Sub-basin is along that road. Yes, that road does assist the gas industry, but it also supports the communities in that region. There are others in different areas—we are supporting beef roads and other roads within the Barkly electorate which supports the Ammaroo Phosphate Project, and they support communities, as they already existed. Yes, the investment in those roads helps the gas industry, but it also helps the communities in those areas.

I am not sure if the revenue figures of \$68m are particularly accurate ...

K McNAMARA: It was government modelling.

Mr YAN: We are seeing different things on those flow rates. The government is also investing in this industry because it is not just about what is going to specifically—the royalty revenue coming out of those well heads but also the larger picture investment in the Territory.

Yes, there may be a FIFO workforce but we are hoping there will not be. I know the proponents that I have spoken to, want to see a local workforce because it actually works better for them rather than a FIFO workforce. There are also the ancillary industries and businesses which will support that gas industry going forward. You would certainly see an increase in Borroloola, for instance, being one of the closest communities to some of the Beetaloo Sub-basin's wells. There is the opportunity for those businesses to pick up additional work and new businesses. It is the same in Darwin, there is also the opportunity for Tennant Creek becoming a hub, in some respects, to support Beetaloo and other mining and resource industries in that area.

There is investment from the Northern Territory Government into roads and other aspects, but we are also talking about the broader spectrum. It not just about the business or the proponent drilling the hole, putting in the well and taking the gas out from the basin; it is also all the businesses and communities supporting that larger economic development.

K McNAMARA: With that figure being the most recent and accurate from government reporting, can you justify the amount of expenditure, the hundreds of millions of taxpayer funds, for a \$68m at best revenue?

Mr YAN: I will hand over to Mick Butler, the Deputy Under Treasurer, because he has more data on this point.

Mr BUTLER: I make the point that the ACIL Allen modelling was undertaken at a time of different prices in gas, but also under the former petroleum royalty regime, which allowed for a higher level of deductions than we currently allow under our new *Petroleum Royalty Act*. That was an estimate at the time of a particular level of production; it was taken at a particular time, at a particular level of gas prices with a royalty regime that would not have raised the same amount of royalties. Even taking all those other factors into consideration the royalty outcome would be a lot higher under that same scenario were it modelled again today.

K McNAMARA: Have you done the modelling? Can you give us the figure if you know it is higher?

Mr BUTLER: We have not replicated the ACIL Allen modelling. It is an outcome that is dependent on a level of investment in the Beetaloo, including whether you get a connection to the east coast and can export gas. There is a range of scenarios. I make the point that the ACIL Allen model is no longer up-to-date or contemporaneous.

K McNAMARA: Are you going to look at doing more modelling to give us a more up-to-date figure?

Mr YAN: We have not considered any additional modelling at this stage. The proponents are out there now doing their test wells and looking at the flow rates. Once we see some more data on what the flow rates look like we could get to a point in time when we may have a better picture of what the flow rates look like and what the revenue rate will be to the Territory. That is based on demand as well. Demand for gas is high; we are seeing an energy shortage on the east coast and there is a push towards increasing gas. Places on the east coast and in the southern states are building LNG import terminals to import LNG to produce power.

K McNAMARA: Because we export most of our gas. That is the issue.

Mr YAN: If the proponents in the Beetaloo can improve and increase pipelines and connectivity to the east and southern states, the demand is there, and so production will go up based on that demand. An increase in production will then equate to an increase in revenue to the Territory.

There are a couple of things that need to happen. I know the proponents are looking at that. They are also looking to bring gas to Darwin and utilise the facilities we have here. The Territory will then benefit from that gas for power production, but also there is the ability for it to be processed and be sent offshore for them as well.

K McNAMARA: I put on the record that part of the reason is we export most of our gas; any idea of a shortage or anything like that in Australia is unequivocally not true. We export most of it. There is a figure that I have seen thrown around a lot that the NT motorist pay 32 times more in vehicle registration than the gas industry in the Northern Territory pays in royalties in the NT. Is it true that INPEX and Darwin LNG have never paid any royalties?

Mr YAN: I may have answered this in parliament. INPEX and Santos, the gas is offshore. It is not in our sovereign waters; it is not onshore and it is not in the Northern Territory, so any royalties from Santos or INPEX go to the federal government. We do not see those.

Where we see benefit from those two proponents is what they pay in payroll tax. That is a benefit and income in revenue to the Northern Territory. There is the employment and everything else they utilise within Darwin specifically, as far as business goes. They drive investment within Darwin. Whilst we do not see specific royalties from Santos or INPEX, that goes to the Commonwealth.

K McNAMARA: The Commonwealth does not actually take any royalties from them, so they take our gas for free, essentially. I understand that it is federal. I just wanted—when we talk about this gas industry and its benefits, we do not get any royalties from that. Thank you for confirming that.

Mr CHAIR: That concludes consideration of Output 3.1

Output 3.2 – Home Owner Assistance

No questions.

That concludes consideration of Output 3.2 and Output Group 3.0.

OUTPUT GROUP 4.0 – SUPERANNUATION

Output 4.1 – Superannuation

No questions.

OUTPUT GROUP 5.0 – ECONOMIC REGULATION

Output 5.1 – Utilities Commission

No questions.

OUTPUT GROUP 6.0 – CORPORATE AND SHARED SERVICES

Output 6.1 – Corporate and Governance

Output 6.2 – Shared Services Received

No questions.

CENTRAL HOLDING AUTHORITY

No questions.

NORTHERN TERRITORY TREASURY CORPORATION

Mr CHAIR: The committee will now proceed to the Northern Territory Treasury Corporation business line.

Mr YAN: Mr Chair, it will be the same officials for the Northern Territory Treasury Corporation.

No questions.

On behalf of the committee, I thank departmental officers who provided advice to the Treasurer today.

Mr YAN: I thank the officials who are here from the Department of Treasury and Finance for all their work leading into and developing the 2025–26 Northern Territory budget, and for all the preparation work they have put into Estimates. They are dedicated, experienced and knowledgeable team. I thank everybody for their work in preparation for today.

The committee suspended.

LOGISTICS INFRASTRUCTURE AND SERVICES

Mr CHAIR: Treasurer, I invite you as the Minister for Logistics and Infrastructure and the Minister for Housing Construction to introduce the officials accompanying you and to make an opening statement regarding the Department of Logistics and Infrastructure. And at 1 pm, I will call for a break.

Mr YAN: The officials with me today are Louise McCormick, CEO; Fotis Papadakis, Acting Chief Operating Officer; and Adam Walding, Acting Deputy Chief Executive Officer. The officials behind me are Tegan Berg, Acting General Manager Regions; Ryan Coppola, Acting General Manager, Housing and Land Servicing; Claire Brown, General Manager, Transport and Civil Infrastructure; Kirrily Chambers, Acting General Manager, Built Infrastructure; Giovina D'Alessandro, Acting General Manager, Infrastructure NT; and Cindy McDonald, Executive Director, Transport Safety and Services. I may be required to bring those officials up as we move through outputs.

I will commence by providing a brief opening statement for the Department of Logistics and Infrastructure. The Department of Logistics and Infrastructure (DLI) has a diverse range of outputs which support government's three pillars of reducing crime, rebuilding the economy and restoring our lifestyle. DLI is government's construction authority and manages the majority of government's key projects and programs. The department delivers the multibillion-dollar roads and housing programs as well as hospitals, schools, police infrastructure and other priorities.

The department has played a key role in supporting government and the Department of Corrections in reducing crime through ensuring enough capacity in our prisons to deal with the rising prisoner numbers. This renewed focus on Corrections infrastructure and assisting government in delivery of our commitment to reduce crime has seen more than 500 beds delivered since the change of government. I know, from working in Corrections over many years, that is a mammoth task.

The 2025–26 Logistics and Infrastructure budget and infrastructure program is a carefully considered one. It delivers on the CLP government's commitment to reduce crime, rebuild the economy and restore our lifestyle through reprioritising the infrastructure program to a more sustainable level. It is a budget that recognises that unsustainable program growth needed to be reprioritised, with the cash to deliver on projects that the Territory needs. This reprioritisation was achieved by focusing on what is realistically achievable in the near term and being on time and on budget.

The 2025–26 infrastructure program totals \$4.34bn. The projected total infrastructure expenditure of \$2.74bn in 2025–26 represents a record level of infrastructure expenditure, and DLI is responsible for \$1.7bn of the total infrastructure spend. A total of \$320m across government has been allocated to repairs and maintenance, representing a funding level higher than the long-term average to maintain our government infrastructure assets, including housing.

Budget 2025 invests in repairs and maintenance of our infrastructure. For the first time ever, repairs and maintenance will be indexed from 2026–27, providing a more sustainable approach to maintenance funding that aims to keep pace with the changing service delivery cost model.

Significant repairs and maintenance allocations for building infrastructure in 2025–26 include hospital and health facilities of \$34.7m; schools and education facilities of \$34.4m; police, fire and emergency services facilities investment of \$13.9m; and Territory national network roads investment of \$83.1m.

As I mentioned, DLI is working closely with the Department of Corrections to deliver the Corrections Infrastructure Master Plan, released in October 2024. This master plan is a critical multiyear infrastructure output group designed to reduce pressure on existing Corrections facilities, return police watch houses to police for use as soon as possible, provide a staged solution to accommodate future growth in the prisoner population and deliver on commitments for new youth facilities, new women's correctional centres and men's work camps.

The CLP government remains committed to providing safe, reliable and accessible transport options for all Territorians. This is evidenced through a suite of reforms I announced in May during parliament.

Antisocial behaviour is a major challenge across the Northern Territory, and it continues to impact the public transport network. Our reform initiatives are targeted to improve public safety, reducing disruptive behaviour across the greater Darwin and Palmerston regions.

I recently announced the closure of the Casuarina and Darwin interchanges by October 2025. This will be followed by staged closures of the Palmerston interchange, and these changes will reduce antisocial behaviour and support a more flexible, responsible network. Upgraded safety measures include:

- expanded CCTV at known hotspots
- direct radio connections between drivers and transit officers, and duress alarms onboard buses
- the launch of a new and improved bus tracker app on 1 August 2025, which will give passengers the ability to track their bus in real time, receive arrival notifications and plan their journeys, factoring in walking and cycling times to their destination
- the continuation of free bus travel past 1 July 2025.

This will support increased use of the public transport network while improving behaviour across the entire network.

These initiatives are all underpinned by a second tranche review of the network to ensure we do not just find the most network efficiencies possible but also continually enhance safety in an ongoing manner. The review considers building stronger partnerships with key stakeholders, including the Northern Territory Police Force, to support a more coordinated and effective response to issues on our network, a reduction in high-risk areas and improvements to network efficiency along with the addition of a dedicated school bus interchange at Palmerston.

In recognition of cost-of-living pressures, the CLP government understands that every dollar counts and has implemented three election commitments relating to the Motor Vehicle Registry, which are:

- the one-year free driver licence open to all driver's licence holders, meaning 112,000 Territorians are eligible to receive the free \$38-licence during 1 January and 30 June 2025. I encourage everyone here today and those who are watching, if they have not already considered jumping online to secure their free licence extension, it is easy to do. There are only a few remaining weeks to do so.
- We froze registration fees at their current level until July 2026.
- We are offering Territorians the option to register their light trailers for periods of up to three years.

These election commitments have meant that over \$1m has stayed in the pockets of Territorians instead of being paid as bills, and they will continue to save people money into the future.

The Department of Logistics and Infrastructure has restructured to focus on four key functional areas: our regions, strategic projects, program delivery and corporate and operational services. Within the program delivery function is housing and land servicing, built infrastructure and transport and civil infrastructure. Transport and safety services have been integrated into corporate and operational services to ensure frontline workers have the support they need to do their jobs.

I will now run through each of the functional areas in detail.

Our regions constitute a total of 60% of the infrastructure program and, as such, following the August 2024 election, a new role was appointed as part of the department's commitment to and focus on our regions. General Manager, Regions, Tegan Berg, is also here with us today. I thank her and her team for their work to continue our important projects across the Northern Territory. The GM for the Regions division delivers key functions that drive infrastructure, transport and housing delivery outside of the Territory's capital. This includes construction and maintenance of government infrastructure, buildings, roads, transport safety, policy, strategy and compliance across all Northern Territory regions.

A key priority for the General Manager Regions is the Alice Springs priority infrastructure plan. Government has developed a priority infrastructure plan for Alice Springs to enhance liveability and lifestyle for residents and visitors to Alice Springs. The plan is funded by reallocating existing budgets to ensure there are no additional program costs to Territorians. Some of these projects are the ATSIAGA, the multicultural community facility, the Gillen multisport precinct and the Jim McConville Oval.

The priority infrastructure plan will also reinstate ANZAC Oval, which has been done, to enhance our recreational opportunities. The oval works are now completed, and this has been handed over to the Department of People, Sport and Culture in March.

Government is also in a working partnership with the Alice Springs Town Council for the following capital grants: \$4.8M to support council deliver the Tourism Central Australia headquarters; and \$14.9m to support council deliver the construction of a new library.

We are rebuilding the economy and will drive economic growth, create jobs and restore confidence in the Territory's future as a place to live and do business.

Infrastructure NT is delivering several strategic enabling infrastructure projects to rebuild the economy. Middle Arm precinct is essential to rebuilding our economy, and the precinct aims to capitalise on the Territory's access to natural gas, critical minerals and renewable energy to grow manufacturing and value-adding to jobs whilst supporting economic growth.

The Darwin Region Water Supply Program, which includes the Manton Dam return-to-service, is already underway, and under construction is the Adelaide River Off-stream Water Storage—AROWS. This project will deliver water security and enable economic development in the greater Darwin region. Without this, economic development would be constrained.

The Territory Energy Link is strategic. We announced this just last month. It is an important piece of work that will see the Territory as a key player in the global supply chain for energy and other technologies by providing a 670-kilometre buried surface corridor to carry gas, water, optic fibre, hydrogen and other services.

The Territory Energy Link will connect strategic economic development projects in the Beetaloo Sub-basin and at Middle Arm, and support rebuilding the economy and economic development strategy.

Infrastructure NT is also leading work on the establishment of a network of regional logistic hubs and intermodal facilities which will improve freight efficiencies and capitalise on the Territory's access to Asian markets, renewable energies and rich resources.

Finally, Infrastructure NT is delivering the Darwin Harbour infrastructure projects which include the Darwin ship lift, the Mandorah marine facilities, the Frances Bay Mooring Basin lock upgrade and the Gove port project.

The Housing and Land Servicing Division delivers housing capital works programs on behalf of the Department of Housing, Local Government and Community Development, and delivers enabling land development works for the Department of Lands, Planning and Environment.

The Housing and Land Servicing Division also provides the following services:

- planning and delivery of construction of the Northern Territory's remote housing infrastructure investment including new and replacement homes and extensions or upgrades to existing homes
- delivery and construction of urban housing program
- community consultation in relation to remote housing capital works
- delivery of serviced land subdivision and infill lots and essential services infrastructure to support new housing in urban and remote areas
- land tenure, including land administration arrangements and remote lands planning.

Following the August election, responsibility for housing repairs and maintenance and minor new works for urban and remote public housing in the Northern Territory transferred to DHLGCD from 10 September 2024.

In March 2024 the Northern Territory and Australian governments announced a joint \$4bn investment into a new federation funding agreement for housing in remote communities across the Territory. The 10-year commitment to provide remote housing will see up to 2,700 homes built over a 10-year period to reduce overcrowding, including continued support for repairs and maintenance.

The remaining two years of the existing Our Community. Our Future. Our Homes. remote housing investment package, which commenced in 2017, will be rolled into the new 10-year agreement.

Mr CHAIR: Treasurer, I will pause there. We will break for 30 minutes and reconvene at 1.32 pm.

The committee suspended.

Mr CHAIR: Minister, I hand back to you to continue your opening statement.

Mr YAN: As of 31 March \$205.8m has been expended through the housing and land servicing area delivering 734 bedrooms and living spaces; 184 service lots and upgrade works; 161 new or replacement homes were completed; 62 homes received upgrades, extensions or modifications; 67 new lots were created and 117 existing lots were made ready, with essential services completed in remote communities; 109 subdivision lots and 18 infill lots were under construction; and 216 new homes were underway; and 143 homes received upgrades or additional living spaces.

In addition to the remote housing program, the current urban housing program is estimated to be \$51.7m, which includes a refresh of public housing and social housing accelerated payment from the Australian Government.

Roads are the lifeblood of the Northern Territory, connecting our communities, facilitating trade, supporting tourism and enabling people to access essential services. Territorians rely on these roads for daily travel, for business to thrive and for vital industries to operate. The Transport and Civil Infrastructure division is responsible for the design, development and management of transport infrastructure across the NT. This includes not only delivery of significant upgrades and maintenance work on NT's road network but also other transport assets including aerodromes, barge landings and boat ramps.

This government receives much of its funding for roads from the Australian Government via the Federation Funding Agreement Schedule on Land Transport Infrastructure Projects (FFAS). Funding provided under the FFAS in August 2024 includes an Australian Government contribution of approximately \$3.41bn and Northern Territory Government funding of \$0.83bn over the next five years.

There is a number of key road and transport projects from progress within 2024 to 2025, including \$254m on the joint investment to upgrade 175 kilometres of the Carpentaria Highway, improving safety, reducing travel times and freight costs and boosting access for industry and local communities. Significant progress is being made on Tanami Road upgrades, with work well underway on the 90.4-kilometre Chilla Well section, which began in April 2023 and achieved practical completion in May 2025.

Design and planning for the 105 kilometres of single-seal sections have been finalised. Construction on the first 21 kilometres is anticipated to commence in August 2025, and this government has committed to the progressive upgrade of Tanami Road as one of its key strategic priorities in Central Australia.

Roystonea Avenue in Palmerston is a key access road connecting the Palmerston CBD to the suburbs, and work has commenced on the duplication between Terry Drive and Lambrick Avenue with an expected completion in December 2025. This \$25m joint investment by the Australian and Northern Territory governments supports our Territory lifestyle and will improve connectivity.

Darwin and Palmerston residents will be well aware of the completion of the Tiger Brennan overpass. The \$165.19m joint investment by the Australian and Northern Territory governments opened in April this year. In addition, \$2m in combined funding has been committed to the national highway network flood resilience initiative by building more resilient and efficient road networks. This government is rebuilding the economy as a primary transport and logistics hub in northern Australia while improving the quality of life for all Territorians.

The build infrastructure function of DLI is responsible for planning, management and delivery of NT's Build Better Infrastructure project and strategic management and maintenance of NT government-built assets. The infrastructure projects this government is delivering in 2025–26 include:

- \$143.5m for the remote policing infrastructure and housing upgrade program
- \$35.7m to construct a new multipurpose police complex in Maningrida
- \$168.7m for Alice Springs infrastructure priorities, including construction of the ATSIAGA and the establishment of a multi-sports precinct in Gillen
- \$6.6m for upgrades to the JESCC
- \$1.5m for a multipurpose, multicultural facility in Katherine
- \$3.15m for the National Critical Care and Trauma Response Centre's new warehouse and road upgrades project, which is Australia Government funded
- \$10.2m for the Tennant Creek visitor park under the Barkly Regional Deal
- \$5.1m to continue to enhance recreational fishing across the Territory
- \$3.3m for track upgrades and modifications at Hidden Valley Motor Sports Complex to support the Motocross World Championship
- \$49.3m for upgrades at Royal Darwin Hospital's mental health inpatient unit
- \$17.6m for a new modular multipurpose facility at Royal Darwin Hospital
- \$35.1m to upgrade the central sterilisation service departments across Northern Territory hospitals
- \$19.8m to construct a new primary healthcare centre in Borroloola
- \$3.8m for the new preschool facilities at Parap Primary School
- \$2.74m for planning and enrolment growth in Palmerston, a special education centre for middle and senior students
- \$52.4m for the construction of the Northern Territory art gallery in the Darwin CBD
- \$4m commitment for art gallery expansions in Arnhem Land.

I have now covered off on many of the department's priorities, projects and reforms, and I look forward to answering any questions that the committee may have.

Ms UIBO: After months of grandstanding about transparency and planning, your first act has been to gut \$1.1bn from the infrastructure pipeline. What is the secret formula behind this so-called strategic review you are referring to?

Mr YAN: I spoke earlier, when I was representing Treasury, about the infrastructure program and the \$5.2bn program that was announced by the previous Labor government. Whilst there was a lot of things in that program, the ability to deliver them was very difficult and there was not the cash to deliver on those programs.

When we came to government I sat with the CEO of the Department of Logistics and Infrastructure to assess the program and what we could actually deliver within the budget we had.

I have said repeatedly that there was a record infrastructure program and a record of announcements, but when we look at the budget provided in 2024 by the previous government, there was only \$300m to deliver on what was required of a \$1.2bn cash need. If we look at the cash requirement just for this financial year—I believe the department spent over \$1.1bn on that program. To continue the program would have required at least that much and a little more. The previous government only allocated \$300m. That \$300m—I say again—would have finished the Mandorah jetty facilities, the art gallery next door and would have provided

some money towards the housing program. There was insufficient money to run the program that was in place from the former government.

We made the decision to assess the program, see what had to be delivered, look at the program objectively, see what was there when it was scoped and costed, then assess what we could deliver going forward. I worked closely with the agency to do this.

I will hand over to the CEO of Logistics and Infrastructure, Louise McCormick, to provide further information on the process that took place when we reviewed the infrastructure program.

Ms McCORMICK: To give you a summary of some of the considerations that we put forward to the minister for consideration was projects that had been completed or largely complete. There were quite a number of projects where there were program savings that came off the program for that.

Other ones were reprioritised—not completely off the program but reprioritised—include projects that had been in longstanding land tenure negotiations. Some of those projects had been on there 10 to 15 years and the cost of the scope to deliver those projects had obviously increased in cost because of the length of time they had been there.

In others, there are land acquisitions attached to them, like the Coolalinga project. There are still land acquisition negotiations ongoing. It did not make sense to keep that when there is no certainty of the project moving into construction.

They are the main things we have taken off the program. Others where the scope had not been fully developed or concept designs had not been developed—we were not confident in the cost of those projects being delivered—have been taken off for further investigation and businesses case development as well.

Mr YAN: In addition to the information provided by Louise, as I spoke about this morning during my Treasury time, there were a number of projects that had been there for a long time. The scope and costs associated with those projects were no longer relevant.

If we are to continue those projects we need to rescope and recost them to make sure that we have effective and real-time costings to deliver those. To leave those on the program made no sense, would mean a large program sitting there showing, effectively, a huge program we cannot deliver.

The reprioritisation of that brought that program back down to where we know we can deliver. The scoping and costings of the things that are on that program are at least relevant.

With the reprioritisation we can go back and look at some of those previous projects, rescope and recost them and look at the ability to deliver. Of course, as Louise has said, there are a number of issues about land tenure and getting access. Until we can achieve those, there is no point in doing anything further with those projects. It is better off to park them and sit them aside. Once we can get some confirmation on that project being able to go ahead, we can then come back and rescope and recost those projects. Then we need to look at the ability to cash them longer term.

There is a number of projects on the program now. We are working through those projects and that program to deliver what we need to and make sure we cash those effectively. Once we have been able to do that, we can look at the projects that we have taken off the program and parked, and reprioritise to see where they fit longer term in that overall delivery, ensuring that what we do is of benefit to all Territorians as well.

Ms UIBO: In terms of following up on where you are parking these projects, whose responsibility is it to revisit and what frequency will you be looking at?

Mr YAN: The projects that we reprioritised sit within the agency. They have been taken off the program. Of course, there has been work done on them. We will not waste some of that work, but it will be timeliness, then looking at rescoping and recosting those projects. It will be on an as-needs basis.

I will pass to Louise, who can provide some information from an agency perspective of where those projects sit and how they will be reassessed.

Ms McCORMICK: There is a number of projects. They are more of a program approach and not one individual project. If I give Central Arnhem Road as an example, that is multiple years of multiple projects on that one corridor. There are lots of negotiations. A lot of that sits across Aboriginal land. We are still

working with the Northern Land Council on them, and because it is a negotiation it is a bit hard to put a timeframe on it. One example recently for Central Arnhem Road is the Mountain Valley upgrade section. That was awarded in June last year, but, unfortunately, it has taken us 12 months to even get on the ground due to access to gravel pits and those sorts of things. We probably should not have gone to tender, to be honest, until we had certainty of where those materials were coming from. It is about working closely with the Northern Land Council to get certainty before we go into construction.

Ms UIBO: Can I confirm that the project on Central Arnhem Road which you used as an example is still going ahead because the tender is out and has been awarded?

Ms McCORMICK: Yes. The tender was awarded in June last year to Allan King & Sons. I have been working with Allan in the last couple of weeks to resolve those access issues. I believe they have all been resolved at this point, so, hopefully, this Dry Season that project can start construction.

Ms UIBO: The people of Arnhem thank you, Ms McCormick, for your good work.

Minister, your government undertook a major review of the infrastructure program, leading to a \$1.1bn cut from the 2024–25 published program. What criteria were used to push those projects out or to park them, as you say, and were any scrapped completely?

Mr YAN: ‘Cut’ is not the right term. We have reprioritised those projects. The word ‘cut’ relates to cutting costs or cutting budgets. These were program items that were never cashed and were not planned to proceed in the near future. I have spoken about ...

Ms UIBO: Can I have some clarity around that? We know that there is cash against projects or programs in terms of the delivery and then there is the program in terms of the timeline, and that is what you keep referring to. Are you saying that you do not have any vision around the timeline about the infrastructure projections and projects for the future of the Territory? There was always a 10-year plan. Obviously they were not all cashed against them, hence it being a plan. Are you saying that there is now no Territory 10-year infrastructure plan?

Mr YAN: That is not what I said. I am saying that there is a number of projects on the program that were not cashed long term, were not scoped correctly—I was getting there before I was interrupted—and were not costed correctly because they had been sitting on the program for so long. I have said this so many times and I will say it again: when there is a project that has been sitting on the infrastructure program for eight years, and it was partially scoped and partially costed when it was put there, those costs and scopes are no longer relevant in today’s terms or dollars. That is why we have seen huge increases in the budget required to deliver some of those projects.

If we use a scope and a cost from eight years ago, when it was \$10m, and put it out to tender it will probably be \$60m now, so it makes no sense. That is why you cannot cash the program effectively because you are cashing against what you estimated and scoped when the project was put on the program eight years ago and those costs are no longer relevant.

We had to go back and look at the entire program, see what we are going to deliver as part of the infrastructure plan ongoing and look at the costs and scopes. How can you effectively do a cash budget and allocation for a program when the costs are no longer relevant? That is why you have to bring the program back and make it a bit smaller so that the stuff that you are trying to cash through your budget is relevant in real terms. If you leave it all on there and start doing it without rescoping and looking at the budgets for them, then we continue to do the same things as the previous government did, which was rolling out tenders and projects that were not costed and scoped effectively. That is why we see budget blowouts on these projects.

I have spoken ad nauseum about the Mandorah facility. You put that out for tender a couple of times and nobody took up the tender, then someone took it up and the price nearly tripled because the scope and the costings were quite old. The gallery project next door to us was put out and pushed quickly and not scoped effectively because of the department was put under pressure to get it out. Then at a precise point in the project timelines the contractor was able to say, ‘No, the budget is really going to be this’. It is like a \$97m difference between what it was scoped and cashed at to what it will cost to deliver it. Tiger Brennan overpass—my understanding is it was costings and scoping from the late 1980s were used to push that program out the door; that does not fit today’s dollars or today’s construction methodology. The project has gone from, I think it was announced at \$60m to \$160m.

If we continue to do this, we will continue to find ourselves in the budgetary position that we are in where programs not costed or scoped are put to tender and suddenly there are 60%, 70%, 80% increases in cost because we are using old documentation, costings or scopes. We cannot continue to do that, otherwise the financial position of the Territory will continue to decline like it was declining before.

My instructions to the department are to deliver on time and on budget; to do that we need real time scopes, real time costs and working in collaboration and partnership with contractors to be able to do that, because if we put stuff out under scope like the previous government was pushing the department to do, we would end up with project costs blowouts, and that cannot be supported.

The department did the hard work and looked at the program scope and pulled it back to what we can deliver and looking at our cash program going forward. Then we will look at what we have taken off program to see where it fits into the future infrastructure program. To do that, a number of things that have to happen, there is land tenure arrangements, section 19 leases—take your pick, there are all these things that need to be done first.

I will not get the department to push a program out that is not ready. We used Central Arnhem Road as an example. That project was awarded a year ago, and the contractor is still sitting there waiting to get access to gravel to deliver the project. What we have done to that contractor is put his costs ...

Ms UIBO: Mr Chair, I have more questions, I understand ...

Mr YAN: I am still answering your question about the program.

Ms UIBO: Yes, I understood the start of the answer about five minutes ago, minister, but I have lots of questions that I would like to follow up on.

Mr CHAIR: Leader of the Opposition, there will be no more interjecting. Minister, if you could wrap up this answer. There will be no more interjecting throughout this afternoon.

Mr YAN: If we look at the project on the Central Arnhem Highway, allocated 12 months ago without the ability for them to access gravel. His cost point has now changed because he tendered on a project ...

Ms UIBO: I understand the answer ...

Mr YAN: I am still trying to answer the question.

Ms UIBO: Three times you have used that example. The answers need to be concise as per Standing Order 110; relevance.

Mr CHAIR: Minister, if you can wrap up this answer. Leader of the Opposition, if you have an interjection, please do so straight to me.

Mr YAN: I am trying to wrap up the answer, Mr Chair, but I continually get interrupted.

Mr CHAIR: Minister, I have informed the Leader of the Opposition how she is to raise an issue. Over to you, minister.

Mr YAN: The cost point for that contractor has changed because he was delayed by 12 months because the government did not scope and do its due diligence. We must change that otherwise there will be continued program and project blowouts and costs which cannot continue. That is why the department has been through the program and rationalised it so that we can deliver on time and on budget into the future.

Ms UIBO: Will you table for the committee a list of all the projects that have been cut, slashed, parked and put aside?

Mr YAN: I am happy to supply a list of the projects that have been reprioritised or parked.

Mr CHAIR: Will you take that on notice?

Ms UIBO: Can you answer that now? Can you table it now or will you need to take it on notice?

Mr YAN: I need to take that on notice.

Question on Notice No 2.4

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

Ms UIBO: Can you table for the committee a list of the projects that have been cut or parked by your government? How many of those in-design projects were scrapped?

Mr CHAIR: Minister, do you accept the question?

Mr YAN: Yes.

Mr CHAIR: The question has been allocated the number 2.4.

Ms UIBO: Did you consult with any of the affected communities that have projects that have been cut or parked by your government?

Mr YAN: No. I consulted and worked alongside the department when we reprioritised the program that was in place before we came into government.

Ms UIBO: Of the projects that are being scrapped, were any signed with their contracts or in design process? Were any out to tender or were any in other procurement phases before they were scrapped?

Mr YAN: I will pass to Louise McCormick to provide some detail.

Ms McCORMICK: A number were in design, so what we are doing is actually finishing off the contract that we are in with the design. There were none that were in construction and none that were in a procurement phase. There was one for Central Arnhem Road that was quite a large tender. That one was cancelled simply because we had to look at how we packaged that, because the feedback from industry was that it was too large; it was \$90m. The whole point of that program is to give as much local business as possible. That money is still there, but it is being looked at as repackaging to suit local industry in that case.

The only other one that I can think of that was cancelled just recently was hospital accommodation in Tennant Creek. That will be procured in a different way.

Ms UIBO: Last year's budget allocated \$19m for a new multipurpose police facility in Peppimenarti, including housing, a courthouse and community infrastructure. Is this still proceeding under the CLP government or has it been quietly cut thinking that no-one will notice?

Mr YAN: Police actually came to us and stated that they did not require the police station at Peppimenarti and the community did not want the police station at Peppimenarti. That program, to my understanding, was not cashed and is not proceeding.

I will push that to Adam Walding, who can provide some more detail on that project.

Mr WALDING: That project basically will complete the design for it. Police reprioritised it. They have done a strategic infrastructure plan as part of the additional money, the \$146m that we talked about earlier. Once the priorities are done the design for Peppimenarti will become the benchmark for the design of the future program as we push forward. Even though the design has been complete, that will be the cookie-cutter model basically for the other stations as we push forward.

Ms UIBO: Can you confirm it has been a police operational decision to liaise directly with the Infrastructure department and reprioritise that Peppimenarti station?

Mr YAN: That is my understanding. The Police Commissioner has stated that they did not require that station at Peppimenarti. They have been in consultation with the community. My understanding is they advised DLI that it was not progressing, but we have progressed with the design work for the station. As Adam said, that design will become one that we can use for other remote stations across the Territory should we need to.

Ms UIBO: In Budget 2024 there was a commitment of \$11m for the construction of a new watch house in Tennant Creek. Can you please confirm if the CLP government has honoured this funding in the 2025–26 budget?

Mr YAN: Yes, my understanding is there was a former government commitment of \$3.4m to redevelop the watch house as part of the Barkly Regional Deal, and a revote of \$11.48m to construct the watch house. The design tender for the new watch house was awarded in October to Rebel Alliance and the design contract is anticipated for completion in the second quarter, around about now, 2025.

Mr WALDING: That project is on the reprioritise list, so with completing the design we will get it to a practical point. We will relook at the budget and make sure it is aligned then work with police to prioritise it into the program.

Ms UIBO: For clarity, does that mean it is one of the parked projects, but the design and scope will continue?

Mr YAN: That is correct. The design will continue for that project. Once we get the design, we can of course scope and cost it, and then it will move onto the program at some stage.

Ms UIBO: For clarity on the last answer in regard to the Peppimenarti police station, there was a reprioritisation by police as the client agency. Was that under the acting Police Commissioner or the former Police Commissioner? Do we have a timeframe for that?

Ms McCORMICK: It was actually both. Michael Murphy had initially asked for that, but Martin Dole has reconfirmed that it is from an operational need. In regard to the strategic infrastructure plan that Adam spoke about, we worked with them in terms of their whole operational model and footprint. As part of that, Peppimenarti was looked at as not being a priority. They said Maningrida was a priority, so we pushed forward as quickly as we could with that police station. The other ones will come out as part of their strategic infrastructure plan.

Ms UIBO: Minister, why have you stopped publishing the NT infrastructure snapshot?

Mr YAN: I will happily pass to Louise on this one as well.

Ms McCORMICK: We have not. We have actually still been putting it out, but we held back the last quarter one—the construction snapshot—to be in line with the current budget and reprioritisation that has occurred, so we wanted to make sure it was accurate. It will still come out.

Ms UIBO: When will we expect to see that next infrastructure snapshot? Do we have a timeframe?

Ms McCORMICK: Hopefully by the end of July.

Ms UIBO: Okay, so the beginning of quarter one of the new financial year.

K McNAMARA: I have some questions on the Middle Arm precinct. I will start with a quote, and I will check if this is still accurate from Ms McCormick. I believe you stated recently that with the current model of equity investment, the Territory is expected to make a positive return on investment and pay back the funds with interest. This means the Territory will need to draw down on its self-generated revenue, which in turn will make it more difficult and costly to comprehensively develop the precinct. Is that accurate?

[No audible answer.]

K McNAMARA: Currently the federal investment is equity-based. Is that right?

Mr YAN: That is correct.

K McNAMARA: The Territory is expected to pay back ...

Mr CHAIR: Sorry Member for Nightcliff, please make sure the mic goes on so that we can hear.

K McNAMARA: Thank you. The Territory is expected to pay that back with interest. Is that correct?

Ms McCORMICK: Yes. In the federal budget it is there as planned equity which, from a federal government perspective as for any other investor, they are expecting a return on investment. That means that obviously we have to pay back the money which is given to us as if they were an investor.

K McNAMARA: Given that, this will mean that the Northern Territory Government will struggle to pay back this investment without eating into its own revenue?

Ms McCORMICK: My comment within that article in ASPEE was in relation to the whole point of Middle Arm is to generate more revenue for the Territory to be able to stand on its own two feet. Having to provide that money to us with paying it back, as well as a return on investment on top of that, is actually eroding what the Territory government is trying to do. That was in relation to my comment.

K McNAMARA: Does that mean we will struggle to pay it back without eating into our own revenue?

Ms McCORMICK: No. The revenue that is generated through Middle Arm will definitely pay it back. It just means that there is less money flowing to the Northern Territory.

K McNAMARA: Have you approached the federal government to ask for the federal investment to be given as a grant?

Mr YAN: Yes, I have spoken with the federal minister to move some of that equity funding into grant funding, specifically around the early development of Middle Arm to help get that project underway. I am still waiting to hear back from the minister on that request. It went through some time before the federal election, and they went into caretaker mode. The government has been reformed and the minister has remained the minister, which is good to see and provides some continuity for me. I am waiting on a response on that.

K McNAMARA: To clarify, that request was for part of it to be as a grant?

Mr YAN: That is correct. I did not ask for the whole lot, but a specific portion to be released as grant funding so that we could do specific things. I believe it was regarding the environmental impact assessment and some logistic matters on services into the site to get that moving. The rest would sit in equity and we would draw down as we can.

K McNAMARA: Did they give you a timeline when they might answer?

Mr YAN: No. Generally, when I provide something to the federal government it does not give me an estimated response time.

K McNAMARA: The details of the stage 2 business case, which were published in the media in December 2023, revealed that the Northern Territory Government is looking for an extra \$3.5bn in capital expenditure on top of the \$1.5bn. Where do you expect to get this money from?

Ms McCORMICK: That is the total, not on top of, the \$1.5bn. It is based on the increasing construction costs for the marine infrastructure and common use infrastructure that the original \$1.5bn was for. We did not go to the Australian Government for that funding. We are still considering other funding models to achieve the same outcome.

K McNAMARA: Have you got an idea on these other funding models?

Ms McCORMICK: Not yet.

K McNAMARA: I will read a quote from the federal Labor minister Marion Scrymgour for context of my next question:

One of the biggest hurdles in Middle Arm is the whole project is equity-based.

The Northern Territory government is signalling to the federal government that they don't want to put their equity to it — they just want the federal government to continue to fund this on their own.

The federal government has said 'no, if you want this to happen, it has to be with the agreements that were signed with the former government'.

During the election we saw that Gosling could not be drawn into Middle Arm; it was not a part of his election platform. It does not seem that you have federal government support for Middle Arm.

Mr YAN: I have been in close discussion with the federal minister on Middle Arm. Being equity-based, I suppose the federal government wants some—what would you say?—certainty from us on the project. It was interesting, because there was an election commitment of the previous Coalition government. I believe it was \$1.9bn that would be grant funding on equity. There was a change of government and it reduced it from \$1.9bn to \$1.6bn and moved it into equity.

From the federal government it probably means a little more probey and means more work for us to make sure that the business cases we put forward meet a business model and a return model. It probably takes more time and makes it a little more complex for us to get those funds out of equity to do what we need to do in Middle Arm.

Getting the initial environmental assessment done is the key and one of the biggest pieces of work because of its size. The initial assessment was put in. We have resubmitted the second part of that assessment, I believe, and are expecting a response back on that later this year.

Ms McCORMICK: We have been doing this work for some time now. The stage 3 business case, as you could appreciate, is quite complex because it is a large area with what could be different land uses. There are lots of different scenarios that could play out through a business case.

The marine infrastructure is the first stage of what needs to happen to make the whole precinct happen, essentially. There are other things like road upgrades, a lot of infrastructure that proponents would need to build themselves as well. Getting a return on investment on something that is not operational for probably 10 years from when you build the first stage is difficult to achieve from any way you look at it. That is why the equity is a difficult thing for us to achieve with what the Australian Government is after.

K McNAMARA: You just mentioned—this was to be my next question—the stage 3 business case. In February last year, the stage 3 business case for Middle Arm was submitted to Infrastructure Australia and considered, but not accepted, for evaluation. Is that correct?

Ms McCORMICK: Yes, that is correct. They wanted a lot more detail of the project and more certainty of what proponents will be in the precinct, which we were not able to achieve because those project proponents are still undertaking their own pre-feasibility studies and work.

K McNAMARA: Can a copy of that rejected stage 3 business case be tabled or released, with comments from Infrastructure Australia and communications explaining those reasons for the decision?

Ms McCORMICK: We did not release that business case specifically because it has a volume of a lot of commercial-in-confidence information and economic information from the proponents to look at the benefit cost analysis of the precinct. It also has a significant amount of Cabinet-in-confidence information for both the Territory and federal governments in terms of revenue that may be received based on the different scenarios of land use within the precinct.

K McNAMARA: Is it possible then to release some kind of redacted version of that so people can get a sense of what Infrastructure Australia said?

Ms McCORMICK: We were intending to put out a public version that people could read and digest that was able to be used by everyone, yes.

K McNAMARA: That will be coming, did you say?

Ms McCORMICK: Once we have an accepted business case by Infrastructure Australia, yes.

K McNAMARA: Okay. You will not do it for a rejected business case? We will not get a public version of that? No? Not at all? Okay.

Mr YAN: Once the business case is accepted, then we will put out some details about the accepted business case.

K McNAMARA: The stage 2 business case revealed a cost-benefit ratio of 1.06 for the preferred program for Middle Arm project. Is that accurate? Is this the best case scenario? Is that correct?

Ms McCORMICK: I believe so. There were two different ones taken forward into the stage 3 business case—program two and program four. That was based on land use scenarios based on the previous 'do not deal' arrangements with the different proponents that were there and what likely scenarios that may generate. As those scenarios and proponents and locked in that will change.

K McNAMARA: You mentioned before you are still doing the EIS—and possibly the end of the year. Given these delays, what is the new timeline for construction?

Ms McCORMICK: The delays in the EIS have been through the adequacy review that we did with the Australian Government and the baseline studies it required for the EPBC Act. Those baseline studies are being undertaken at present. Hopefully we will be releasing that draft EIS towards the end of this year. It is fair to say, though, we are probably a step ahead of proponents. They are still undertaking their pre-feasibility and engineering work. We are still lockstep in terms of timeframes.

K McNAMARA: What I am getting from all this is that the federal government is equivocating on a \$1.5bn equity investment that the NT will struggle to pay back and the equity investment will not cover the whole project. With currently a best-case scenario cost-benefit of 1.06 and the stage 3 business case being knocked back, the EIS somewhat delayed and the stage 3 business case resubmission date unclear, it seems that this project is a non-starter. Would you agree with that?

Mr YAN: No, I would not agree with that perspective. The difficulty we are looking at for Middle Arm is because of its size and complexity, and working with Infrastructure Australia to provide the detail it requires, the ROI at the end of the day is larger than just our repayment on that equity investment from the federal government.

When you look at the project and the precinct holistically, the number of proponents and the size of the project will then generate additional income and revenue for the Territory overall. It is not just about what is going in there; it is about the service agencies that work alongside them. INPEX is a good example, with the number of people employed in the Territory and all those various agencies that provide services to INPEX—mechanics, welders, electricians. Take your pick; there are all sorts of businesses that supply services to INPEX.

The development of Middle Arm longer term with different proponents to go in there, be what they may be, will also increase opportunities for business growth, equity growth and revenue back to the Territory through payroll tax and various other things.

It increases the total growth of the Territory overall. Whilst the ROI might not be what we would like it to be from a government perspective, the overall economic benefit to all the Top End and the Territory cannot be understated. There will be significant growth across the board to support the industries that go in there, whatever they may be in the long term.

K McNAMARA: Sure. The ROI of 1.06 is generally considered pretty low; is that right?

Ms McCORMICK: We rarely get a positive benefit-cost ratio in the Northern Territory. I have been in this game for a long time. The only other one that has ever been a positive return on investment is the Darwin Region Water Supply program. We struggle to get any of our roads up because of the length, cost and the low volume of traffic. A lot of our build infrastructure is social, so it does not provide a return on investment. To get anything above 1.0 in the Northern Territory is a good achievement, quite frankly.

K McNAMARA: I want to ask questions regarding Caymus and the fuel tanks and building and planning permits.

Mr YAN: That is DLPE—Lands, Planning and Environment, Minister Burgoyne.

J DAVIS: I have questions from the Member for Mulka. If they do not fit under this output, let me know.

Last year the 2024–25 Budget Paper No 4 showed \$1.7m for the barge landings at Ramingining and Galiwinku and \$2.2m for the barge landing at Gapuwiyak. This year's budget paper does not show these barge landings as revoted works. These barge landings require significant work to ensure food and essential items can reach these communities. What has happened to these infrastructure works for the Mulka region?

Mr YAN: I acknowledge the Member for Mulka and thank him for the questions.

These form part of the issues that we have been speaking about. There has been delay after delay on these projects due to section 19 leases. I have met with Sea Swift, and I understand the issues that they faced. I understand the issues that people in those remote regions face as far as getting access to goods and services through those barge landings.

Ms McCORMICK: I know the Member for Mulka is particularly interested in Gapuwiyak in his electorate because he has spoken to me in the past about it.

Ms UIBO: Gapuwiyak is in the Arnhem electorate, but the Member for Mulka does have a lot of family connections in the neighbouring electorates.

Ms McCORMICK: There are 14 barge landings in total that we manage across the NT, and the funding for those projects have been on there for 15 years. They will still progress, but as the minister said, we need to secure the tenure. We have done design for the Gapuwiyak barge landing. We have consulted with the barge landing operators because they raised with us that the current condition of barge landings is doing damage to their barges. We are working with them on the design at those different locations, but the intent is that once we have security of materials, tenure and all of the above we will put the business case to government for consideration. We will keep working on them in the meantime.

J DAVIS: Is there a timeframe for that?

Ms McCORMICK: I do not know, to be honest, given that it has been there for 15 years, and we still have not been able to resolve it. Anyone else's guess is as good as mine, but I think we are closer than we have been in the past because we have been able to work with the land council to understand it needs to be a section 19 lease. There was some question at one point about licensing and a range of different tenure, so we have got that far. It is a negotiation, so it does not have a statutory timeframe attached to it.

Mr YAN: In follow-up to what Louise said, once we can get some of those sureties around access—it is not just the section 19 lease; some changes were required on those barge landings. There will possibly be gravel and other bits and pieces. There is a number of access things that need to happen. We need to lock those in place and have surety that we can go ahead with these projects. Of course, because they are so old now, the \$2m that was sitting in the budget for so long—we need to go back and reassess these projects, rescope and recost them to see what it will cost to deliver. We will then drop them into program and make sure that they are cashed appropriately.

J DAVIS: The intention is to continue with them in the way you have described.

The 2024–25 budget paper outlines \$4m for safety upgrades to the Elcho Island aerodrome, and this new budget paper has \$1.2m set aside. Where is the remaining \$3m, and when will this work be completed?

Ms McCORMICK: The project on Elcho Island has works that will get underway, which is a joint funding project with the Australian Government to upgrade to CASA standards. However, the other part of that scope was not fully developed enough and has been reprioritised as part of the budget.

J DAVIS: Which part is that?

Ms McCORMICK: I will have to get some more detail and take that on notice if you would like. The money to upgrade to CASA standards is still there.

J DAVIS: Yes. I will take that on notice.

Question on Notice No 2.5

Mr CHAIR: Member for Johnston, please restate the question for the record.

J DAVIS: Which parts of the safety upgrades to the Elcho Island aerodrome are not being proceeded with?

Mr CHAIR: Minister, do you accept the question?

Mr YAN: Yes.

Mr CHAIR: The question has been allocated the number 2.5.

J DAVIS: We talked about highways. This year Central Arnhem Road has closed for a month, which is a significant closure. Weeks prior to the closure homelands had already been cut off, and many cars were stuck in mud along the highway. Given that hundreds of millions of dollars have been allocated to this road for many years, why is it taking so long to provide significant upgrades to the northern end of the road from the Gapuwiyak turnoff to Nhulunbuy?

Ms McCORMICK: As I mentioned earlier today, Central Arnhem Road, being on Aboriginal land, requires negotiations with the Northern Land Council. Those are ongoing. We have one project awarded to Allan King & Sons through the Mountain Valley section. That should progress now, but we have been waiting over 12 months for the Pastoral Lands Board to give us access to be able to construct the road. I also met with Klaus Helms and the Gumatj people in Nhulunbuy, and they want to work with us closely as well as the Northern Land Council in terms of how to break down the Central Arnhem Road projects such that local people can get employment opportunities through projects. We are relooking at how we package the project, but it is still there.

Mr YAN: Following on from Louise's response, I note the unseasonal rains in that part of the world and the difficulty it placed on those communities. I know we try to move Heaven and Earth to get out there and fix certain parts so people can get in and out, and we had more rain come in behind that. It proved difficult.

I met with Klaus when we were at Nhulunbuy last week and spoke about those specific problematic sections of the road. When we are talking about delivering, specifically that project but other projects, we have been working closely with the Northern Land Council to develop a model where DLI can work alongside the land council and proponents, so all contractors, because access to gravel, sand and other extractives is quite difficult. The Northern Land Council understands this and wants to work with us to identify and be able to deliver areas where we can get those extractives to build those roads prior to us actually releasing these tenders. That is about providing surety to our contractors that when they get a contract they know they can get out there and get access to extractives to do those roads and partner alongside communities and the Northern Land Council. We are hoping it will speed up the process but also provide employment and economic development for people in communities in the Arnhem region.

J DAVIS: I have a couple of questions about specific roads. Every year the Giddy River crossing goes under water, and this year it was impassable for many days over several weeks prior to Central Arnhem Road closing for the month of May. Is this scheduled for significant works this year? If not, when?

Mr YAN: My understanding is that we do not have anything on program for this upcoming financial year. At this stage we do not have it on program, but I am happy to pass it on to the department to consider.

J DAVIS: The Ramingining Link Road from Ramingining to Central Arnhem Road is graded each year, but this creates problems because areas that are being gouged by trucks need more significant repairs. What works are happening for this road during this Dry Season, how much funding is in the current budget, and how much is in the 2025–26 budget to fix this road?

Ms BROWN: That project is included in our NT Strategic Roads Package. That is a jointly funded program between us and the Commonwealth, with an 80/20 split. The total program value is \$415m, which includes not just the Ramingining link road but also the Mereenie Loop road, Santa Teresa road, Perdjert Street and the Milingimbi mainland barge ramp from Ramingining and the Roper Highway. That body of work for the Ramingining link road is not yet fully scoped, but it is within that program. It will not necessarily be delivered within the next 12 months, but it is definitely still on program to be delivered.

J DAVIS: Are there no plans to work on that road in the current Dry Season?

Ms BROWN: No. Within this year we will be doing further consultation with communities in regard to the scope of those projects.

J DAVIS: I will move on to four more questions from the Member for Mulka.

The Budget and Regional Overview outlines that \$181.3m has been committed for Territory gas industry roads. Which roads are these? Currently, which gas companies will benefit from these roadworks?

Ms McCORMICK: The gas industry roads include Carpentaria Highway, Western Creek Road, Gorrie/Dry River road and upgrades on the Stuart Highway, particularly intersections where we are expecting quite large volumes of trucks to be going in and out of different areas within the Beetaloo. They are the main upgrades to those roads.

J DAVIS: Which gas companies will benefit from these roadworks? That was the second part of the question.

Ms McCORMICK: It will be anyone in there that is doing exploration at this point in time. Tamboran, Empire—I think Santos is in there. I cannot remember whether INPEX is—anyone that is in the Beetaloo, essentially.

J DAVIS: Given that we know that gas companies will take the majority of profits out of the Northern Territory, why is the Northern Territory Government choosing to gift Northern Territory roads to foreign companies instead of supporting Territorians? The government is not currently working on some of the roads that you have mentioned, has cut funding to ranger programs and provided only \$80m for housing upgrades across all Northern Territory homeland communities. How is it justified to give double this amount to businesses that have massive profits? What about the tiny \$3m for our ranger programs? How does the government justify this spending?

Mr YAN: I understand the premise of the Member for Mulka's question. I spoke about this earlier when I was talking about the roads in these regions. These roads and upgrades are not specifically for industry. The roads are there in the first place to connect communities. If we look at the roads out in the Borroloola region and the Big Rivers region we see, yes, we are upgrading those roads, but they also benefit the communities as well. They are not specifically gas, either. The upgrades on the Carpentaria also support McArthur River Mine, the communities of Borroloola and Robinson River and all those regions overall. We are not just upgrading these roads specifically for the gas companies. Yes, we call them gas roads because they are in that region, but the upgrades also benefit all the people in the communities too.

J DAVIS: The roads that Ms McCormick outlined before, they are not just one-way roads out to Beetaloo, for example.

Ms McCORMICK: They are all public roads now; we are just upgrading the public road network as part of that. I can add to the minister's list of people who can benefit from them. The Carpentaria, for example, is part of Savannah Way that goes from Cairns to Broome, so it is also a tourism route. SunCable has also wanted those same roads upgraded for their project, so it is those ones as well. Cattlemen use a lot of that area as well. It is not just gas companies; it is everyone else that is in those regions. They are all public roads now.

J DAVIS: How is the Department of Logistics and Infrastructure working to meet priority 1 of the Closing the Gap agreement, formal partnerships and shared decision-making? What systemic changes has the department made to work towards meeting this agreement?

Ms McCORMICK: Probably there are many different ways we are doing that. The best example I can give you is the remote housing program and the work we are doing there. It is a 10-year program. I sit on the joint steering committee for that program.

As part of that, there is a joint decision-making process with land councils, the federal government through the NIAA agency, us and Department of Housing, Local Government and Community Development. There are joint decision-making and governance through that joint steering committee.

The other work we are doing through our Housing Land Servicing Team is on-the-ground consultation with tenants and communities about the development of those communities, through the Fulcrum Agency, which is a specialist consultant we have on board. That is essentially looking at all the different communities and doing land use plans with the community for the development of those housing and subdivisions for that program. That is the best example I can give you of what we do.

Mr PAECH: Mr Chair, I have one.

Mr CHAIR: I will go to the Member for Fannie Bay, who has been patient ...

Mr PAECH: I thought because she was part of government she could ask it at any time, but that is all right.

Mrs ZIO: My first question is about safety in communities. I am wondering whether you had to withdraw any contractors from communities for safety reasons?

Mr YAN: Recently, we had a number of issues in some communities, not just in the Top End but in Central Australia and the Western Desert areas. We have considered closely about removing contractors from communities. We discussed closely with those contractors about what they want to do moving forward.

Some contractors initially were ready to pull out and demobilise from those communities, but work done by those contractors with the communities and police has seen them remain in those communities, which is good to see because if they pulled out, then that, of course, a cessation of delivery on—specifically those ones recently—of housing projects in the bush.

Mrs ZIO: In relation to some of those housing projects, if we revert to the \$100m that has been cut, can you tell me whether the houses that were planned to be built will still be built for people out there?

Mr YAN: Yes, they will be. We have a housing project if \$4bn over 10 years. The difficulty we face is that we now have to utilise funding to provide security to those contractors in those communities. Of course, any money taken away from that program then reduces the ability to deliver housing.

Whilst we are seeing disruption in communities and contractors specifically being targeted, assaulted—one recently was hit in the neck with an axe—we have to provide security into those communities to keep those contractors safe. That is funding that is now being taken away from the housing delivery program. At the end of the day, the more money the department is spending on security means fewer houses and bedrooms we can deliver, as a government.

In the most recent one we have been working closely with the community and the Member for Mulka and the Department of the Chief Minister and Cabinet to come up with some solutions for that community so that we can continue to deliver out there.

However, it is getting to a point now where we are sending contractors out to work in these communities, and we have a obligation as government to a degree to make sure they have a safe work environment. If we cannot provide a safe work environment then we will get to a point where the department cannot send contractors out to those communities, so those communities will miss out on housing.

It is certainly not a position that we ever want to get to, but even if we are providing security, and we still cannot keep those contractors safe, some of those difficult decisions will need to be made at some stage. It is not a decision we want to make, but I need to make sure we are providing a safe work environment for people we are sending out into communities to deliver services.

Mrs ZIO: The Dundee Beach boat ramp I know was recently completed. I have lots of active fisher people in my electorate, who also have blocks at Dundee. There was also supposed to be a component of that for the car park at Dundee. Could you give an update on the status of that?

Mr YAN: I will pass to Claire, and I have some other information.

Ms BROWN: The car park is not actually associated with the boat ramp facility. It is an area of Crown land, and there is a lease arrangement in that. There is an agreement for us to maintain an area immediately adjacent to the boat ramp, and we are working with the lessee and the Department of Lands, Planning and Environment in regard to the remaining tenure components with that car park.

Mr YAN: In addition to that, I have been talking to the leaseholder of the hotel there about what the car park looks like. I believe the department had been in negotiations with the actual owner of the property on how we deliver that car park and a turnaround area. I believe those negotiations stalled some time ago, and we are trying to restart them. The government has invested heavily in the Dundee boat ramp and a new groyne and platform area for people to fish. We want to continue to develop that area in conjunction with the landholder so that we can provide appropriate car parking. It is on our radar.

Mrs ZIO: The Berrimah Road duplication has recently been removed from the program. Could you provide an overview as to why that was cut from the program, given the location and priority for it?

Mr YAN: We made that announcement I believe about three or four weeks ago. The duplication of Berrimah Road between Tiger Brennan and the Stuart Highway had been on the program for quite some time. Looking at what was taking place traffic-wise in that area and the impact it would have on business and schools in the area, the decision was made to cease that based on feedback from the communities and traffic flows.

The net benefit from that duplication and the cost, I do not think was probably fully realised or the business case fully done and the effects it was going to have on local business.

When we were out talking to local businesses about that duplication and possibly ceasing it, it was overwhelmingly yes. The school would have been impacted quite significantly, as the Member for Fong Lim is aware, and a number of businesses were already suffering after the work on the Tiger Brennan overpass had slowed down traffic. A lot of businesses actually rely on passing through traffic, particularly takeaways—Tommo's Pies was an example, and he said he had suffered significantly was getting close to thinking about closing. If the duplication had gone ahead, he would have been in real trouble. The decision was made to cease that project.

If the traffic flows increase to a significant level, will we go back and look at it? It is possible, but I do not think we would. I will get some more data from Louise.

Ms McCORMICK: As the minister has said, we were taking on board feedback from the community and businesses along there, so we have essentially stopped that project altogether.

Mrs ZIO: My last question is around process, and one of my pet peeves is red tape across government, particularly frontline workers, and every government agency that has to deal with the red tape and the administrative burden which goes with it. We have lots of particularly risk-adverse people in high positions in government departments who are implementing layer upon layer of red tape and policy. I am wondering what the Department of Logistics and Infrastructure is doing to help support their staff on ground and any business which might be interacting with the department to make sure that red tape and administrative burden is decreased as much as possible?

Ms McCORMICK: One of the things the minister has given me as a strategic priority for our department is internal reform, which speaks to, I guess, doing business with our department. When I first came to the role, I got a lot of feedback about being 'DIPLeD', which was not a positive thing. My executive team and I have been working across the department to change the face of that to being a good thing, not a bad thing. That involves things like a lot of systems and processes and cutting red tape that way.

One of the big things we did initially is a mapping of decision-making in the regions. Previously, the way we were structured, a regional person would have had four different pathways to make a decision. Putting in the General Manager Regions position has cut layers of bureaucracy through our department so that it can go straight to the GM Regions for decision-making on the ground with local knowledge of what they are making decisions about. That is one example.

There is a whole plan that we are putting together. We have put six different things to the Approvals Fast Track Taskforce, such as moving to NTG Pay, which means we have a quicker way to pay invoices from our contractors and businesses that we work with.

Another one is online permits for our transport and civil infrastructure team. It used to take days for them to get permits for our road network; now it takes an hour, if that. It is really looking at our systems and where we can cut and automate processes that may have taken a long time before.

Mr YAN: Just to follow up on what Louise has just said, she probably understated the work being done at MVR to improve processes there. Everybody has to deal with MVR at some stage, and sometimes the dealing is good and sometimes it may be not so good. Nobody likes waiting in lines. There is a large body of work that has taken place at MVR to improve processes.

There is still a lot of work being done to improve how MVR interacts with the public and to streamline those processes as much as possible. That way we are seeing fewer people queuing up and more streamlined interactions, fewer interactions where we can and making MVR easier to do business with.

Mrs ZIO: I thank you for the work that you do. I have had a lot of interactions over the years with the department of Infrastructure, particularly across school infrastructure.

Mr CHAIR: I will remind the committee that there are to be no further interjections for the afternoon. Please, no 'hear, hears', no 'shames'—no calling out.

Mr PAECH: I am glad that you have reminded everyone about that.

The Australian Government committed \$40m to upgrade and seal priority access roads to communities, including Imanpa, along Imanpa Road; Emu Point, along Emu Point access; and Mungkarta, along McLaren Creek access. The project was expected to commence in early 2025 and would be completed by late 2027. Is that money still with the Northern Territory Government or has it been handed back to the Commonwealth? If so, will those timelines still be adhered to?

Ms BROWN: Yes, that program is still on. You are referring to the Remote Community Access Roads program. There is \$50m which is a joint contribution between the Australian Government and the Northern Territory Government.

You are correct. Imanpa Road, the Emu Point access road and Mungkarta—McLaren Creek access road—are within that program. Within the 2025–26 budget there is \$30m identified for that, which is the scoping and design work. Then we are looking to roll out those works. The detailed design for the Imanpa and Emu Point roads will be undertaken this year, with construction anticipated to commence within 2026–27, pending approvals.

Mr PAECH: Will the Emu Point and Imanpa roads design happen this financial year period, with work then to commence the following financial year? Then will the Mungkarta—McLaren Creek access road—start design next financial year?

Ms BROWN: I will have to take on notice the exact start time for design, but that is my understanding of the rollout of those projects.

Mr PAECH: I am happy to take that on notice.

Question on Notice No 2.6

Mr CHAIR: Member for Gwoja, please restate the question for the record.

Mr PAECH: The Australian Government has committed \$40m to upgrade and seal priority access roads to communities, including Imanpa along the Imanpa Road; Emu Point along the Emu Point access road; and Mungkarta along the McLaren Creek access road. The project is expected to commence early 2025 and will be completed by late 2027. Can the Infrastructure minister provide us with a breakdown of each project for design, completion and commencement?

Mr CHAIR: Minister, do you accept the question?

Mr YAN: Yes.

Mr CHAIR: The question has been allocated the number 2.6.

Mr PAECH: How many legal matters has the department been in court for over the last financial period?

Mr YAN: We will take it on notice.

Question on Notice No 2.7

Mr CHAIR: Member for Gwoja, please restate the question for the record.

Mr PAECH: Can you outline how many matters the department has been before the court for and the legal costs?

Mr CHAIR: Minister, do you accept the question?

Mr YAN: Yes.

Mr CHAIR: The question has been allocated the number 2.7.

Mr PAECH: The previous government had completed a review within the Department of Planning, Infrastructure and Logistics in line with the Aboriginal Justice Agreement around racism. I am wondering whether that review is still being adhered to by the department and implemented.

Mr YAN: I think if there was a report done into racism within the department, I do not think we would abandon that; we would be continuing it. I will pass to Louise to give further detail as the CE of the agency.

Ms McCORMICK: The Attorney-General's Department is the lead for the Aboriginal Justice Agreement, but the report was the former department. We have taken the relevant parts to our department from the action plan that came out of that, and we continue to work with those.

We talk with our Aboriginal employee network. We have a team of Aboriginal employees in our department, and I am waiting on them to give me some feedback on what things they would like to see going forward as well. One of the things they mentioned to me is having a mentor within the department who can onboard Aboriginal employees and someone they feel safe to go and talk to about matters relating to those things. That work is ongoing for us, yes.

Mr PAECH: Confirming from that review, since the department was de-amalgamated—if you would have it that way—the aspects have been adopted by your agency, and that plan has been looked at and is currently awaiting consultation with the Aboriginal leadership team within the department. Then you will, I assume, develop an action plan to make sure you meet those commitments or those actions.

Ms McCORMICK: Yes, that is correct.

Ms UIBO: I note the minister referred to the Remote Housing program, and some questions were asked. Can I have an update on the number of new build houses under the national partnership agreement with the federal government for the Northern Territory? I think you said about 120-ish; I want to get an exact figure. I understand that the commitment with the Commonwealth per annum is 270 houses out of the next 10 years. I want to see where we are in terms of the Territory's obligations? Are we on track for the remote housing program targets for the Northern Territory?

Mr YAN: For the remote housing lots developed, the estimate was 227. New homes constructed for 2024–25, remote was 270 and urban was 18; and actuals ...

Ms UIBO: Sorry, minister, just the remote housing program, not the urban.

Mr COPPOLA: I am pleased to say that the works undertaken to date through the \$4bn housing agreement, as at 31 March, we have completed 161 homes. In addition to that, we have a further 216 which are either committed in contracts or under construction.

Ms UIBO: Could you take it on notice, just to complete the end of financial year on the record? I know there will be more homes completed by 30 June. Could we put that on notice, so we can get it as a written question by 14 July?

Mr YAN: I am not sure whether it is worth taking it on notice. I know that at the end of the financial year the department provides a report on the delivery of all homes done for the financial year. I think that report will be produced on a specific date and available publicly.

Mr COPPOLA: To confirm the minister's comments, all housing works through the \$4bn agreement is reported to the joint steering committee. The committee will be meeting in September to discuss the works to date in the previous quarter, which will also conclude this financial year. It will be at that JSC that we announce the final completion of the works undertaken in this financial year and provide an update for the works in the next financial year as well.

Ms UIBO: I know the JSC has the seven partners on it. Will that information be made public? If so, where will that be available?

Ms McCORMICK: The JSC normally puts out a communique after each meeting. At the September meeting there is probably a communique that will talk to the number of houses completed in 2024–25 and what is due for 2025–26.

Ms UIBO: Are you sure you do not want to take it on notice? Because we will get it by 14 July rather than having to wait for maybe September or October, whenever the communique is released.

Mr YAN: I am not sure, as the department is putting those figures together to provide to that committee, so I will not put specific additional work on the department if they are already getting it together and will be reported on through that committee.

Ms UIBO: That is all right. We will send you a written question and you will have 30 days to answer.

Mr CHAIR: Minister, this question is probably best answered by Mr Coppola. Regarding remote housing, are locals having an input into the design of the housing we are delivering on the ground? My concern is if it is with joint funding from Canberra, designs are coming from Canberra and therefore are unsuitable for the NT. How much input are local Territorians getting in the design of remote housing?

Mr COPPOLA: Community engagement is a core feature of all the works we deliver through the remote housing program, not only related to the construction of new houses but land development as well. While we have a number of core designs, through the program we deliver a range of different house types—single-bedroom houses, two, three, four or five-bedroom houses, duplexes or quadplexes. We have a number of base designs and a variety of those base designs which we can go to the community with and undertaking community engagement.

We understand where the community's needs are for the housing type. We consult with them as to what their preference is for the different housing types and bedroom sizes then, from the designs we have, what their preference is based on their own considerations and culturally appropriateness.

Mr CHAIR: I understand we are giving a suite of options. Is there any point in the process or future opportunity where Territorians could have greater influence on the design that is brought to them in the first place?

A Member: That is thoughtful.

Mr CHAIR: I will allow that interjection.

Mr COPPOLA: I can confirm and potentially put you at ease that the designs which we have, have not come from interstate. These have been designed and built through a range of consultations with communities, not only through this program but through former programs. House design is something which continues to evolve. If there are times that the communities have specific requests we will consider those and, where we can we will amend the design to include it, being sure, though, that we stay within the budget constraints of the program.

Mr YAN: I have some input on that as well. In the electorate that I represent, the communities are putting forward different designs, needs and requirements to what is the standard. I have been speaking to the department about some of those designs because certain areas want specific things; they do not want others.

Some communities want the three-bed, two bathroom places that everyone else has. Some communities want something completely different; it depends on the demographic of the community. The upside to the housing program is that it can be a little more dynamic and take into account different needs of communities and different designs. We have seen different designs over the years. I believe in Western Australia there is a specific design put forward by the community that they love, but other communities do not like it. It is about working closely with them.

I agree that the communities need to have a little more input into what they want. Some want this, and some want something completely different. It is about how we can be responsive, as an agency, about what we deliver, remembering that in what we deliver we have to do it within a budget.

It is good to see the department is dynamic on some of those delivery methods.

Mr CHAIR: We will break here. I will make the break 10 minutes so we will reconvene at 3.13 pm.

The committee suspended.

Mr CHAIR: We are still in questions relating to the opening statement. I will hand over to the Member for Johnston.

J DAVIS: I have follow up questions on the housing design questions. Is this the right place to be asking questions about this or is it with the minister for Housing in relation to housing design?

Mr YAN: The Chair asked about housing design. I am happy to answer it if we can.

J DAVIS: This is on behalf of the Member for Mulka. In Estimates last year, he asked about design and was informed that the expediency of housing was being prioritised over design at that time, but the 10-year plan would bring new housing design in. Is that still the case?

Mr YAN: I remember I asked about this also previously. My understanding of the housing program was that it was to be more involved with people in the communities and that they would be involved in the actual construction. The expediency of delivery through the modular program has taken communities out of that work process. I know there is some work afoot to change that, and we are seeing more housing constructed on community involving community members. It is certainly something that I want to see because it provides economic opportunities, employment opportunities, skills development and buy-in from communities on housing, rather than someone rolling in, setting up a block and a truck rolling in and dropping a house on it.

Ms McCORMICK: There is a range of initiatives we are doing to attack the program. In 2024–25 the 10-year program commenced, so we had to get, through the JSC, the first two years approved because otherwise we have cut two years off that 10-year program for us to be able to deliver. Some of the housing situations people find themselves in—we want to address those as quickly as we can so there has been a fast build, but that will not be the whole program.

We have done an analysis on the remaining parts of the program which has gone to JSC about where overcrowding has occurred, and the whole point of the program is to reduce overcrowding. We have done that community by community, and that has gone to JSC.

The next phase, in terms of the design and the question being spoken about, is the work on the community land use plans because they are very interested not only in the design of the house but how the house is orientated on the land. That is the piece of work that we are currently undertaking whilst we still continue to build and construct at the same time.

J DAVIS: You highlighted some of the design flaws in the current housing, and everyone is aware of them.

In the Mulka region, when was the last time a housing design consultation happened and who was invited to consult?

Mr COPPOLA: I do not have the dates in front of me for the most recent community engagement. I can confirm that for all houses delivered in all of the communities we undertake community engagement to consult on the community's preference or the range of design. That is completed before we move forward with the procurement of the house construction itself.

Whilst I do not have the information specifically on the date, the consultation is bedded into the program to ensure we hear from the community.

J DAVIS: When you say 'community consultation', who is it that you consult with?

Mr COPPOLA: We seek consultation with the housing reference groups. These groups consist of representatives from traditional owners as well as representatives from the community itself. These are empowered through the leases which have been undertaken or executed for the land we are building on, so the representation of each of those HRGs is formed as part of that lease as well.

J DAVIS: Just to note that the housing reference group is not necessarily representative of the whole community so there is interest in exactly who is involved in that consultation process. I do not know whether that is something you could provide more detail on or maybe take on notice.

Mr PAECH: That is Minister Edgington.

J DAVIS: I will ask Minister Edgington.

Mr PAECH: Can I have some clarification on BP3 page 118 where you talk about the housing program office, the key performance indicators, remote housing lots delivered and the proportion of Aboriginal people employed to deliver housing works and services? There is a target, an estimate and then there is target for

2025–26. I understand that target was being exceeded and had been 40%. Why has there been a decrease and not maintaining 40% Indigenous employment or participation?

Mr YAN: That is easy to explain. With the machinery-of-government changes and planning coming out of DLI, that is why you see a reduction in that percentage. It was 40%. That 10% has now gone over to planning and sits with Minister Burgoyne, which changes our percentage within DLI.

Mr PAECH: To be clear, that is making the assumption, or am I misunderstanding that there would be people employed through that planning process who identify as Aboriginal?

Mr YAN: Further to my response is that R&M for housing has gone across to Minister Edgington's office and come out of DLI. What you specifically asked in the second part of the question I will pass to Louise.

Ms McCORMICK: That 30% is the minimum that both us and Housing must achieve through the program. You are right that we are achieving way above that, but that is the minimum set through the agreements we have to meet, but we want to make sure that we are higher than that—I think it is at 46% from memory. Ryan Coppola can give you the exact figure.

Mr COPPOLA: The former agreement had quite a high Aboriginal employment target, operating now underneath the \$4bn agreement. Those employment targets are now being established as part of the joint steering committee, so they have not been approved at this stage, although very much being discussed. In regard to the work, we have achieved through the capital works, which is retained within the department, collectively looking across the remote housing program, we have achieved employment of 30.9% across all those works in the remote communities.

Mr PAECH: What is the percentage of Aboriginal businesses involved in that construction?

Mr COPPOLA: Can I confirm that you are asking specifically for the Aboriginal business enterprises and what portion of the program they have delivered?

Mr PAECH: Yes.

Mr COPPOLA: This is really a good news story. When we looked at the number of houses that have been constructed as of 31 March, then the 161 we mentioned previously, 52% of those houses have been delivered through Aboriginal business enterprises. If you would like, I can talk also to the land servicing, subdivisions that have been completed.

Mr PAECH: Yes. While Mr Coppola is getting that information, might I pose another question to the minister?

Mr YAN: Yes.

Mr PAECH: For this financial period we are entering, 2025–26, what is the number of scheduled subdivisions planned across the Northern Territory and what is the scheduled number of lots planned in the 2025–25 budget across the Territory? This is a really important question to talk about, noting that when we came to government in 2016 there were only 70 lots left to build on. We obviously need to have lots available to continue the remote housing program. If we can get a number on the subdivisions and the number of lots, that would be great. I am sure Mr Coppola will probably answer as well.

Mr YAN: I am sure he will. I know that we have an issue with the number of lots available to deliver the program. From the departmental level, there is a focus for the next 12 months specifically on delivering subdivisions and lots so that we can deliver on the housing commitment. The trick is to make sure that we are in front on delivering lots and subdivisions so that as we come in behind we have the housing ready to support that. We have been on the flip side of that, I believe, over the last 12 months, whereby we have had housing ready to go but we have not had enough lots or subdivisions for that housing.

Mr COPPOLA: Would you like me, before I answer that question, to go back to your previous question?

Mr PAECH: Yes.

Mr COPPOLA: Thank you for your patience for me to find the information. It is specific to the lots which have been completed, speaking of subdivisions predominantly. Sixty per cent of the lots which have been completed so far this financial year have been completed through Aboriginal business enterprises. We have

completed 67 lots in the form of subdivisions. In addition to that we have a further 109 currently under construction. Of those 109 lots, we have 70% being delivered through Aboriginal business enterprises.

Mr PAECH: How many lots is that?

Mr COPPOLA: One hundred and nine lots in construction at 31 March.

Mr YAN: I will give Mr Coppola a break. I have the data on the lots. The targets to be delivered over the next financial year is: remote housing lots to be developed in 2025–26, the target is 200; remote homes, 270; and urban homes, 17. We are endeavouring to deliver 200 remote housing lots in the next financial year.

Mr PAECH: Can you provide the locations of those subdivisions? I want to make sure they will not all be built in the Barkly.

Mr YAN: If we have the data we will provide it; if not we may have to take it on notice.

Mr COPPOLA: In the context of the subdivision program we appreciate that subdivisions do not just get built in one season. Often something does need to be constructed over various financial years. To answer your question it may be best if I run through the locations which are currently underway, because these will be the subdivisions which will roll into next financial year as completed works. In addition to that I can also provide information to what is currently under design, which means that the next financial we will be moving into procurement.

Mr PAECH: I am happy if you want to take it on notice and provide the report with both figures.

Mr COPPOLA: I have the information in front of me, if you would like me to run through it?

Mr PAECH: Yes.

Mr COPPOLA: Speaking specifically to the subdivisions under construction, as of 31 March, we had three lots in Alpururulam; 30 lots in Maningrida; six lots under construction in Minyerri, with more on the way; 40 lots in Umbakumba; and 30 lots in Wadeye. That tallies to 109 lots under construction.

Note that we are also in design for additional lots. We are currently in procurement for a further 21 lots in Minyerri. I am happy to say that we have—this is post-31 March—recently awarded a contract for 60 lots in Mililingimbi. Additionally, I am happy to say that we have awarded a further 47 lots in Maningrida.

Mr PAECH: Are there no subdivisions in Central Australia?

Mr COPPOLA: At this stage that is correct; however, speaking the minister and Louise's earlier point in regard to the \$4bn program, one of the main objectives of the \$4bn remote housing agreement is to be halving the initial levels of overcrowding. As Louise highlighted, within the department there has been a wealth of work in regard to creating what the 10-year program would look like, which essentially defines where the housing need is per community as well as what land servicing is required to deliver that housing need.

At this stage, the reason the communities which released for tender are not in the Central region is that they are waiting for the joint steering committee to approve that 10-year program. Upon receiving that approval, we might start moving forward with the community consultation and design phase for future subdivisions.

Ms UIBO: Does that mean the JSC approvals would then be in September this year? Is that the timeframe we are waiting for?

Mr YAN: My understanding is at that meeting we will then do those approvals for what the future looks like for us. Hopefully more in the Central region. My mistake—in June this year we should have those approvals from the committee.

Mr PAECH: June as in, now.

Mr YAN: This month.

Mr PAECH: Okay, we will keep an eye out. Are you able to provide a number on scheduled new builds in urban centres across the Northern Territory?

Mr YAN: While we get the specific detail, I note the target for 2025–26 for new constructed homes, urban is 17. The estimate for 2024–25 was 18. Completed homes, as at 31 March 2025, for the entire program is 100.

Mr COPPOLA: As at 31 March in regard to urban public housing, we have completed 10 new public houses. In addition to that, we are also undertaking procurement for the social housing accelerated payment program funded through the Australian government. We are seeking quotations for 46 new urban public houses. We are going through the assessment for those now, with the intention of having them committed in the coming month.

Mr PAECH: If a public housing house in an urban centre burns down, is demolished and there is a house rebuilt on that site, is that counted as a rebuild or a new build?

Mr COPPOLA: I do not have a clear answer for you, because typically the phrasing we use is a replacement or an additional, with replacement being that there was a house that needs to be demolished and from there a new house to replace it. That does not necessarily imply that it is a like-for-like replacement, so the style may change depending on the availability of the land. That is as opposed to a new lot which did not previously have a house, and there is an additional house constructed. This is the terminology used in a remote housing program.

Mr CHAIR: I have a brief question, bringing it to my electorate in Palmerston. In regard to the works on Driver Primary School—the upgrades—can anyone give a timeline as to when we can see works begin, and any update regarding planning for it as well.

Mr WALDING: Driver Primary School kiss-and-go completion will be August 2025.

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

Mr CHAIR: The committee will now proceed to consider the estimates of proposed expenditure contained in the Appropriation 2025–2026 Bill as they related to the Department of Logistics and Infrastructure. Are there any agency-related whole-of-government questions on budget and fiscal strategy?

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

OUTPUT GROUP 9.0 – INFRASTRUCTURE NT Output 9.1 – Infrastructure NT Policy and Development Output 9.2 – Strategic Project Office

No questions.

OUTPUT GROUP 10.0 – INFRASTRUCTURE INVESTMENT PROGRAM, SUPPORT AND DELIVERY Output 10.1 – Infrastructure Investment and Delivery

Mr CHAIR: The committee will now move on to Output Group 10.0, Infrastructure Investment Program, Support and Delivery, Output 10.1, Infrastructure Investment and Delivery. Are there any questions?

Ms UIBO: What percentage of allocated funds have been contractually committed and how much remains uncommitted?

Mr YAN: We do not have that data here at hand. We can take the question on notice, and maybe I will provide that information to you at the end of the session.

Question on Notice No 2.8

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

Ms UIBO: What percentage of allocated funds have been contractually committed and how much remains uncommitted?

Mr CHAIR: Minister, do you accept the question?

Mr YAN: Yes, I do.

Mr CHAIR: The question has been allocated the number 2.8.

Ms UIBO: What estimated number of completed versus delayed projects are currently in the pipeline?

Mr YAN: We do not have that data on hand. We are happy to take that question on notice.

Question on Notice No 2.9

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

Ms UIBO: What estimated number of completed versus delayed projects are currently in the pipeline?

Mr CHAIR: Minister, do you accept the question?

Mr YAN: Yes.

Mr CHAIR: The question has been allocated the number 2.9.

Ms UIBO: Are there notable delays or cost overruns in major projects under the current program?

Mr YAN: I can safely say yes, there probably are, and I will pass to the CEO to provide some more detail.

Ms McCORMICK: I can say with all certainty there definitely have been many cost overruns in the construction industry. I have discussed this with them because every project we have been tendering within the last 12 months has gone significantly over the budgeted estimate that we have done internally as a department. Much of the feedback I have received from industry is that the level of risk we have put into our tenders means they are pricing that risk into it. That is why we want to relook at how we are packaging and how we can de-risk what we are putting out to tender to rein those costs in.

I can point to a number of major projects where these cost overruns have occurred. The ship lift is a big one. There are many reasons for that, and there is a Public Accounts Committee to look into that in detail.

Labour costs alone have risen, not just in the NT. The material cost—steel in particular. If you look at Infrastructure Australia's market capacity report, released in December 2024, the NT's steel demand is 7% of the total national demand of steel, which is more than the ACT and Tasmania combined. We have no steel providers here, so the logistics costs of what we are building has increased. I can say with all certainty that construction costs have increased.

Mr CHAIR: When we are hitting cost overruns, is it at the point of tender? Throughout industry and the private sector, you will tender then give your price, and you are locked in contractually to that price. At which point is government overrunning? Is it when we first go to tender and find out the numbers estimated were far off?

Ms McCORMICK: There are multiple reasons they are going over cost. Market conditions change all the time. At one point, probably two years ago, we were getting very close because the market was stable and rates were not going all over the place. Other issues are scope creep, and we are working across government to make sure scope is known and CEs are accountable for their scope. That is an internal change we will make to ensure that scope creep does not occur across projects.

I have said to CEs they may want outcome A, but when it gets down to the agency they say they want B, C, D and E as well, which obviously impacts on time and budget. There are those impacts as well as the ones I mentioned in terms of market capacity.

Mr YAN: In support of what Louise is saying, one of the reasons we have looked at the entire program and done that reprioritisation as I have said ad nauseum—when you are using old scopes and old costings, they are not relevant to today. That is why when we are doing any of our new projects, because we have to make

sure we have appropriate scoping that is solid and stop the scope creep, appropriate costings are related to those projects so that we do not see these cost overruns over and over again.

Mr CHAIR: When we accept variations for this—scope creep has happened and then a variation goes out, do we have set in our contracts proof of costs and then an agreed margin for the head contractor?

Ms McCORMICK: Yes. In our conditions of contract there is a standard clause about variations. If the variation is within 15% of the original schedule of rates, they are to use the same schedule of rates that they tendered at the time of tender. If it is beyond that, the contractor at that point has the right to negotiate with the department about that cost, and what it cost them.

We ask for evidence of what it is costing them and being a business, they are entitled to their commercial rates as well. But if it is within 15% or over, different rules will apply under that conditions of contract.

Ms UIBO: That is very interesting because it is something that the Treasurer always blames the former Labor government for cost blowouts because of mismanagement, but material costs are very expensive. We have just heard that through the answer; thank you.

Will you continue some of the work that the former government produced in Budget 2024–25 relating to remote police infrastructure—\$143.5m for infrastructure, including the housing upgrade program? Why is there no cash allocated in this financial year? What new projects are you starting? The Maningrida Police Station was a former Labor government project. Do you have any vision regarding remote policing and infrastructure?

Mr YAN: I will get Louise McCormick to provide some detail. To the initial part of your question when you talked about cost overruns, because we realised what was taking place—which the previous government did not regarding the cost overruns—we reprioritised the actual program to make sure that does not happen. That is something the previous government did not do. It is that large piece of work the DLI as a new agency and me as a new minister are now doing to make sure that we address this problem rather than just kicking the can down the road and allow you to continue with it.

As far as the police infrastructure program goes, I will pass to Louise McCormick.

Ms McCORMICK: Yes, that funding is still there but going to the point I made before about derisking the program, Maningrida will be the first one that starts construction. Once we have sign-off of the strategic infrastructure plan that we have done with Police for that full program, we will then go on and start designing the next phase. Once design is finished, we will go into construction.

We had to get surety on the scope of which police stations and how it fits in with the remote policing operational model. We started early with Maningrida because we always knew that was one they needed. We will start construction first. Cash is against that one. The rest of the program is yet to be designed fully before we go that far.

Mr PAECH: In the budget, there does not appear to be the \$3.1m for upgrades to Yuendumu School. Will that upgrade still be completed?

Mr YAN: If it is in the budget papers—I am just getting some advice from the agency on that. I will pass to Adam Walding who has the information on that project.

Mr WALDING: Yuendumu School upgrades are part of the GRAC agreement with the Department of Education. It is still continuing with that piece of work. That work is through design. We have some design issues with water allocations and things like that. Once that is finalised, that budget and that agreement is executed with Education and GRAC, we will then proceed with the works and continue to work with the Department of Education and Training for that one.

Mr PAECH: It appears that there has been a \$3.83m reduction in essential headworks infrastructure for residential, commercial and industrial land in Kalkarindji, a community that obviously holds significant opportunity for economic potential with historical, political and cultural significance. Can you confirm if that is the case and that project has been cut?

Mr YAN: Yes, I can confirm that the Kalkarindji subdivision water tank has been reprioritised under the DLPE banner.

Mr PAECH: You have just talked about the water tank. Has the overall project been discontinued?

Mr YAN: You might want to ask Minister Burgoyne about that under his outputs with DLPE. My understanding is that the subdivision and water tank have been reprioritised.

Mr PAECH: You have responded about the water tank, which is an infrastructure-related expense, but you are suggesting we ask the Minister for Lands, Planning and Environment about the planning of the subdivision?

Mr YAN: Yes, that is part of Minister Burgoyne's output.

Mr PAECH: The \$3.83m, to your understanding, is no longer there. Has there been a cut or a reduction?

Mr YAN: There has been a reduction in that program for the water tank. There has been a decrease of \$3.637m in the budget for the Kalkarindji commercial industrial development.

Mr PAECH: What is the remaining money for?

Mr YAN: You may need to ask Minister Burgoyne, under his output of DLPE, on what that remaining money is for. It is not part of DLI's agreement.

Mr PAECH: To be clear, we are talking about Wave Hill. Where the Wave Hill Walk Off started, Kalkarindji was born. We just had you talking about the need to build more homes and subdivisions, and this is an opportunity for an actual Aboriginal organisation and corporation to work with government to deliver more available land, and in the CLP's first budget you have cut an opportunity to turn more land over to build on.

Mr YAN: I said there has been a reduction in that budget for that Kalkarindji commercial industrial development of \$3.637m. I am unsure what remains in that program, and what it is for. That sits with Minister Burgoyne under DLPE.

Mr PAECH: There has been a \$3.6m cut and we do not know where the extra ...

Mr YAN: There has been a decrease of \$3.63m in that program for the Kalkarindji commercial industrial development.

Mr PAECH: Does it not bother you or the department when we are desperately looking for land to build on that we had a number of subdivisions coming online through this project that the government has decided to cut?

Mr CHAIR: Member for Gwoja, could you rephrase the question, so it is not an opinion—unless you are happy to take it, minister?

Mr YAN: I will happily answer where I can. There is no reduction, as the Member for Gwoja relates, to subdivisions for housing development. This is a \$3.63m reduction to the Kalkarindji commercial industrial development, so this has nothing to do with the development of lots for residential, that I am aware. I do not know how you conflate a reduction in industrial development with housing lots and availability.

Mr PAECH: You may want to go to Kalkarindji where they have physically shown us where this subdivision would have delivered a number of residential lots. My question to the department is: what criteria were adopted to make this decision?

Mr YAN: As far as remote housing and delivery of lots, we pay for the headworks to support more housing in those lots. This reduction is to commercial and industrial development. We seem to be talking about two different things.

Mr PAECH: What is the rationale behind this decision to cut \$3.6m for this subdivision?

Mr YAN: This is not for a subdivision for housing. We are talking about ...

Mr PAECH: But you are the Minister for Infrastructure, surely you can answer the question.

Mr YAN: I am trying to get an understanding of the question you are asking. The decrease is in commercial industrial development, not residential lots, so I do not understand ...

Mr PAECH: The whole Kalkarindji subdivision project was a piece of the Gurindji corporation putting together commercial land, residential land, all bundled as a subdivision. There was money allocated to do a subdivision. This budget has cut \$3.6m for the subdivision, so what is the rationale? If it is for commercial, then why has that decision been made to not fund an independent, community-controlled organisation to deliver economic opportunities?

Ms McCORMICK: This is a DLPE output, but my understanding is that it is subject to ILUA negotiations. Delivery of that project is some time away because the ILUA negotiations are still ongoing. My understanding is once DLPE have finished those ILUA negotiations it is to come back to government for consideration.

Mr PAECH: Is the position that this subdivision will be funded upon the completion of an ILUA?

Mr YAN: Based on the information that we have just provided—as I said, I cannot make decisions for DLPE because this is their project. If they are able to reach negotiations on ILUA, then they will come back to government and request to reinstate the \$3.637m that has been removed from the program.

Mr PAECH: Where is the remaining money going that has not been cut?

Mr YAN: You probably need to ask DLPE, which has management of the program, about that under its output. DLI is responsible for delivering the infrastructure works in association with that program, but there is other money in that program to do other things. I do not have oversight of what DLPE is doing with the rest of that funding.

Mr PAECH: Did the department get advice from the Department of Lands, Planning and Environment or Aboriginal Affairs about the ILUA being delayed?

Ms McCORMICK: My understanding is they are ongoing negotiations. I do not know the details behind them. Lands and Planning would have that level of detail.

Mr PAECH: As the agency puts together your budgets, there must have been some reason why this was decided to be cut and not revoted.

Ms McCORMICK: Yes. They did say that the ILUA would not be sorted not within the next 12 months.

Mr PAECH: Who provided that advice?

Ms McCORMICK: DLPE.

Ms UIBO: Can you confirm that the CLP government has maintained the budget for the \$20m upgrade for the Phelp River crossing on Numbulwar Road?

Mr YAN: My understanding is that money for that bridge has been reprioritised.

Ms UIBO: Does that mean it has been cut completely, or is this one of the projects that will be tabled to the committee through the written responses of projects that do not exist anymore under the government?

Mr YAN: This project has been reprioritised. There are works still going ahead with the road to Numbulwar. I believe that is on program now and is cashed. We will have to come back at some stage and relook at the scope and program for that bridge. At the moment, the level of cash available does not allow us to support all the infrastructure programs, which is why we have had to reprioritise a number of them. That project is one, so it may be revisited at another time.

Ms UIBO: There was cash against this project, and there was significant work over the last two years for this particular project. You are saying now that it has been completely canned?

Mr YAN: I can confirm that they said it has been taken off program at this point in time. When we have cash available, it may come back on the program at a later stage.

Ms UIBO: Who made this decision?

Mr YAN: That decision was made as part of reprioritisation done between me and the department.

Ms UIBO: Do you believe that the access on a road that is isolated for many months of the year—and the many hundreds of people who travel on a pretty shitty road, to be honest—does not deserve the priority of the CLP government?

Mr YAN: There is work continuing on the sealing of the road to Numbulwar. I believe there is a 30 or 35-kilometre section left to do.

Ms UIBO: No, that is the Ngukurr road. There is about 40 kilometres left to seal. It is a completely different road, minister.

Mr YAN: My mistake.

Ms UIBO: I am talking about the Phelp River crossing on Numbulwar Road. It is about 60 or 70 kilometres from Ngukurr.

Mr YAN: Between Ngukurr and Numbulwar. Okay.

Ms UIBO: Correct.

Mr YAN: I can confirm that project has been taken off program. If we bring it back on, it will be assessed, the scope checked and the costings, and then we will do a cash allocation at a later stage. At the moment, it has been reprioritised amongst a lot of other projects from the program.

Ms UIBO: So the two years of work the department has been finalising, designing and scoping this project, it has then been wasted. Contractors, department staff, public servants who have been working on this project, it has been a complete waste of time.

Mr YAN: No, absolutely not. The work that is being done by the department will remain, and it will be used when the project is rescope and recosted at a later stage. The work that has been done to date will not be wasted. It will be when required and able that it can be delivered under the cash allocation. The allocation at the moment is restricted. A lot of other communities and roads are not getting up straight away in the next financial year or the year after.

Ms UIBO: Despite having cash against the project, it is still being cut.

Mr YAN: I do not think I can say it in any other way. The project is being taken off program at this point in time. We can come back to it at a later stage when we are in a better position within the budget and able to scope and cost the project properly. Then, if able, we will allocate cash to it.

Ms UIBO: Will you commit to come out to Numbulwar community and explain it in person to the people there that the commitment for the \$20m Phelp River crossing has been canned by your government? Will you explain that directly to the Numbulwar constituents of the Arnhem electorate?

Mr YAN: I cannot give that commitment to make it out to Numbulwar.

Ms UIBO: Good fishing out there. I am very happy to take you out. I would love you to come out and talk to the people of Numbulwar and explain why your government cut a \$20m project ...

Mr CHAIR: Leader of the Opposition.

Ms UIBO: ... which is a lifesaving infrastructure project, an access project and critical infrastructure for a remote community access road.

Mr CHAIR: Leader of the Opposition, thank you.

Ms UIBO: Do I get an answer for that, Mr Chair?

Mr CHAIR: I know this is very important to you. I made rulings earlier in the day about fishing, if we can avoid that, please.

Ms UIBO: I will even apply for his permit for him, if he wants.

Mr CHAIR: Leader of the Opposition, thank you. We will let the minister answer the question. If you have a question, please pose the question, and do not interrupt the minister.

Ms UIBO: Will you commit to the people of Numbulwar to come out and explain your government's decision to cut a \$20m project which was committed two years ago by the department for Numbulwar Road to upgrade the Phelp River Crossing?

Mr YAN: As I responded earlier, I cannot commit to coming out to Numbulwar to talk to the community about that project. If I get out to Numbulwar I will talk to the community about a number of other projects but ...

Ms UIBO: There is no money for any other projects, obviously, so why would you bother?

Mr CHAIR: Going back to procurement, I understand there are a number of inputs in the Northern Territory that go to procurement. For me, big ones are cost, capability and experience of any contractor. I see there are good social opportunities, particularly in the NT. We heard about the Aboriginal industry and remote housing and the great capability that builds. I also think it is similar for Defence construction.

We have opportunities to improve procurement. I have to ask on behalf of a lot of people who work in the construction industry. One is procurement documentation with NTG. I am keen to hear what you have done and plan to do to ensure that is as easy a process as possible, down to a sole tradesman who wants to tender for work with the Northern Territory. What are you doing and what more will you do if work has not been done yet to make that process simpler, especially the documentation?

Mr YAN: This is quite an important question. When we look at the work that the fast-track approval task force is doing, it is focused heavily on procurement and the difficulties in doing the whole procurement activity.

CAL certification comes into this as well, which sometimes make it difficult for a sole trader to get that CAL certification as well, to start to tender on government projects.

The department is doing a large piece of work on procurement and how we complete tender documents. This is in the early stages. We have been discussing this over the past two to three weeks. It is quite exciting because the feedback we had from industry is that the tender documents and all associated documents that go with it are difficult and time consuming and can take contractors days to fill out the tender documents.

We are trying to make it easier for people tendering for government contracts. I cannot specifically speak about CAL certification because that is a different thing.

I will hand over to Louise, who will be able to explain the work that the department is doing currently on our tender documentation to make it easier for people who are tendering for government contracts.

Ms McCORMICK: Improving our procurement parts of our department will be an ongoing thing for us. Procurement policy is led by the Department of Trade, Business and Asian Relations. I have been working closely with Hayley Richards, the head of that department and Minister Cahill who leads that area. Our department does a significant amount of procurement on behalf of government. We have a vested interest in those reforms.

For some of the early things we already implement, I will get Adam to talk to you in a second. Two things I have been discussing with industry about tendering and making it easier is the online system we currently have is quite cumbersome. Every time a business has to do a tender, they have to fill out all of their business details and capability statements every time they tender.

I am working with the Departments of Trade, Business and Asian Relations and the Department of Corporate and Digital Development to look at whether we can have an online tendering system where businesses are able to prepopulate and automatically fill out a lot of the repetitive stuff. Looking at the systems with a fresh set of eyes is a big part of what we want to do.

In terms of the quality of our documentation, there are two big things. The one we have already started implementing is third-party review of design documentation. We found in the past that architect drawings are not matching the engineering, mechanical or electrical drawings. Having a third-party review of the documentation aims to ensure the design has consistency throughout the set of documents and buildability for contractors trying to build it on the ground. We have implemented that very early on, although we are still working with industry on the process behind it.

The other thing is looking at our technical specifications and going to a standard set of technical specifications, so that everybody goes into the tender and construction knowing exactly where they stand, and they are not bespoke to every tender we do. That should, hopefully, also cut down time in terms of tendering. It is a known playing field for everyone, including within our department, that it does not change every time.

Mr WALDING: We have done a number of things over the last 12 months in continuous improvement with the procurement team. We have attended some roundtables with Minister Cahill on some of the procurement functions, and we meet regularly with the Institute of Architects, CCNT and Master Builders and take feedback from organisations all the time.

We recently changed some of the questions, and some of the responses that come through, so that it is more targeted and specific to the tender; it is not a generic question. We address the timing as well, with the tenders. The biggest complaint we receive is the time it takes to respond. We are trying to make those responses simpler and more targeted so that it is not waffles of pages we have to take the time to assess.

Feedback we received is that we have asked for additional documentation, such as quality plans throughout the tender stage, whereas if a company can provide the evidence that they have a quality plan, we will ask for that plan upon award of the tender. That cuts down time in the procurement process.

In regard to construction contracts we have awarded to Territory enterprises, 99.58% of all tiers two to five go to Territory enterprises. That is a good news story, which equates to 99.8% of value. These figures are for the last financial year—July to 31 March.

The reforms are going through. We are continually working with the contractor and performance score cards to get the quality and ensure contractors have their reports. We can then use that for past performance as well. That is another continuous improvement piece we have put through.

Mr HOWE: My next question has two parts to it. What are the current weightings in procurement?

Mr WALDING: At the moment, under the policy set by TBAR—and we work with that team very closely—value for Territory assessment is 30% and price is 30%. The others are adjusted dependent on risk or what the procurement plan identifies. We can change the values in the others, but they are the two mandatory ones.

Mr HOWE: Do we have a policy on engaging with women? Is that part of procurement?

Ms McCORMICK: At this point we do not, but we have signed up to the federal funding agreement for land transport infrastructure and under that agreement there are new targets we must meet in terms of diversity, including women in construction, as well as our other targets that have been there for a while in terms of Aboriginal employment and engagement. It is a newer thing for the department, but we have that as part of the agreement.

Mr CHAIR: I am now going to throw a curveball with that as a follow-up. These things are good and especially larger companies have the ability to do it. My concern is for small companies, particularly if you are a sole trader and you are a guy. When we introduce these things that larger companies and even medium-sized companies can do, but if you are a sole trader and you are a guy, meeting those criteria can be impossible. Would that be factored in?

Mr YAN: There has to be some common sense when applying the parameters set out under this new federal agreement. I can safely say—I know that Louise has more of an idea on this than I have—that if you are a small business of two people it would be very hard to say you have to have a 50–50 split; that would just cut people out—even a small business of 10 people, and they put a percentage on it.

Ms McCORMICK: The minister is absolutely right; it is a commonsense approach. Even when we first introduced the Aboriginal targets, we had many discussions with the Commonwealth about the pool of people may not actually be there to start with and you have to grow that over time. There is a commonsense approach that will need to apply to that.

The other thing is under the land transport program they tend to be the bigger medium to larger size projects, so it would not apply holus-bolus across the entire program. It is more about how we can uplift industry over time.

Mr CHAIR: I was just making sure it does not disadvantage other people as well with it.

Mr PAECH: A point of order, Mr Chair! Estimates is actually about the opposition and the Independents asking questions. You are all members of the government. You can ask questions to your ministers at any time. The Independent member has not been awarded the opportunity to ask a single question and the opposition has more questions, when you can walk into the office of your minister at any time. Stop coming in here playing games and asking Dorothy Dixers. Let the opposition and Independents do their job.

Mr CHAIR: Member for Gwoja, you are on a warning. If you do not stop speaking, you are on a warning. That was the most unnecessary outburst.

Mr PAECH: Your questions are unnecessary.

Mr CHAIR: Member for Gwoja, I will remove you for one hour. It was completely unnecessary. We have gone through the whole day very respectfully. I have a background in the construction industry. I am very interested in how we procure and making sure there are the best procurement policies going forward. There will be no more interjections. If you do, you will be removed straightaway. There will be no more warnings, you will be removed.

My line of questioning is finished. Member for Johnston, do you have a question?

J DAVIS: In 2024–25 how much was spent on the Alice Springs youth detention centre and Holtze Youth Detention Centre for repairs and maintenance?

Mr WALDING: These figures are from 1 July to 31 March for repairs and maintenance. The total repairs and maintenance expenditure I can break down further if you like. Darwin Holtze Youth Detention Centre is \$153,635, which is mainly unforeseen maintenance as the cyclical and specific maintenance is still under contract under defects, so that is part of the contract they are doing at the moment.

Alice Springs youth detention centre ...

J DAVIS: Sorry; I missed that. Is that mainly due to the maintenance?

Mr WALDING: The maintenance, like the fire panel maintenance and that type of stuff, is still under the defects period, so the contractor is still responsible for that.

For Alice Springs youth detention centre there is a total of \$522,273. Darwin Don Dale Youth Detention Centre, before it moved out, was \$513,325.

J DAVIS: How much has been spent at Holtze Youth Detention Centre from the damage caused in the November incident where numerous rooms were damaged?

Mr WALDING: I will not have that figure here, as there will be multiple parts that we will need to pull together.

J DAVIS: The media figure was \$200,000, which was in the public space frequently. Is that something you are happy to take on notice?

Mr YAN: I am happy to take that on notice. I do not think the figure in the media was accurate. I think the figure is far higher than that.

Question on Notice No 2.10

Mr CHAIR: Member for Johnston, please restate the question for the record.

J DAVIS: How much has been spent at Holtze Youth Detention Centre for the damage caused in the November incident when numerous rooms were damaged?

Mr CHAIR: Minister, do you accept the question?

Mr YAN: Yes.

Mr CHAIR: The question has been allocated the number 2.10.

J DAVIS: Have all the rooms been restored and are back in use?

Mr WALDING: As far as I am aware, yes.

J DAVIS: When I visited in March, there were still some rooms where wall plates had not been repaired, and as such those rooms were not available for use. Has that been corrected?

Mr WALDING: I can follow up, but as far as I am aware, yes, we redid a heap of the wall plates. We have stock on hand now, so it would be a normal process to fix that and have those repairs done.

Mr YAN: That is quite an operational matter. May be you could ask the Minister for Corrections tomorrow. I am certain they are listening in and may be able to provide you with a response.

J DAVIS: What was the final cost for the construction program for Holtze Youth Detention Centre?

Mr YAN: Off the top of my head I think that the initial budget was \$25m or \$30m and that became over \$80m, if memory serves me correct. The total project authorisation for the Darwin youth detention facility was \$135.203m; that is not the actual cost. If you wanted to, we could take that on notice and probably provide that before the end of the session.

J DAVIS: What was the final cost for the construction and refurbishment program for Alice Springs youth detention centre?

Mr YAN: We will get that at the same time. If you would like to put those questions on notice so that they are on the record, we will hopefully get you those by the end of the day.

Question on Notice No 2.11

Mr CHAIR: Member for Johnston, please restate the question for the record.

J DAVIS: What was the final cost for the construction program for Holtze Youth Detention Centre, and the construction and refurbishment program for the Alice Springs youth detention centre?

Mr CHAIR: Minister, do you accept the question?

Mr YAN: Yes.

Mr CHAIR: The question has been allocated the number 2.11.

J DAVIS: You may also need to find this information. What additional budget has been allocated to refurbish Alice Springs youth detention centre into a women's prison?

Mr YAN: We have that data; it is part of the Corrections master plan. The allocation for that project, Alice Springs women's Paperbark and ASYDC, is \$9.4m. The breakdown of the \$9.4m for the women's facility is \$4.4m.

J DAVIS: Was that for the refurbishment of the youth detention facility?

Mr YAN: That is correct.

J DAVIS: Given young people were moved out in January, is it being used as a women's prison currently?

Mr YAN: That question is best asked of the Minister for Corrections.

On the question regarding the \$4.4m, it includes upgrades to the fire panel to make it meet requirements due to the change in numbers. The original facility had a capacity of 24. With the change to a women's facility that has been increased to 48, so there is a requirement to do the fire upgrades to deal with those numbers.

J DAVIS: Was part of the \$4.4m for fire panel upgrades?

Mr YAN: Fire upgrades, yes. Anecdotally, the minute you touch a piece of infrastructure it seems, and you change what it might be for, particularly government infrastructure, there are requirements to meet new fire regulations which change over time. It incurs a significant cost on just about anything we do these days.

J DAVIS: What was the final program cost for the construction and establishment of the Tennant Creek youth justice accommodation facility?

Mr YAN: For the Tennant Creek youth justice camp the total project authorisation was \$7.38m, and that was the final cost.

J DAVIS: What was the original budget for that?

Mr YAN: Initially it was authorised at \$3.55m.

J DAVIS: Why the difference?

Mr YAN: Possibly scope. Was it costed correctly? The cost of delivery in Tennant Creek is substantially higher than anywhere else for getting people into the community to do those jobs. Location and—I know from building the work camp in Tennant Creek when I was with Corrections—this is a greenfield site, so it required all the underground infrastructure to the place, water and sewerage. At least power went past, which was overhead, which was not so much of a cost. It was significantly expensive to deliver on that site.

Mr PAECH: I have questions on the Kahlin Compound. It appears there has been a reduction of \$3m from a project to establish a commemorative space at the site of the Kahlin Aboriginal Compound. Can you confirm if that is the case?

Mr YAN: I met with representatives at the Kahlin Compound a number of months ago. This project will go ahead, but it will not go ahead in the next financial year. I spoke to the members of the group about that program. That has been pushed out to the forward years. My understanding is the program will continue. There was a cash allocation for that project. The group came back with some additions and wanting more things, which then changed the scope of the program.

The budget is the budget. I cannot accommodate the scope changes that the group wanted, so the initial scope will stand, and we will action that project in—I am not sure. It will not be in the next financial year, but when I spoke to that group I was looking at 2026–27, maybe 2027–28.

Mr PAECH: But you can confirm it will happen?

Mr YAN: Yes, I can.

Mr PAECH: Great. Are you able to confirm how many projects in this budget have been redirected from the electorate of Namatjira? I am happy if you want to take it on notice.

Mr YAN: I can safely say I do not think there were any scheduled projects in my electorate. The only thing happening in the electorate of Namatjira was some housing. Although, no, ANZAC Oval—the replacement of the rugby ground. Kilgariff was reprioritised, and that money was then moved to deliver those infrastructure projects in town. That is the only one I am aware that was reprioritised in my electorate. The only other projects and programs I am aware of is the housing program.

Mr PAECH: What about the Santa Teresa road?

Mr YAN: The Santa Teresa road is happening in the second half of this year. We are just about there, I am very happy to say. There have been some delays on that program. We are waiting on some approvals from the land council on a couple of key areas, but the design has been completed. We are not far away from awarding or putting out to tender the next piece of work, and I am hoping to see that entire project finished by 2027–28.

Ms McCORMICK: In February 2024 the first seven-kilometre section near Santa Teresa was completed as an early works package, and there is a remaining 43 kilometres to do. By the end of this month, we are hoping the design is completed, ready to go to construction tender at the second half of this year.

Mr PAECH: Is Brewer Estate part of Namatjira?

Mr YAN: Yes, Brewer Estate falls into Namatjira.

Mr PAECH: In the budget it says the previous budget allocated \$26m for headworks and a subdivision at Brewer Estate to support industry growth. Can you confirm if that is still in the budget?

Mr YAN: I think part of that has been reprioritised. Louise has far more detail than I do.

Ms McCORMICK: There was \$26m, I believe, for Brewer Estate headworks for power, water and sewerage. That was reprioritised as part of the Alice Springs infrastructure priority program that went ahead late last year. The Brewer Estate is still very important in terms of overall economic growth in the region. We are relooking at that and the funding through the Regional Logistics Hubs program as a key part of that for Alice Springs.

Mr PAECH: Industrial land is finite in Central Australia, as you would know, minister and Ms McCormick. What conversations or work was done before this was redirected, given that there are large-scale industrial operators desperate for land?

Mr YAN: As Louise spoke about, we are working with the Commonwealth to utilise some of that funding on those Regional Logistics Hubs to progress that. I understand that industrial land in Central Australia is important.

We have been speaking with different proponents on what Central Australia will look like as far as industrial land goes, but we believe we will be able to deliver those works utilising the infrastructure component of those regional logistics hubs from the Commonwealth.

Mr PAECH: Can I confirm that the \$26m in its entirety has been redirected or cut?

Mr YAN: Yes, that is correct.

Mr PAECH: And the logistics hubs you are suggesting is a conversation about what you can leverage out of that for additional commercial or industrial land?

Mr YAN: No, there is funding available from the Commonwealth for the Regional Logistics Hubs; I believe it is \$440m available for those, being Katherine, Tennant Creek and Central Australia. I know work is happening in Katherine, and I believe there is design and consultation commencing for Tennant Creek. There is a proportion of that money for Central Australia as well.

Mr PAECH: But there is no money in Budget 2025–26 for any subdivision of commercial or industrial land in Central Australia?

Mr YAN: To clarify, that money was for headworks, not to create a subdivision. It was water and power; sewerage was already there.

Mr PAECH: But you need a subdivision, so that work being removed will prolong an industrial subdivision release?

Mr YAN: Yes, it would.

Mr CHAIR: The committee will break for five minutes.

The committee suspended.

Mr CHAIR: We resume.

Mr BROWN: How can you justify cutting \$20m from the new health centre and morgue in the Gunbalanya remote community that desperately needs modern facilities and basic health infrastructure?

Mr YAN: I know that we looked at a number of projects on the program, which we have had to reprioritise. This would have been one of those. Louise will provide some detail on that.

Ms McCORMICK: The Department of Health can probably provide you with a bit more detail, but it is not completely off the program because they are working with Red Lily Health Board, which has federal government funding to operate the clinic. Health asked us to do some minor upgrades under our minor new works program before Red Lily takes possession of the facility, is my understanding. Health should be able to talk further to that one.

Mr BROWN: Has there been any assessment by your government with the link between funding cuts and specialised remote services and the rising homelessness, alcohol misuse and antisocial behaviour in urban centres like Darwin, Katherine and Alice?

Mr YAN: Are we talking about other services or housing in respect to the premise of your question?

Mr BROWN: Housing, jobs availability, specialised clinic access, specialised services—that sort of stuff—holistic.

Mr YAN: We have spoken about the housing program and its continuation; that is currently focused on—there was an assessment done on communities, and there is a formula used to work out a percentage of overcrowding. This is why we see that program being rolled out in those communities in the Top End because, at the moment, their need is the highest; they will slowly work down through other areas. The housing program continues. We are still delivering other parts of the program.

The cash for this year's program is over \$1.2bn on program delivery; that is effectively the previous government's program stuff in train that we had to do. A lot of that is happening in the regions. I note particularly in the Top End there is the Carpentaria Highway, there is still a program going on Central Arnhem Road and a number of smaller works are underway for smaller roads around the place. The funding is still there for NTG assets within the regions. I suppose that extra \$20m we put into R&M also feeds into the ability to provide works in those regions and makes sure we are maintaining those assets so that we can provide those services in the regions.

This morning I said that there were all these funding cliffs and unfunded liabilities going forward that required us to fund as well. That is for services into the regions too, whether they be health, mental health or aged care. Family, domestic and sexual violence is a key one. That has been funded and is now funded ongoing and is in the budget papers. We are making sure we are delivering those services out into the bush. However, we have to be realistic about what and how we deliver it based on the cash we have.

If priorities had been different a number of years ago, rather than spending money on galleries here or something else somewhere else, that money could have been invested into some of those infrastructure projects in the bush or some of those roads.

As a government, we are now making sure we are clear on the priorities and where the need is for Territorians—whether they be urban or in the bush—to make sure the infrastructure program we are delivering gives us best bang for buck and delivers services for everybody across the Territory.

Mr BROWN: A follow-up on that. Has the Treasurer received any advice from the Police, Health or Justice agencies on the long-term social and economic cost of under-investing in remote communities? If so, would the government be able to table it?

Mr YAN: I will start with the police infrastructure plan. As Infrastructure minister—the Infrastructure department works closely with police to make sure the program delivery suits the police and the bush. That is why police said that they did not want to pursue Peppimenarti, but Maningrida was a key for them as a deliverable. Peppimenarti was probably further down the list, which is why on discussion with police, that was taken off program and Maningrida was progressed. The same goes for housing for police and everything else.

The second part is health. The Health minister speaks with me and the department about the needs—specifically the CEOs of Health speak with the agency about the needs in the bush. It is about prioritisation. We cannot deliver everything at once. There has to be some constraints on the budget otherwise we will find ourselves in a bad financial position.

We are progressing Borroloola. There are maintenance projects at Nhulunbuy. There is substantial investment going into the hospital at Gove to make sure—again, it is fire panel stuff, the bane of our lives—there are upgrades at Gove. The Gove Hospital is, I suppose, a hub for that region.

While it would be lovely—I have a bush electorate, and I would love to see more investment in my communities in health and everything else—I understand that there is a budget position and only so much cash available. We need to deliver what is on the scope now and then we can look at what we do into the future to make sure we are delivering to the bush. That is the health component.

The CEs of these various departments work closely with DLI because they are agency projects we just deliver on behalf of the agency. That collaboration is quite strong and key to delivering those projects.

Mr BROWN: My question is about my electorate. In regard to the cuts to the cyclone shelter in Maningrida. Is there any update or rationale about that?

Mr YAN: Cyclone shelters are a key. I am aware of this. Again, there is a priority list on the cyclone shelters. I will pass to Louise to provide some detail on that. I know there is work progressing on Maningrida. I will let Louise speak to that.

Ms McCORMICK: The funding has not been cut. There is a commitment by the Australian Government to co-fund the cyclone shelters. The Department of the Chief Minister and Cabinet has done the prioritisation list of cyclone shelters. We are working with it on that.

The three that are under design and consultation now are Nhulunbuy, Maningrida and Milingimbi. We have been working closely on those three recently. There is Australian Government funding for those through the disaster resilience grant program. We are working on which one we can deliver quickly, as the first shelter, out of those three communities.

Mr BROWN: Do we have a timeline on any of that?

Ms McCORMICK: Site selection is the first part of what we need to do. We still have design to go through for those cyclone shelters before we can construct.

Mr BROWN: Treasurer, your government's first budget ripped \$50m from the infrastructure investment and tender to reposition Jabiru as a tourism and regional services hub, a commitment made in partnership with traditional owners, the Commonwealth and the local community. This project was not about roads and building; it was about transforming a post-mining future for the entire region.

How do you justify pulling the funds from the community that has already made sacrifices and commitments to transition their local economy?

Mr YAN: That funding does not sit with a DLI output. It sits with the department of Local Government. That is a question for Minister Edgington under that output. I am sorry; I would answer it for you if I could, but it does not sit within the Department of Logistics and Infrastructure.

Mr BROWN: Was a revised business case requested for the Jabiru redevelopment? Do I need to save that question for Minister Edgington?

Mr YAN: Yes, I think those questions could be directed to Minister Edgington. I dare say his team are listening, so they should have answers for you. I believe he is up next week, so there is plenty of time, and I will let him know that there are questions coming about Jabiru.

J DAVIS: In answer to one of the questions from the Member for Arafura, you said that for spending decisions, you have to define priorities and who you are serving. How do you do that?

Mr YAN: With great difficulty. I would love to be able to do everything for everybody tomorrow, but I cannot, as the budget is finite. We have to look at the priorities and where the money is best spent. Currently, as far as the logistics and infrastructure program goes, I am dealing with the legacy of the previous government. I am not delivering my program, and I am not delivering the new government's program; I am delivering the previous government's program. There was so much underway that we could not stop without significant cost implications to the Territory—whether they be legal or contractual—but also those services underway are needed in some areas, being road infrastructure and other bits and pieces. It is very difficult to make those decisions about what we have to effectively park or reprioritise and when we can bring that back onto program.

Once this infrastructure program that is in play is delivered, we will sit down and look at the things we reprioritised and look at the priorities for the community going forward. They will be decisions made, not by

me as an individual; they will be made as part of a Cabinet process in conjunction with input from the CEs of all the various department. We will look at the needs of the Territory and the community and then make those decisions. Not everyone will like them; some people will be upset by them; some people will be happy. They are difficult decisions to be made to make sure that what we are delivering is for all Territorians. It either delivers high social or economic outcomes for Territorians longer term. We cannot be throwing money at projects that look and sound nice and make us warm and fuzzy. There must be outcomes for what we are will be able to deliver and those are for social, health and economic outcomes for everyone.

J DAVIS: I have understood what you have said, but you have clearly made decisions about what to prioritise within the limitations of this budget. My question was more specific about the criteria you are using. You mentioned some people will be happy, some—we have heard in this room today about things that are no longer being funded or are on the backburner and things that have gone ahead. The community is interested in how you make those decisions.

Mr YAN: Thank you, I will pass to Louise because there is an infrastructure program within the department. It is a strategic program that form a lot of the decision making we do.

Ms MCCORMICK: It is difficult for the government. Within our Infrastructure NT team, who do the strategic policy work about infrastructure investment, we are looking at the next tier of what we have under our investment framework. We have the strategy, a plan and pipeline which has over 900 projects listed on it, as well as an audit that we do to make sure we are following the plan.

We are trying to help agencies understand their infrastructure needs aligned with their operational requirements. We have done the first one with Police, which had a known budget—the \$143m we spoke about. We have been working with Police from an operational perspective, analysing to the point of the travel data of police officers and where they are travelling to regularly, about how you can make the infrastructure meet the outcomes of the service delivery. Those plans are underway, Police is almost finished, and we are now starting on the Department of Education and Training, where we will look at student numbers, demographics, all of that data, to feed up to government to try to make better and informed decisions about the service delivery outcomes that government is trying to achieve.

J DAVIS: I have more questions, but I will park it because we do not have much time remaining, and I know there are other questions. I will put them in as written questions, thank you.

Ms UIBO: My question is about Shiers Street and the former public housing complex on Shiers Street in the Narrows; I am sure you are familiar with it. It was demolished, leaving a prime parcel of land which is now sitting vacant. What is your government's plan for this land, and when will Territorians be informed of its future use?

Ms MCCORMICK: That parcel of land is owned by CEO Housing, so the future use of that site is with them. However, our department has worked to rehabilitate the site. There was a lot of asbestos and nasties that were used to treat termites underneath the slab which we rehabilitated on that site.

Ms UIBO: Thank you, we will ask the housing minister Steve Edgington our follow-up questions on that.

I know the barge landing was spoken about earlier, but for Gapuwiyak I know there was work done in the past with GHD and an independent report. What is the status of that report since those programs have also been scrapped?

Ms MCCORMICK: That GHD report was done several years ago to look holistically at barge landings across the 14 sites that government currently manage. It was to map out what services each of those communities receive from barge landings across the Top End in particular and also what infrastructure requirements are needed at each of those sites.

We had commenced with Gapuwiyak, Galiwinku, Milingimbi and Ramingining. Gapuwiyak is probably more advanced than some of the others. The infrastructure and the design has been undertaken on that site, and we are undertaking land negotiations at the moment. It has been on the program for many years, so we will have to relook at the cost as part of the design.

Ms UIBO: Do you have a timeframe for when you will look at those reprioritised projects, and is that something you will provide on an annual or quarterly basis?

Mr YAN: Some of the reprioritised projects will be determined on land access, approvals, section 19 leases, negotiations with land councils and various other entities. While I would love to say I can come back and tell you next year that this is what it will be, a lot of it is determined on those negotiations and approval.

I do not know what those timeframes are. We have been negotiating a number of these projects for a number of years and are still no closer. I suppose those barge landings are a reasonably good example, but as part of the infrastructure program and plan that Louise spoke about previously, we will be going back every 12 months to review that program. We need to, because as projects come off the program as they are completed, we need to look at what we are putting on program and what the cash allocations for that will be, because that will form part of our budget allocation decision process every year.

That review will have to take place fairly soon, because we will be starting a new budget process in the coming months, so we need to know what the infrastructure program will look like into the future, the stuff that is finishing on program and where we can free up cash to be able to deliver.

Ms UIBO: Let us hope that the Gapuwiyak barge landing gets back on the reprioritisation list as well as the Phelp River crossing.

Has your government slashed \$8.7m from school infrastructure at Alekarengé, including vital early learning programs which support the Families as First Teachers and infrastructure needed at that school?

Mr YAN: I will check with the agency to get some details. I can confirm that the money I believe was for Alekarengé School has been reprioritised at this point in time. It will be parked and assessed as part of what the program looks like going forward. I can confirm the money for Alekarengé School has been reprioritised.

Ms UIBO: I am not sure what your colleague the Member for Barkly will think about that. Has that whole figure of \$8.7m for Alekarengé School been reprioritised through the infrastructure program under your leadership?

Mr YAN: That is correct, yes.

Ms UIBO: That is very disappointing, particularly when we talk about some of the priorities that you claim your government is focused on, like getting kids back to school, supporting early childhood for prevention, and root causes of family disunity and crime. Enabling infrastructure such as that is much needed at Alekarengé and disadvantaged communities.

Is the cutting of the preschool and FaFT facilities which come under that \$8.7m for the Alekarengé School infrastructure not your priority as minister or your government's priority?

Mr YAN: I disagree with the premise of your question, Leader of the Opposition. Getting kids to school is our priority, but we have an infrastructure program, and as I have said over and over today I cannot fund everything at once.

Maybe if the previous government's priorities had been different, rather than building art galleries they had invested in schools, then the money may have been available to deliver that project for Alekarengé. The program has been reprioritised at this point in time; it is not to say it will not happen, but there is a finite amount of money available in the budget to deliver the infrastructure program.

At the moment, the money we have is delivering on the previous government's infrastructure program, so there is nothing new we have been able to do. We are delivering a program that was already in train and in contract, and again the previous government failed to budget for that.

It was going to be a \$1.2bn cash allocation for this year, whether they liked it or not, that was what was contracted and ongoing, yet the previous government only provided \$300m in cash to deliver that program. Yes, some difficult decisions have had to be made, and some projects have had to be reprioritised because there was only X amount of cash put in the budget to deliver on a \$1.2bn program that was already in train and under contract. We are delivering on that program put in place by the previous government and had to borrow \$0.9bn to deliver on that program that is in train.

Yes, we have had to reprioritise projects. Yes, we will probably come back and look at a number of those projects when we can actually afford to deliver them because at the moment the cash is just not there because the previous government's program of \$5.2bn—which was a lot of announcements—most of it was not cashed.

We have had to make those decisions about continuing the program, and once we get to the end of this financial year, we will look at what is delivered on the current infrastructure program and what comes up next.

The reprioritisation, unfortunately, was necessary. Yes, it is difficult, but it is not to say those projects will not get up longer term.

Ms UIBO: Will you travel to Ali Curung to explain to the parents, families, teachers and staff at that school why they do not deserve an education facility that is fit for purpose? Will you do that with your colleague, Minister Edgington, the Member for Barkly, and explain why their school and the infrastructure upgrades that were budgeted for—\$8.7m for Alekarenge School—are not a priority for the CLP government?

Mr YAN: I will start by saying that you are putting words in mouth that the people of Ali Curung and the children do not deserve that school. They absolutely do; every kid in the Northern Territory...

Ms UIBO: The question was will you travel to Ali Curung...

Mr YAN: Let me finish...

Mr CHAIR: The minister will be heard in silence.

Mr YAN: I will start again.

I did not say that the children and people of Ali Curung do not deserve a school. Every kid in the Northern Territory deserves a good school. If the previous government had been allocating funds and doing projects to deliver for people in the Territory rather than going out and spending money on art galleries and other bits and pieces, then we may have had the money to be able to deliver on that school straight away.

I understand that the Member for Barkly has been out and spoken to the people of Ali Curung, and of course I bet they are disappointed. I understand they are disappointed, but the previous infrastructure program's funding allocation just was not there. I am dealing with the previous government's infrastructure program which was underfunded by \$900m, and I have had to deliver the projects which were in train under contract, which has to be delivered otherwise it would have been significant liability to the Territory.

Once I have managed to deliver on those projects and can get a close look at the infrastructure budget, then those reprioritised projects will be considered again because they are part of the longer-term infrastructure program.

If the previous government had been serious about its priorities, it would have been investing money into schools and health care centres in the bush rather than blowing \$140m on an art gallery next to this place that I do not think anyone wanted or needed. That speaks volumes to the priorities of infrastructure from the previous government.

Mr CHAIR: The Member for Johnston has questions on output relating to transport; however, Leader of the Opposition, it is your time, and I will not cut it off. I just note that.

Ms UIBO: I will ask two more questions and ensure that the Member for Johnston can ask her questions. I appreciate your process, Mr Chair.

Mr YAN: I have responses to a number of questions on notice too.

Mr CHAIR: I will let the Leader of the Opposition finish her line of questioning, and then we can take those questions on notice.

Ms UIBO: Keeping in line with education infrastructure—this goes to some of the questioning that the Member for Johnston provided earlier on behalf of the Member for Mulka in his absence—I refer to the status of the \$3.4m allocated in 2024 to upgrade homeland learning centres, which support some of the most disadvantaged remote children in the Northern Territory. Some of those homeland learning centres still have inadequate infrastructure to support their learning.

Can you confirm if your government is still supporting the homelands learning centres and the infrastructure programs to support learning for kids in the bush in those very remote areas or have you also slashed that from your infrastructure budget?

Mr YAN: My understanding is that the homeland early centre upgrades 2023–24 has been reprioritised. That is not to say that it will not come back on program, but at this stage that has been reprioritised as well.

Ms UIBO: Can you confirm that the whole \$3.4m has been reprioritised and taken away, slashed, from homelands learning centre upgrades?

Mr YAN: Yes. The entire budget has been reprioritised.

Ms UIBO: Can you inform the committee which of the homeland learning centres will miss out because of that reprioritisation of your government and the lack of priority around kids learning in the bush?

Mr YAN: We can take that question on notice. We do not have that detail, or that question could be asked of the minister for Education who would have that detail. That was a program being delivered for the department of Education.

Ms UIBO: Can I confirm if that is a question to the Education minister? I do not want to get there and then be told I should have asked the Infrastructure minister. Can I get confirmation from the agency which Education output that should be asked in so that I do not miss the answer for the people, students and families who will be affected by the \$3.4m cut?

Mr YAN: I am happy to take that question on notice now. We may be able to provide that information to the Education minister who can provide that on the day.

Question on Notice No 2.12

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

Ms UIBO: Can you provide a list of the homeland learning centres that have had their infrastructure cut—the \$3.4m that was allocated in the previous NT Government budget?

Mr CHAIR: Minister, do you accept the question?

Mr YAN: Yes, but change the wording to reprioritised rather than cut.

Mr CHAIR: The question has been allocated the number 2.12.

Ms UIBO: Can you provide advice if the CLP government has cut \$2m from the Energy Smart Schools program, which would reduce operating costs to make schools more energy efficient and sustainable?

Mr YAN: Yes, that funding has been removed.

Ms UIBO: Could you table a list of schools where that \$2m will impact?

Mr YAN: There were no schools identified under that program, so there is no list available as to what schools would have been receiving it, because the work was never done in the first instance.

Mr CHAIR: That concludes consideration of Output 11.3.

Output 11.4 – Transport Planning and Delivery

Mr CHAIR: The committee will now consider Output 11.4, Transport Planning and Delivery. Are there any questions?

J DAVIS: How many transport safety officers are there? I believe that is under this portfolio?

Mr YAN: Member for Johnston, you said 11.4, but that sits under 11.1.

J DAVIS: My mistake. Can I go back or is it too late?

Mr CHAIR: I am happy to go back to 11.1.

The committee will consider Output 11.1, Passenger Transport. Are there any questions?

J DAVIS: How many transport safety officers are there?

Mr YAN: We have a dedicated Transit Safety Unit with 24 positions, consisting of 17 transit officers, four senior transit officers, one training and admin coordinator, one administration officer and one manager. Do you want the actual numbers today, of FTEs on the job or the positions available?

J DAVIS: Yes, that is the total number you could have? I am interested in how many vacancies there are.

Mr YAN: The Transit Safety Unit has 24, and there are a couple of vacancies currently.

J DAVIS: With the transport safety officers, how often have they used capsicum spray on a person, not just presenting it but spraying it.

Ms McCORMICK: There have been two instances where OC spray has been deployed.

J DAVIS: Are you able to comment on the impact of carrying capsicum spray for transport safety officers?

Ms McCORMICK: It would be subjective of me to ...

Mr CHAIR: If you can make it a ...

J DAVIS: Sorry, what has been the impact of the carriage of capsicum spray by transit safety officers?

Mr YAN: Again, that is quite subjective and difficult to answer.

Mr CHAIR: If there is a specific measure you could speak to.

J DAVIS: Has there been a reduction of assaults on public transport?

Ms McCORMICK: No, there has not. From the feedback we have from the transit safety team, we have new standard operating procedures that go along with using such a weapon—it comes under the Weapons Act. The use of it is a technique when things have got to a point where they need to use force. The thought of the OC spray helps to de-escalate situations, and that is how the transit safety officers are supposed to engage with the community: by de-escalating those situations so they do not get to the point where violence and force is required.

Mr YAN: In addition to that, from my former profession, I know where OC spray sits in the response hierarchy in use of force. It is used prior to having to use physical force. It reduces the risk to the individual who may be displaying behaviours that may require physical intervention, and it also reduces the risk to the person who is deploying it. Anecdotally, I know, and I think police will tell you the same thing, that once it is drawn you immediately see a reduction in escalated behaviours and people will generally be compliant and reduce that escalation.

J DAVIS: I think you said that there has not been a reduction in assaults; is that correct?

[No audible answer.]

J DAVIS: What kind of training do transit safety officers get in using OC spray?

Ms McCORMICK: We have been working with NT Police to make sure they get the same training the police do in using, deploying and operating OC spray.

J DAVIS: Has any of the use of OC spray by transit officers been subject to complaints to police?

Ms McCORMICK: Not that I know of.

J DAVIS: Are you happy to take that question on notice?

Ms McCORMICK: I can, but maybe Police would.

J DAVIS: The answer is no; okay, thank you.

Mr CHAIR: Just before that, I will let the Leader of the Opposition ask a final question before taking the answers to questions on notice.

Ms UIBO: Where are you planning to move the Casuarina bus interchange to?

Mr YAN: I will pass to Louise McCormick, who has a lot of detail.

Ms McCORMICK: The Casuarina bus interchange will still have bus stops around the shopping centre. We are currently doing a plan with the shopping centre owners. The idea is to close the physical location where the interchange is, because it has become a congregation point for antisocial behaviour, and many of the operations that transit safety do is moving away people who are causing trouble for people on the buses. That physical closure should help disperse that antisocial behaviour. It will still have bus stops around the shopping centre itself.

J DAVIS: Will it still be a hub?

Ms McCORMICK: It will still have bus stops. We are looking at four on the local streets around the shopping centre, rather than in one hub. It is the hub and that location that has become a haven for very poor behaviour.

J DAVIS: Is there any alternative site where you are looking at having a transport hub or interchange?

Ms McCORMICK: No, we are looking at closing the Palmerston interchange as well. We have a lot of people with schoolchildren reporting similar issues of antisocial behaviour at Palmerston and people not even getting on the bus and then causing problems.

The way we have looked at it is how you redistribute the bus network so that you do not need to hub within the bus stops. Bus drivers are also looking at how they can have their layover and break time at the new depot in Berrimah instead of the interchanges.

Mr YAN: In addition to that, with CDC moving its depot from in town out to Berrimah, it has probably facilitated this change and made it far easier than it would have been if the depot had remained adjacent to the CBD in Stuart Park.

J DAVIS: As part of that planning, one of the community concerns I am hearing is people who rely on public transport and need to get to different places at different times and are not necessarily very mobile and the idea of having to move between different sites is very challenging to them. I am hoping that is being addressed.

Ms McCORMICK: Yes, definitely. There will still be a stop on Bradshaw Terrace for Casuarina, just not that entire area. It will probably be more convenient in some ways, behind Bradshaw Terrace. There will be other spots around the Casuarina Shopping Centre where they will be able to get off.

J DAVIS: When will this all be publicly released?

Ms McCORMICK: We are working on the plan to go out for consultation now. It is hard for me to describe in words, but it is an actual plan of the shopping centre and the spaces that will be there.

Mr YAN: I notice we only have one minute left. I have answers to questions on notice 2.5, 2.6, 2.7, 2.8 and 2.11. If you like, I am happy to table those now.

Mr CHAIR: Please table them.

I thank you all for coming today. I ask all committee members, while we are in for the remainder of the two weeks, remember our role and the way we act among public servants. There is a certain things we can do on the floor of parliament, but I ask that we maintain our professionalism here.

I agree that there is a spirit of Estimates the Member for Gwoja spoke of. As part of that, it is worth noting that in approximately 440 minutes of questioning today, government members spoke for about 40 minutes, which is about 9%. I say that because it matters. That is to end that one.

I also officially withdraw the warning on the Member for Gwoja and look forward to him joining tomorrow.

Ms UIBO: Mr Chair, is my warning revoked?

Mr CHAIR: You never went on an official warning ...

Ms UIBO: Oh, great. I was warned that I might go on a warning. Okay, thank you.

Mr YAN: Thank you to the committee for today and the input from all members of the committee. I also sincerely thank the staff from the Department of Logistics and Infrastructure for all the work they have put in, not just for the Estimates process, but since we have come to government with the changes we are delivering.

We had lots of staff here who never made it up to the front. I thank them all for their work. I look forward to being back with them here at the next Estimates.

Mr CHAIR: Thank you, minister. I thank everybody.

That concludes Estimates hearing for today. Hearings will recommence at 9 am tomorrow, Thursday 12 June, with question to the Minister for Agriculture and Fisheries.

The committee suspended.
