

**LOCAL GOVERNMENT ASSOCIATION OF THE
NORTHERN TERRITORY**

**SUBMISSION TO THE
REVIEW OF THE INTERSTATE DISTRIBUTION
OF
LOCAL ROAD GRANTS**

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LOCAL GOVERNMENT ASSOCIATION OF THE NORTHERN TERRITORY

LGANT OVERVIEW

The Local Government Association of the Northern Territory ('the Association') is the peak body representing the views of local governments in the Northern Territory.

The goals of the Association are:

- to develop and maintain strong, efficient and responsive local government in the Northern Territory;
- to effectively advocate for and represent member councils;
- to promote communication amongst our members and between our members and the community;
- assist members to deliver more responsive local government;
- ensure the effective and efficient management of the Association resources and services; and
- pursue an equitable distribution of all forms of funding to local government.

To date the Association has been recognised as a local governing body for the purpose of managing and organising the maintenance of 2130kms of local roads in unincorporated areas in the Northern Territory.

The vision of the Association is for:

constitutional recognition of local government with jurisdiction over the entire land mass of the Northern Territory and providing efficient, effective and a sustainable range of agreed services to the entire population.

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LOCAL GOVERNMENT IN THE NORTHERN TERRITORY

In the Northern Territory there are 199,913 people, which is less than 1% of the Australian population and who live in one sixth (1/6th) of the land area of Australia.

94% of people in the Northern Territory live within the boundaries of the Local Government Authorities.

There are 63 local governing bodies in the Northern Territory is made up of:

- 6 municipalities (local government)
- 30 community government councils (local government)
- 26 associations incorporated under NT and Commonwealth legislation
- 1 special purpose council (Jabiru)

Aboriginal councils make up 85% of local governing bodies in the Northern Territory and Aboriginal people comprise 24% of the population of the Northern Territory.

In the Northern Territory, local government has a high per capita ratio of elected members per head of population. There are some 634 aboriginal elected members in local governments in the Northern Territory.

Municipal Councils

Local governments in the Northern Territory (unlike local governments in other states) do not have the functions of planning or building regulation. The Northern Territory government retains these powers.

There are six municipal councils in the Northern Territory. These councils, although covering just over 0.3% of the area of the Territory, represent around 80% of the population. This is because these areas comprise most of the major cities and towns in the NT.

The six Municipal Councils are:

- Darwin city Council
- Palmerston City Council
- Alice Springs Town council
- Katherine Town Council
- Tennant Creek Town Council
- Litchfield Shire Council

Municipal Councils have much of their 'constitutions' in the *Local Government Act* and therefore are similarly constituted.

Community Government Councils

Community Government Councils have much of their constitutions outside of the *Local Government Act* and therefore can have quite 'unique' constitutions.

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Incorporated Associations

There are also 26 Incorporated Associations in the Northern Territory who have been recognised by the Australian and Northern Territory Governments as 'local governing' bodies delivering local government services to remote communities.

Incorporated Associations are a body constituted under the *Northern Territory Association Incorporations Act*, the *Commonwealth Aboriginal Councils and Associations Act* or the Office of Registrar of Aboriginal Corporations. Incorporated Associations do not have defined boundaries nor can they make by laws. Associations are not 'government' as such.

Some characteristics of Local Government in the Northern Territory

The average population service by the Community Government and Association councils is 670 persons.

Most of these bodies are classified under the Australian Classifications for Local Government as 'Rural Remote Small' or 'Rural Remote Extra Small'.

Local Government in the Northern Territory is responsible for a wide range of services with some of them being on behalf of Northern Territory and Commonwealth government agencies.

Local government is relatively 'new' in terms of its establishment in the Northern Territory with majority of councils being established in the past two to three decades compared to the much longer history in other states.

Larger councils, in the norm, have the capacity to meet their obligations whereas many smaller remote ones do not.

Northern Territory Government Policy Directions

The Northern Territory Government is developing proposals for establishing regional local governments that will provide for more effective and efficient service delivery and lead to the formation of councils with greater capacity.

2003/2004 saw the creation of two regional authorities. One is Thamarrurr Community Government Council, which subsumes the community of Wadeye and its surrounding homelands, replacing the Kardu Numida Council Inc. The local government area now covers 3450 square kilometres.

The second regional authority is Nyirranggulung Mardrulk Ngadberre Regional Executive Council, which was the merger of three community government councils in the West Katherine region. The area serviced by the new council is 27,800 square kilometres.

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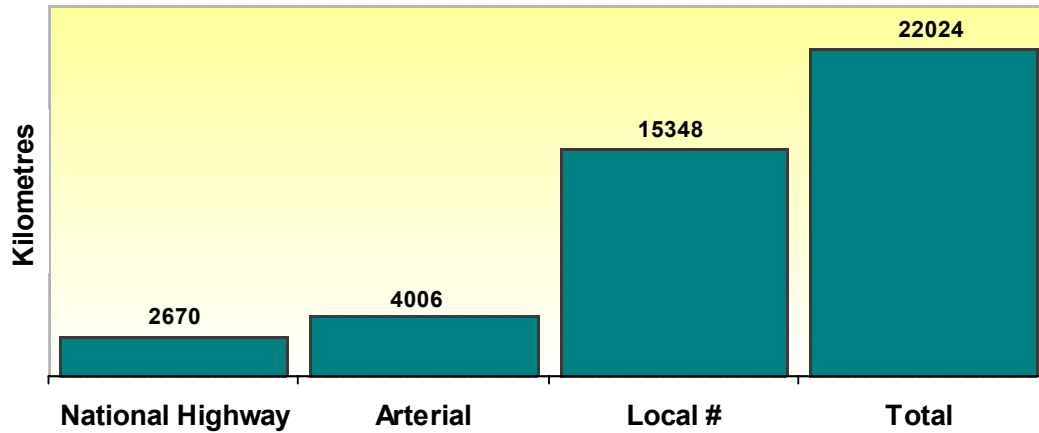
ROAD NETWORK IN THE NORTHERN TERRITORY

Northern Territory Government

The Northern Territory Government manages 22,024kms of road network in the Northern Territory. This comprises:

Table 1

(Source: Australian Bureau of Statistics, Regional Statistics Northern Territory 2005)

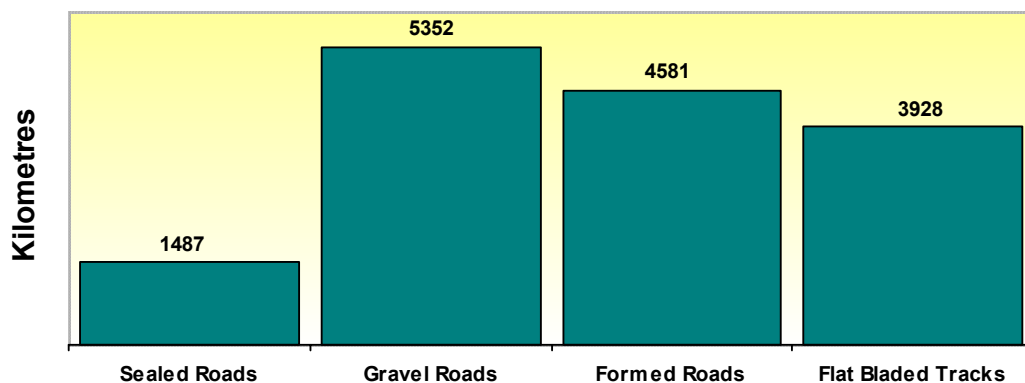


- 1,270kms local roads are in Northern Territory parks and conservation areas

The local road network managed by the Northern Territory Government comprises:

Table 2

(Source: Australian Bureau of Statistics, Regional Statistics Northern Territory 2005)



In recognition of the management of this local road network, the Commonwealth Government (under the Auslink Roads to Recovery Program) allocated \$1million in the 2004/2005 financial year towards it. For the Roads to Recovery Program 2005/2009, it has allocated a further \$16million (\$4million per annum) to the Northern Territory Government.

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Local Government

Local Government in the Northern Territory manages 14,110kms of road network in the Northern Territory.

This road network is made up of:

Table 3

(Source: Northern Territory Government, Northern Territory Grants Commission Annual Report 2004-05)

	Municipal	Community Government and Associations	TOTAL
Sealed	1466kms	559kms	2025kms
Gravel	280kms	1601kms	1881kms
Formed	30kms	2139kms	2169kms
Flat Bladed	0kms	8035kms	8035kms
TOTAL	1776kms	12334kms	14110kms

Local Roads on Unincorporated Lands

Local roads that fall outside local government areas are either the responsibility of a local government authority* or the Northern Territory Government.

*The Association is recognised as a local governing body for the purpose of managing and organising maintenance of 2130kms of local roads in unincorporated areas that neither the Northern Territory Government nor local government currently take responsibility for.

The *2005 Northern Territory Infrastructure Report Card* (Engineers Australia, August 2005) was commissioned by Engineers Australia as part of a national review of Infrastructure in all Australian jurisdictions.

The following observation on roads on Aboriginal lands outside local government boundaries was made:

'Roads providing access to remote Indigenous outstations are not included (in the official figures comprising local roads). The length of these roads is unknown. They received some initial Federal capital funding through the Aboriginal and Torres Strait Commission (ATSIC), however they are currently unfunded and there is no specific body that accepts responsibility for the ongoing maintenance of these roads.' (Section 2, Item 2.1, Page 5)

The same report refers to these roads not being constructed or maintained to appropriate standards:

***Unsealed** roads leading to and in remote communities are generally in poor condition, and are generally unreliable, with minimal maintenance and limited asset management, and are rated **D**.'* (Rating Summary, Page iii)

Local government authorities are under constant pressure from communities to take responsibility for this network since the demise of ATSIC.

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ISSUES PAPER CGC 2005/2 – COMMENTS ON THE REVIEW

How should we interpret ‘relative need’?

The Association currently supports an average standard approach to measure the scope of maintenance and preservation tasks, but in the future it aspires to have the asset preservation model.

In the Northern Territory local councils collect very little data and do not have the resources or systems to participate in an asset preservation model at present.

This lack of accurate and consistent data between councils also occurs in other State and Territory jurisdictions. There will need to be a transition period to ensure common data sets and definitions are developed before an asset preservation model is used in the Northern Territory.

The Association is an active participant in the Australian Local Government Association’s (ALGA) two projects, titled ‘National Local Roads Data’ and ‘National Local Roads Information’. These projects are some way off completion and therefore will hamper further consideration of what should be interpreted as relative need.

Partnerships to Do With Local Roads

The Association and the Northern Territory Department of Planning and Infrastructure have formed a partnership titled ‘Local Road Management Alliance’ (Alliance).

Some of the key outcome areas the Alliance wants to deliver are the development of the core data sets that are aligned to national policies and can contribute to local government asset management.

Dealing with differences in responsibilities between states

The Association supports a uniform interpretation of local roads functions across all States and Territories and that roads covered by the review are determined on an effort neutral basis.

The Association supports the definition:

Local roads are:

- *Roads whose prime purpose is to provide access to properties; and*
- *Roads acting to provide for traffic movements (connects roads providing access to properties to higher level roads) or to distribute traffic to local street systems.*

In the Northern Territory, all local government roads are identified in the annual audit to the Northern Territory Grants Commission. It would be relatively easy to cross reference these with the Northern Territory government network to ensure there is no duplication.

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Should the inventory of local roads be adjusted to reflect effort neutrality considerations?

The Association feels there is a need for the commission to be flexible to allow funding to individual councils to change in the event of them becoming responsible for increases in road lengths.

It is paramount that this happens if there is to be any hope of councils being viable and being able to maintain their local road networks.

There will need to be a significant increase in the allocation of Commonwealth funds to the Northern Territory Grants Commission for the new local road network to be managed.

At what level should the assessment be done?

The Association supports the Commission making broad assessments at the whole Territory level using the local knowledge of the Northern Territory Grants Commission, who would also act as the conduit for distribution.

If there was to be a more detailed assessment on an individual council basis, it would not only be onerous for the Commission but would also put more responsibility on individual local authorities to provide appropriate data for the assessments.

What factors affect local road expenditure?

The Association supports that road location as a disability factor in the assessment, but suggests this could be expanded to include availability of resources.

In remote arid areas, water is critical to road maintenance and is often unavailable, which leads to an inadequate maintenance regime and work practice. This decreases the life cycle cost of the road pavement.

If water is available, there is a high cost for mobilisation and transportation to works site.

The Association also believes the skill shortages within the civil works industry, which is out of the control of local government authorities, has had an impact on the cost of road maintenance in remote communities. Lack of competition and availability of contractors has increased the cost of road maintenance significantly, more so in remote areas.

Local roads in Unincorporated areas

Before 1992, the then Northern Territory Department of Transport and Works managed the local road network outside municipal council boundaries, with the Commonwealth paying a specific purpose grant to the Northern Territory Government.

At the time it was agreed that local road grants would continue to be distributed on the basis of the criteria set down in the *Australia Land Transport Development Act 1988*. This effectively froze the interstate distribution of local road grants at the historical share that applied in 1991-1992.

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After 1992, local roads grants were untied and paid through the Northern Territory Grants Commission directly to local governing bodies.

The distribution of the grant was based on relatively raw data and the actual road length that became the responsibility of local authorities was disputed.

These factors led to the inequitable and inadequate distribution of \$4.1million in 1991/1992 as recorded in the letter attached to this submission.

The 1993 review into local roads grants funding arrangements ('The Australian Urban and Regional Development Review') found that there was an increase in the share of funding to rural councils in all states, except Victoria and the Northern Territory.

On the 6 April 2005, the Prime Minister of Australia and Chief Minister of the Northern Territory signed a historic agreement which gave support towards the establishment of regional authorities (local government) in the Northern Territory. These organisations are to replace ATSIC as a representative body in the Northern Territory.

Regional Authorities are destined to have extensive local government boundaries.

A critical factor for these regional authorities is how they are to finance the increased road length.

In 2005, consultants prepared a management plan for the proposed Top End Rural Region group of councils, encompassing the Coomalie, Pine Creek and Nauiyu Nambiyu Community Government Councils.

A key component of this financial plan is determining a feasible approach to managing the increased road network of 556kms, with the proposed boundary extension and transfer of roads currently managed by the Northern Territory Department of Planning and Infrastructure.

A road audit identified the resource requirements into two strategies. One was to initially upgrade the road network to existing standards and to then maintain the entire network at these standards.

It was identified there was a need for a capital injection of \$10.8million to bring the inherited road network up to standard. In addition to the capital injection, there is a requirement for a further \$409,000 per annum for a cyclic maintenance program.

Funding of road infrastructure is likely to be the biggest risk facing the development of new regional authorities because it is likely to be the largest expenditure item in council budgets.

What data is available on local roads?

Local Government Authorities in the Northern Territory collect minimal data for the Northern Territory Grants Commission and there are limited resources and systems in place to expand on this data.

As mentioned previously in the submission, the Association is participating in the National Local Roads Project with the Australian Local Government Association and also through the Alliance with the Northern Territory Government to ensure a more comprehensive and accurate data set for local roads in the Northern Territory.

APPENDIX – REFERENCES

Australian Bureau of Statistics, Regional Statistics Northern Territory 2005, Commonwealth of Australia 2005

Department of Transport and Regional Services, Local Government National Report 2003-04, Commonwealth of Australia 2005

Department of Parliamentary Services, Research Paper No.7 2003-04 Commonwealth Road Funding Since 1990, Commonwealth of Australia 2004

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Northern Territory Grants Commission, Annual Report 2004-05