

Madam Speaker Purick took the Chair 10 am.

**SUSPENSION OF STANDING ORDERS  
Refer Power and Water Bills to PAC**

**Ms LAWRIE (Opposition Leader):** Madam Speaker, I move that so much of standing orders be suspended as would prevent me from moving a motion to refer the Power and Water Corporation Legislation Amendment Bill, the Power Generation Corporation Bill, and the Power Retail Corporation Bill to the Public Accounts Committee so that committee of this parliament may scrutinise those three bills, speak to Territorians, hold public hearings throughout the Northern Territory, and find out exactly the detail of this so-called expert evidence. We have not seen one shred of evidence as to why we should have three bills introduced by the government in this Chamber. We were just told now, as a round around from the Treasurer, that the government's intention is to move the three bills together ...

**Mr ELFERINK:** A point of order, Madam Speaker!

**Madam SPEAKER:** Are you speaking to the motion?

**Mr ELFERINK:** Yes. A little confusion occurred which has been sorted out. They will be introduced in the normal process of notices at 2 pm. You can move your motion then.

**Ms LAWRIE:** Madam Speaker, be very aware that I have moved a suspension of standing orders and I have the right to debate the suspension of standing orders through, unless you are going to gag like you are gagging the Territory public. They have a right to see this legislation. They have a right to talk to the government about its expert evidence.

**Mr ELFERINK (Leader of Government Business):** Madam Speaker, I move that the question be now put.

The Assembly divided:

Ayes 14	Noes 9
Ms Anderson	Ms Fyles
Mr Chandler	Mr Gunner
Mr Conlan	Ms Lawrie
Mr Elferink	Mr McCarthy
Ms Finocchiaro	Ms Manison
Mr Giles	Mr Vatskalis
Mr Higgins	Mr Vowles
Mr Kurrupuwu	Ms Walker
Mrs Lambley	Mr Wood
Ms Lee	
Mrs Price	
Mr Styles	

Mr Tollner  
Mr Westra van Holthe

Motion agreed to.

**Madam SPEAKER:** The question now is that standing orders be suspended.

The Assembly divided:

Ayes 9	Noes 14
Ms Fyles	Ms Anderson
Mr Gunner	Mr Chandler
Ms Lawrie	Mr Conlan
Mr McCarthy	Mr Elferink
Ms Manison	Ms Finocchiaro
Mr Vatskalis	Mr Giles
Mr Vowles	Mr Higgins
Ms Walker	Mr Kurrupuwu
Mr Wood	Mrs Lambley
	Ms Lee
	Mrs Price
	Mr Styles
	Mr Tollner
	Mr Westra van Holthe

Motion negatived.

**POWER AND WATER CORPORATION  
LEGISLATION AMENDMENT BILL  
(Serial 63)**

Bill presented and read a first time.

**Mr TOLLNER (Treasurer):** Madam Speaker, I move that the bill be now read a second time.

This is one of three bills that this second reading speech will cover – I will give notice of the other two straight after this, and I trust they will all be debated individually to keep the opposition happy.

These bills are being introduced to effect the structural separation of the Power and Water Corporation and establish three separate government-owned corporations involved in producing, transporting and selling electricity in the Territory.

**Power Generation Corporation:** the Power Generation Corporation, to be established by the Power Generation Corporation Bill, will be responsible for the broader electricity generation functions that are currently undertaken by the Power and Water Corporation. Given the functions conferred on it by virtue of clause 9 of the bill, this means the new corporation will be responsible for operating all of the generation assets in the Darwin/Katherine interconnected system and in regional centres.

The new Power Generation Corporation will sell the electricity that it generates to the Power Retail Corporation and to third parties, private sector operators who are licensed to sell electricity in the Northern Territory.

The Power Generation Corporation will not be responsible for the generation of electricity in Indigenous communities. The generation of electricity in these communities will continue to be undertaken by Indigenous Essential Services Pty Ltd, a not-for-profit subsidiary of the Power and Water Corporation.

**Power Retail Corporation:** the new Power Retail Corporation will purchase electricity initially from the Power Generation Corporation, but in the longer term it will also have the opportunity to buy electricity from private sector generators that are established in the Territory market.

The Power Retail Corporation will take responsibility for all aspects of the power retail relationship with contracted, contestable customers on the day of its operational commencement.

For residential and business customers still subject to the government's pricing order, and those customers nominated to be on 'legacy contracts', all bills issued to such customers will continue to be prepared and branded by the Power and Water Corporation for a period of time.

**Enabling competition:** as a pro-competitive measure, clause 10 of the Power Generation Corporation Bill provides that the corporation will be prevented from being a retailer of electricity for a period of five years from its establishment. Similarly, the Power Retail Corporation Bill prevents the corporation from generating electricity for five years. The purpose of this measure is to prevent each corporation from using its market power to dominate the electricity market. This is designed to give space to private retailers to operate effectively in the Territory market.

Clause 11 of the Power Generation Corporation and Power Retail Corporation Bills includes a process of review so that if, after the initial five-year period, the interests of competition necessitate an extension of the exclusion period, then there is a mechanism for that to happen.

**Establishment of the new corporations:** clause 6 of both the Power Generation Corporation and Power Retail Corporation Bills provides that the new corporations will be established as government-owned corporations. Each will have its own Chief Executive Officer and a professional board of directors, and will be operated on commercial lines.

Importantly, the new corporations will have no vested interests as to whom they conduct business with and as such, will operate on purely commercial terms.

Through amendments to the *Power and Water Corporation Act*, the existing Power and Water Corporation will retain its existing monopoly businesses. This includes the water and sewerage business, including the associated retail functions; the power networks business, including all aspects of metering; and relevant network control operations and gas purchasing.

The Power and Water Corporation's functions have also been expanded to allow it to provide shared services, such as billing, accounting and payroll, to the newly-established government-owned corporations in the event that this is necessary during the establishment phase.

**Electricity market reform:** the establishment of the Power Generation and Power Retail corporations will represent an important step in the wider reform of the electricity market in the Northern Territory.

This government's reform of the Territory electricity market is based on two key pillars. Firstly, the reforms are designed to improve the competitive environment to make it more attractive for the private sector to enter the electricity market and provide competitive electricity services to Territorians and Territory businesses.

The second pillar to the reforms involves making a number of structural changes to the various businesses that are currently owned and operated by the Power and Water Corporation.

The current structure of the Power and Water Corporation has not been conducive to the efficient supply of electricity to the Territory market. Essentially, there are two distinct problems that the structural separation seeks to address.

Firstly, the operation of a vertically and horizontally-integrated utility has proven to be administratively complex, to the detriment of the financial performance of the corporation. The integrated structure of the corporation has also reduced financial transparency and accountability, and made financial performance monitoring of the various parts of the business more difficult. This has undermined incentives for the corporation to be managed efficiently.

The structural changes are designed to improve the performance and efficiency of Power and Water Corporation's businesses. The changes are designed to give Territorians confidence that these government-owned electricity businesses

will be professionally run and accountable for their performance. Finally, the changes are designed to give confidence to the private sector that if they choose to compete with the government's electricity businesses, they can do so fairly and on a level playing field.

Administrative changes: changes are also being made to the *Government Owned Corporations Act* to provide an appropriate mechanism to transfer the assets, liabilities, contractual rights and obligations of the Power Retail and the Power Generation businesses of the existing Power and Water Corporation to the newly-established corporations. This is being achieved with the inclusion of a new part in the act that sets out a regime for making regulations to transfer businesses from one government-owned corporation to another.

Also, through amendments to the *Government Owned Corporations Act*, the board will be responsible to the shareholding minister for the operation of the corporation. The board, after consulting with the shareholding minister, will appoint the corporation's CEO. Further, it will be optional for the CEO to be a member of the board. This will enable the composition of the board to be more flexible to an individual government-owned corporation's needs.

In terms of the shareholding minister, it is worth noting that the delineation of responsibilities between the shareholding minister and the portfolio minister has often been unclear, given both ministers have the power to direct a government-owned corporation, but with different objectives. In recognition of the issue, amendments to the *Government Owned Corporations Act* will clarify the roles.

Employee protections: the creation of the new Power Generation and Power Retail corporations will involve the transfer of the substantial number of employees who are currently employed by the Power and Water Corporation. The transfer of these employees will be achieved under provisions of the *Public Sector Employment and Management Act*.

Importantly, the transfer of employees to the new corporations will not affect their terms of employment or any of their existing rights.

The bills provide that employees of the new corporations will have the same protections that they currently do under the *Power and Water Corporation Act*.

Clause 8 of the Power Generation Corporation and Power Retail Corporation Bills makes it clear that the *Public Sector Employment and Management Act* will continue to apply to

employees of the new corporations, with each CEO being the Chief Executive Officer for the purposes of that act.

The bills provide a small number of exemptions from the *Public Sector Employment and Management Act* that are consistent with the exemptions provided to the Power and Water Corporation. These exemptions are necessary to resolve inconsistencies in the ministerial oversight that exists between the *Public Sector Employment and Management Act* and the *Government Owned Corporations Act*. In addition, it is worth noting that clause 14 of the Power Generation Corporation and Power Retail Corporation Bills provides the new corporations' employees with protection from personal liability for acts done in good faith in the course of their operations. This is the same protection currently afforded to employees of the Power and Water Corporation.

Transition to full operations: the establishment of the Power Generation and Power Retail corporations is legally intended to take place prior to 30 June 2014, but the full transfer of the generation and retail businesses will be delayed to 1 July 2014. This will allow time to establish governance processes and put management teams and systems in place so that when the new corporations assume responsibility of the businesses, it will be a seamless exercise.

The establishment of these new corporations to take over the power generation and power retail responsibilities of the Power and Water Corporation is a significant step on the path to a more efficient, more competitive electricity market in the Territory.

These legislative reforms also bring the structure of the Territory's government-owned utility provider into line with electricity companies, both public and private, within the rest of Australia and will greatly assist the corporations in becoming financially sustainable and efficient organisations, and important assets to all Territorians.

Madam Speaker, I commend these bills to honourable members and table the explanatory statements to accompany the bills.

Debate adjourned.

#### **POWER GENERATION CORPORATION BILL (Serial 64)**

Bill presented and read a first time.

**Mr TOLLNER (Treasurer):** Madam Speaker, I move that the bill be now read a second time.

In line with my earlier comments, I refer members to the previous statement.

Debate adjourned.

**POWER RETAIL CORPORATION BILL  
(Serial 65)**

Bill presented and read a first time.

**Mr TOLLNER (Treasurer):** Madam Speaker, I move that the bill be now read a second time.

As with the previous bill, I refer honourable members to the speech delivered for the first of these three bills.

Debate adjourned.

**REORDER OF BUSINESS**

**Mr ELFERINK (Leader of Government Business):** Madam Speaker, I move that we arrange the Order of Business inasmuch as it allows the Criminal Code Amendment (Child Abuse Material) Bill 2013 (Serial 44) to be brought forward.

Motion agreed to.

**CRIMINAL CODE AMENDMENT  
(CHILD ABUSE MATERIAL) BILL  
(Serial 44)**

Continued from 9 October 2013.

**Mr GUNNER (Fannie Bay):** Madam Speaker, I was talking with the member for Port Darwin prior to sittings and he asked if we supported this bill. We support this bill. One of the easiest questions to answer is when someone asks if you believe child abuse material should be destroyed. We agree child abuse material should be destroyed. This is not controversial; we agree completely with the bill and support the Attorney-General bringing it forward.

Going into the detail of the bill, it was brought to the attention of the government by police and the department of Justice. There were deficiencies in the forfeiture and destruction powers regarding child abuse material. We agree child abuse material should be destroyed and the intent of the bill is very clear and sensible. Material involving the depiction of the abuse of children should be destroyed once investigations of criminal cases in relation to the production or distribution of the material are finalised. The *Criminal Code Act* clearly outlines it is an offence to possess, distribute or sell any child abuse material, except in certain circumstances which might relate to research, classification or investigation.

Normally, once proceedings in relation to a matter are complete, the offending material can be destroyed. This is regardless of whether it is

electronic or printed material. Courts and police have been unable to destroy child abuse material in certain circumstances, which is a concern because we want the material destroyed.

One of the questions we asked during the briefing session was - and I am reading the bill - how often is a person found guilty of a child abuse offence but the court does not record a conviction which would then, obviously, lead to the destruction of the material? The department advised this has not yet happened; there have not been instances of someone being found guilty of the child abuse material offence and not having a conviction recorded. In a way, this closes a loophole which has not been crawled through. Obviously it is worth doing. We should not create loopholes which might allow child abuse material to not be destroyed.

It was also of interest - and the Attorney-General will be across this - that, sometimes, destroying child abuse material not only involves wiping it from the memory of a device, but, on occasion, requires the whole device to be destroyed. Someone pressing delete on a computer is not enough, particularly where memory is hardwired. For things such as iPads, tablets or iPhones, the material can only be destroyed completely with the destruction of the device. This bill ensures any and all devices can be destroyed. They can now be destroyed even if no charges are laid. There can be cases where no charge is laid or there is no finding of guilt, but at the end of the proceedings, material still exists. This bill allows for it to now be destroyed.

I understand there may be times where material needs to be retained while a case is still being built. While there may be a point in time when there may not be sufficient evidence to prove the individual was aware of the content on their device, but such evidence could potentially emerge at a later date; in such a case, the material will still be required. This bill allows a police officer of a senior rank - commander or above - to authorise the destruction of the material. Perhaps the Attorney-General can advise what processes the commander will go through to ensure the material would not be required as evidence in potential further proceedings. It is a small question, nothing to do with the fact that we want the material destroyed.

In conclusion, it is very important we do everything we can to prevent child abuse and that laws in relation to child abuse are as robust as they possibly can be. We support the legislation.

**Ms FINOCCHIARO (Drysedale):** Madam Speaker, I too support the legislation brought to this House by the Attorney-General.

No one in this House would deny the gut-wrenching criminality that child pornography represents. It is filth, plain and simple. All governments strive to stamp it out with the efforts of their law enforcement personnel.

I am not yet a mother, but as a regular visitor to my primary schools in Drysdale and having young relatives myself, the damage done to victims of child abuse is simply incomprehensible. There is also the perpetual cycle of damage that results from child abuse material, also known as CAM.

Recent stories from the Philippines send chills down your spine – entire villages where the child pornography production industry is more lucrative than fishing or farming. Behind old wooden doors in small wooden shacks, children aged from just three years young are being directed by family members, including their parents, to perform depraved acts in front of Internet webcams. These are instantly broadcast into the homes of paying paedophiles around the world.

Parents are walking their seven-year-old daughters to their neighbour's hut, also fitted with a webcam, where they are repeatedly raped day in and day out. These images and videos are broadcast to the devices of depraved paedophiles willing to finance the unthinkable.

In a region where the average daily wage is around \$7 and poverty is rife, the prospect of \$100 per broadcast reigns supreme. The village elders ignore or participate, and the family needs the money, so the crimes go unnoticed.

The International Justice Mission, based in Washington, has described online child sex abuse as a significant and emerging threat. With extreme poverty, the increasing availability of high-speed Internet and a vast and relatively wealthy overseas customer base, organised crime groups are continuing to expand their child abuse operations around the world.

The perpetrators of these horrendous crimes are just as much the consumers around the world, as are the villagers powering on their webcams. These consumers come from all walks of life. It has become almost the norm to read about Australians, even Territorians, being charged, prosecuted and convicted of the possession, production or distribution of child abuse material.

Northern Territory police, in conjunction with their interstate and federal colleagues, do an amazing job in tracking down and charging offenders. It is truly difficult work and must take a terrible toll. I cannot imagine going to work every day to sit in front of a computer, impersonating a young girl or boy and receiving sexual approaches from hundreds of online perverts. It must be an

extremely tough day at the office, cataloguing thousands of child abuse material images from a seized device, according to severity, which may include age, sexual content or level of violence. It is truly unthinkable work, but our hard-working law enforcement personnel do the job and make a real difference.

Each arrest, seizure and search warrant executed is another dent in the child pornography business and flows on, hopefully, to reduce the demand and, ultimately, help children like those in the Philippines. These are children who, without families overcome by the allure of financial gain, will be playing in the streets, going to school and living as children, rather than being sexualised objects of depravity.

I commend Northern Territory police for their efforts, as I hope every member of this House will, and hope they continue and become stronger in their efforts. It is for these reasons I wanted to support this bill when I was first informed of it by the Attorney-General's office.

Obviously this bill in itself will not stop child pornography. However, it is yet another tool for police to reduce their administrative burden and will allow them to focus on the real job at hand.

As the Attorney-General outlined in his second reading speech, the bill expands the powers of the courts and NT police regarding the forfeiture and destruction of child abuse material.

This bill amends section 125B(6) of the *Criminal Code Act* to allow a court to order the forfeiture and destruction of child abuse material in any circumstances where there is a finding of guilt for an offence involving that material. Currently the court only has this power where it records a conviction for such an offence. This means if a person goes to trial and is found not guilty, the court does not have the power, under this section, to order destruction of the child abuse material. This poses a problem because a person may be found not guilty due to issues relating to proof of possession, even though the material in question is clearly illegal.

The *Criminal Code Act* and the *Police Administration Act* do not contain forfeiture or destruction provisions that can be used by police in circumstances where there is no finding of guilt in relation to the child abuse material, or where no charges are laid. This issue must be rectified, as child abuse material is illegal for anyone to possess or distribute, unless it is possessed for a law enforcement or medical purpose, and should be destroyed when seized by police.

Circumstances where police may not lay charges include, for example, where child abuse material

is found on lost or abandoned items – police give the example of USB sticks which are abandoned at airports – or where police cannot determine ownership or possession of an item. This could be the case where a USB stick is found in the common area of a share house, or child abuse material is found on a public computer in a library, workplace or educational facility.

I can recall the story of an iPad that was found in a park in Palmerston. It was full of child abuse material, but no offender was ever located.

The bill inserts two new sections into the *Criminal Code Act*, section 125AB and section 125AC. Section 125AB allows the police officer of senior rank – commander or above – to order the forfeiture and destruction of child abuse material, an article containing child abuse material or an article the officer reasonably believes contains child abuse material.

An article includes electronic equipment such as an iPad or iPhone. The ‘reasonably believes’ provision is necessary as child abuse material is often hidden on an electronic device, is subject to password protection or encryption software or cannot be accessed due to virus programming.

Section 125AC provides a police officer of senior rank – a commander or above – with the discretion to return an article containing child abuse material to a lawful owner if the officer is satisfied the material has been completely and permanently erased from that article. This discretion does not extend to child abuse material that is not contained in an article, such as magazines and photographs.

Although I do not believe any person who has child abuse material in their possession deserves their device back, I understand the purpose of this provision. It is important that police have the power to destroy child abuse material, as well as items such as laptops, iPads and mobile phones containing child abuse material, as in some instances it is not possible to clear an item of child abuse material so it can be returned. I understand from my briefings on this bill that, in many cases, iPads and, generally, other Apple devices can never be completely cleaned of child abuse material.

Current legislation would not allow the device to be thrown into the furnace or hit with a sledge hammer without the recording of a conviction. These changes will allow destruction in any circumstances where the material exists or is likely to exist.

Police indicate they have more than 10 devices in their possession at the moment that cannot be destroyed due to this gap in the legislation. I

commend the Attorney-General for bringing this legislation before the House, which will destroy these portals of filth and allow police to focus on tracking down and prosecuting these perverted criminals.

**Mr WOOD (Nelson):** Madam Speaker, I also support this Criminal Code Amendment (Child Abuse Material) Bill. These are commonsense changes, to make sure this kind of material does not escape being destroyed.

It is obvious the government has taken some advice on this, as in some areas there are loopholes which have allowed this sort of material, which none of us, as the member for Drysdale just said, want in our society. It is a scourge on our society. By having this legislation, we increase ways we can remove this material from our society. The amendments are commonsense. They have also fixed some loopholes that have occurred in the case of someone being found guilty but not convicted, which is probably fairly rare in these circumstances.

Madam Speaker, I reinstate my support for this maybe small, but very important, bill.

**Mr ELFERINK (Attorney-General and Justice):** Madam Speaker, I start by putting the leader of opposition business’s mind at rest. He asked a question and was then very careful to try to reiterate that, of course, he supports this bill. It is very fair that the leader of the opposition business asked the question. I will not engage in any sort of political skulduggery to embarrass him because he asked a question. He asked legitimate questions, and this is a House of review. This is one of the most simple and straightforward conceptual bills I have ever brought before this House, indeed, which has ever been brought into this House.

Basically, as I understand it, the member for Fannie Bay’s question was in relation to child abuse material and the decision as to when it was determined to be disposed of. Of course, he was suggesting we ensure it is not done too quickly, because we may, at some later stage, find a perpetrator, and you would like to have the evidence on board. That is good, sound and sage advice. Let me reassure the member for Fannie Bay the systems in place will be designed to make sure we protect evidence if there is any prospect a person will be brought to trial for this offence.

I will digress briefly to consider the ancient disease of leprosy. Leprosy was a ghastly disease which saw sufferers cast out. In fact, there are biblical as well as historical references to it. An act of humility in the biblical reference was to, in some way, walk among the lepers. The lepers of old were victims of a disease which was

visited on them by biology or, in their belief, God, and they were in no way volunteers for their infection.

However, there is a leper in the modern world who is a volunteer, and that is the person who views or produces this sort of material. I am quite happy, as the Attorney-General of the Northern Territory, to treat these volunteer lepers as though they have a most ghastly, incurable disease. I will try to deprive them of their source of lust by any means available to me. I would like to see these people ostracised and marginalised. I am not convinced there is a great deal we can do for these people. My heart does not brim with sympathy and empathy every time I read in a newspaper, hear on a radio or see on a TV that a person has been brought before the courts because they have engaged in this extension of a paedophilic act.

Where this material is in the possession of government with no prospect of a conviction or of discovering an offender, a conviction has not been recorded in some inconceivable circumstance or, alternatively, a not guilty verdict has been returned, you reach the point where you need to dispose of this property. We will, as a Northern Territory government, relish the opportunity to expunge some of this evil from the world.

I do not moralise about people who look at pornographic material by other means; that is for them to decide. However, when you produce material that in the very act of producing it produces a victim, particularly a victim who is the most innocent in our society, that material should be destroyed where found, and the perpetrators and consumers of it executed to the highest degree under our law. We are as one as a parliament and a community in the belief these crimes are the most ghastly you could possibly contemplate.

I am pleased to bring a bill of this nature to the House. This is not a difficult bill in concept, nor is it difficult to understand what we are trying to do. As I said before, these people are the modern volunteer lepers. We should cast them aside and out of our communities, and we have strong laws to make sure we do that. There is little else in the world, in our western civilisation, which comes close in our intolerance towards criminal behaviour. I speak to many people, particularly mothers – this is not in any way to exclude fathers – of children who would quite happily see the death penalty reintroduced for these types of offences. My wife, from time to time, expresses to me her disgust and dismay, which I share, at these types of offences. The very thought of the Northern Territory police, or any other government

organisation, having to hang on to this material for any longer than they have to is objectionable and fraught.

Sadly, these offences exist. One of the risks you run, no matter how good your security systems are, is we would have the material in our possession, if we held onto it, for 20, 30 or even 40 years. I do not want those things left somewhere in a security system where they are then obtainable. At some point we have to dispose of this material. These items are forfeit, so they will not be subject to any form of claim in relation to the settlement of property on just terms required by the Australian Constitution as well as the *Northern Territory (Self-Government) Act*. Even if it were, it would take a brave soul to seek a just terms compensation settlement for material of this nature. Sometimes we simply cannot expunge or remove this sort of material from computers, hard drives and other systems and return them to their lawful owners. I have no major problem with that.

Madam Speaker, if this cancer exists, then we should kill the cell before it has the opportunity to metastasise and find its way into the rest of the Northern Territory's body politic. This is what this legislation is about. This is what we are trying to achieve, not just as a government, but as a parliament. I am extremely grateful we have such strident and unqualified support from all 25 members in this House. I look forward to seeing this material destroyed and will celebrate every day we destroy this sort of vile evil which exists, all too sadly, in our community.

Motion agreed to; bill read a second time.

**Mr ELFERINK (Attorney-General and Justice) (by leave):** Madam Speaker, I move that the bill be now read a third time.

Motion agreed to; bill read a third time.

#### **MINISTERIAL STATEMENT The Northern Territory's Gas Future**

**Mr WESTRA van HOLTHE (Mines and Energy):** Madam Speaker, today, I provide the Assembly with an update and outlook on the rising levels of interest in exploring for and extracting gas in the Northern Territory.

The Northern Territory has abundant, unexplored gas resources and they will play a critical and increasing role in meeting our future energy needs and in driving economic development, particularly investment and employment opportunities, in our regions. Onshore oil and gas exploration interests in the Northern Territory are encouraging and exciting. Independent industry estimates of the Territory's unconventional gas resources are very

large, totalling in excess of 200 trillion cubic feet of potentially available gas. As I have said in previous statements to this House, to put that figure into perspective, the industry rule of thumb is that one trillion cubic feet is enough gas to power a city of one million people for 20 years.

While these resources are largely unproven, with significant work required to demonstrate their existence, recoverability and economic viability, the Northern Territory's huge onshore potential has captured the imagination and interest of significant international exploration companies in the past two years. This is demonstrated in the significant investments that companies are making in exploration activities in the Northern Territory and by the uptake of approximately 85% of land available for exploration now under exploration permits or applications.

The Northern Territory is the dynamic heart of a northern Australia rich in natural resources and in very close proximity to key markets in Asia. The Territory has already been the choice for some of the largest investment projects undertaken by foreign companies in Australia, including those based in Japan, France, Italy, China, and the United States. This government is absolutely committed to supporting the oil and gas exploration industry which, in turn, will serve to increase the future prosperity and development of the Northern Territory.

In October last year, I delivered a statement to the House on mining that outlined the state of the Northern Territory's mining industry in general and what this government has done and will do to make our jurisdiction an attractive and financially safe place to invest in mining, energy, and exploration activities, both now and in the future. Today I am focusing specifically on energy – gas to be specific – and the growing amount of exploration activity under way across the Northern Territory.

While the Northern Territory's potential for gas development is huge, the industry is still at a relatively early stage. It is therefore timely that my Department of Mines and Energy is developing a strategic energy policy that looks out some 20 years. In developing this policy, the focus is clearly on the Northern Territory's ability to deliver secure, affordable, reliable and clean energy to the rest of Australia and beyond. A major focus is on facilitating investment in gas infrastructure, including having local, interstate and overseas markets for gas.

It is encouraging to hear companies such as the APA Group, the Territory's major pipeline licensee, talking about the possibility of linking Territory gas pipeline infrastructure to the east coast gas grid.

Natural gas has a promising future as a power supply as it is a flexible, cleaner, safer and cheaper fuel than other base load energy alternatives. Successful shale gas production has the potential to provide abundant, acceptable and affordable energy for both industry and domestic consumption.

The shale gas revolution in the United States is seen to have played a major role in strengthening the US economy and providing elevated energy security. It was the United States' vision to invest early in infrastructure that has seen it develop into a global powerhouse in unconventional gas production to the point that it now meets its domestic energy needs through unconventional gas production. This modern industrial success story is the result of the combination of two technologies – hydraulic stimulation and horizontal drilling, commonly known as hydraulic fracturing and provides impetus for the development of the Territory's shale gas which, in turn, will result in significant economic growth in the Northern Territory.

It has been said that unconventional gas production will herald the dawning of a golden age of gas. It is exciting to think the Northern Territory is well positioned to take advantage of a truly global thirst for gas. I note *The Australian* newspaper was recently calling Darwin the 'potential Dallas' of Australia.

This government has a number of initiatives in place to ensure our jurisdiction remains attractive to investors, while having a contemporary regulatory environment in which to do business. While this government is unashamedly pro-development, I cannot emphasise enough that no development will be at the expense of our environment. The Department of Mines and Energy is the regulator of our energy industry, and the Northern Territory's legislation is contemporary. It is world's best practice. Indeed, we have cherry picked the best parts of many other jurisdictions' legislation, within Australia and globally, to ensure our legislation provides the greatest possible protection for our environment. It is recognised and acknowledged by industry that we have one of the best regulated jurisdictions within which to do business.

A key initiative of this government to support sustainable development of the energy industry has been the establishment of an Energy Directorate within the Department of Mines and Energy. The Energy Directorate is tasked with steering the whole-of-government energy policy to delivery energy security, which will provide improved regulation of the upstream energy sources, downstream energy activities and industry support. This team will also manage renewable energy sources and gas for

consumption, both within the Territory and for export.

The development of the Energy Directorate is essential for the strategic development of the Northern Territory's considerable natural gas resources, in order to meet the market demands of the future. A particular focus is the potential for energy infrastructure to be linked to regional areas to provide supply options for existing and new developments. Secondly, under the government's Creating Opportunities for Resource Exploration (CORE) initiative, we are committed to ensuring the Territory has an investment-friendly environment with a wealth of geological information to decrease the risk for exploration.

Within my department the NT Geological Survey has dedicated programs under the CORE initiative to improve understanding of the Territory's onshore petroleum resources and potential and provide industry with pre-competitive geological data and interpretations to attract investment in gas exploration. The Geological Survey team will soon release a publication summarising the current understanding of the Territory onshore petroleum geology and potential.

This team is also commencing a major program of geoscience data acquisition and resource assessment in the McArthur and Amadeus Basins that will underpin energy policy development and promote the gas potential of these basins to the global industry.

By December 2013, the Northern Territory had 55 granted exploration permits, with 136 petroleum exploration permit applications at various stages of assessment. There are also four retention licences and two production licences, with two more production licence applications currently being assessed. In 2013, exploration companies completed approximately 4181 line kilometres of seismic survey, and 11 wells were drilled, with eight of these being service hole section drills and three complete production wells. This is a substantial increase in hydrocarbon exploration activity in the Northern Territory.

Other highlights from last year's exploration activity include:

- Santos, which operates the Mereenie field southwest of Alice Springs, is assessing the next stage of production and is currently working through its appraisal and development drilling project to progress conventional oil resources
- Armour Energy drilled two wells in its exploration permits within the McArthur Basin. One of these wells, Lamont Pass 3, discovered oil and also has gas shows. Armour is now

planning its 2014 exploration program to further appraise the oil and gas discovery so far within its McArthur Basin permits

- Central Petroleum is now finalising its field appraisal and development plans for the Surprise Field within EP115. In December last year it announced it had an agreement with the Central Land Council to enter into a production agreement for the development of the Surprise discovery in the Amadeus Basin, subject to receiving all requisite approvals required under the *Aboriginal Land Rights Act*
- Magellan Petroleum has submitted an application for a production licence over the Dingo gas field within its current retention licence. Magellan Petroleum is planning to develop the gas field and produce gas that will supply the Owen Springs Power Station which supplies electricity to Alice Springs ...

**Madam SPEAKER:** Minister, it is midday. Finish after luncheon suspension.

Debate suspended.

#### **SUSPENSION OF STANDING ORDERS Refer Power and Water Bills to a Committee**

**Mr WOOD (Nelson):** Madam Speaker, pursuant to Standing Order 306, I move that so much of standing orders be suspended as would prevent me from moving a motion that the Power and Water Corporation Legislation Amendment Bill 2014 (Serial 63), the Power Generation Corporation Bill 2014 (Serial 64), and the Power Retail Corporation Bill 2014 (Serial 65), introduced today by the Treasurer, be referred by this Assembly to either the Public Accounts Committee or the Committee on the Northern Territory's Energy Future for consideration, and report back to the Assembly.

The suspension of standing orders would allow me a chance to show why this legislation should go to the Public Accounts Committee or the Territory's Energy Future committee, a committee which is dealing with electricity supply in the Northern Territory. It will allow me a chance to tell the government the time set aside between this sittings and the next is inadequate to fully scrutinise this bill; allow adequate time for the public, especially workers in PWC, to have a say about this new legislation; allow time for independent experts to give their views on this legislation, which is extremely important; allow time to highlight how this process is done in other states; and allow time for discussion of the benefits to parliament in sending this to a committee.

I quote from the Queensland government website:

Committees ...

...

*... allow the Parliament to ensure that the right decisions are being made at the right time and for the right reasons. At the same time, they effectively enhance the democratic process by taking the Parliament to the people and giving them a role in its operations.*

If standing orders were suspended, I could explain why that is exactly what we should do in the Northern Territory. It would allow me a chance to show the member for Port Darwin why this is not about slowing down the process or governing by committee, but, instead, including the public and others in the legitimate operations of parliament.

The suspension of standing orders would allow me time to show if there was time for a committee the government could be seen as attempting to turn over a new leaf and be open and transparent. Would it not be a great opportunity for the government to show this? It would also allow members of a bipartisan committee – which is one of the advantages of committees – to deal with this outside of this parliament, which is, in most cases, partisan. The suspension of standing orders would allow me to convince the government that although we have a committee stage in parliament, which is an opportunity for parliamentarians to debate bills, it does not give an opportunity for the public and experts to be heard.

The suspension of standing orders would allow me to ask the government how much consultation it has carried out about this bill with the wider community. It would also allow me a chance to ask the government how many meetings it has had about these bills, who attended those meetings, where the meetings were held and what issues were raised at them. I have no idea how much the government has sought public input into drawing up these bills.

The suspension of standing orders would allow me to ask who drew up the legislation, where else has similar legislation and about any positives and negatives with similar legislation in other parts of Australia. It would allow me to ask the government whether this is a forerunner to privatisation. It would allow me to ask the government whether it has been lobbied by outside people or companies to split PWC, and to ask the names of lobbyists.

It will allow us to see what we really want to do. Through normal parliamentary process, where we only have real questioning through a committee process, the trouble is, unless we can have a

suspension of standing orders, I will not be able to expand on all these points today.

The argument about not going to a committee was that unless standing orders are suspended and I put an argument to them, we have a committee session here when the legislation is debated. I cannot say to the government it is not good enough unless I put an argument to them if standing orders are suspended. During the committee stage you can properly question people involved, whereas in parliament you cannot.

I believe by having a suspension of standing orders the government will show its support for openness and transparency, faith in the committee process and a desire to make this legislation good legislation.

I do not want to suspend standing orders because I necessarily oppose or support this legislation. I am saying we need to suspend standing orders so we can debate the benefits of having a committee - the Parliamentary Accounts Committee or the Territory's Energy Future committee. We can use them to come back to this parliament with better legislation.

**Ms LAWRIE (Opposition Leader):** Madam Speaker, the opposition supports this motion to suspend standing orders by the Independent member for Nelson.

The debate about whether to refer such important legislation - three bills - to split up the publicly owned utility of the Northern Territory will impact upon every Territorian, whether they live in a remote community and operate on tokens, in the regional towns, or in our urban environments.

The magnitude of the legislation being introduced by the government today is the most significant change to affect the cost of living ever witnessed in the Territory.

A motion to suspend standing orders can talk about the pros and cons of a committee. The government has the numbers on committees. The government chairs the Public Accounts Committee, the Committee on the Northern Territory's Energy Future, and has, obviously, domination and control of those committees.

Committees are a process whereby you can call expert evidence and test the details of what is being proposed. You can have a genuine understanding of the impact of what is being proposed, analyse it and form conclusions.

Obviously the government has access to some information to form its conclusions. That information is not in the public realm; no one else currently has access to it. I am not sure, for

example, how much access, through their own internal processes, members who are not in Cabinet have had to expert information which gives them the financial impact modelling.

Splitting up Power and Water into three entities comes at a cost. You will have three boards and the requirement to service three separate corporations. What will be the cross-billing arrangements between those three entities? What will be the corporate services arrangements of those entities?

Through the Utilities Commission report of December 2013, we already know that while power networks are left within Power and Water Corporation, the more profitable generation is split into its own corporation and the potential profitable retail is split into its own corporation. The impact of that – already foreseen through the Utilities Commission report – is a 43% increase in the pricing of power networks, or a \$1.1bn community service obligation payment to that Power and Water Corporation from the government. That would be a \$1.1bn increase on debt ...

**Mr Tollner:** Prove it!

**Ms LAWRIE:** These matters could be thoroughly scrutinised – I pick up on the interjection from the member for Fong Lim, the Treasurer who has sponsored this legislation. He said ‘prove it’. If you can substantiate all the numbers and all of your satisfaction with the impact of this, why on earth are you hiding from a committee? If there is nothing wrong with this process you are pursuing – no adverse impacts, no adverse costs to Territorians, whether it is remote, regional or urban – surely you would embrace a parliamentary committee to prove it. You would have experts lead evidence because you have access to the experts.

What concerns me, being a former shareholding minister of Power and Water, is I have seen you remove the experts from Power and Water. I have seen the expert board sacked. I have seen the managers of any level of expertise and knowledge of that corporation, built up over decades, all depart from Power and Water. I saw you appoint an interim board of respected and very experienced public servants – the Under Treasurer for one – and they resigned. It is unprecedented for interim board members to resign, but they resigned.

It makes me genuinely concerned that the government has had advice which it is not heeding, and it keeps rolling through until it finds someone to do what it is hell-bent on doing.

I am also concerned because I attended a briefing with the advisor-appointed consultant, Alan

Tregilgas. He was appointed to undertake the process of splitting Power and Water Corporation into three entities. We attended that briefing in December. He was only able to provide one piece of paper, which was a chart of the entities of Power and Water Corporation being split, creating a generation corporation and retail corporation. There was no detail.

He apologised for that because he is a decent man. He understood the weight of the task he had been given. He went on to give us as good a briefing as he could. However, there were significant areas where he was unable to advise us what the outcome would be, because they simply do not know. It was a process of scrambling to meet the government’s time lines to split up the entity of Power and Water Corporation. The expert you are relying on admitted several times they did not know, structurally, how things would settle.

Little wonder you want to hide, Treasurer. I wonder whether your colleagues know the full extent of the impact of what you are trying to hide. Your colleagues are all elected to represent their communities, and the communities have not been informed either. Have the Chamber of Commerce, the Property Council, Tourism NT and all providers received a briefing on this? They will all be paying for this. They will be paying in a very real way through their tariff increases – 43% on network pricing, just to start with.

Have any industry organisations been advised or received a briefing of what the government is about to embark on? It has not happened to the non-government sector or the sport and recreation sector. Someone from rugby league was on the radio this morning. It is a fair operation, but they made it clear a large part of their decision to walk away from Richardson Park was no longer being able to cope with ‘the spiralling cost of power, water and sewerage’.

This is real. You accuse me of scaremongering and making it up. I am going off information contained within the Utilities Commission December report, page three, on the 43%, page 9 on the \$1.1bn. I urge your colleagues to read that report, pages three and nine. It is fact; I urge you to understand that scrutiny provides an opportunity for the best outcome for Territorians.

Power and Water Corporation is not the asset of the Country Liberal Party. Power and Water Corporation is the asset of the Northern Territory. You did not go to the election seeking a mandate to split Power and Water into three separate entities. You certainly did not go to the election seeking a mandate to sell any one of those three entities. You should not proceed without, at the very least, having an inquiry through the

committee process where you can troll through the facts and information.

I genuinely hope I am wrong in what I see happening and what I have grave concerns for. A little knowledge goes a very long way, and I have five years of knowledge as shareholding minister of Power and Water. I can read the documents, I understand, I know the experts; I can make calls and listen to people who are genuinely informed. I am gravely concerned to the point where I am supporting the Independent member's motion for a suspension of standing orders to debate a referral to committee.

If you are right in what you are doing, if this is the right thing to do, a committee will validate that, without a shred of doubt. You have the weight of government to call as many experts and as much evidence as you like. If you are wrong, perhaps that outcome is in the best interests of Territorians in that the committee can provide recommendations about how best to do what your policy intent is. Government sets policy; it is your policy intent. Perhaps with committee analysis there is a way to implement your policy intent that does not have the cost consequences we are currently seeing.

I urge you to become transparent and listen to what we are requesting in parliament today. It is not another committee. We say you have existing committees within this parliament and it is your choice which one you refer it to. Both the PAC and the energy committee have capable people on them who can convene, bring experts and consult. Trust your own people on those committees.

**Mr ELFERINK (Attorney-General and Justice):** Madam Speaker, the member for Nelson often gives the impression he is an open operator in this House. Frankly, he had a very simple way of approaching this, and it goes to the heart of what is happening here. During the luncheon adjournment, he could have called my office, come to see me, and said what he wanted to do. If I had said no at that stage, and he then ran this motion, that is fine, but he did not do that. He spoke to the Labor Party because he clearly sees himself as an extension of it. He supported the Labor Party when it was in government and in crisis, continues to support it now and consistently does so in this House. He drapes himself in the tissue thin cloak of independence, but if you lift that drapery up one inch, you see his Labor sympathies soaking through the cloth. That is why he has sought to entrap government with this motion.

It is the motion he will now run with every legislative instrument that runs through the House because the second component of the member for

Nelson's world view is, if in doubt, send it to a committee. He was convinced the last time he had some real power in this House that the solution to all his problems was a committee. I will never forget that. He set up the Council of Territory Cooperation and had no idea when he suggested it what he was setting up ...

**Mr WOOD:** A point of order, Madam Speaker! Standing Order 113: relevance. The motion is to suspend standing orders.

**Madam SPEAKER:** There is a fair amount of latitude as to what the Attorney-General can talk about.

**Mr ELFERINK:** It goes to the heart of requirements for a committee, which is what this motion is all about. However, to go to the heart of that issue, one has to explore the motives of the member seeking for it to be referred to a committee.

The member for Nelson has a history of taking things to committees. What did the Council of Territory Cooperation achieve other than keeping Labor in power, where his sympathies were anyhow?

**Mr Styles:** It spent a lot of money.

**Mr ELFERINK:** If memory serves me, it spent about \$600 000 or \$700 000. For what? To keep government accountable? It barely managed to do that. By the time it responded, government had consistently moved on ...

**Mr Wood:** You used it when you wanted to. You asked about Mataranka. How is Mataranka going now?

**Mr ELFERINK:** The agreement the member for Nelson struck with the former government could not be and was not enforced. How is the swimming pool going? That government hinged on the fact this member would have a swimming pool built immediately. It never happened, and he rolled over because the member for Nelson's approach in this House is to roll over every time something becomes hard. Every time something becomes difficult, send it to a committee; avoid making a decision at all costs. That is at the heart of the member for Nelson's motives. This motion before the House is an extension of that philosophy.

If members of this House want a committee, look around you. Look up, look at the bleachers, look at the people sitting in this House. This is a committee. This is the committee the people of the Northern Territory elected to govern on their behalf. We have subcommittees of this House to

which we can refer matters for contemplation from time to time.

These bills are being placed on the table and are going through the normal processes of parliament. Despite what members opposite are suggesting, they are bills about structural management. They like to paint it as something else.

This is also occurring in the heart of the Labor Party. It is anxious to paint these bills as something other than what they are. Why? Because it is interested in fear. What is their interest in the committee process? The opposition wants to pick over it. Every time someone such as a unionist makes a negative comment about the contents of these bills, all of a sudden these people will be up in arms with the Labor Party out the front, conspiring with its union mates to make this as difficult as possible for government.

It wants to take the normal process, scrap it, and create a new process, because it now wants a committee to look into what this committee is doing under its normal processes. It cannot be sustained. Very serious bills pass through this House without ever being referred to committees – bills which Labor members, Independents and CLP members have voted on. They have passed through the normal processes of this House.

There is nothing in this legislation which engenders or anticipates any reason to follow protocols other than ones established by the traditions of this parliamentary system. If we were to balk and send to committee every bill we think is a bit contentious or might offer a political opportunity, the business of this House would become bogged down

I heard the member for Nelson bellowing across the Chamber, 'What about Mataranka?' When the CTC looked at Mataranka – and it was not the process I suggested, it was the process he forced upon this House – it got bogged down in all the nonsense surrounding it without coming to the conclusions it needed to. It took even longer than it needed to get the legislative changes through, because we went into committee.

Members on this side of the House believe protocols and systems are in place for a reason. They do the job satisfactorily in protecting the integrity of our parliamentary system; moreover, they are robust, and guess what? They are transparent. On the table before all Territorians to view today are legislative instruments introduced by the Treasurer and shareholding minister in this instance. There will be ample time for people to look, comment, observe and get in touch with members on this side of the House, as well as members on that side of the House, and make public comments in the public domain.

What else do we need to do? Doorknock every house in the Territory and do a survey as to what people think? The processes have been established for a reason; they have been developed over time. They are adequate and fit for purpose. For the sake of the political advantage of Labor members opposite - and I include the member for Nelson in that coverall assertion - we are not going to change the processes of this House to satisfy the political interests of a Labor Party hell-bent on skulduggery, making nuisance and driving fear into the heart of Territorians.

**Mr WOOD (Nelson):** Madam Speaker, if there was ever a speech given to show the government is insincere about proper parliamentary processes, it was that one. It was full of baloney. I could use another word – it was full of bull-dust. It is the same old diatribe I have had to put up with in this House, week in and week out, from people who cannot get over it. Your diatribe about the CTC, about me not getting the swimming pool, and all the same things I have heard time and time again. Get over it. I am over it ...

**Mr Tollner:** Well, move on, Gerry.

**Mr WOOD:** I am. I am moving to something new. Just to get the record ...

**Mr Elferink:** No, you are not. You are doing exactly what you have always done.

**Mr WOOD:** It is my turn now, member for Port Darwin. You might have the smoothest tongue, but you do not always have the smoothest intellect, that is the problem. You might sound good, but you do not think well. Get it straight for a minute. You accused me of talking to the ALP. I will tell you how it went this morning. I do my own thing ...

**Members** interjecting.

**Mr WOOD:** Just let me finish.

**Madam SPEAKER:** Order! Order!

**Mr WOOD:** I e-mailed the Chief Minister today to say I would ask a question about the committee. I gave him the question – I thought that was the thing to do – and I got an answer. The answer was no. Do I think I will get any further than that? I had already made up my mind today that if I did not get a satisfactory answer, I would try to bring this on ...

**Mr Styles:** Did you talk to them?

**Mr WOOD:** Wait until I am finished. Could you just ...

**Members** interjecting.

**Madam SPEAKER:** Order! Member for Port Darwin, cease interjecting.

**Mr WOOD:** You made the assertion and I am giving you an explanation. At the time, there were problems in the House. I was called to say there was a vote because the member for Fong Lim was trying to put all the bills together. I found out the ALP was thinking of doing something similar. To make sure I did not coincide with them, I spoke to them today and I said ...

**Mr Elferink** interjecting.

**Mr WOOD:** Do you think I put something up in parliament and hope it does not clash with something else?

**Mr Elferink:** When was the last time you picked up the phone and spoke to anyone about what you are doing?

**Madam SPEAKER:** Member for Port Darwin, you are on a warning! I asked you to cease interjecting.

**Mr WOOD:** Guess what? I spoke to the minister for Planning yesterday ...

**Ms Fyles:** You are not the only minister, John.

**Mr WOOD:** That is right. What is annoying me is you deliberately take things out of context to try to distort the facts. I did not bring this on because of the Labor Party or because of you.

Committees are a normal part of the process of this parliament. I quoted Queensland, where every bit of legislation goes – the member for Drysdale and I went to a parliamentary accounts committee in Sydney and we heard what happens in Queensland. I am not necessarily saying I agree with what happens in Queensland to the nth degree, but there is no reason – you do not go to the Queensland parliament and say that referring legislation to committees is a pretty useless system. It has been running for a fair number of years, under an LNP system, and there do not seem to have been any complaints about it.

Very important legislation should be put to a committee, similar to what happens in Queensland, which is run by the LNP. It is not run by the Labor Party. I am saying that is a good process and I gave you a quote today. You can believe everything you want to about all those other issues; they are superfluous to this debate.

I bring this debate as an Independent who is concerned the member is bringing three pieces of legislation – and I thank him for his offer of a

briefing – splitting up a Territory corporation into three sections without adequate understanding, consultation or finding out whether it is a good or bad thing. The public, the workers and other people in the industry should be involved. The way you do that is by having a committee where you question those people, even perhaps ask the ministers. By the way, one thing the CTC did eventually have was ‘ask the ministers’. Would any ministers turn up and answer questions from a Parliamentary Accounts Committee or the Territory’s Energy Futures committee? I wonder, because there was a big fuss over it before with the CTC.

Let us get over all the other stuff about Gerry Wood and Labor, Gerry Wood and a swimming pool and, ‘You did this and I did that’. Come on, move on! I have moved on, you should.

I am bringing this motion forward, as an Independent, to try to make government and parliament a little better. You do not have to believe me. I do not like breaking standing orders. I know the member for Katherine has a good statement to make, but if I do not do this now, what other chance do I have?

Of course, there are people in this parliament who think because they have the numbers, who cares whether we have a committee? They think because they have the numbers they will do what they like. I have heard similar things from the member for Fong Lim at times. ‘We are the ones in charge, we make the decisions, we got elected.’ That is fine, but we are, hopefully, not a dictatorship. We have a Westminster parliamentary system, which the member for Port Darwin raves and rants about, and committees are part of that system. That is all I have asked for with this motion. It was to say, why can we not send it to an existing committee, like the Parliamentary Accounts Committee?

The member for Fong Lim, in his reciting of why the CTC was a waste of time, used to refer to the PAC as doing the same work the CTC could do. It cannot because the CTC was self-referring. The PAC is not self-referring and needs this parliament to tell it what to do. If it was self-referring, we would just do it. It would just say, ‘Let us look at this legislation’. That is the difference with having a CTC which referred itself to gas, Mataranka, domestic violence statistics, Aboriginal housing, child protection and a range of things. It could self-refer and the PAC cannot.

I am moving this today because those committees need a reference from this parliament. I am asking you, as the government, whether you would give a reference to those committees to look at these pieces of legislation and refer the outcomes of those discussions back to this

parliament. The Queensland model works on this. It does take a bit longer but, generally speaking, you get legislation that is much better and needs very few amendments when it gets back to parliament. That is my understanding of the system in Queensland.

I put it to the parliament that we suspend standing orders so we can debate the motion to take this legislation to either the Parliamentary Accounts Committee or the Territory's Energy Future committee.

I thank all members for their comments whether I agree with them or not. Sometimes it would be nice to have a few more comments. They do not have to agree with me, but I would like to hear other people's points of view about the committees. Do we use them sufficiently compared to, say, how Queensland uses them? Anyway, that is for another day.

The Assembly divided:

Ayes 9	Noes 13
Ms Fyles	Ms Anderson
Mr Gunner	Mr Conlan
Ms Lawrie	Mr Elferink
Mr McCarthy	Ms Finocchiaro
Ms Manison	Mr Giles
Mr Vatskalis	Mr Higgins
Mr Vowles	Mr Kurrupuwu
Ms Walker	Mrs Lambley
Mr Wood	Ms Lee
	Mrs Price
	Mr Styles
	Mr Tollner
	Mr Westra van Holthe

Motion negatived.

### MINISTERIAL STATEMENT The Northern Territory's Gas Future

Continued from earlier this day.

#### **Mr WESTRA van HOLTHE (Mines and Energy):**

Madam Speaker, the projected expenditure on oil and gas exploration on granted tenements in the Northern Territory over the next five years exceeds \$200m, and there is every indication this figure will grow as more tenements are granted.

During 2014, we expect to see continued high levels of onshore petroleum exploration, driven, in part, by major companies such as Santos and Statoil which have joint ventured into projects in the Amadeus, McArthur and Georgina Basins.

A clear indication of the high level of confidence that companies have in the results of survey findings across the Northern Territory is that

current work programs show no fewer than 25 exploration wells could be drilled within the next 12 months. This is outstanding.

There is also a surge of greenfield exploration in the McArthur and Beetaloo Basins, and many areas being explored for petroleum for the first time. The Australia government's Geoscience Australia report issued last year titled *Upstream Petroleum and Offshore Minerals Working Group Inaugural Report to the Standing Council on Energy Resources on Unconventional Reserves, Resources, Production, Forecasts and Drilling Rates* summed up:

*The rapid uptake of acreage in the Northern Territory is an indication of the interest in the prospectivity of the basins in this region. There have been widespread indications of petroleum during petroleum and stratigraphic drilling and mineral exploration over many years.*

My Department of Mines and Energy continues to work with industry to identify markets and potential areas for investment which will support regional development. Under this government's *Framing the Future* blueprint, building our regions to ensure investment in the mining and petroleum sectors benefits the host region is a key factor in developing and maintaining a prosperous economy.

As I stated previously in this House, this government is currently considering implementing a priority zone system for minerals and energy development in the Northern Territory. Zone 1 would encompass the area from Nhulunbuy through to the McArthur region and west into the Beetaloo Basin, and would include the Gulf coast and inland in the Roper and McArthur regions. It also encompasses the Beetaloo and McArthur basins, which are highly prospective for oil and gas and close to existing pipeline infrastructure.

The second zone includes areas to the north and east of Alice Springs, where there are a number of mineral exploration activities under way, as well as the Amadeus Basin south of Alice Springs which has a very high oil and gas potential

Currently, the department is consulting specifically and directly with industry in order to reach agreement on mutual obligations in respect to implementing these priority zones. In a nutshell, this government will provide support for infrastructure development, improve and progress approvals for land access and provide whole-of-government assistance for qualifying in order to advance exploration activity within these priority zones. The notion is simple; the overall benefits for regional development will be greater if accumulated in one zone, rather than spread

thinly across the board for widespread individual projects.

The Northern Territory has a great future in supplying expanding global LNG markets, supplying gas to resource projects across northern Australia, hungry interstate energy markets, and to gas processing industries. In developing and supporting the energy industry, this future paints a rosy picture for increased economic development that will benefit all Territorians.

In 2014, a full review of all NT petroleum legislation, including consideration of merging the *Petroleum Act* and the *Petroleum (Submerged Lands) Act*, will commence in order to create a contemporary and well-managed regulatory environment. This review will include further consultation with industry, landholders and the broader community. A plan is in place to have these amendments in place by 1 January 2016, allowing sufficient time for industry and public consultation.

In 2012, in order to provide industry with short-term regulatory certainty for exploration activities, a government task force approved interim arrangements which met leading international oil field practices. This was achieved by addressing many of the 26 recommendations of the 2011 Hunter review of the *Petroleum Act*. Other recommendations included drafting new regulations for environment and resource management. The draft environmental regulations are set to be finalised by mid-year, with the resource management regulations to follow.

On 1 January this year, the first amendments to the *Petroleum Act* came into effect. These amendments now allow the controlled release of vacant land, and allow the government to accept multiple applications for exploration permits, providing for a more competitive assessment process.

Make no mistake, this government wants responsible development of our onshore oil and gas reserves. The new assessment process will also ensure companies have contemporary work programs to support this government's objectives to develop potential resources as soon as practicable. Work has advanced to make sure tenement management protocols result in rapid development of resources.

However, some minor changes to legislation may be necessary to increase government's capacity to ensure companies deliver expected development programs which are socially, culturally and environmentally responsible. The amendments to the *Petroleum Act* will not allow

the sudden release of a significant amount of prospective land, as the changes apply directly to new permit applications, not to the renewal of existing permits. The *Petroleum Act* amendments provide for the acceptance of multiple applications, which will allow the government to select the best proposal which demonstrates a fully-funded and aggressive five-year exploration program.

By ensuring the *Petroleum Act's* capacity to effectively regulate both the 'conventional' and 'unconventional' methods of oil and gas exploration and production, this government is optimistic about addressing community concerns relating to the use of emerging technologies such as hydraulic fracturing associated with horizontal drilling. Government is engaging with industry, the public and stakeholders, and is holding public consultations to provide information centred on the unconventional oil and gas sector and the 'leading practices' regulatory regime the government requires for these activities.

Last year, presentations on the regulation of unconventional oil and gas (shale) were delivered to the West and East Arnhem regional land councils and the Litchfield Council. Community information meetings were held in Alice Springs, Tennant Creek, Darwin and Katherine in conjunction with industry, industry associations and the CSIRO to provide the public with accurate and up-to-date information on the unconventional oil and gas industry and regulation.

I also intentionally called for and attended meetings in Maningrida to address a number of concerns held by traditional owners and community members. I intend to visit the community again to provide additional information and allay their concerns. Naturally, a range of opinions both in support of and cautious of industry were voiced. However, the message I was taking to the community was generally well-received and will be followed up by more public meetings in the coming months.

My Department of Mines and Energy, in conjunction with the Department of the Chief Minister, has developed a comprehensive communications plan for community engagement that will see roadshows and meetings rolled out in all major centres and many regional areas this year. Implementation of this communications plan is one mechanism to provide factual information about industry practices and the strength of our legislation and regulation. I am optimistic it will go a long way to addressing many of the questions being raised by the public about exploration activities within their areas.

My Department of Mines and Energy is also working closely with other government agencies to

establish a whole-of-government approach to issues regarding environmental concerns, and water and land management in relation to exploration activities. That said, there is also an onus on industry to step up and help dispel the myths, misinformation and blatant scaremongering being peddled by some sectors of the community about hydraulic fracturing.

Energy and its exploration play a critical role in the Territory's economic future. While this Country Liberals government is determined to use our natural resources to benefit Territorians through the development of job opportunities, regional centres and infrastructure, we will not condone an industry that does not do the right thing by the environment.

The current and projected demand for the world's major economies means the outlook for LNG and natural gas as a fuel is, indeed, bright. With global growth comes increased energy demand and natural gas, with its greenhouse and environmentally-friendly qualities, will grow more strongly than competing fuel sources. As global economic activity and energy demand grows, demand for gas will grow at a much faster pace.

As I said earlier, with the dawning of the golden age of gas, the Northern Territory is well positioned to take advantage of this global thirst for gas.

Madam Speaker, I move that the Assembly take note of the statement.

**Mr McCARTHY (Barkly):** Madam Speaker, this side of the House welcomes the minister's statement because the Territory opposition well and truly shares in this story. Territory Labor has a long-recognised and strategic footprint in welcoming the development and production side of this industry and what it represents for the Northern Territory. That is, the oil and gas sector, both in the contribution to global energy needs, as well as the future wellbeing of the Northern Territory.

This side of the House is keen to see how the government proposes to build on the game-changing work of the previous government, supporting development of the onshore and offshore oil and gas sector.

The statement gives an indication of the minister's enthusiasm and we welcome that, but it does not really provide any true, real and tangible new initiatives, other than a pragmatic discussion about the industry and the potential. You must be critical in this game, and in opposition we have to be highly critical to make sure we get things right.

In the February sittings last year we heard two ministerial statements on gas. The CLP sought to harness some credibility off the back of Labor's work while it was in government, securing the foundation gas projects in Darwin. We have discussed this many times in the House; that is normal.

One of these statements was the now infamous gas to Gove statement from the then Chief Minister, the member for Blain, a statement outlining his gas journey of knowledge. The then Chief Minister spoke of how he worked to personally secure gas for Gove, and that with gas to Gove, the Gove refinery would have at least a 10-year guarantee in supply. How things have changed in 12 months. What does that say about the CLP and its management of Territory resources? What is of great concern, through that whole mismanagement, is the gas to Gove story represented a major market player which would stimulate the exploration industry and represent a significant customer to bring gas across that major peninsula and into that regional area.

The mismanagement of that project alone sits firmly on the track record of this government and, as we now see, has had mega ramifications for regional development for the township of Nhulunbuy and the East Arnhem region. You must suggest there needs to be some serious plans and intervention from this government to restore any credibility around that story.

In the meantime, the opposition is pleased to support more discussion on the importance of the gas and oil sector to the Territory's future. Of course, it was Labor that saw the full potential of the gas sector to the Northern Territory, and demonstrated to the oil and gas sector and industry financiers that the Territory was a confident, can-do place. It was a place that could accommodate big projects, an environment with a competent and supportive community that would work with industry to get projects off the ground. They also saw we shared a vision to build the oil and gas sector in the Northern Territory, both on and offshore, and to help develop this industry as a central part of the Northern Territory economy.

In 2010-11, on our watch, we saw the resources sector grow, increasing to a 17% contribution to our economy, supporting 4000 jobs. On our watch, we saw the development of the foundation ConocoPhillips gas processing project. We saw the NT win the \$34bn Ichthys gas project with estimated expenditure of \$13bn in the Northern Territory. Today, the CLP government benefits from that work of Territory Labor.

The overall value of energy production in the Northern Territory is estimated to increase from \$3.6bn in 2011-12 to \$4.2bn by the end of 2013,

and we look forward to further increases in 2013-14.

However, the key question now is how the CLP will realise the full vision Labor had. Will it stay true to ensuring broad community benefit and not just profit making? When we deconstruct that process successive Labor governments in the Territory went through, we can mention Territorians like Clare Martin and Paul Henderson, and recognise their leadership and the lessons we can learn, no matter what side of the House we sit on.

The story was especially important in the competition the Territory government faced with Western Australia. Being a privileged member of the Committee on the Northern Territory's Energy Future, we travelled to Western Australia and heard first hand from Western Australians about the jealousy and disappointment, though they held the Territory in great esteem for its success in securing the Ichthys project. It was a jewel in the crown for the Northern Territory. It capitalised on the ConocoPhillips project and showed the world that Darwin is the place with supporting, enabling infrastructure; a stable, democratic government; a supportive community; and, essentially, that very important infrastructure to not only get these projects out of the ground, but to support their ongoing development and production.

It was also a great relationship between non-Indigenous and Indigenous Territorians which shone through that whole exercise of attracting the Ichthys project to Darwin and the Northern Territory. It was our ability to negotiate honestly and openly, to offer accountability for the project and the community benefit the project would bring, and walk through this side by side with traditional owners, making sure there were real benefits to both groups.

If we want to talk politics and look back at the track record of the Country Liberal Party, we will, no doubt, debate the Kenbi Land Claim and the issues of the political approach from a previous CLP government which created so many problems. We are talking about a significant time frame of over 30 years. There are great lessons to be learned, and I am sure those lessons can be shared to benefit all Territorians.

I was privileged to be at a function which celebrated the Ichthys project sign-off. A senior executive from JKC, the principal contractor, delivered a very inspiring speech. I remember very well the line where he said to the audience, 'I have delivered these projects in the desert and in the jungle, but I have never delivered a project like this in such a beautiful city with its supporting services and infrastructure like Darwin'. He celebrated the government's contribution and

partnership. He acknowledged the traditional owners and the wider community of Darwin and the Northern Territory. That sets a real tone for any government in the Northern Territory to celebrate that successful partnership, then go after the next one.

That is what we want to hear in future statements, as this statement did not provide any news around who is next, what is next and where it will be. The extensive overseas travel this government is engaging in will, no doubt, highlight new projects being solicited both offshore and onshore. The estimates process will be a very good forum to look at those transactions, that travel and the benefits and partnerships that will come from such encounters.

The partnership with the Larrakia is critical, and one that can be celebrated, particularly in relation to the development of a trade training centre. Not only did that trade training centre attract government resources, it attracted private sector resources directly from the Ichthys project. That trade training centre represents the future of young Territorians. Specifically in this case, it is young Indigenous Territorians who can get their foot in the door for real accredited training that will get them on a site with a sustainable construction project of over four years – accredited training representing apprenticeships – and also a link to global industry that could take them anywhere in the world. That is operating as we speak.

An image I enjoy spreading throughout the regions is going from the boarding facilities at Kormilda College on the bus down the hill to the Larrakia Trade Training Centre then, if all pieces fit into the puzzle, working next to the world's best tradesmen on a major project which will deliver energy for the world's future. This is especially complemented by the Charles Darwin University Australian Oil and Gas Centre, and the Charles Darwin University move to ensure its curriculum offers specific training and tertiary studies to represent the global oil and gas sector.

Between those two great Territory entities, we have some defined pathways which have been created under new management. Dare I say it, the new government has the responsibility to continue in this positive frame to offer Territorians, particularly young Territorians, their opportunity within this global industry sector.

The other area which is a huge highlight and opportunity in this oil and gas sector is the 3000-bed workers' village at Howard Springs. It was incredible to work with the previous government through all the issues in the Lands and Planning area, securing the project and seeing the scope of what was created. It will leave a very incredible legacy for the Northern

Territory once the construction project is completed.

In the regions, I have told the story on many occasions. I continue to lobby young people about the opportunities offered in flying into and out of Darwin from the regions. This is not only with the 3000-bed workers' village, but in hospitality, administration and the opportunities for working in the real world with supported accommodation.

It was Paul Henderson, the previous Chief Minister, who listened to me about this approach and style. He was a true leader who took that from a very new member and minister of parliament, and negotiated with both the Larrakia and INPEX to guarantee any Territory kid had a stake in this project. No matter where they lived, they had the opportunity. This reflects immediately back on the responsibility of families and young Territorians to take up this opportunity. It is something I continue to work on.

When challenged in Alice Springs, I always use the same example. I note the Chief Minister has now adopted that rhetoric in his statement about Indigenous economic development. I said in Alice Springs, 'You have a major jump on Tennant Creek because you have two flights a day coming into Darwin'.

The project is a significant one and the question remains, what next? Travelling in parallel, the minister alluded to offshore opportunities which relate directly to the Marine Supply Base, under construction as we speak. This was a very well-balanced approach by the previous government to secure opportunities, both with the onshore processing and offshore. The Marine Supply Base is offering jobs and great economic benefits to service industries. More so, it is creating the opportunity for Darwin to develop a culture of supply and service to what is a growing, extremely important industry, both economically and for the world's energy resources.

The Marine Supply Base was an innovative project which went through here with a great deal of criticism from the former opposition. We now see the machinations of a new government celebrating the benefits of that project. It will be important to see those ministers responsible ensuring that project continues, is completed and that customers are sourced to bring great economic benefits to the Northern Territory.

The minister has not touched on the other area. I suppose it is probably a sensitive area to discuss. As a previous Minister for Transport, I encouraged the department to strongly lobby the Commonwealth for the opportunity to set up a major emergency response logistic in Darwin. It

came off the back of the Montara issue, although I was looking at the opportunity for that type of development before the Montara disaster when I was exploring our small-scale maritime response group within the department. The department did a lot of work and there was a great deal of communication between Canberra and the Territory. This government could chase that as a real opportunity where a major maritime emergency response logistic could be established in Darwin. That represents not only jobs and training, but significant infrastructure as well. When you think about and look at the map of northern Australia, and over 1500 sites that will be explored, with existing production going on, that is something that is definitely needed. Let us face it, Darwin and the Northern Territory is the logical place to locate it.

The minister has discussed onshore potential and both gas and unconventional gas. This will be a very important part of the Territory's future, but it is also a very sensitive part in negotiation. That relates to education and awareness. Across the board, all members of parliament will be dealing with constituency concerns about exploiting those unconventional gas sources. The minister touched on it ...

**Mr ELFERINK:** A point of order, Madam Speaker! Pursuant to Standing Order 77, I move that the member for Barkly be granted an extension of time.

Motion agreed to.

**Mr McCARTHY:** Madam Speaker, I thank the member for Port Darwin and colleagues.

It is a very sensitive area and needs to be handled very carefully. The minister will get a lot of good information from the Northern Territory's Energy Futures committee that was established by the Chief Minister, as that committee is doing a great job. It is a privilege to be a member. The knowledge each committee member is gaining and translating back into the reports which will come back to government is extremely valuable.

The minister needs to take solace that work is being done. A word of caution: that needs to translate into very careful government policy on how we move forward. I say that particularly as the member for Barkly because when you look at the major areas for exploration of unconventional gas in the Northern Territory, two of those are in the Barkly and a third one crosses over between the Barkly and the electorate of Namatjira. We are very interested in that. It will be a long but, hopefully, productive journey, where we will bring the community with us and make sure it is a safe, secure and environmentally-friendly journey.

The last part of the minister's statement gave hope and looked to the future. That is very positive to finish on. As I said, we hope to see more. We want to see and hear more, and would like it framed around what is next. What will this government deliver? There were words and rhetoric around what we know is in the picture. It is about creating the environment to secure that exploration that translates into the processing and production.

I remember, in the prosecution of the Country Liberal Party budget, there was \$1m appropriated to exploration of a pipeline that would run from Tennant Creek to Mount Isa and open up Territory resources for the east and the eastern seaboard. Already, in my humble learnings, industry has explained that is probably not a good idea. It supports the pipeline but, logically, and in best industry practice, it would be better located somewhere around the Plenty Highway. Already, those are some humble learnings that could save \$1m in the CLP budget. I am not trying to disadvantage Tennant Creek whatsoever because the resources in reserves and potential for production will come from the Barkly. Should it then be transported via a purpose-built pipeline to link into the east coast grids to supply that hungry east coast market, everybody will benefit.

If important things are done properly, we listen to the experts and we take the community with us. I thank the minister for bringing this statement to the House and would welcome more discussion about the Northern Territory as a future gas hub.

**Mr STYLES (Transport):** Madam Speaker, I often hear in this House what appears to be an attempt to rewrite history. You would think prior to 2001 the Territory did not exist. There was nothing, it was blank, there were no people and no lights. I remind the House, especially members opposite, there was much work done in the Territory. In fact, we built the infrastructure prior to receiving the cash bonuses from the GST. We ran the Territory on meagre budgets and look what we have; look at what Labor inherited when it won government! We had an enormous amount of good infrastructure in the Territory.

That brings me to the member for Barkly's comments on gas to Gove. I do not know if he has received or sought a briefing from Rio Tinto but immediately prior to the curtailment announcement it gave Cabinet a briefing on its view of the world. I will quote one of the statements from that briefing, 'No amount of gas in the world, sadly, will save Gove'.

They talk about previous deals and offers. I remind them nothing was ever signed. It was about looking at what was available and trying to facilitate gas, but sadly, to no avail. For those

listening to or reading this, Rio Tinto purchased the mine in 2007 and spent an enormous amount of money upgrading that plant. It never achieved the total production the upgrade was meant to achieve.

Also, to inform those listening, one of the great problems around the world at the moment in the alumina business is, since 2007 – the figures given to me are China has put about 45 million tonnes of alumina into the alumina market worldwide. Other figures thrown around are that alumina is sold for about \$1800 a tonne. The figure I have is Rio Tinto's cost of production in Gove is about \$2200 a tonne. You do not have to be a good mathematician to understand Rio Tinto is losing an enormous amount of money. It is simply about competition. When you suggest curtailment of the plant at Gove is related to gas, it is not the gas. I found gas is not the problem. The problem is China is far more competitive in the world alumina marketplace than Australia. That is a major problem for alumina plants all around the world. That, sadly, is the reality.

The other point the member for Barkly made was in relation to how great it is that INPEX is here. I agree it is terrific. However, he tried to claim all the credit for the previous government. The member for Katherine, the Mines minister, has given a good-news statement about what is happening in the Territory, and the member for Barkly said, 'It is all because of us'.

I accept the former Chief Minister, Mr Henderson, and Clare Martin were instrumental in things, but they were not entirely instrumental. It is interesting when you come into government and talk to these people; they tell you some of the issues discussed behind the scenes, prior to announcements being made. They say that one of the big things was that the ConocoPhillips plant was already here. We had a service industry here to service ConocoPhillips. We already had the LNG plant and an industry moving and bubbling along quite nicely.

Putting another plant here means you have the service industry here. As the member for Barkly said, it is a beautiful capital city and people want to relocate here. I was told, in relation to obtaining the INPEX plant, that it loved the idea of a capital city – education for the kids of workers who are here, hospital facilities and a range of things.

To rewrite history and say nothing existed prior to 2001 is not quite true. The former CLP government did a lot of the work. All the work for the ConocoPhillips plant was done when we were in government prior to 2001. Sure, it was finished when the ALP was in government, but it all led to the securing of the INPEX plant. If we did not have anything here and had no service industry,

people may or may not have gone elsewhere. I am sure there were many factors in that decision. However, trying to rewrite history to wipe out what happened before 2001 is not quite right.

I thank the Mines minister for making this statement and outlining the Northern Territory's huge gas potential and the significant exploration activities and investment being made in this sector of the Northern Territory. It is an exciting time to be in the Territory.

There has been an uptake of about 85% of land available under exploration permits or applications is exciting news. Anyone around the world can see the Territory is open for business.

I recall hearing the minister outline that the Northern Territory government is committed to supporting the oil and gas industry. That goes along with being open for business. The level of business confidence in the Territory has never been higher. People see there is a bright future. They see there is an entrepreneurial government prepared to make hard decisions so we can get businesses going, where they can flourish and generate wealth. One of the things we all need to hear is that to do all sorts of things in the community, the government needs tax dollars. To get tax dollars, you first must generate wealth so people pay taxes as without that, there are no taxes.

If you are on the other side, the answer is simply to borrow more money – just keep spending and borrowing money until the credit card is maxed out. It was a risky business doing it that way, and we see a projected debt of \$5.5bn. You only have to look federally, at an enormous overspend of \$300bn. What did we get for it? Not a great deal. Where are the wealth-creating projects that former federal governments created? No, we have a huge debt and not much to show for it. It is a very sad state of affairs.

The commitment to support development of the transport and infrastructure sectors is very high on the government's agenda. One of the major impediments to the expansion of mining and energy operations is the availability and capacity of roads and other transport infrastructure. In the Northern Territory, transport to service major resource developments is currently through existing public and private infrastructure. This infrastructure is substantial. We have approximately 36 000 km of road, 1670 km of single railway line, a deep water port in Darwin, ports in Nhulunbuy, McArthur River, Bing Bong, Milne Bay, Groote Eylandt, and there are numerous barge landings around various communities on the Northern Territory coastline.

However, there is an increasing demand for new infrastructure and for existing infrastructure to be upgraded. We know the condition of the transport network can impose significant increased operating costs on the resource industry if it is not up to standard. Poor road conditions mean trucks are forever being repaired. Maintenance costs go through the roof. For example, take the Northern Territory's road access into regional areas through a network of rural arterial and lower order local roads; many of those, mainly on the beef road network established in the 1960s and 1970s, are in desperate need of repair.

While existing corridors can be viewed as haulage options for a number of emerging resource projects, as production rates increase, large developments may seek consideration of alternative road options and new dedicated rail and port facilities. Haulage to and use of terminal facilities is expected to increase pressure on public infrastructure, which can increase the demand for and maintenance of capital upgrades, and impact on the environment.

I have recently outlined in parliament that the NT government is undertaking a Territory-wide planning study to determine what infrastructure is required to support resource-related economic development. As I said, we need to generate wealth.

There are a number of ways to get out of the debt we inherited. One is to put up taxes, and of course, no one likes that; there is a collective groan right through the community. You can reduce services, and no one wants that; you can borrow more money and we have seen what that does to the Territory economy, and we are now coughing up \$1.1m a day to pay interest; or you can increase economic activity, which then changes your debt to income ratio from 98% downwards. That is what we are about and why the catch cry for the Territory is that we are open for business.

It is permeating through not only national scenes, but also internationally. People are now starting to come here seeking investment in the Territory, as they see a supportive government trying to generate wealth. That is the name of the business: generating wealth to look after our social obligations. We obviously need plenty of money coming in to rebuild and maintain infrastructure such as the road networks and, of course, complete social obligations.

I go back to the federal situation. In 2007, when the then federal government was voted out and the Labor Party became the government, it had \$45m in the bank. I showed the graph of the debt pyramids created by Labor during its terms over many years. I look at the healthy situation

Australia found itself in going into the global financial crisis. There was no debt, \$45m in the bank. What happened? The debt started to mount the moment Labor was elected. It spent the \$45m and started borrowing money. It continued to borrow money and throw it around the place, busier than a one-armed paper hanger. We have plenty of examples of the waste that occurred when Labor was in government for six years.

When we look for help from the feds to raise some money to get things, it is a challenge. We go to Canberra and speak to people. We are trying to encourage the development of the north; there is an enormous amount of infrastructure required, and it will be a challenge for us to get money and assistance from the federal government. Like us, it has been left with an enormous Labor debt. We have a budget, though, and we will be using that budget wisely to support, where we can, the wealth creation of private industries.

A study on infrastructure and transport requirements throughout the Territory is due to be completed by the end of 2014, and the report will identify what general community, utility and transport infrastructure is required. We can then start to target where we will spend our money and where we will get the best results and the quickest return to assist the people of the Northern Territory in getting rid of debt and increasing economic activity.

We will be working very closely with the Department of Mines and Energy, the resource and transport industries and community stakeholders to get down to the nuts and bolts of what resource activity is, what the forecasts are and what infrastructure is needed to support exploration and the movement and export of product. From that report we will develop a prioritised program of recommended regional infrastructure works. This will not only help us use available funding smarter, but will provide an evidence base to assist us to seek new funding. If we have a plan – and we are in the business of making plans – we will develop that plan, and ensure we have it right. We can then go to Canberra and seek some support, especially from the Prime Minister with his 2030 vision for the development of northern Australia.

Last year in parliament I outlined that the Northern Territory government has commenced very important work in developing our integrated transport planning investment road map. This is very interesting work. The long-term plan for the Northern Territory's transport system development will be at a very high level. There will be two major strategies being developed under that road map to strongly support the resource sector.

Those are the roads and bridge strategy and, from memory, the freight and logistics industry strategy.

The freight and logistics strategy will identify resource development areas, current and emerging freight routes and will look at freight and logistics infrastructure required to move freight, including ports, airports, railways, roads, hubs and other important transport requirements. It will identify what freight corridors and areas need protecting for the future so we can put those corridors in now before things are built out and overcrowded. This is so, in hundreds of years, people can look back and say at least somebody got that right when they put freight corridors there. Importantly, it will identify costs and funding for investment sources. It will also ensure we have appropriately trained and skilled people in the transport sector to help drive growth and the development of the sector.

I note there are companies in the transport industry which have great training plans. I was talking to people at Maningrida the other day. A new company has arrived, a new barge operator, which is looking at employing local people to do stevedoring. It is prepared to help people. I know Toll is also out there doing similar things. We now have some competition in the barge industry that is creating local employment so Aboriginal people have real and sustainable jobs in communities across the Northern Territory.

It will also ensure we have a number of major infrastructure development projects planned or considered for further detailed feasibility studies. We need to have things in the pipeline. We need long-term planning. I can assure people listening and who later read this *Parliamentary Record* that is well under way and the strategies we will put into the road map will all facilitate where we go in the long and short-term.

All of those projects will be strongly supported. We will support the resource sector. We will include things like further development of the port of Darwin. We still have much work to do planning for the second port at Glyde Point, including the extension of the rail line to the port.

There are people talking about the extractive minerals industry. When you look at a map of existing Territory mines and see the people who have an interest in opening new mines – if you go a couple of hundred kilometres either side of the rail corridor there are over 100 new mines likely to open up. Like any mining industry, it needs to be able to transport its product to a market. If the market is overseas, it needs a port it can move it to in a timely manner so it can get a return on its money. It is no good having a port you cannot get anything out of or which is overcrowded and you must wait six months to get products out. The

government is planning for a second port. We are talking to people and planning for extra rail and road infrastructure to help move this product.

We will, of course, be undertaking a feasibility study on the rail line from Mount Isa to link in with the Alice Springs to Darwin rail line around Tennant Creek. That is an exciting opportunity. People I am talking to at briefings tell me there is enormous interest in this rail line. The port of Gladstone is quite congested, as are other ports along the Queensland coast. It also has another issue looming: bigger ships moving inside the Great Barrier Reef. It may, at some stage, have to go outside the reef, which will add extra time. It is also about crowded ports.

We have a magnificent deep water port here and an opportunity to develop the area at Glyde Point. We can take some of the pressure off those ports in Queensland by bringing product through Darwin.

I was recently talking to some people from South Australia, who are looking at, perhaps, moving some of their extractive minerals from the middle of South Australia up through a new port in Darwin. It takes 10 days to bring a ship from Adelaide around to where it joins the shipping lanes from Darwin heading north. When you look at people having money out, lines of credit, overdrafts, and things like that ...

**Mr ELFERINK:** Madam Speaker, I am so captivated and enthralled by the member that I request an extension of time pursuant to Standing Order 77, so we can all be bathed in his wisdom.

Motion agreed to.

**Mr STYLES:** I sincerely thank the member for Port Darwin for those kind words and the extension of 10 minutes.

When you look at opportunities available in Darwin, the South Australians and Queenslanders are talking about moving product through Darwin, which can only be good news for our economy.

I look forward to the results of the study and what will be recommended. It will also deal with the development of key logistics infrastructures in Katherine – there we go, another mention of Katherine, member for Katherine – looking at logistic hubs. Obviously we get product coming from Western Australia. We are looking at the possibility of railway lines from the Ord River region where there will be an enormous amount of food growth. How will we get it to Darwin? There is talk about air freight out of Darwin. There are proposals for fully up-to-date export facilities in Darwin. That is currently being discussed around the town at the moment. These are things which will do nothing but increase wealth generation that

occurs in the Territory. With that comes spending and GST revenue, which is how we will not only increase economic activity here, but reduce the debt we inherited from the previous government.

I look forward to all these things happening as, no doubt, most Territorians will.

The Northern Territory government is also expanding the Darwin East Arm port development. As has been mentioned already, the \$110m Marine Supply Base, when finished, will service 1000 vessels each year to support the Northern Territory's expanding oil and gas sector. The marine base has been constructed to international standard and will operate 24 hours a day, seven days a week.

There is an enormous amount of facilities there, such as illuminated wharf structure, berthing and mooring facilities, lay down areas, bulk storage, facilities for rock out-loading, huge warehouses, roadways and an enormous paved area to increase efficiency and operations for existing and future oil and gas support industries and operators. It will also attract private investment and cement Darwin as the oil and gas hub for northern Australia.

That fits in with the Prime Minister's picture of northern Australia, everything above the Tropic of Capricorn. It is an exciting time to be in the Territory.

The other aspect of what is happening to oil and gas is further support to the industry. The Northern Territory government is managing a \$0.5m upgrade to the refurbishment of the Royal Darwin Hospital helipad so it can accommodate large and powerful S-92 and EC225 helicopters. The reason we have to upgrade the current pavement is the helicopters are 12.2 tonnes a hit. The government is working with industry to upgrade facilities so we can have world-class standards of infrastructure. The upgrade of the helipad facility at RDH will have immediate benefit, not only for oil and gas, but for the wider community, the armed services and other industrial services.

The upgrade and the associated works at RDH is a very important contingency for emergency management throughout the Ichthys project. In the event of a medical emergency, RDH has been identified as a primary hospital facility for the transfer of personnel with serious medical conditions. It also includes the use of RDH as a medivac destination for offshore pipeline vessels, should this be required. It is always a difficult situation when laying pipelines under the sea. Accidents, hopefully, do not occur, but when they do, we offer world-class facilities. That helipad will be upgraded to a 21 m diameter. If you have

seen the size of these helicopters you will understand why they need such a large pad. With night landings and storm swell conditions, you need to be well lit. They will all have pilot-activated lighting, the latest technology which is up to international standards.

All of this is only possible with the commitment of government, private enterprise and with a helping hand from the federal government. We would love to be running around with a cheque book, investing in infrastructure to help generate wealth in the Northern Territory. However, sadly, we are a bit hamstrung by huge debt. Our federal counterparts are also struggling under a mountain of debt in Canberra. It will be a difficult task, but we are up for the challenge. We will go down there and it will be our job to sell our development in the north, which will fall in line with the Prime Minister's vision of developing the north.

I commend my colleague, the Minister for Mines and Energy, for his statement on the Northern Territory's gas future. I thought it was a nice bright light shining for young Territorians. My kids listen to this and see the Territory has a bright future. They tell me they are glad they all live in the Territory, and this is their home. They think they would rather be here than anywhere else in Australia, and I agree with them.

Madam Speaker, this is yet another indication that the Territory is open for business. As Transport minister, I will ensure we plan and develop the required transport infrastructure and services to ensure maximum development of the Territory for the benefit of all Territorians.

**Mr VATSKALIS (Casuarina):** Madam Speaker, I agree with the previous speaker on one thing: it is a very good statement. Any statement which talks about the bright future of the Territory is a good statement.

I agree with the previous speaker, as I also hate rewriting history. However, during his speech, he did nothing else except try to rewrite history. Irrespective of what he said – and it is what happened today – as the member for Nelson said, this does not happen in one or two years, but over a very long time.

As for the member for Sanderson saying 85% of the available land was taken for oil and gas exploration, it was. I remember publishing maps and bringing them into this parliament in 2011. You remember that very well, member for Katherine. I have no problem with building on foundations we, as a government, put down before. I agree with you and will support you.

It is what we did too. We wanted the Territory to have a bright future. We wanted to keep our

Territory kids in the Territory, rather than lose them to Queensland, Western Australia or somewhere else. We wanted to give jobs to Indigenous Territorians where they live, so they did not have to leave the Tiwi Islands or Borroloola to find a job, but could work there. The mining, oil and gas industries will not take people away from their homes. They will bring jobs to their communities.

The Territory has a bright future. I fully agree with the Minister for Mines and Energy; I am very pleased that at least he is a minister who understands that and works very hard to achieve what we did before.

As for the member for Sanderson, I will make a few comments. We had lights, roads, electricity, hospitals and airports before 2001. One thing we did not have was a government prepared to advance the Territory through oil, gas and mining. I remember very well that for political reasons that government chose not to approve exploration licences because it wanted to fight Canberra and Indigenous interests with regard to native title and land rights. It was the wrong approach.

The moment we cut the red tape and managed to overcome this issue, the Territory mining, oil and gas sectors boomed. I encourage the current minister to continue to do that. Do not play politics, just look at the future of the industry and the Territory. The mining industry is the biggest industry in the Territory; it generates a quarter of our gross state product and employs more than 4500 people. I am very pleased to say that, as time goes by, it is employing more Indigenous people.

Madam Speaker, I remember very well the time you worked for the Minerals Council. After you quit your job and came to parliament, although we were on opposite political sides, we both agreed we had to work together to make sure we attracted more of the mining industry here, as well as oil and gas. Everybody has to admit the previous Labor government did very well with that; we brought the industry here. We went to China, promoted the Territory and many Chinese companies invested here.

This is the second round, member for Katherine. Yes, oil and gas potential for the Territory is enormous. The reality is that companies will not explore this potential unless they have clients. If they can secure clients, they will drill a hole to get the gas and will do what you want. Your job now is to help the industry and work together with the industry to get those clients to the Territory. We know very well the hungriest and thirstiest country of the world at the moment is China. Japan has already secured supply from Australia through

Gladstone, Darwin, with ConocoPhillips and now with INPEX.

China is now looking for an LNG supply. It is building 17 terminals on the eastern coast because environmental issues in China have become so severe the Communist Party of China is afraid of public pressure. Pollution could be one of the factors that creates problems for them. I have been there, I know what Chinese people feel. They have no problem with the Communist Party being in power, as long as they do well. They have realised they might be doing well, but they cannot breathe the air in the cities.

I remember going to Beijing before the Olympics, and for five days, we did not see the sun. After the Olympics, when the Chinese government closed polluting industries around Beijing, I saw the sun. When I was in China this time, I read in the *China Daily* that most pollution in China is generated in the province of Hebei, where manufacturers still use coal for steel manufacturing. Beijing was clogged, and Shanghai, Hong Kong, Xiamen and Guangzhou were severely polluted.

There is an opportunity for us there. What I say to you is, get the industry together and try to promote the Territory as the source of natural gas and LNG. I appreciate the statement by the member for Sanderson with regard to transport and infrastructure developments. We need it. On the other hand, you must be careful where you put new roads. You cannot put them everywhere because you will then not be able to maintain them. We found out that within our infrastructure, out of so many thousand kilometres of road in the Territory, only 9000 km or less was bitumen. The rest was dirt road that required a significant amount of maintenance.

The industry can pay for infrastructure if it is going to go to remote areas to drill for exploration, it usually does. It will be a big ask in some areas. Some of those mineral finds will not be next to towns or cities; they will be in very remote communities.

We all know the geology of the Territory. The department has done a marvellous job in describing the geology and publishing maps of the geology of the Northern Territory. These are the maps that were drawn when I encouraged the department to draw them during my time as the minister. These are the maps we gave to the industry. That is why the industry is here today, not only for oil and gas, but also for mining. I applaud you for continuing the same practice.

If we do not give the information to companies before they make a decision to explore, they will never come here. They do not want to spend the

money to do the pre-exploration assessment; they prefer us to give it to them. It costs us money, but it will generate more money to the Territory if companies come here, start exploring and successfully find LNG.

The information I get from the industry is frightening in that work health has to lift its game with regard to oil and gas. I do not think it is adequately equipped to address issues with oil and gas exploration or exploitation. I have been advised that work health has not published how many inspections of mines it has done lately, nor how many hours have been lost. We used to publish them on the web. Its attitude is, 'We are here to help, we are here to advise and not to have a serious regulatory role'. This is very important because if something goes wrong, everyone says, 'It was not me, it was the minister's fault', and it will land on your desk. It happened to me, so I will ring the alarm bells to make sure it does not happen to you. It will be human life suffering if something goes wrong on a mining site or on an oil and gas exploration site.

The only thing that concerns me in your statement is that it looks like you have advised the department to create a policy for the next 20 years. We have an energy committee that is currently sitting and going through a lot of work to find out what the needs of the Territory are for the next 20 years. That committee has not yet provided any advice to anybody because we have not reached our conclusions. You pre-empt the decision of this committee. I suggest the department holds back on its policy development until the committee has tabled its findings in this parliament. The department can then use the findings of this committee to draft its policy.

Otherwise, why am I and the members for Daly, Barkly and Arfura wasting our time collecting all this information if the department decides to develop a policy without taking into account what we have to say in parliament?

I draw your attention to fracking. Fracking has become a very sensitive issue. My position on fracking might be different from yours and from other peoples. I understand the science behind it, and the difference between fracking in the Territory and in other jurisdictions. People also tend to get confused between the coal seam methane issues in Queensland and fracking in the Northern Territory. That could be two different things. Many people do not know that fracking has been undertaken in the Territory for the past 30 years, starting with the Mereenie gas fields 30 years ago in Alice Springs and continued through time. Developing policy about fracking without having solid scientific backing for your arguments to the public can be very dangerous and can create many problems.

I remind you of the flack I copped when I signed for the location of the ConocoPhillips plant in the harbour. There was so much misinformation floating around, it was frightening. I had people telling me that if an LNG cargo ship catches fire in the harbour there would be a nuclear-like explosion, which was unbelievable. I had one of the CLP members, the then member for Goyder, objecting to the establishment of the ConocoPhillips plant in the harbour, which was utter rubbish. The only way we defended that was with clear scientific advice and presentation of all the facts to the public.

Fracking can be a very contentious, sensitive issue because many people do not understand the science behind it or they misunderstand the frightening names of chemicals used in fracking. To give you an example, I recall a few years ago a campaign to ban H<sub>2</sub>O was run in America. H<sub>2</sub>O is a terrible element, which kills people. If there is H<sub>2</sub>O in a room, people die. An enormous number of people signed to ban H<sub>2</sub>O. What they signed to ban was water, which is what H<sub>2</sub>O is.

You must be very careful how you go about fracking because you can finish with such a reaction from the public that it will be impossible to proceed. I encourage and support you to proceed with exploration for oil and gas. How it is done is to provide information to the public. It is better to be front-footed rather than try to defend it, because when you reach the stage of defence, you have already lost the war.

Minister, I welcome this very good statement. I am also looking forward to hearing another statement about the Ord development because I understand it has gone belly-up and stalled. The Western Australia government does not like talking to anybody else. The food bowl described before will not be a food bowl. It will produce sugar, according to the Chinese. The Chinese are already telling people it might not happen in the next 10 years. We will see how things go.

Thanks for the oil and gas statement. I can see things are happening.

I wish you had more power to pressure your Chief Minister to provide gas to Gove because the company left, using the gas to Gove excuse to pull out. Oil and gas companies in Perth told me that. They also told me that had the Chief Minister spoken to them about gas, they could provide adequate gas for Power and Water and the refinery in Gove so Rio Tinto would not pull out.

I find it completely embarrassing that the Chief Minister tried to find excuses about why Rio Tinto left. He tried to say I signed approval for Rio Tinto to export bauxite. Yes, I did. That was a requirement under the lease agreement the

minister of the Northern Territory had to sign for Rio Tinto to export any amount of bauxite. Barry Coulter, the then CLP minister for Mines, when he was in power, had to sign exactly the same agreement for Rio Tinto to export bauxite. It was not an excuse for Rio Tinto to go. Rio Tinto had its own reason, but it was trying to find a trigger. The member for Blain knew and realised that. Unfortunately, the little boy opposite thought like a little boy and did not realise, did not get it, unless he had a secret agreement with Rio Tinto that he would pull out of the agreement for gas, so Rio Tinto would find the trigger to go. Yes, it is a conspiracy theory, but nothing would surprise me anymore.

I hope you are strong enough, minister. I have heard rumours you might be prepared for bigger and better places. Nothing surprises me in this parliament. I have been here for 13 years and have seen things I did not believe possible. If, by any chance, you go to bigger and better places, you will have the opportunity to use your position as minister for Mines to do good things for the Territory. Remember, the Territory is not only Darwin and Katherine. It is Borrooloola, Utopia, Alice Springs, the Tiwi Islands and everywhere else where people want jobs and do not have them.

I thank the minister for this statement. It is a good statement and I fully support him. Forget the politics, this is about better jobs for Territorians, our kids, our people and the Territory. I will support him in future endeavours with regard to oil and gas.

**Ms WALKER (Nhulunbuy):** Madam Speaker, I also welcome the statement from the minister. I thank him for bringing the statement about the Northern Territory's gas future before the House. I am sure members opposite are not surprised to see me stand, nor will they be surprised to hear my contribution to this debate will be about a lost opportunity for the gas future and a region shafted and devastated by the mishandling of a major gas deal that has seen a community declining before our very eyes. A gas deal was pulled from the table by the current Chief Minister, which has truly devastated a community.

My constituents would expect nothing less of me than to seize every opportunity in this House to talk about and communicate to this parliament what their views are. The Chief Minister has little of substance to say on the subject of what they are doing to support the people of Nhulunbuy and the wider region. He has nothing to say about what he is doing in lobbying the federal government for support, other than to say, 'We are having discussions and meetings'.

If the Chief Minister can only resort to personal attacks upon me, it shows he has nothing to say. To describe me as 'bitter' is reasonably accurate. I am not as bitter, angry and devastated as people in Nhulunbuy or business owners who stand to lose everything. Overnight with the announcement by Rio Tinto, their businesses have been devalued to the point no one would buy them.

We heard about shop owners, Jeff and Kelly Murray, who set up Gove Tackle and Outdoors, who are paying in the vicinity of around \$11 000 a month in rent. They are currently taking \$300 a day through their till. These are not the only businesses which are suffering. If I am bitter and twisted, then think how bitter, twisted, angry and devastated people in Nhulunbuy are. Eleven hundred jobs are going because the gas to Gove deal was pulled by the Chief Minister. That is just 1100 Rio Tinto jobs. Public servants are only guaranteed their positions until 31 March. If you are a permanent teacher, at the end of Semester One you will get your marching orders, or maybe you will win the lottery and get to keep your position there.

For every Rio Tinto worker departing the community, who are they taking with them? Perhaps there is a nurse, a teacher, someone from the retail sector, or someone who works hard on their feet in Woolworths. We are talking about much more than 1100 job losses. We are talking about a population which will decline from 4000 to - according to the Chief Minister's estimation - as little as 1200. How does that become a sustainable community?

When I talk about, in the future, 'a road to nowhere', it is because there will not be much left there. I am not talking my community down, I am talking about the reality that there is a community which services a wider region of some 10 000 Indigenous people, shrinking before our very eyes. Curtailment has commenced. Families are leaving, businesses are closing their doors and the future is incredibly grim.

I want to deliver a bit of a history lesson today, because it is my duty to remind people of what has unfolded here with some of the promises made and deals we were led to believe were done. The member for Blain, as the Chief Minister, worked incredibly hard in a difficult environment to deliver gas to Gove and made that announcement on 13 February.

When the government said, 'There was no deal done', I am sorry, but no one believes them. The member for Blain, throughout that entire process, was talking constantly about Cabinet. 'In discussions with my Cabinet; I will be taking this to Cabinet; when Cabinet makes this decision ...'

There are a number of members on the other side who were in Cabinet at the time and who praised the Chief Minister, as they should, for getting the gas to Gove deal over the line. Following a gas to Gove statement delivered by former Chief Minister Mills, announcing the good news, this is what the member for Araluen had to say:

*The Chief Minister, who clinched the greatest deal in the recent history of the Northern Territory for all Territorians ...*

...

*He has clinched the deal to provide great security for the people of Nhulunbuy and people across the Northern Territory. More than anything, it opens the door to great economic prosperity and growth – what this government is all about.*

Good on her, that praise was well earned. She believed in it, she was around the Cabinet table.

What about the member for Brennan who, at the time, was minister for Business? He put out a media release on 26 February, praising the decision, welcoming the news, as we all did:

*'Through the Territory government's decision to release enough gas to the Gove alumina refinery for the next 10 years we are providing the foundation for a solid future', he said during a visit to Gove.*

*'Big industry is in the headlines but there is a huge flow-on effect to the domestic sector that goes right down to the smallest business.'*

*'By providing the security we are setting the scene for small and medium business to seek new opportunities and for the training and upskilling of more workers.'*

I ask, if you had read that media release and listened to the member for Araluen and the Chief Minister, with his media release titled 'Gas to Gove deal, done deal', words to that effect. Would you not believe a deal was done? Would you not think people in Nhulunbuy, on the strength of that decision, would make decisions about their lives: buy a house they had been looking at that had been on the market, if they were an investor, or if you were a local business owner, buy a house and refinance your business?

That is what happened. On the strength of that announcement in February about a done deal for gas to Gove, people made decisions about their lives. The Mines minister was around the Cabinet

table, and he clearly thought a deal was done. This is the front page of the *Arafura Times*; Chief Minister Mills in the middle surrounded by trainees from the Ralpa program, which is funded through Rio Tinto and its commitment to Indigenous employment and training. Who is here on the right, with a big smile and a thumbs up? It is the member for Katherine. There is the Mines minister, and over on the right of that picture is the Business minister.

There was a full-page spread in the *Arafura Times* when Cabinet visited, with ministers' faces scattered all through these photos – the celebration, the thumbs up, gas to Gove was done.

How is it that today the minister can table this statement about the gas future and is silent about Gove? How was there a statement before this House the day before yesterday from the Chief Minister on a new future for Gove? There is no time limit on ministerial statements. The minister speaking to that statement can talk as long as they want. How long did the Chief Minister talk for? Sixteen minutes. Who else from the government spoke? The Leader of Government Business for 10 minutes. Did anyone else from the government speak on the new future for Gove? Did the Mines minister, Primary Industries minister, Education minister, Business minister, Health minister or Infrastructure minister talk about projects that had been mooted in that statement? It was pretty wishy-washy. 'We are thinking about, we are going to, maybe, we are having discussions, we are having meetings, we might have a training centre, we might establish a buffalo industry.' Did anyone talk about that? No. In total, the government's contribution to its own statement on the new future for Gove was about 30 minutes.

I spoke for 40 minutes. I used all of the time available to me. The Leader of the Opposition used all of the time available to her, including her extension time of 30 minutes. Between us, we spoke nearly three times longer than the government. This is one of the biggest things going on in the Territory right now. It is the potential collapse of a region, its economy, loss of jobs, and the government talked about it for less than 30 minutes. Other than the Chief Minister and the Leader of Government Business, not a single minister talked to, articulated, or gave any assurances about what they are doing. There was nothing. Small wonder I am a bit bitter. It is small wonder that people who live in Nhulunbuy, workers, those with businesses, traditional owners and those who have kids at school are bitter.

Let us not forget the Tourism minister, also the Housing minister. He did not speak about it.

This is just one photograph of the people of Nhulunbuy who gathered – this was the Friday after the announcement – at the Surf Club. It was a big party. 'Signed, sealed, delivered – it is yours', said the front page of the *Arafura Times*. The *Arafura Times* is a good little regional newspaper, published weekly. The *Katherine Times* is published weekly as well. We value our regional newspapers. The integrity and quality of its reporting is excellent.

Has the *Arafura Times*, somehow, got it all wrong? Is it because of poor journalism they got the messages wrong? It reported on Klaus Helms, the CEO of the Gumatj Association, the Chair of the Regional Economic Development Committee and a member of the Gove Community Advisory Committee, saying of the gas deal announced last February, 'It's tremendous news'. Did he get it wrong? He was pretty certain, as was the Gumatj clan he represents, that a deal was done.

What we have seen from the government opposite, particularly the Chief Minister, is you must be incredibly careful doing business with this government. It cannot be trusted. The Chief Minister seriously underestimated who he was dealing with in trying to be sneaky, tricky and clever with Rio Tinto, because he lost.

There was a gas deal done. We even had the federal minister post-election, Ian Macfarlane, for the second time when, as the minister, he pulled the Chief Minister in alongside him, and he looked most uncomfortable. One had come in from Amberley Air Base that morning, and the Chief Minister had, obviously, been instructed by his more senior federal colleague to get his backside on a plane to Gove and attend the community meeting with him. The federal minister said, 'I have come here today because I wanted you to hear it from me first. I wanted you to hear from me face-to-face. We have the gas.' These were his words, I am not being disrespectful. 'It is Adam's gas and I have only told Adam this news this morning as we were coming in from Gove Airport in the car.'

What sort of incompetence are we looking at where we have a federal minister pulling in the Chief Minister, the man in charge of the Northern Territory, and telling him, 'There is gas. Do you know what? It is yours.' So, there was gas.

What happened on 26 July that saw the Chief Minister announce, 'We are providing you with less gas. We are not committing to the deal of 300 PJ of gas, you can have 175 PJ'? That was it. That was the beginning of the end.

During one debate this week – I cannot remember exactly which debate – there was some quipping

across the Chamber that the value of making an announcement on a Friday was a little sneaky, getting things under the radar. Well, the Friday 26<sup>th</sup> that was used to announce the renegeing on the gas to Gove deal was also a public holiday. That was the one Friday that clearly the Chief Minister had picked as the 'sneak it under the radar' day to feed something out. Abominable!

We know the member for Katherine was supportive of that deal. In the *Parliamentary Record* of 12 February 2013, when the former Chief Minister, Mr Mills, was talking about gas to Gove, he said:

*This is a day to grab hold of the work done by the Chief Minister and celebrate the results of that hard work.*

We have seen a community devastated at the hands of this government, where there was a gas deal with so much promise for the future of a region and the company that operated there. It has all been pulled out from beneath us. I am looking at one of the media releases Pacific Aluminium issued prior to the gas deal being done in January 2013, basically summarising what its contribution was to the Northern Territory: the opportunity to double the size of the domestic gas market, to drive further investment in gas exploration and increase long-term gas supply; \$500m to the Northern Territory's gross regional product each year; and \$170m spent annually on goods and services in the Northern Territory through 89 Territory businesses.

I do not think it has fully dawned on the government what the impact of this curtailment of Rio Tinto's refinery operations will be. The loss of business and jobs is not just about Nhulunbuy. Mark my words, it will flow on to Darwin, to major businesses and even smaller suppliers ...

**Ms Lawrie:** And Katherine.

**Ms WALKER:** And through to Katherine, not to mention the loss of, potentially, the job which would have been worth \$1.2bn to get the gas pipeline through to Gove. That is not purely on the construction of a gas pipeline which would have generated hundreds of jobs over a period of time. It was also about the significant investment in Rio Tinto's steam power station to convert that power station from heavy fuel oil to gas.

**Ms Lawrie:** Royalties to TOs on the pipeline.

**Ms WALKER:** Indeed, all the royalties to TOs. I am surprised we have not heard the member for Arnhem speak, given that in the communities she represents, traditional owners would have had the gas pipeline going through their communities, parallel to the Central Arnhem Road.

The lost opportunities are simply staggering. Even more staggering is the silence from the government, from members opposite who were happy to cheer, have their photographs on the front pages of newspapers and to issue media releases saying, 'We have done this deal'. Now, it has backed away from it entirely. 'Nothing to do with us. It is a mining town, nothing to do with us. Rio's made a decision.'

Rio Tinto has made a commercial decision. We are coming to grips with that, we get that. We are going through a grieving process. We go through that typical anger, denial, but you then come to terms with it. Okay, people in Nhulunbuy and North East Arnhem Land know Rio Tinto is closing, despite our calls and a lack of any visible pressure from the Territory or federal governments to pressure Rio Tinto to slow down their curtailment. It is closing, despite our pressure calling on the Territory and federal governments to exert some pressure to give a two-year lead time for wind-down, which is what happens in the manufacturing sector.

Look at the closure of the BHP steel works in Newcastle. Look at what is happening in the car manufacturing industry. It gets at least two years. We have called for that and have had no response from the Territory or federal governments, because they do not think they have anything to do with it. Worse, they are not sticking up for the Territory or the northeast Arnhem region when they fail to lobby and make any noise about getting support for structural adjustment packages. Not hand-outs, but structural adjustment packages, as we have seen in other parts of the country where the manufacturing sector turned down.

Today, we heard the Premier of Victoria ...

**Ms Lawrie:** A Liberal.

**Ms WALKER:** A Liberal Premier of Victoria – thank you, Opposition Leader – was talking about the announcement from Toyota that it will be closing down its manufacturing in Australia, with 2600 jobs to go. We are waiting to hear about that one.

There was the SPC announcement. The Liberal Premier of Victoria today announced \$22m for SPC Ardmona – structural adjustment packages to assist that region to adjust, assist training packages for people at risk of losing their jobs and support services that feed into SPC Ardmona – the fruit growers and many services supported through that industry. He has done that within three weeks of the announcement by SPC.

The Chief Minister has had nearly three months since the announcement by Rio Tinto, and we

have heard nothing from him to indicate or give any assurance he is working and standing up for Territorians and putting pressure on his federal colleagues. Is he knocking down doors in Canberra? No, not at all. He went to COAG in December, issued media releases which talked about the need for infrastructure funding, what he will do, what he is asking for. He did not even mention Nhulunbuy, the northeast Arnhem region, and Rio Tinto in that media release on 11 December. The media release said 'North Australia on Canberra Agenda', but not if you live in Nhulunbuy, out of sight, out of mind. Why is he punishing the people of northeast Arnhem Land?

I welcome the statement from the minister and the fact that he continues to build on the good work the former Labor government did in developing and building the gas and oil industry. However, I will not let this government forget about the devastation it has caused to a region it has turned its back on.

**Mr WOOD (Nelson):** Madam Speaker, I welcome the statement from the minister. I read it a bit late today, there were other things on my mind. It is a good issue to raise. In some ways, I feel a little uncomfortable saying too much about this because I am on the Territory's Energy Future committee and would like to keep my mind open. People on that committee will be listening to people with various opinions about the development of gas in the Northern Territory. That does not mean this parliament is excluded from discussing these issues.

Gas is pretty much what larger settlements in the Northern Territory run on. Smaller communities run on diesel and solar power. On the committee, we have heard that if we can extend gas to many of those smaller communities – I do not think I am giving anything away here – there are newer options for reducing the amount of diesel used on some of those small remote communities which would, hopefully, then reduce the cost of electricity for them. There are many things happening in this field.

There were a couple of things I thought the minister should have looked at when putting this statement together. There was nothing about the benefits of gas, especially to people living out bush and Aboriginal communities. Forty-odd per cent of the Northern Territory is owned by Aboriginal people. What will be the benefits to them besides royalties? Sometimes, that is the shallow end of benefits. We need benefits that are long-lasting, such as a form of infrastructure.

We are talking about boarding schools at the moment. Perhaps there is a role for the gas industry to be part of those changes the

government is putting forward through Mr Wilson's report on education.

What is the social and economic contribution the gas industry can put into those remote communities? I just gave you one example of perhaps helping with education. Another may be that gas explorers have to go out bush, and they need roads and good infrastructure to get to their facilities. How can they work to improve those facilities to also help people who live in remote communities?

It would be interesting to see if there are partnerships being developed between remote communities and gas explorers and developers so one can piggy-back off the other. A fine example, even though it is probably a bit worn out now, is cattle roads like the Tablelands Highway. Those roads were built in Malcolm Fraser's day, from memory. They were single bitumen roads. Did they just help the cattle industry? No, they helped remote communities. They also developed tourism industries. I do not think you would see King Ash Bay today if there was not bitumen to that part of the world, because most of those caravans would have fallen apart on corrugated roads. Today, places like Borroloola have a fairly large tourism industry, based on infrastructure that was put in for another purpose.

While we are talking about gas exploration, many other things come from that which may help develop the Northern Territory. As I said, things like boarding schools may be something they can invest in with infrastructure. All those things may be spin-offs.

As the member for Nhulunbuy was saying a moment ago, regardless of the pain in relation to Rio Tinto pulling out – or three-quarters being pulled out – gas is still required to run the powerhouses at Gove. I thought the idea of trying to get gas to Gove was more than just supplying Rio Tinto, it was also to try to provide gas into those communities which would benefit them and reduce reliance on diesel.

I hope that concept has not disappeared off the map, because it is very important. If you could pipe gas to those communities, it would mean less reliance on trucking or barging fuel, which is not cheap in many of those communities. I would like to hear whether gas to Gove and its surrounds is still on the agenda, because it is important for the region.

The other area the minister talked about was unconventional hydraulic fracturing of gas. Towards the end of his statement, it says the government is doing its best to get the story out about fracking. I applaud that. The government has had a number of regional meetings. As a

member of this committee, I want to keep a clear mind on these issues. There are people who have some legitimate concerns about fracking. One of the issues is how much water is used. That issue needs to be looked at and is something the committee can do. I assume the department is looking at those things.

There are other people who do not want any more fossil fuels to be used. They believe by allowing fracking you are allowing more gas and fossil fuels to be burned, and more gas into the atmosphere. While that might be a reasonable philosophical point, it does not necessarily mean the science is right, or that you use spurious arguments to get to that point.

I did not listen to the *Country Hour* today, as I was working on other things. I always have the *Country Hour* website on my computer. It said:

*A group of Katherine locals is ramping up efforts to stop shale oil and gas exploration in the Northern Territory.*

*The exploration, which can involve the hydraulic fracturing of rock deep below the earth's surface, is occurring in the McArthur, Beetaloo, Georgina and Amadeus Basins.*

It went on to say:

*The process, however, has concerned Daniel Tapp from Big River Station, near Mataranka, who says people are worried about the potential impact the drilling will have on water resources.*

*He says the local community doesn't want the exploration to happen on their land, so they've decided to start a lobby group against it.*

...

*Stedman Ellis from the Australian Petroleum & Exploration Association (APPEA) says there is no need for people to be alarmed about the industry.*

*'The industry will go above and beyond regulations to ensure the protection of water.*

*'The fundamental part of the process in successfully producing the gas is keeping the gas inside the well and the water outside the well', he said.*

I will not read the whole article. I am highlighting the fact there are some people who still have concerns about fracking, some of whom are

pastoralists. It will be an ongoing discussion, whether we like it or not.

The minister has promised some upgraded regulations in relation to fracking. I think you mentioned it in the statement. I am not sure if they are parts of an act or simply an upgrade of regulations which must come to parliament, but I am interested to know what those regulations or changes will be. They were promised some time last year.

When we talk about the Northern Territory moving ahead on gas, we understand that much of that gas will be unconventional. Some will be standard drilling for gas, some will not. Whether we like it or not, that discussion is out there. We need to have all the proper information about it, especially if we are to counteract what, in some cases, might be spurious claims. In other places, concerns they have might be legitimate. It cannot be put under the carpet; it needs to be addressed in a logical and scientific way.

I am a little sad that the Northern Territory's Gas Future statement could not have been a little broader. I would have liked to hear a little more about where we are going with geothermal. I have been a geothermal fan since I started in parliament. I went to – I am trying to think of the company's name which was centred in Brisbane, it is that long ago – to discuss how Innamincka was going. I am not sure how far it got; it should have been doing a trial ...

**Mrs Price:** Innamincka is not working. It blew up. I was down there.

**Mr WOOD:** It will not be much good me going there. It had been working on it for a long time. It is very expensive. The member for Stuart has said the generator of the trial powerhouse blew up. That does not fill me with joy and excitement, that is for sure.

However, geothermal is known around the world. We were using a system of what is called hot or dry rocks, which are some of the hottest rocks in Australia or the world. Many other places get it from things like geysers and being close to volcanoes.

The potential for producing power at Innamincka was enormous. I might do a little research there. I was hoping to go there one day, but I do not want to see a project that has blown up. I will investigate that.

Although we talk about gas, we need to talk about those other forms of energy as well. The committee's trip to Perth was very enlightening. I am not sure how much can be repeated because the committee has not issued its report yet. In

general, we heard some very interesting developments about gas in the Northern Territory such as, as I said before, possibilities of being able to supply gas to smaller communities, which is a plus.

The minister mentioned the term 'cleaner'. It always reminds me of the time when I was discussing gas being 'clean' with Clare Martin, the former Chief Minister. It is a bit of a furphy because if you look at how much carbon emissions come from gas, it is still high, but not as high as black or brown coal. Sometimes ...

**Mr Styles:** Or diesel.

**Mr WOOD:** Yes, or diesel. We have to keep things in perspective. This is not a carbon-free form of emissions ...

**Ms Lawrie:** Cleaner.

**Mr WOOD:** Yes. Sometimes there is a bit of spin. We are still putting out carbon emissions from the use of gas. The hope is we can increase the amount of solar use, especially in remote communities, and use the other form of producing electricity when there is not enough power from solar. I am not saying solar has all the answers, but it has a lot of potential in remote communities, except it is pretty expensive at the moment. Until that cost comes down, it will be that way for some time.

Minister, I thank you for your statement. As I said, perhaps you can look at some of those other issues in your response, such as how the development of gas can help remote communities in providing facilities and more infrastructure so we can have a partnership. It is not just people going out there and drilling holes in the ground, it is people being part of that local community and willing to invest in that community. We see some of that investment with companies like INPEX. It is a big gas producer and has invested in Darwin and other places in the Northern Territory. ConocoPhillips has done the same thing; it is a gas producer and it invests locally. It would be good to see that where this gas is produced there is a chance for development to be shared and benefits given to those people who live out bush. That was not mentioned in the statement. It may be something you could look at when summing up.

**Ms LAWRIE (Opposition Leader):** Mr Deputy Speaker, I thank the minister for bringing the statement to the Chamber. This could have been a really exciting statement. If the Chief Minister had not reneged on the gas to Gove deal, we could have had a statement about the doubling of the domestic gas industry in the Territory. We had

ENI, Santos and Armour lined up to take a slice of that massive domestic gas market pie.

I met with senior executives of the oil and gas industry from late 2012 to 2013. Until that midpoint of July, following the former Chief Minister's announcement of gas to Gove and the gas deal, and everyone knowing what that meant in real terms to the domestic gas supply market in the Territory, it was game on. It was an exciting time for the industry. It sent a very strong signal about the Northern Territory government working with industry, understanding industry's needs, understanding pressure points in industry and being an active and leveraging player in delivering exciting projects such as the construction of the gas pipeline. You have heard members talk about the potential for communities along the way in the real training and employment and, of course, royalty streams that yields. We saw that with the construction of the gas pipeline to connect us to the Blacktip fields.

This could have been an incredibly exciting gas statement. I feel genuinely sorry for the minister who has had to make this statement, because it is a shadow of what it could have been. We would have been right in the midst of some pretty exciting negotiations around what those companies are doing and how they are lining up. ENI was going to bring forward exploration of Penguin Deep; it was very excited about the prospectivity there and were going to sink tens of millions of dollars into it. We are talking big bucks in investment by the oil and gas industry into these yields.

Santos, of course, was thrilled because of what it was proving up with Mereenie and how it was placed. Not quite so thrilled now would be a very gentle way of putting how the industry really feels about what has happened.

I am glad APPEA now has someone based in the Northern Territory because that timing has been important. It is an important industry stakeholder, and I urge the government to work as constructively with APPEA as it can.

No government will deliver exactly everything every industry wants because that is not the government's job. However, we can, and do, facilitate and leverage real opportunities for Territorians in this exciting sector in the future energy supply, not just for the Territory but, of course, selling into that all-important global market. We have the relationship established in the Japanese market, and I will talk about that further.

Through INPEX Total contracts of the Ichthys project, Taiwan, for the first time as a market, has opened up to us – not an insignificant market. I

met with the South Korean ambassador on his way through Darwin not so long ago. They are extremely interested in what is occurring in gas exploration offshore in the Territory. He was curious about the onshore prospects. I advised the ambassador of the Committee on the Northern Territory's Energy Future, created by the government.

I believe it is fair, when dealing with nations discussing onshore supply, to be up-front about our internal domestic processes and let them know we have traditional owners, first and foremost, the owners of vast tracts of land where we have these onshore developments. They would need to play a role in information, discussions and, ultimately, negotiations with them to yield these resources.

Overlay that with the, as yet, unresolved fracking debate in the Northern Territory, which is crucial to the work of the energy committee of the parliament. I note the statement by the minister pretty strongly indicated you are already there; as far as the government is concerned, you are pro-fracking. I urge caution in pre-empting the outcome and recommendations of a parliamentary committee. We have these committees so we can find out for ourselves what occurs in the Territory and what the circumstances are. The opposition has been very upfront with stakeholders in indicating we have not yet formed a policy position, but are fully participating in the energy committee to hear evidence and understand what that evidence shows.

I note the comments of the member for Nelson, who has raised a point I wish to highlight. It is timely, because the minister who made this statement is also the minister for natural resources. He issued a media release today pointing out that the Territory will have one water catchment committee, rather than a series of committees which it has had in the past. Water advisory catchment committees covered specific targeted areas in the Northern Territory to look, in a more regional manner, at the water allocations of those regions. That has been scrapped by the minister and we now have a situation where you will have one Territory-wide water catchment committee. I have some genuine concerns about the process. We will be looking for some information to come forthwith from government on that policy shift, what has prompted the policy shift and what its reasoning and thinking behind it is.

When it comes to fracking, without a doubt it is about how much water is needed for that process in the area of a specific project. I have some concerns about moving away from regionally-based catchment committees to a whole-of-Northern Territory committee at such an important time. Our community is embarking on debates

around the value and environmental processes of fracking, which goes straight to the great water debate.

It is curious timing, minister, and perhaps not helpful in your own pro-fracking policy position enunciated in this statement. You seem to have pre-empted the outcomes of the parliamentary committee, but so be it. It is a bit of a cavalier style, which is a hallmark of the way you operate. Handing out gigalitres of water licences to your CLP mate, Tina Macfarlane, was as cavalier as it comes, and we are still putting FOIs on that. I will give you a tip: that one has not gone away.

I have mixed feelings about this statement. I was hopeful. It could have been a fantastic statement if only the Chief Minister had not reneged on the gas to Gove deal. You have heard, in the member for Nhulunbuy's contribution, the very genuine consequences of that reneging. It sent a signal and a shudder through a crucial mining sector, oil and gas sector, and to us, that the government's word could not be trusted. It took as word that there was a deal from the Chief Minister of the Northern Territory and could not believe a Chief Minister of the same party could arbitrarily renege on a deal. It is a very dangerous sovereign risk signal the CLP has sent to global companies, which are expected to look at the potential of investing hundreds of millions of dollars – into the billions – in projects.

On our watch, we saw the resources sector grow, increasing to a 17% contribution to our economy, supporting hundreds of jobs. We saw the delivery and foundation of the ConocoPhillips DLNG gas processing plant. We won what many people thought we would never get, but we got it off Western Australia; we have the Ichthys project here, which is under construction both offshore and onshore. I am getting regular updates from INPEX Total, and I appreciate those updates. It is a big project, our nation's second largest project at \$34bn. It is Japan's and France's largest ever investment in Australia.

What DLNG and Ichthys at Blaydin Point both do is establish the foundation of a significant potential to yield the exploration and land it onshore in Darwin going forward so you know what the next big project is. Those two operations both have pre-approved trains, which is what gives us our competitive advantage in the global oil and gas market. In my discussions in Tokyo in December with the Ministry of Energy, Trade and Industry – METI – in Japan, it was an interesting time when it was on the verge of announcing its future energy considerations. Japan has huge issues with the nuclear plants. There is speculation it may have only 11, at some stage, come back into commission.

We are well positioned with our gas supply arrangements already, through the DLNG suppliers as well as the supply contracts coming out of the Ichthys project. Most people do not know INPEX is a minor shareholder in the ConocoPhillips DLNG plant. It has a stake in both plants – a significant stake in the Ichthys plant, and a not unreasonable stake in the DLNG plant. INPEX is partially owned by the Japanese government, and those links are incredibly strong and vitally important to the future positioning of our oil and gas industry in the tremendous number of fields that are explored. Its oil and gas discoveries are very exciting. Whether we look at the Browse Basin or where Evans Shoal is sitting, we are so well placed to leverage and land additional trains into DLNG as well as the Ichthys plant at Blaydin Point.

I was disappointed the gas statement did not go there. It did not explain what our future prospects are in delivering onshore from offshore exploration fields. That really is the big kahuna, and the next big series of projects for us. For me, it is about smart, targeted lobbying, discussions and negotiations with the respective companies. While you have your focus firmly set onshore, it is about understanding that with extraction process and ownership issues you are setting yourself up for a harder task than needed in leveraging where the next big projects are coming from.

Each has its own policy settings. Labor policy settings have been to pursue and leverage offshore into plants in Darwin at Middle Arm, through DLNG and Blaydin Point. You will pursue your policy settings, we will pursue ours. I firmly have been, and will continue to.

The importance of the Marine Supply Base fits fundamentally into the centre of that picture. There is no doubt the oil and gas industry is very excited about the Marine Supply Base. It understands it will meet its needs. ConocoPhillips is a foundation customer, along with Shell and INPEX. I do not fail to appreciate what a huge announcement INPEX made when it said it would be a Marine Supply Base customer in Darwin. It was under enormous pressure to land its Marine Supply Base custom over in Western Australia but it totally stacked up for it to be serviced and supplied out of Darwin.

I urge the government to get some decent briefings on and get across the service and supply industry, because that is the job multiplier effect sitting out there across our industries. The manufacturing industry can really grow off that. Get over to Aberdeen and have a good look for yourselves. We managed to do that while in government, and you would be well served if you did it too. Linkages between the Marine Supply Base and the hydrocarbons institute at Charles

Darwin University are fantastic and exciting. We have a one-stop shop emerging for the oil and gas industry in the Top End.

I am interested to hear where the government is at with its conversations with Dow Chemicals regarding the petrochemical plant it indicated it would be interested in as a downstream industry. I am interested in hearing from the government whether it still firmly holds the position that Dow Chemicals' petrochemical plant will not be located at Middle Arm, which has been your position to date, and whether you are still intent on ensuring it will be located on the heavy industrial land you have identified at Glyde Point. These are very genuine questions I am asked, and I let people know I will ask the government when I get the opportunity in parliament. I look forward to you addressing, in your reply, answers to some of these questions.

Last time I saw figures of the infrastructure required to develop Glyde Point, they were in the vicinity of \$500m. That, of course, is not a small price tag. I am interested in hearing what your vision is of the infrastructure to service what you have identified for the next heavy industrial area development. Have you seen the environmental impact statement on Glyde Point? Do you understand sea grasses that rest off Glyde Point are crucial to dugong and turtle breeding grounds, which is why our government decided to head just slightly south, away from those important breeding grounds, and settled upon the heavy industrial location at Gunn Point? It is not far from Glyde Point at all and, logistically, closer to Darwin and our existing port, service locations, etcetera. It would be interesting if the minister could touch on where he perceives all of that heading.

These are, potentially, exciting times. We have a bit of dampening, a lull and not quite the drive and focus you expect from a fairly new government. It is disappointing, but I hope you do not take your eye off the ball. The ball is well and truly in leveraging the opportunities of the DLNG and Ichthys plants at Middle Arm, with those preapproved trains, with our existing Marine Supply Base and the hydrocarbons institute to promote the Territory as the place where all of those offshore fields should consider landing.

I have also heard the aspirations of the people of the Tiwi Islands. They have their port up and running. I wish them all the very best in negotiations that will be held by Mitsui, looking for customers. You can have and encourage a variety of industries. I encourage the government in that.

I agree with the member for Nelson that this debate could have been broader in energy. There is no doubt we have had some exciting advances

in solar energy. Look at the work that has been done by the Centre for Applied Technology (CAT), in positioning itself as a great research institute for solar and delivering some exciting solar projects around Central Australia. Please do not take your eye off that ball either. It will yield real opportunities across remote communities. You can see the Bush Lights program investment by the federal government. It is heartening to travel to very remote communities, really small homelands in some cases, and see the installation of solar facilities. It was a Labor initiative. I hope a relationship between the CLP and the federal government in Canberra yields a continuing program of the Bush Lights roll-out to see further solar installations across remote parts of the Northern Territory. There are still many communities that need that construction.

We have spoken in the past about geothermal opportunities around the Barkly. I am sorry to hear the generator blew up, but research takes years of investment, and trying and trying again, before you get to where you want to go.

The CLP, when it was in power in the past, looked at tidal power. I am interested to hear from the minister as to whether there are any proposals for tidal power and what is happening in the research and development area. Have you met with researchers in alternative energies? Are they looking at, with great interest, any potential partnerships in the Northern Territory? If you could give the House an update on that within the context of this gas statement, I would appreciate it.

I will not sign off on my contribution without saying this. What an incredibly tragic missed opportunity gas to Gove was. It would have doubled the domestic gas market, saved 1400 jobs and the township of Nhulunbuy, given a massive boost to the entire northeast Arnhem region and delivered Indigenous employment, training, jobs and royalties across the construction of the pipeline. Do not drop the ball that significantly ever again, and repair some of the damage you have done. Napthine gets it: government has a role to play in structural adjustment packages. Do your job.

**Mr WESTRA van HOLTHE (Mines and Energy):**

Mr Deputy Speaker, I thank all members for their contributions to this debate. I was rather enjoying listening to some of the contributions, until Grinch number two on the other side of the House, the member for Nhulunbuy, gave her presentation. It was a steady decline after that, when the Leader of the Opposition also had her crack.

I will respond to some of the issues raised by other members of the House in their contributions to this debate, but I will not be drawn into issues that do not relate to the gas statement. The

Leader of the Opposition called for updates on all things from Glyde Point to Dow Chemicals, to tidal and solar, and the member for Nelson wanted to talk about geothermal. I will not go there this afternoon. I will be happy to provide, by either a ministerial statement or an adjournment debate, some updated details on some of those issues as they become relevant and to hand, but I will restrict my closing comments to issues around the gas industry.

By and large, the tenet from the opposition and the member for Nelson was they were very pleased to hear this statement. We are all pleased this statement was brought to the House because it provides a fairly comprehensive update on the gas and petroleum exploration situation in the Northern Territory. It is important for the people of the Northern Territory to also have an opportunity to hear what was said today or read about it in the *Parliamentary Record*, or whatever form of media they choose.

Touching on a few of the things raised, the member for Casuarina is very good at giving gratuitous advice. I am not quite sure that the way he delivers his advice is genuine. He sometimes comes across as a bit condescending. Obviously, that is a trait he has picked up from the Leader of the Opposition because her contributions are constantly in that vein. Nonetheless, the member for Casuarina can rest assured we, as a government, and I, as the minister, are doing everything he suggested. Thanks for the advice, but we are pretty much onto it, thank you, member for Casuarina.

The tone of the contributions from those opposite was that we have picked up on all the initiatives and hard work done by the former Labor government. I deliberately tried not to make this speech overtly political. It was a genuine attempt to update the House on what is happening in gas and oil exploration across the Northern Territory. However, in their usual fashion, members of the opposition rewrote history and would have everybody in the Northern Territory believe, prior to 2001, the Northern Territory was a deserted wasteland with no development, no economic stimulus, no infrastructure and nothing in it. Of course, on the seventh day, the Labor Party came in and everything was hunky-dory in the Northern Territory.

We know that is not the truth because prior to Labor winning government in 2001 we had enormous development in the mining sector, for example. All the big mines across the Northern Territory came into being during the reign of the previous CLP government. The only exception would be Bootu Creek, where manganese is mined. It is fair enough to say, 'Your government, our government, my government, came in in 2012

and rode on the shirt tails of the previous Labor government'. All right, we continue the good work that was being done, and some good work was being done. However, there is never any recognition from the opposition that in 2001 it came in on the back of an enormous amount of work the CLP had previously done in building the economy of the Northern Territory. Remember, the government in those days started from scratch.

I will leave that part of the debate there. As I said, I did not want to be drawn into politics on this. However, the opposition needs to be reminded that the Northern Territory was not a barren wasteland prior to 2001.

The members talked a bit about fracking. Believe me, I am well aware of all issues around fracking and the community concern. It is an issue we take very seriously, and we are moving to address it. That is why I mentioned in my statement that we are running public education campaigns. Yes, Leader of the Opposition, we are working very closely with APPEA, bringing factual information around the development of unconventional resources in the Northern Territory to the people.

There is an enormous amount of misinformation in the public space. There is misunderstanding about the practices involved in releasing gas and oil from tight rocks. I read somewhere recently that when the word 'fracking' came up at a public meeting, there was someone who was offended, because they thought it had some sort of sexual connotation. This is the depth of misunderstanding about unconventional gas and the methods used to release gas from tight rocks.

We are working to address this. I take every opportunity I can to explain my understanding of the process. It is incumbent on me, as the minister, to have more than just a passing understanding of the processes involved in what is a reasonably controversial practice. This is why, last year, I took myself off to the United States - and I should also mention and commend the Minister for Lands, Planning and the Environment, who took a similar trip - to explore fracking operations and the oil and gas industry there.

We both, on separate trips, managed to get onto drill pads and saw the operations at various stages of development, from the beginning of drilling the holes, right through to production. I was able to get a technical level of understanding of the practice. For me this instilled a strong sense of confidence in the practice itself, in the context of the regulatory environment in which it operates. I mentioned in my statement that we in the Northern Territory and the department have sought the best and most contemporary

information. In using that to define our regulation, we have cherry picked the best from South Australia and Western Australia. I looked at the other states and we have been overseas. We have taken on many of the recommendations of the Hunter report to ensure we have a regulatory environment which reduces the risk to the environment, as much as it can, from any oil and gas development, whether it be conventional or unconventional. Sadly, many of the concerns around fracking operations are somewhat misplaced.

The member for Casuarina gets it; he knows the difference between the Northern Territory's geology and that of Queensland and New South Wales in the way operations occur when you have deep shale versus coal seam, which is good. I am trying to impart that knowledge on people when I talk to them, because the Territory's geology is quite different from that of Queensland and New South Wales, where we see problems. I am comfortable we are heading down the right path with this.

The other point to make – the member for Casuarina also knows it, and he made that point, good on him – is we have been releasing tight gas in the Northern Territory for 30 years, using fracking. The practice is not new. The emerging technology is the part that is getting better and we are getting better at doing it. There are better chemicals, more natural chemicals and disclosure of chemical compounds. All of those types of things are the emerging technology, but the practice itself has been going for decades.

Someone mentioned to me – and it might be wrong – that one million wells in the United States have been fracked. Of those, the shale ones have had little, if any, impact on the environment. By and large, any impact from these operations comes not from the fracking itself, but from accidental spills on the surface. That can occur whether you have a conventional or unconventional well. They are the majority of, if not all, incidents that occurred where there has been some impact on the environment. Those types of incidents can largely be prevented if you have a good regulatory environment and companies that comply with the regulations. There is an onus on companies to also ensure they do the right thing.

The other side of that is compliance, that is, ensuring our department has sufficient resources to effectively police the regulatory environment in which we are asking these companies to operate. When I think about that, I can comfortably say the Country Liberals government is taking that role very seriously. That is why we are working to increase the capacity of the Department of Mines and Energy, so it can provide that level of

compliance policing, unlike what happened during the term of the former Labor government, where it cut positions and funding from that department.

I hark back to statements I have made in this House before, during the period of, from memory, around 2005 to 2011 or 2012. While general public service numbers rose by some 18% over that period, Department of Mines and Energy personnel numbers dropped by something like 14%. We are aiming to turn that around and provide resources to ensure the department can look at all those important issues.

I could probably stop talking about the fracking process, but we are definitely onto it in making sure we have that strong regulatory environment, and getting the message out about the practice and trying to dispel some of those myths.

The member for Nelson asked a specific question about the opportunity to have gas go out to remote communities. The answer to that question is: where there is a supportable business case and where it is viable to do so, gas could go into those communities. For example, if a company operates somewhere close to a community, or a number of communities, it must move its gas somehow. In constructing pipeline infrastructure that happens to go past a community, there would be a strong case to run a spur line off that, so you could take advantage of that gas, rather than having to use diesel or a combination of diesel and solar. It all comes down to the location of the wells, member for Nelson, and the infrastructure that goes with it. I sincerely doubt you will see anybody build a pipeline spanning hundreds of kilometres to go to one or two communities. There would have to be a darn fine business case built around it.

The Leader of the Opposition raised some issues about onshore and offshore and expressed some disappointment about the statement. She pitied me, thinking I did not take the best opportunity I had available to talk about things other than what was in the statement. I do not need the Leader of the Opposition's pity. This is a strong and robust statement that was all about onshore. There is plenty happening in the offshore space, but the Leader of the Opposition probably does not even realise that most of our offshore reserves are in Commonwealth waters, beyond the jurisdiction of the Northern Territory. Hence, it was not included in this statement, which focused on the onshore potential of the Northern Territory.

I do not suppose I can sit down without at least briefly mentioning Gove. Every person in this House is disappointed, at some level, that the gas to Gove deal was not done. The member for Nhulunbuy mentioned that the gas pipeline would have come out near Katherine. That would have

provided benefits for my local community as well, so on that level I am disappointed. Ultimately, notwithstanding the deal that was offered, whether it was deal number one, two or whatever, Rio Tinto decided not to go ahead with it.

If the members opposite wanted to fully inform themselves of all circumstances around Rio Tinto's decision, they would not stand here in good conscience and deliver the bunkum they deliver every time they talk about gas to Gove. They just would not be able to do it. If they get the briefing, all that becomes an inconvenient truth for them, so it is better for them to remain ignorant. I am sure if they took the opportunity to be fully briefed they might learn and understand the reasons Rio Tinto made that decision.

It largely becomes ...

**Ms Walker:** Because you reneged on a gas deal.

**Mr WESTRA van HOLTHE:** The member for Nhulunbuy is not interested in understanding. Look at the bigger picture ...

**Ms Walker:** God, you are a fool!

**Mr DEPUTY SPEAKER:** Member for Nhulunbuy, can you withdraw that statement please.

**Ms WALKER:** Which statement?

**Mr DEPUTY SPEAKER:** 'Fool'.

**Ms WALKER:** I withdraw 'fool', even though you are.

**Mr ELFERINK:** A point of order, Mr Deputy Speaker! The member withdrew it which, according to the *House of Representatives Practice* is, essentially, an apology and, then, repeated the statement which reflects on your direction to her. I ask that you ask her to withdraw that again.

**Mr DEPUTY SPEAKER:** Member for Nhulunbuy, could you withdraw that again, please.

**Ms WALKER:** I withdraw again whatever the snitch on the other side wishes me to withdraw.

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**Suspension of Member  
Member for Nhulunbuy**

**Mr DEPUTY SPEAKER:** Member for Nhulunbuy, to refer to the Leader of the Government Business as a snitch is not appropriate. Pursuant to Standing Order 240A, I ask that you leave the Chamber for one hour to cool off.

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**Mr STYLES:** A point of order, Mr Deputy Speaker, pursuant to Standing Order 77, I move an extension of time for the member.

Motion agreed to.

**Mr WESTRA van HOLTHE:** Mr Deputy Speaker, thank you to the member for Sanderson.

As I was saying, the member for Nhulunbuy does not want to know. The bigger picture is about global market conditions. Look at China, for example – the China the member for Casuarina knows so well. China is building alumina refineries and can produce alumina far more cheaply than Australia. It is a fact that China can produce alumina far cheaper than Australia. Even if it has to import bauxite from overseas, China can still produce alumina more cheaply than Australia.

Off it goes producing alumina, which puts a fair wad of alumina into the market. What does that do? If you follow the old supply and demand equation, an increase in supply will necessarily lead to a drop in price. Of course, that makes alumina production across the rest of the globe unviable, particularly in countries like Australia which has high input and high production costs. There is a good argument to suggest Rio Tinto's decision was based purely on the economics of alumina. That stands to reason, does it not? Of course, members opposite do not want to know that.

In all the debate I have heard in the last months, I have not heard anything from opposition members suggesting they understand the global environment for the aluminium industry. I will not say they do not understand, because there are a few smart people on the other side. They understand but, of course, that is the inconvenient truth. That is what it is all about; they want to maintain their line that it is all government's fault. Well, it is not. The offer was made and another offer was made. Ultimately, if the refinery at Gove was not stacking up in the global environment, then it was not stacking up.

I heard the member for Nhulunbuy. She accused us on this side of being insensitive and not in touch with the feelings of the people of Nhulunbuy. Not true! I heard the member for Nhulunbuy say we do not care. Not true! One thing I agree with the member for Nhulunbuy about is that this is a very significant change to the Northern Territory, without a shadow of doubt. We are taking it seriously. That is why the Chief Minister has put a task force together to deal with the aftermath of Rio Tinto's decision.

An enormous amount of work is being done by the Northern Territory government, in consultation

with the federal government, Rio Tinto and other stakeholders, to ensure we effectively soften the landing for people who live in Nhulunbuy. Work is being done, and I want those at Nhulunbuy to please hear this message from me, and not rely entirely on what comes out of the vitriolic mouth of the member for Nhulunbuy. Please do not rely just on that. A significant body of work is being done on it.

Having corrected some of the record on those issues, I might wind up. There is no doubt the future for onshore oil and gas exploration in the Northern Territory is very bright, not only because of the prospectivity of the Northern Territory, but also because there is a government with policies encouraging oil and gas explorers to come and take a look.

We are in competition with the other states. Capital raising is still difficult in the global environment. When companies go to China, South Korea, Taiwan or anywhere to try to raise capital finance for their operations, the due diligence which is done by potential investors is regarding where their operations are or where they propose to operate. In the Northern Territory, people realise we have a government which is pro-development, reduces red tape and facilitates allowing oil and gas exploration. It is a stable environment. The Leader of the Opposition suggested sovereign risk, which is not the case. We have a strong platform of support for the mining, oil and gas industries in the Northern Territory.

In talking about sovereign risk, it has reminded me of one thing I should use as a counter of sovereign risk: when former Chief Minister, Paul Henderson, and his government decided it would not support the uranium operation or exploration at Angela Pamela. We on this side - and I said this when I was the shadow minister for Mines at the time - support process and the robustness of it. We support the fact that people have an opportunity to voice their views during the process. There are environmental and social processes to be considered. But, no, this was not the path the former Chief Minister, Paul Henderson, took. He decided his government was not going to support that type of operation in Central Australia. That is sovereign risk; it is a sudden change of policy which effects the investment environment.

You do not see that on this side of the House. We have consistent policies which facilitate, and I see things changing in the policy environment with this government which are making this a better and easier place to do business. This is what we want to happen: the 'use it or lose it' policy. We are encouraging companies to spend money by submitting robust production and work plans for

the five-year tenure they have over these leases. We want to bring on this exploration, the jobs for Territorians and for people who live in regional and remote parts of the Northern Territory. This is where the opportunities lie and we will not stand in the way of them by introducing sovereign risk, as you have just heard me describe.

Once again, I thank all of those people who took the time and effort to contribute to this statement, notwithstanding some of the rhetoric coming from the other side. Some of the things said this afternoon were good and supportive. We will continue, as a government, to try to grow this industry and provide a regulatory environment conducive to quick development of our oil and gas reserves in the Northern Territory.

Motion agreed to; statement noted.

**TABLED PAPER**  
**Auditor-General of the Northern Territory's**  
**February 2014 Report to the Legislative**  
**Assembly**

**Mr DEPUTY SPEAKER:** I table the Auditor-General of the Northern Territory's February 2014 report to the Legislative Assembly

**MOTION**  
**Print Paper – Auditor-General of the Northern**  
**Territory's February 2014 Report to the**  
**Legislative Assembly**

**Mr ELFERINK (Leader of Government Business):** Mr Deputy Speaker, I move that the report be printed.

Debate adjourned

**MOTION**  
**Note Paper – Auditor-General of the Northern**  
**Territory's February 2014 Report to the**  
**Legislative Assembly**

**Mr ELFERINK (Leader of Government Business):** Mr Deputy Speaker, I move the report be noted.

Debate adjourned.

**ADJOURNMENT**

**Mr ELFERINK (Port Darwin):** Mr Deputy Speaker, I move that the House do now adjourn.

I woke this morning with a trill of excitement, because my inner science geek was thrilled to bits by some little known news out of the United States that will have bypassed members in the House. My inner science geek often trawls the science rags and they are currently singing with excitement as a result of some scientific work that

has come out of the National Ignition Facility in the United States.

I am only going to touch on it briefly. They have been working for this facility for well over a decade and struggling with some pretty major problems. They have been trying to excite a piece of deuterium and tritium in a pellet, probably about a millimetre across, into doing something unusual, and they have just gotten to the break-even point. Of course, what we are talking about is fusion energy. This particular energy source – if it can be brought to a point called ignition – will basically change the face of the world forever. Yesterday, while they hit the pellet with 10 000 KJ of energy in the United States, the resulting reaction from it, with the alpha particles bootstrapping back into the pellet, produced 15 000 KJ of energy.

That sounds very exciting, but we have to retain our excitement to some degree because the whole facility still uses 2 MJ of energy for the system to work. It is a 1% return, but the most important thing is that it is known as fuel gain, the first time it has ever been achieved. It is a little like trying to start your car engine and every time you try to get it to start you feel it winding on and you can almost hear it fire up. That is what the United States is doing. If the NIF succeeds in this space, the world will change forever. I watch that with great excitement.

Now to go back to the more mundane, I update the House on the great work being done by the Northern Territory department of Corrections' community support work program.

During 2013, Northern Territory inmates completed almost \$4m in community work. Community support work parties are visible evidence that inmates are making reparation towards the community, with over 400 community work projects across the Territory and 260 104 hours' work completed by inmates involved in community support work parties.

There are currently six work parties operating in the Darwin Correctional Centre, which service the Darwin/Adelaide River region. There are six work parties operating from the Alice Springs Correctional Centre, and another five work parties operate at the Barkly Work Camp, depending on availability of staff or vehicles. One of the Darwin work parties is structured for female inmates only, with 10 low-security female inmates now taking part on a daily basis, supervised by a female prison officer ...

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**Distinguished Visitor**  
**Mr Barry Coulter**

**Mr DEPUTY SPEAKER:** Honourable members, I acknowledge a previous Treasurer of this parliament, Barry Coulter, who is in the gallery at the moment.

**Members:** Hear, hear!

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**Mr ELFERINK:** I acknowledge and welcome Bazza back to the House. You would think he would stay away after all those years, but he cannot help himself.

The Alice Springs community support work party provides substantial assistance to the Alice Springs Town Council, the Department of Lands, Planning and the Environment, and Bushfires NT to maintain large portions of firebreaks around the Alice Springs town boundaries.

Each year, the Alice Springs community support work party assists with the setup and deconstruction of the annual Henley-on-Todd, a local event which raises funds for charity through the combined Rotary Clubs. The Alice Springs community support work party also provides assistance for setting up and pulling down the Old Timers Village Fete, which is a charity event to raise money for the Old Timers Village. The Alice Springs community support work party works in conjunction with NT Major Events in Alice Springs to assist with the set up and pull down of infrastructure for community events organised and/or sponsored by the Northern Territory government.

Every year the Darwin community support work program assists Darwin City Council with an annual pre-cyclone and post-cyclone cleanup program. The Darwin work parties provide a year-round regular service – approximately 450 approved yards with general maintenance – and assist with numerous community events and rubbish removal from storm drains and boat ramps.

The Barkly community support work parties provide assistance for Tennant Creek town and region, and assistance is provided to not-for-profit and volunteer associations, shire councils, pensioner yards and churches. They assist with the setup and pack-down of events in the region, such as Australia Day, NAIDOC activities, Waitangi Day, the Desert Harmony Festival and White Ribbon Day on an as-requested basis. The Barkly work parties provide ongoing grounds maintenance to the Tennant Creek Telegraph

Station, Bonney Well, Attack Creek and the Renner Springs historical areas.

The Alice Springs community support work program is undertaking a large project for Territory Housing, involving a refurbishment of units in Elliott Street in Alice Springs. Inmates are replacing and repairing paving in the driveway, painting and replacing broken fences, removing hazards and doing general yard cleanup. The work for Territory Housing is ongoing and will provide employment skills for inmates participating in projects.

One of my Sentenced to a Job prisoners gained his employment because one of the tradies working on the same project was so impressed with him, he offered him a job. I understand we have been, or soon will be, able to arrange for that to occur.

An important aspect of this program is that, from here, those inmates who display a desire to learn and work are eligible to be considered for the Sentenced to a Job program. Sentenced to a Job is a bold and fantastic initiative, and one this Country Liberals government is immensely proud of.

Many states are looking to us as we lead the way in providing a pathway for inmates to be responsible for themselves and their communities. Every person sentenced to prison in the Northern Territory will contribute to the society they offended against in a positive way. For many of them, for the first time in their lives they will have something to be proud of and can hold their heads high with a sense of self-worth and dignity.

I also place on the record thanks to the prison officer rank and file, as well as their association, for working with the government in pursuit of these worthwhile outcomes. The Prison Officers Association has a very unusual relationship with the management of the prison system. It is aware of things and ideas we are looking at even before I take them to Cabinet. I am embracing them in the spirit of trust with a view to pursuing this cause for the betterment of those prisoners in the system and, ultimately, for the true welfare of the people of the Northern Territory.

**Ms PURICK (Goyder):** Mr Deputy Speaker, I will talk about two items to do with the rural area. Both are very important, not only to the rural area, but to the Territory as a whole. First, I congratulate people who picked up awards on Australia Day. Australia Day flag raising ceremony and citizens ceremonies were held at Freds Pass Reserve in the Lakeview Hall, coordinated by Litchfield Council ...

**Mr Vowles:** Great place, Freds Pass.

**Ms PURICK:** Go, Freds Pass!

I congratulate Litchfield Council staff for putting together such a great event this year. The senior Citizen of the Year Award winner was Frank Dunstan. Frank Dunstan has spent many years volunteering with St John Ambulance, is a volunteer firefighter among a couple of the things he does, and is definitely a worthy recipient. He has given a lot to not only the rural community, but the Northern Territory community as a whole. He also wrote a book recently, about the history of St John volunteers in the Territory. He kindly gave me a copy of the book, which is a good and interesting read. Well done to Frank Dunstan.

The junior Citizen of the Year Award went to Nicholas Brustolin, who has given much and helped the community, especially in the area of young people. He is involved with the Scouts. He is an older Scout now, but is happy, I have been told, to pitch in and help everyone, particularly young people. He seemed a bit shy when he was receiving his award, but I know from what was said about him he was a worthy recipient.

The Community Event/Group of the Year Award for the rural area was the Coolalinga Markets. There is not a better recipient than the Coolalinga Markets. It took the gamble, quite a few months ago now, to move from its past premises in the shopping area to the Freds Pass Reserve under the big shed, and has gone from strength to strength. It organises special functions, raises money for breast cancer, raises money in association with the Biggest Morning Tea, runs Mother's Day raffles and gives money to all the various community groups around town. There is lots of fresh produce, arts and crafts – not too many bananas, sadly, but I am sure they will come back when the government is kind enough to donate new banana fruit trees to those who have lost their banana orchards. Well done and congratulations to Trish and her committee for the Coolalinga Markets for being the event of the year.

There were two Mayor awards. Mayor Allan McKay gave two awards. One was to Ray McCasker, who has, for many years, been involved with Southern Districts Football Club. He is a mad keen football person who was a player in his time. He was president for many years and did much for young and not-so-young footballers, and women's football with Southern Districts Football Club. He was not backward in coming forward in trying to promote men's health issues along the way. Well done to Ray.

Also, Sharon and Broderick Crook of the Bush Baptist Church received a Mayor Award for the work they do in our community, particularly with young people. They have a drop-in centre, youth

accommodation, a boxing troupe and music. The member for Nelson and I have been to many of their functions and they always put on a good show. They do what we need done in the community without fanfare. Well done to them.

Thank you also to the Lions Club. The rural Lions Club provided all the refreshments and the Rotary Club provided the barbecue for the morning. Thanks again to John Wilson – or Noddy as we know him – for organising the fun run. Thanks to the Humpty Doo Scouts and the Guides. George Kasperek and Becky Myers organised the young Scouts, Guides and Brumbies for the flag raising. There were a few small issues getting the flag to open but, eventually, it opened and was a good sight.

Thanks again to Litchfield Council, Mayor Allan McKay, his councillors and staff, because it was a good morning. It was a little steamy and hot, but that is what you get at that time of the year. Thank you to everyone. Well done.

The next matter I will talk about in the five minutes I have is that we will have a Freds Pass Rural Show this year. Freds Pass Rural Community Show is back again mid-May. I think it is 22 May ...

**Mr Wood:** Better than Alice Springs.

**Ms PURICK:** Better than the Alice Springs Show, said the member for Nelson.

It is a Top End rural show which is back on the agenda. The show committee is furiously writing letters to the Chief Minister, ministers, departments, sponsors and display people. Around 60 to 80 people want to put on a display of some kind or use some space.

It has been a pretty hard road. They have had to undertake many negotiations with the Freds Pass management board, but they have now been finalised. They have their agreement, their licence in place and are keen to make the show a real rural show. The theme this year is Paddock to Plate. That is not an original theme for our country, but we need to get focus back on farm people because it is the farm and bush people who provide what we eat, drink and wear in our everyday lives. I say thank you to that committee. Congratulations, and I know you will put on a terrific show. To Karen Relph; Leanne Dix; Michelle Parker; Krissi Besic; Georgie McMaster, who has helped with some behind the scenes legal advice; Mary Burgess; and Keely Quinn, well done and thank you.

We know the horse people will be involved. They always put on a good show and many people come to shows just to watch those magnificent

animals. Cattle will be there, the hall will have cooking and craft and a road train will be on display. That is a new thing. It will be, hopefully, a prime mover, plus some of the trailers. I cannot say who it is from at this stage because that might take away the surprise. Of course, there will be music. The CWA will be back with its famous scones with jam and cream, and there will be plants, displays, entertainment and the sideshow alley – it would not be a show without it. There also will be the beaut utes and we are having a couple of new competitions. One is a ...

**Mr Wood:** Chicken balloons.

**Ms PURICK:** Will there be chicken balloons?

**Mr Wood:** The last year.

**Ms PURICK:** It will be the last year for the member for Nelson's ubiquitous chicken balloons which everybody hates because they make so much noise.

One of the extra competitions this year is a property fire safety competition. For cash prizes, NT fire service staff and some other experts will inspect blocks up to 10 acres, and 10 acres and over, to see that your fire breaks are in, you have water taps, gutters cleared, no rubbish, weeds under control and petrol is not stored with your paint and acid, as I had one year and, thus, dismally failed. It is not new in the Territory; it has been at the Darwin show before. It is to encourage better safety and fire management for your blocks, because we know too well sad and tragic things can happen when fires break out across the rural area.

Congratulations to the show committee. The Primary Industries minister is exceptionally pleased this show is back on. I expect to see a large department of Primary Industry display there, not only for primary industry, but also fisheries and seafood. Let us not forget we have a major barramundi farm in the rural area which supplies an enormous amount of produce to market every week. The minister will be very keen to participate and have his department showcase its wares and what the department is doing - as are a lot of the other government agencies – because it is relevant and a great opportunity. You will get around 25 000 people through the gate. It will be a good show.

Last, but not least, coming back to the Freds Pass Rural Community Show is Noel's Ark with all the mothers and babies, and one-day-old chickens for sale, which I know people love buying. However, the parents curse them later when they take the chicken to the vet and have to give it needles. The chicken costs \$8, the vet bill usually about \$58. I know that will please a lot ...

**Mr Wood** interjecting.

**Ms PURICK:** It is a long story. That family cursed my mother and Noel's Ark for years afterwards.

Mr Deputy Speaker, it will be a great show and I encourage all members to put a note in their diary. It is an event not to be missed.

**Mr VOWLES (Johnston):** Mr Deputy Speaker, tonight I reflect on an important moment in our nation's history: the Australian Prime Minister's apology on behalf of the nation to the Stolen Generations of Indigenous Australians, delivered on this day six years ago. Many people across the nation will be reflecting on this today.

There are many families affected by the enduring trauma of disconnection from their mothers, wider families and culture. There are still too many lost souls affected by this past, souls still looking for peace.

The Prime Minister's speech was an important step forward. An essential part of his speech was a call for bipartisan support to address entrenched disadvantage affecting Indigenous Australians. Yesterday the same call was repeated in the Australian parliament.

On 13 February 2008, Prime Minister Rudd called for a future where we harness the determination of all Australians, Indigenous and non-Indigenous, to close the gap which lies between us in life expectancy, educational achievement and economic opportunity. He committed to a new partnership on closing the gap, with concrete targets for the future.

I am grateful that the Northern Territory embraced this call and set to work establishing measurable targets and committing to partnerships to address disadvantage in the Northern Territory. We know we have a long way to go, and that we have targets to debate. We know we have capacity to see what is working and what is not, and to reshape and refine our policies to close the gap. There has been progress, albeit not enough.

The Territory is the only jurisdiction on track to close the gap on death rates. We have seen improvements in infant mortality, and slow but measurable improvements in education, including good progress in Year 12 results. This is progress we must build on. Who would disagree with our current Prime Minister that school attendance remains a major challenge?

Importantly, former Prime Minister Rudd also called for us, the politicians to:

*... move beyond our infantile bickering, our point-scoring and our mindlessly partisan politics and elevate ... this one core area of national responsibility to a rare position beyond the partisan divide.*

Today I call on my fellow members of the Legislative Assembly to reflect on that. I call on those on the other side of the House to stop the put-downs of colleagues, the lie that it suits Labor to entrench Indigenous disadvantage so people cling to Labor for support. Stop perpetuating the lie that we on this side of the House do not understand the day-to-day lives and aspirations of Indigenous Territorians and the hurtful slurs about authenticity, and that only CLP bush members are authentic representatives of Indigenous constituents. I respect you and the role you can play in Indigenous advancement for your people.

We have heard many speeches from the Leader of Government Business that his government does not see issues through an Indigenous or non-Indigenous lens, and it serves all Territorians, irrespective of race. Why do so many of his colleagues go straight to that place instead of a mature and reasoned debate? We must lift the standard.

The most hurtful to me, at a personal level, has been listening to slurs such as the one this week that I have no understanding of Aboriginal people's connection to country. I will move forward as I know things are said in the heat and passion of this debate. I ask that this petty bickering stops, and I plead with members on the opposite side that it is time to move on and draw a line in the sand. Let us move forward together to improve Indigenous lives.

It is time to understand we all belong to this place and to accept the broad family histories and circumstances of Indigenous Territorians. I appeal and plead today – an important day – to all members in this House to take heed of the importance of the 2008 apology, and call on you to move beyond the petty slurs on family, our variety of life experiences and our identity. Let us move on together to improve the lives of all Indigenous people in the Northern Territory.

**Mrs LAMBLEY (Araluen):** Madam Speaker, it is with regret that I speak tonight to raise what I consider to be a significant matter of public importance. In my role as Minister for Alcohol Rehabilitation, I so often marvel at the wonderful work undertaken by our non-government sector.

However, tonight it is my regret that I need to highlight what appears to be the rank duplicity of some of the professional staff within the Central Australian Aboriginal Legal Aid Service. In particular, I fear it is letting down the community

and the disadvantaged people it professes to represent.

CAALAS professes to look after the disadvantaged in Central Australia, as do I. We have different approaches, but the CAALAS approach towards this government's alcohol mandatory treatment policy suggests it, or at least parts of the organisation, place political campaigning as a greater priority than its clients' wellbeing. This is very concerning and disappointing.

Late last year, CAALAS, on behalf of its client, successfully challenged the government's alcohol mandatory treatment laws. I respect its right to do so, and the rights of the courts enshrined in our AMT legislation to review decisions made by the Alcohol Mandatory Treatment Tribunal on questions of law.

In raising this issue, I am not seeking to denigrate, or in any way comment on that decision of the courts or any participants in that case. I fully acknowledge, as a member of the executive branch of government, it would be inappropriate for me to do so.

What I will put on the record, however, is the way in which CAALAS has chosen to react to the alcohol mandatory treatment system. I question whether, at all times, it has acted in the best interests of the community it is there to assist.

When the government first announced we would introduce alcohol mandatory treatment, there were organisations that expressed their preference that we did not. I accept and respect this is its right, just as it was ours to implement our election commitment. It often seems forgotten we made a commitment to the Northern Territory people to introduce mandatory rehabilitation for the worst alcohol abusers in our community. We did this in response to the community's call for action. We promised to do it, and I am extremely proud of the fact we delivered on that commitment to the people.

In fact, Labor's Delia Lawrie and Paul Henderson promised to introduce mandatory rehabilitation in 2010, yet failed to deliver on its commitment. However, I digress.

When we introduced our alcohol mandatory treatment system on 1 July 2013, we invited both CAALAS and the North Australian Aboriginal Justice Agency to attend the tribunal hearings to witness the system in action. Our aim then, as it is now, was to make sure we have an honest, just, and practical approach that helped those people who needed help. To its credit, in the Top End NAAJA accepted the invitation to attend tribunals. I understand it attended for about the first three

weeks of the tribunal's operation. It did not see anything too troubling and left the system to do its good work. I will be pleased to receive its input into the six month review of the alcohol mandatory treatment system.

CAALAS received the same invitation as NAAJA. However, they did not bother to show up, not once. What further shocked me was that CAALAS received numerous requests from the tribunal to attend hearings and participate in them as an applicant's advocate. They refused to attend, citing a lack of resources. We have a legal aid agency not wanting to witness the tribunal in action or assist members of the Central Australian Indigenous community, all because of what it called 'resourcing'.

What did they do next? Despite the self-declared lack of resources, CAALAS challenged an outcome of the tribunal. The grounds for this challenge were that an applicant was denied natural justice by not having an advocate.

The utter hypocrisy astounds me. At the time of the successful challenge, CAALAS representatives eagerly hit the airwaves, condemning the system and making a legally invalid claim that all tribunal decisions were now in question.

CAALAS said it had more. It flagged that it had a second challenge raring to go. It seems to me that far from helping its clients, its aim was to damage the credibility of the scheme, regardless of any good it may have been doing.

Has anyone heard what happened to that second challenge? I am advised that when CAALAS looked into it, it found that in the case in question, it had been invited to represent the client as her advocate and had declined. Why is it CAALAS cannot find it within in itself to provide effective legal aid services at the initial hearing but is more than happy to expend resources after the fact, decrying the lack of legal representation in the system?

CAALAS and I have the same aim. We both want to lessen the harm caused by alcohol in Central Australia. I know it has reservations about our approach, but working against the government and its own clients is counterproductive. If CAALAS has a better approach and constructive suggestions as to how we can solve the massive problem that is alcohol abuse, I am all ears. Negativity and carping does not help anyone. Harking back to a mythical, golden age of the Banned Drinker Register involves more pairs of rose-coloured glasses, a denial of the facts and a level of naivety not usually found in lawyers.

A review of the *Alcohol Mandatory Treatment Act* is under way. I look forward to receiving submissions to the review from CAALAS and can assure this place and the community the government will give them due regard. I look forward to strengthening our alcohol mandatory treatment system as part of the comprehensive package the County Liberals government is putting in place to reduce alcohol harm across the Territory.

Madam Speaker, I end by saying it is my hope that in six months I will give a statement saying how many people have helped by working together. I live in hope.

**Ms FYLES (Nightcliff):** Madam Speaker, tonight, along with my colleague, the member for Johnston, I acknowledge that today is the sixth anniversary of former Prime Minister Kevin Rudd's apology to the Stolen Generations, acknowledging the pain and failures of past government policies towards Indigenous Australians.

Yesterday, current Prime Minister Tony Abbott released the 2. The report contains a target to halve the gap for Indigenous people aged 20 to 24 in Year 12 or equivalent attainment rates by 2020. I can speak positively that the COAG reform report from April 2013 found the Northern Territory saw the largest narrowing of the gap in Year 12 attainment between 2006 and 2011. The NT is on track to halve the gap in Year 12 attainment by 2020. What concerns me is that this government's draft report, which we have recently seen, is aiming to reduce secondary education in the bush. We are on track, we have some positive attainments.

The main data used to assess progress against this target is the Census. Data from the 2011 Census shows 53.9% of Indigenous Australians aged between 20 and 24 had attained the Year 12 or equivalent qualification, which is up from 47.4% in 2006. The COAG Reform Council last year found the gap in Year 12 attainment in the Territory, as I mentioned with an earlier statistic, had narrowed the most between 2006 and 2011. This improvement came to fruition because of the hard work of students, their teachers and the previous Territory government which provided secondary education in the bush.

While big challenges remain for remote education in the Northern Territory, we should never forget improvements made by the previous Territory government. Labor took seriously the education of our kids living in the bush, with seven new high schools – we saw none under CLP governments – and 200 additional teachers, in stark contrast to the budget, teacher and support staff cuts to Territory education we have seen recently.

Labor made sure families in the bush had options, since it is reasonable for families to expect access to secondary schooling options without having to send their children hundreds of kilometres away because they have no choice. Labor established secondary education in remote communities and oversaw the graduation of more than 150 young Territorians. Labor delivered improvements to every bush school and worked with families to boost school attendance through initiatives such as Every Child, Every Day. The Labor government strongly supported 13 Clontarf Football Academies for boys, and the Girls Engagement Mentoring and Support programs at Sanderson Middle School, Casuarina Senior College, and Dripstone and Nightcliff Middle Schools to help engage our young Indigenous girls, particularly in schooling.

Sadly, current Education minister Peter Chandler's cuts have meant GEMS has been cancelled. I know young female students at those schools are devastated by cuts to those programs.

Labor established remote trade training centres to build a local trade workforce in our bush towns.

In regard to NAPLAN results, the percentage of Indigenous students achieving the national minimum standard in reading has increased in Years 3, 5 and 7 since 2008. Year 3 has shown the largest increase, with 39.6% achieving the national minimum standard in 2012, compared to 30.4% in 2008. That is an increase of nearly 10%. It is not just the Labor opposition which has made the point that NAPLAN results of Indigenous Territorians are improving at the greatest rate in the nation. The final proof is from former Education minister Lambley, who said:

*The NAPLAN figures show the percentage rate of improvements in AANMS (at or above the National Minimum Standard) in the Territory is stronger than in other jurisdictions and that Territory students tested in 2008, 2010 and 2012 showed the greatest gains nationwide.*

However, we have seen the most recent Education minister in the Giles government cut education. There are not many Education ministers in Australia or overseas who celebrate cutting education budgets, teacher numbers and saying no to additional funding from the federal government. In the Northern Territory, we have an Education minister who has used a variety of excuses over the past year to justify cutting teacher numbers and support in our classrooms. The Minister for Education said teachers have plenty of 'down time' as justification to cut teacher numbers. In this parliament, the Minister for Education admitted the CLP teacher number cuts

are about the budget rather than education. He said:

*Let us face it, if we were in a far better fiscal position we would love to see every teacher still here.*

This is the minister who has never come clean on the real numbers of teachers shown the door from Territory schools; he will not release the figures. I again call on the Minister for Education to tonight release the staffing allocations to our schools from 2012, 2013 and 2014. Give us an idea of what is going on in our schools. He is on the record saying:

*There will be a nett loss of teaching positions across the Territory.*

He will not tell us how much. At the Estimates Committee last year, the minister said about teachers in middle and senior years:

*At the moment there is an overall reduction of 126.*

The Minister for Education also said late last year:

*No one jumped up and down when we lost 50 teachers. Now everyone is jumping up and down that we've lost 35.*

Instead of demoralising our teachers and our public education system, the minister should be listening to Territorians who are saying, 'Stop the cuts'.

He even claimed today that there is no bipartisan support for closing the gap. He said in this House today that with Closing the Gap:

*Everyone is on side, even the federal Labor Party. No, not our Labor opposition in the Northern Territory. It is dead against Closing the Gap, dead against improving results for Indigenous students, and it is shameful.*

When the minister comes out with nonsense like that, it is no wonder Territorians do not believe anything he says.

The Chief Minister could not be bothered dragging himself into the debate on his own ministerial statement yesterday on Indigenous economic development, yet his failing Education minister made these ridiculous slurs with no foundation in reality. Rather than tackling real issues raised in the question earlier today from the member for Arafura, the minister reverted to form and abuse.

Cuts to education in the Northern Territory are hurting the bush. Like schools in our cities and

towns, remote schools are starting this year with fewer teachers and less resources than last year. That is no way to continue improving educational outcomes in remote communities.

The CLP government's draft Indigenous Education Review raised serious concerns about how far the CLP government will abandon the delivery of education services across the Territory. When a government review delivers the message sent from CLP ministers from the very outset, to rip students out of communities and force them into town boarding schools, my fear is we will face a renewed social crisis we have spent years trying to overcome. We were achieving positive results.

Concerns are already being raised about some of the findings and recommendations. Henry Gray, a very well-respected former educator, told ABC radio recently that the Territory government needs to take heed of its mistakes made in boarding schools in the past. He said some students often struggled because they were forced to live with members of clans they had poor relationships with.

One of the biggest challenges to delivering education in the bush is increasing the value placed on education by the communities themselves. Why would anyone want to strip secondary education out of the bush? It does not make sense. Parents want the best for their children. They want to see them go to school, get a qualification and contribute positively and meaningfully to our society.

Things are moving in the wrong direction, with this review recommending a move away from community and culture is the only way to achieve an education. That is wrong. Boarding schools have a role to play, but we know our kids do best when educated within their own communities, supported by their families. Communities need young people achieving academically in their own community as role models. We need to see generations of students. We need students achieving for our younger students to look up to.

The Indigenous education review recommended trialling residential facilities and a VET-based model in a number of larger bush schools, removing the provision of secondary education from most remote schools. What will happen to those kids in the bush who do not go to the boarding facility? I urge the Indigenous members of government to ask these questions. What options will be provided for students and parents when they reject the idea of going to a boarding school if there is no local secondary school?

In the case of Ti Tree, the cuts have already started. Last week the *Centralian Advocate* reported:

*Teenagers in Ti Tree have been stripped of the chance to go to their local high school this year as a direct result of the NT government taking the axe to education funding. The Advocate understands while Ti Tree offered Year 10 classes in the past the school can no longer accommodate students beyond Year 9 impacting on the students in the local area.*

That is 10 young Territorians who do not have access to secondary education before the review is even finalised.

I could go on, but I would like to pause and acknowledge the sixth anniversary of the national apology and the step forward that was so important to Indigenous Australians. I listened to my colleague, the member for Johnston, and his reflections on this important day and the path and journey we have ahead of us.

Madam Speaker, I urge the Minister for Education to reconsider his cuts. There is positive change and we need to focus on that.

**Ms FINOCCHIARO (Drysdale):** Madam Speaker, tonight I speak about the Good Sports program and the positive effect it can have on reducing binge drinking and alcohol-related harm in our community.

First, however, I will briefly mention the outstanding work already being undertaken by this side of the House. This government's drive to reduce alcohol-related harm in our community is relentless. We are committed to promoting a balanced and safe community, where going out for a drink with mates does not take a turn for the worse.

The Minister for Health has worked tirelessly in ensuring some of our most vulnerable people – those with a complicated and serious addiction to alcohol – are getting the best treatment possible. Some of the rehabilitation stories I have heard are truly inspiring and show that, no matter what, because someone always writes themselves off, it does not mean you should.

Also, the Minister for Alcohol Policy has been working closely with the Chief Minister and the Attorney-General to continue this government's efforts in reducing problems caused by alcohol abuse. There is no silver bullet, which is why recent legislation that enables alcohol protection orders to be placed upon a person is one example of the various tools needed to combat this problem. Under these orders, there are already more than 500 people banned from buying, possessing or consuming alcohol after being charged with an alcohol-related offence.

Additionally, one-punch homicide legislation closed a much-needed gap in our laws, where a person who killed another with violence could not have been prosecuted for manslaughter or murder. A suite of legislation is required for our society, and this is being delivered by the Country Liberals government.

It is important to have this strong response from government on these issues, but we all know how vital it is to have meaningful participation from the community. Today's exciting announcement of the partnership between the Northern Territory government, the Australian Hotels Association and the City of Darwin is a clear move in the right direction.

We will see police officers back on the beat quicker than ever after apprehending a person with the use of paperless arrests. Licensees have voluntarily agreed to restrict the purchase of shots at certain times to reduce the amount and high content of drinks consumed late at night. More efficient communication via a special radio system will mean NT police can respond more quickly to incidents. There will be \$72 000 put towards the taxi rank on Mitchell Street to secure an easily identifiable place to catch a taxi home.

The launch of Darwin Safe shows just how committed these three significant community stakeholders are to keeping people safe and limiting the negative impacts of the minority who are doing the wrong thing in the Darwin CBD. I congratulate Chief Minister Adam Giles, Darwin Lord Mayor Katrina Fong Lim and Senior Vice President of the AHA (NT), Mick Burns, for banding together and making this concept a reality.

As I said, meaningful participation from the community is needed, and I am proud to speak about Good Sports, which is an Australian Drug Foundation program that works hard at reducing alcohol and tobacco-related harm, drink-driving and violence in sporting clubs. Good Sports aims to make sporting clubs healthy and safe, a place where families can breathe fresh air and avoid drunken behaviour. Sporting clubs have, in the past, attracted a drinking culture that is often referred to as Australian. It is not surprising, given Australians drink to celebrate a victory, but also drink to drown their sorrows after a loss. Sporting clubs are also filled with likeminded mates, often between 18 and 30 years of age, where camaraderie is solidified with post-match beers.

It is Good Sports' goal to systematically remove the link between alcohol and sport. I was pleased to have recently met with the Northern Territory manager of Good Sports, Sharron Noske, who updated me on the program and provided some vital statistics on the efficacy of the program.

Good Sports has been in the Northern Territory since 2009 and last month celebrated the 100<sup>th</sup> NT sporting club signing up and committing to effecting real cultural change in their club.

Essentially, Good Sports is the nation's largest health and sports initiative that provides advice and framework for sporting clubs to responsibly manage the distribution and consumption of alcohol, as well as reduce smoking rates. Through a three-level accreditation system, sporting clubs from across the Territory work to reduce the level of alcohol consumption which, in turn, reduces the likelihood of violence and drink-driving. Good Sports aims to empower sports clubs to make positive, informed decisions in relation to alcohol and tobacco management, safe transport options and fundraising strategies that do not concentrate on selling or promoting liquor.

Sharron explained that some of the great support provided by Good Sports includes: direct contact and advice from a Good Sports project officer; program merchandise and promotional material; invitations to club information forums; policy templates; practical tips; information sheets; fundraising ideas and other resources; and subsidised responsible service of alcohol training. All of this support is free and backed by the Australian Drug Foundation.

I am pleased to report to fellow members that several Palmerston sporting groups have joined the 5500 clubs across Australia already in the program and are doing extremely well. I publicly congratulate the following clubs for joining Good Sports and, therefore, striving to make their organisations as safe as possible for families and participants: the Palmerston Crocs Netball Club; Palmerston Magpies Netball Club; Palmerston Netball Association; Palmerston Raiders Rugby League Football Club; Palmerston Rugby Union Club; Riding in the Top End Inc; and the Northern Territory Inline Hockey Association.

The World Health Organisation states the harmful use of alcohol, which is a global problem, results in 2.5 million deaths every year. It is the world's third-largest risk factor in premature mortality, disability and loss of general health.

In Australia, excessive alcohol consumption causes illnesses such as cancer, liver disease, diabetes and cardiovascular disease. The psychological, social and physical harms that result from alcohol abuse can be devastating. Considering the risk that alcohol poses to unborn babies, teenage brains and people with mental health conditions, it is easy to see why education and awareness campaigns are necessary. Adding to that, the risk of drink-driving to the community is great.

On Monday's Darwin court list I found nine people appearing for drink-driving charges, and this is nine people too many. Currently, the issue of drunken violence is at the forefront of everyone's minds. We all hope not another person becomes the victim of a coward punch or other senseless, needless aggression. Unfortunately, the issues surrounding alcohol abuse are not easily solved. The government works terribly hard in this area, but I reiterate that the problem is complex and needs a multifaceted approach, which we are delivering.

One such example of a program that targets alcohol abuse around sports clubs is Good Sports. I am grateful for the effort it is contributing to this fight. I am also delighted to know many Territory clubs are on board with Good Sports and are up to facing the challenge of separating the link between grassroots sports and alcohol. I will be advocating this program to sporting clubs in Palmerston when I see them.

**Mr VATSKALIS (Casuarina):** Madam Speaker, this is my first adjournment for the year and it is the year of the Horse. *Gong Xi Fa Cai.*

**Madam SPEAKER:** *Gong Xi Fa Cai.*

**Mr VATSKALIS:** I report on my recent trip to Hong Kong and China in my capacity as the shadow minister for Tourism, Asia and Trade, in accordance with RTD provisions.

It is well known that tourism in Australia has not been doing very well lately, mainly due to the high Australian dollar and, perhaps, campaigns by federal and state tourism authorities not hitting their targets.

In the Territory, tourism is lagging behind, and many tourism operators have been complaining to me about the low number of tourists in the past few years, especially the very low numbers from emerging markets like China. The Territory has the product that tourists want, but we suffer from a combination of factors: airline capacity; hotel room deficits; and, most importantly, lack of promotion to emerging markets.

Despite the fact that in the past couple of years new hotel rooms have come online, these rooms are taken straightaway by the mining and gas industries. To give you an example, I was recently attending a meeting of Tourism Top End where the opening of a new 500-plus room hotel was announced – The Soho – but the operators could only guarantee 25% of the rooms for tourists.

Tourism is the second-biggest industry in the Territory, and we have to act quickly to ensure it remains strong. From my discussions with tour operators, it became obvious that airlines, rooms

and product promotion, especially in emerging markets, were vital to maintain our competitiveness as a tourist destination.

I met with Darwin International Airport executives and was briefed about the new expansion of the airport. I am thankful to Ian Kew and Jim Parashos for the information and material they provided me. They were very helpful.

To develop a good product, we need to know what our clients want and what problems they face when they want to come to the Territory. The best way to find out about these issues is to ask the people themselves, potential clients, the tourism operators and, of course, the people who will bring them here, the airlines.

Prior to my trip, I looked at the Department of Tourism webpage and contacted one of the operators in China that Tourism NT works with, requesting a meeting to be briefed regarding the potential, but also the obstacles, for Chinese tourists coming to the Territory. Soon afterwards, I received an e-mail from a Tourism NT employee, chastising me about daring to directly contact a Chinese tourism agent without the minister's approval.

I then wrote to Tourism NT CEO, Mr Tony Mayell to suggest that tourism in the Territory should be treated outside of politics, and requested that he provide me the names of Chinese tourism operators which work with Tourism NT so I could get a briefing. I also suggested he could advise his minister about this, and I was pretty sure his minister would be happy to allow this to happen. I was wrong on both counts. Not only did I not receive a reply from Mr Mayell, but when I met him at a function some time later and asked him when he would reply to my e-mail, he told me bluntly that I was not going to get any reply.

I then contacted Tourism Australia and was pleased I was immediately offered a briefing by Mr Tony Everitt, the Regional General Manager of Greater China in Hong Kong. I also thank Mr Duncan Dean and his wife, both ex-local tourism operators who are doing business with China. He quite happily introduced me to his contacts, and I secured meetings in Hong Kong with some of the largest operators there.

I flew to Hong Kong and met with Cathay Pacific and its planning team, which consisted of Mr Navin Chellaram, General Manager Airline Planning; Mr Vincent Yu, Manager Airline Planning; and Ms Lara Tyrrell, Assistant Manager Airline Planning. I briefed them about the strong economic performance of the Northern Territory, export expansion and what the Northern Territory can offer as a tourist destination, but also as a business destination with strong emphasis on the

oil, gas and mining industries. The team listened with interest to what I had to say and I was pleased when they told me they already had a meeting with a Darwin International Airport team, and my presentation would reinforce their will to further examine Darwin as a future destination. As a matter of fact, they were investigating the capability of their fleet of Airbus 320s flying non-stop to Darwin from Hong Kong and were requesting approval from the necessary Hong Kong authorities.

In Hong Kong, I also met with Ms Lavin Yu, Senior Operation Manager from Charming Holidays Ltd, and Ms Feris Fung, Tour Manager from winkletravel.com, who are experienced with tourism in Australia. During discussions, the following issues were identified which were preventing them sending tourists to the Northern Territory: the strong Australian dollar; the lack of direct airline access; the lack of available and suitable rooms; and the lack of any promotion to the Hong Kong public so they know there is a place called the Territory and what it has to offer.

They showed me their leaflet with itineraries to all Australian cities but Darwin. The only place the Northern Territory appeared was in an itinerary from Sydney to the Rock and back. There was no Kakadu, no Katherine or Litchfield. When I mentioned these places to them and showed them some personal photographs, they were impressed, but they said there was no such promotion to the Hong Kong public. Admittedly, the Northern Territory government representative who is based in Shanghai meets with them regularly, but the public has no idea about the Northern Territory.

I then met with Mr Tony Everitt from Tourism Australia, who advised me China had changed its rules regarding overseas travel and Chinese citizens could now travel to Australia by themselves, not just in a group. He also said 130 million Chinese will travel this year, and Tourism Australia will try to get as many as possible to Australia. Minister, this is a unique opportunity to promote the Territory.

I then travelled to Guangzhou and met with China South, the airline that has aggressively expanded its routes into Australia and flies daily to Perth. I met with Mr Chen Guojun, Director General Corporate Strategy, and his team of six people. I told them about the possibilities and potential of the Territory. I told them the flight to Darwin from Guangzhou is only five-and-a-half hours and they can incorporate their flights to Perth or Auckland. I was very encouraged to hear Mr Chen advise China South would consider expansion to Australia and would be very happy to have discussions with the Northern Territory

government, especially about the possibility of a joint promotion.

Minister, I have done your job for you; I have made the first contact. It is your turn to work with Darwin International Airport and bring some of the 130 million Chinese to the Territory.

I later went to Shanghai and met with Mr Shao Yi, the ex-Director General of East China Exploration company, which has significant investment in the Territory. He advised me, following his retirement from ECE, he was approached by the central government in China and asked to set up a company in Shanghai, listed on the Shanghai Stock Exchange, to explore further opportunities for investment. He was very keen to work with us to find potential in the Northern Territory. I intend to do everything to bring anybody to the Territory – airline, tourism operator or mining company.

On Tuesday, the minister spat the dummy again because he did not like the shadow minister for Tourism going to China and meeting people instead of him, despite all the obstacles he put in the way. He asked why I did not issue a media release. I am not interested in spin; I am interested in doing the job. He asked why I did not meet with anybody. I did. I was back at work for two days and met with a Darwin International Airport executive, and I intend to meet with Tourism Top End.

The minister stated he was not prepared to spend money on unknown markets. Minister, I suggest you read your own Tourism Vision 2020, because that document states Tourism NT should spend money in, and expand to, China. My suspicion is the minister read his message, signed it and nothing else.

Minister, tourism is a very important industry for the Territory and Territorians, and it is about time you treated it as such. Think outside the square, do not only listen to what the department says. Talk to ordinary people and find out what they want and try to deliver it. Yes, continue promotion in traditional markets – that is good – but you must promote in places like China. Once again, minister, I led the way. Now you can follow it up and do something for the Territory.

As for the cost, I flew economy class all the way. The whole trip cost about \$3000. I booked all my rooms on the Internet at the minimum cost I could find.

**Mr McCARTHY (Barkly):** Madam Speaker, good news stories from the Barkly.

Tennant Creek welcomes new Aussie citizen: Australia Day will always be special for Ottilia Nzimande, better known in the Barkly community

as Otty. The nurse officially became an Aussie on 26 January in a short citizenship ceremony conducted by Barkly Regional Council President, Barb Shaw, at the Battery Hill Mining Centre.

Otty came to this country soon after her sister relocated to Australia in 2005. She registered with the Nursing and Midwifery Board of Australia and, in 2009 was recruited by Frontier Services to work in a nursing home in Derby, Western Australia. After 18 months, she was transferred to Tennant Creek to work at the local nursing home, Pulkapulka Kari. It was here Otty formed an attachment with Australians and the Barkly community and asked her husband, Gideon, and daughter, Rejoice, to come over. She now works for the Ampilatwatja Health Centre.

Becoming an Australian citizen has never been more popular. Latest statistics from the department of Immigration website show that more than 3200 citizenship ceremonies took place across the nation, with approximately 123 000 people becoming Australian citizens in 2012-13, a jump of more than 38 000 from the previous period of 2011-12. Since the first citizenship ceremony 65 years ago, 4.6 million people have chosen to become Australian citizens. The top five countries of previous citizenship were the United Kingdom, India, the Philippines, China and South Africa.

The first Australian citizenship ceremony was held on 3 February 1949 at Albert Hall in Canberra. Seven men, one representing each state of Australia and the Australian Capital Territory, became citizens at this ceremony. They were men from Greece, Denmark, Yugoslavia, Spain, Czechoslovakia, France and Norway. During 1949, almost 2500 people from more than 35 countries became Aussies at ceremonies. Most were migrants from Italy, Poland, Greece, Germany and Yugoslavia.

Community celebrates Australia Day with an awards ceremony: locals from Tennant Creek and Elliott were recognised for their community achievements at an awards ceremony on 26 January. Steve Russell, exploration manager for locally based mining company, Emmerson Resources, took out the coveted title of Tennant Creek's Australia Day Citizen of the Year, while Shelley McDonald, aged-care coordinator, was named Elliott's Australia Day Citizen of the Year. Both Steve and Shelley have made valuable contributions to their communities, volunteering their time and playing an active role.

Steve has volunteered his services to a variety of local groups such as St John Ambulance, Clontarf Football Academy, Battery Hill Mining Centre and the Chamber of Commerce. Married with three children, he also works as a casual paramedic.

Shelley has also dedicated her services and time to Elliott, volunteering for the Elliott Fire Emergency Response Group and organising events such as NAIDOC Week, Australia Day, Anzac Day, community barbecues and the annual Elliott Mardi Gras, now in its 10<sup>th</sup> year.

The Young Citizen of the Year award went to brothers Liam and Brandon Wilson, who are both involved in the NT Fire and Rescue Service. In Elliott, Wade Nish was named Young Citizen of the Year. They all received an award for demonstrating that even at a young age, it is possible to make a valuable contribution to the community.

Both Fiona Reid and Hal Ruger received achievement awards. Fiona was nominated because of her willingness to help others in the community and being a mum to many. Hal is well known for his community involvement, which spans from several years as a councillor, being on several committees and lending a hand to children and community events.

Kylie Sambo received an achievement award for her ongoing opposition to federal government plans to build a national radioactive waste dump at Muckatjy.

Nine-year-old Cebby Johnson of Tennant Creek also received an achievement award for being a stand-out at a junior lifeguard program held at the town pool.

Community Event of the Year went to the Tennant Creek Volunteer Association (Northern Territory Emergency Services) for their collective efforts at various events. The group is always on call to provide support at community events and unexpected situations. In Elliott, the award went to the White Ribbon Day community event organised by Joshua Jackson, which called to stop violence against women.

**Mr WESTRA van HOLTHE (Katherine):** Madam Speaker, in the Framing the Future blueprint, the Northern Territory government advanced its vision for a balanced environment that is sustainable, balances use with protection and is well managed. While the government seeks to maximise economic opportunity through use of the environment, we also take our stewardship responsibilities very seriously, including maintaining healthy native flora and fauna.

I draw your attention to serious concerns about the health of one component of our unique wildlife, the decline of native small mammals, and describe some of the positive steps the Territory government is taking to address this issue through my Department of Land Resource Management.

The Top End of the Territory supports a rich assemblage of native land mammals. However, apart from the kangaroos, wallabies and fruit bats, most of these animals are small, secretive and nocturnal, so do not enjoy a high public profile. People may be aware of possums, bandicoots and quolls, but our unique small mammal fauna also includes many dasyurids. These are small carnivorous marsupials which are relatives of the spotted northern quoll, or so-called native cat, including the diminutive 5 gm planigale, one of the world's smallest mammals. Top End bush also supports a variety of native rodent species, from the diminutive delicate mouse to the impressive 1 kg black-footed tree-rat. In all, there are 37 native species found in the Top End within the broadly defined group of small mammals I speak about today.

A growing body of evidence from the past two decades is showing widespread and severe declines in many native small mammal species in the Top End of the Territory and elsewhere in northern Australia. Much of this evidence comes from Kakadu National Park where there is relatively detailed, extensive and long-term data from research and monitoring studies. However, studies in other Top End parks such as Litchfield, in Arnhem Land, the Daly region, and from the Kimberley and North Queensland, support this as being a widespread phenomenon across northern Australia.

The data from Kakadu and Territory parks is particularly alarming in demonstrating that declines are even occurring on lands being specifically managed for conservation. A good illustration of the extent of these declines is provided by data from a large number of long-term monitoring plots in Kakadu National Park, which has particularly rich mammal fauna.

Over the past 15 years, the average number of mammal species recorded per site declined by 65% and the average number of individual animals recorded declined by 75%. Significant declines, in some cases close to 100%, were recorded for at least 10 different native mammal species, including bandicoots, possums, dasyurids and rodents. In the fauna assessment surveys regularly carried out by scientists from my department, it has now become common place to catch not a single native mammal. This is in stark contrast to the high numbers found previously.

Why are these declines occurring now throughout our extensive tropical savannahs that appear to be largely intact and healthy? The best available evidence suggests declines are caused by a number of factors with complex interactions between them, but the key culprits appear to be fire and feral animals, particularly the feral cat.

Other factors such as diseases may play some role, but remain very poorly understood.

It is also worth noting that while the spread of the despised cane toad has had a severe impact on a small number of mammal species such as the quoll, it is not the primary cause of most declines.

It is well known there have been major changes over the past century in fire regimes experience in our Top End bushland. Fires have generally become more frequent and of greater intensity, particularly during the late Dry Season, and individual fires are more extensive. Apart from direct wildlife mortality from such fires, frequent or intense fires remove ground cover and mid-storey plants and degrade food resources and other important habitat features such as tree hollows.

Data from long-term monitoring sites in Kakadu National Park clearly demonstrates that decline in small mammal species tends to be most pronounced in sites that are more frequently burned. However, the data also suggests that fire patterns alone cannot explain the extent and severity of recent mammal declines.

Attention is now focused on the role of predators, particularly the impacts of the feral cat. Cats were brought to Australia with European settlement and quickly established in the wild, gradually spreading throughout the continent and occupying almost every ecosystem. A recent estimate puts the number of feral cats in Australia at approximately 15 million. Cats are very effective generalist predators, eating a wide variety of invertebrates, reptiles and small mammals. If we presume cats catch five prey items per day, Australia's feral cats are likely consuming a staggering 27 billion animals per year.

A recent review of the status of Australia's native mammals has ranked the feral cat as the single most significant threat. In the Top End bush, feral cats are ubiquitous, but elusive, and are rarely seen by land managers, so receive little public attention. However, every square kilometre of Top End bush land is likely to be patrolled by a feral cat, as has been recently demonstrated by scientists from my department, using motion sensor cameras to detect cats.

Unfortunately, the development of effective methods to control cats through the use of, for example, poison baits similar to those used to control wild dogs, has been slow and difficult. This is exacerbated in northern Australia, where we lack basic knowledge of the ecology and behaviour of feral cats.

Our scientists now believe there may be an unfortunate nexus between the effects of fire and of predators such as cats on native small

mammals, which helps to explain recent dramatic declines. Frequent and intense fires cause habitat changes such as reduction in ground cover, which allows predators such as cats to hunt more effectively. In turn, predation pressures reduce the viability of mammal populations to the point where they cannot readily recover from periodic stresses such as fire. Thus, our small mammal populations and their habitats have reached a tipping point. There is a real danger that without help they will tip past the point of recovery and slide into extinction.

I know I have painted a grim picture of the mammal decline issue. However, I am pleased to inform the House that significant research is being undertaken by the Department of Land Resource Management, with many collaborators, to better understand this problem and develop a management response. This work is occurring under the auspices of the National Environmental Research Program Northern Australia hub, based at Charles Darwin University. The NERP hub is a multidisciplinary, multimillion dollar initiative funded by the Australian government, with a broad range of projects aimed at improving biodiversity conservation in northern Australia.

Some of the headline projects of the northern Australian hub, with grant funding totalling approximately \$3m over four years, concern small mammal decline and the role of feral cats. These projects are led by the Department of Land Resource Management in collaboration with other science agencies, as well as land managers. In line with the partnership agreement between the Northern Territory and Charles Darwin University, several project staff are employed by the university, but hosted by DLRM.

One key activity under this program has been the construction of two large – and that is 64 ha each – cat-proof enclosures within Kakadu National Park, which were completed in December 2013. Removing cats and monitoring native mammal populations inside and outside the enclosures will provide a clear demonstration of the role of cat predation in mammal decline, as well as the potential for recovery if this threat can be effectively managed.

Another notable activity is the collaboration with Indigenous ranger groups and communities in Arnhem Land, with the Djelk and Wardekker Indigenous protected areas. The work with Wardekker on management of feral cats has been particularly fruitful, including broad engagement with the community and the application of Indigenous bush skills in the tracking and monitoring of feral cats. This has been combined with high-tech science, with trained cat-detector dogs used to hunt down and capture cats. They are then released with a GPS

collar attached that reports their movements and habitat over several months.

The ultimate goal is to work with Indigenous land managers to implement a range of techniques to strategically reduce cat numbers in areas of high biodiversity value. These areas include island refuges such as Groote Eylandt, as well as the biodiversity hot spot of the west Arnhem Plateau.

Reducing threats from feral cats and excessive wildfire and saving our special Top End mammal fauna is not an easy task. It will involve the development of effective techniques for broad-scale baiting for cats, combined with public education to distinguish the well-loved domestic pussy cat from the voracious menace that is the feral cat.

While most Territory land managers understand the need to reduce fire frequency, implementing it on the ground is always challenging. However, I am pleased to inform of positive steps already being taken by this government to address these challenges as part of our commitment to maintaining a healthy Territory environment.

Motion agreed to; the Assembly adjourned.