



Local Government Association of the Northern Territory

LGANT Submission to:

INQUIRY INTO NATIONAL FREIGHT AND SUPPLY CHAIN PRIORITIES

Via email to: freightstrategy@infrastructure.gov.au

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About this submission

This submission is done in response to the *Inquiry into National Freight and Supply Chain Priorities, Discussion Paper – May 2017* ©Commonwealth of Australia 2017. It also follows the meeting the LGANT CEO, Tony Tapsell had with Messrs, Matthew Squire, Anthony Swan and Rod Burgess of the Department of Infrastructure and Regional Development in Darwin on 12 July 2017 about the same matter. This submission provides responses to some of the questions raised in the above discussion paper and is reflective of what LGANT would like to see in the future.

2.1 What is moving where, why and how?

Land, sea and air transport infrastructure tends to support the bulk of local government freight movements. Local governments in the Northern Territory tend not to use much rail transport for their freight.

2.1.1 Sea transport infrastructure

Typical freight commodities transported by sea for NT local governments include:

- fuels
- vehicles
- building materials
- plant and equipment
- office equipment
- furniture
- tools
- gravel, cement and road materials.

Only the councils operating in Northern coastal communities utilise sea transport and for a large part of the wet season (November to April) much of the above commodities have to be transported by sea due to roads being impassable because of:

- rains
- rising rivers and creeks (due to rain and/or tides)
- gravel roads that become drenched and unusable.

The above coastal communities are mostly serviced by barges operating from Darwin which visit communities generally on a fortnightly or monthly basis. Barge landing infrastructure is generally of concrete construction which is serviced by sealed or unsealed roads either within or adjacent to towns. Some barge landings are listed in the Northern Territory Government's capital infrastructure program for upgrading and some have been listed for a number of years.

Bulk fuel facilities are generally located at or near barge landings as are cold storage facilities for food supplies. Overhead lighting is also generally available and needs to be as barges often have to unload their cargoes on high tides which could be anytime night or day.

What changes would you like to see to make your supply chain work better?

1. There is complete asset management information available on line about barge landings so that the public, organisations and councils can be fully informed about the government's plans and progress with works at any one time and can plan accordingly. **(Productivity and Technology issue)**
2. Where barge landings are located away from towns the access roads between the towns and the landings be sealed to ensure continuity of supply without undue interruption. **(Infrastructure issue)**
3. In larger communities there are cranes in place to enable the faster unloading and loading of containers. **(Infrastructure issue)**

2.1.2 Land transport infrastructure

All of the commodities listed under 2.1.1 are moved using road infrastructure. The bulk of local government freight movements throughout the Northern Territory are by land transport with most occurring during the dry season (May to October). The largest impact on such movements is the quality of roads many of which are gravel formed and which deteriorate when it rains and sometimes (especially in the North) become impassable. The status of these roads are:

- 85% of them are unsealed
- the only sealed roads are in towns and cities which demonstrates shortfalls in investment and investment capacity
- many roads in regional and remote towns are unsealed.

Recent extreme weather events in Central Australia have caused major damage to such infrastructure in recent consecutive years rendering the remedial work done in the first year virtually worthless.

Some freight companies will not risk using their trucks on such infrastructure because of the adverse maintenance impacts.

Federal financial assistance grants (local road component) paid to councils in the Northern Territory have only increased by the CPI since 1992. Road lengths (as part of the methodology for determining the grants) have not increased since 1992 despite Northern Territory councils being responsible for a further 7 000 kilometres of local roads (and bringing their current total to 14 000 kilometres) with an additional 7 000 kilometres of local roads earmarked for transfer from the Northern Territory government to local government since 2008.

The Commonwealth Grants Commission completed a report in 2012 which reviewed the methodology of these grants although the report has never been made public.

What changes would you like to see to make your supply chain work better?

1. There is complete asset management information available online about road infrastructure works so that the public, organisations and councils can be fully informed about the government's plans and progress with works at any one time and can plan accordingly. **(Productivity and Technology issue)**
2. The sealing of major arterial roads, such as the Arnhem Link Road, Central Arnhem Road, Tanami Road, Roper Highway, Barkly Stock Route, Tablelands Highway, Santa Teresa Road, Outback Way, Savannah Way, to allow for greater volumes and efficiencies of freight movements to occur both within and between the Northern Territory, Western Australia and Queensland.
(Infrastructure issue)
3. The inclusion of betterment in funding conditions attached to Natural Disaster Recovery Relief Arrangements so that road authorities can bring their networks up to a better standard (in the face of more frequent extreme weather events), avoid repeated damage and therefore get value for money.
(Productivity and Regulation issue)
4. An increase in the Federal financial assistance grants (local road component) paid to Northern Territory councils to compensate them for the 21 000 kilometres of road they will then be responsible for following the transfer of local roads from the Northern Territory government.
(Productivity and Regulation issue)
5. A local roads productivity package for Northern Territory councils to enable them to bring many of their local roads to a higher standard given their under-development to date with many being in Aboriginal communities.
(Productivity issue)
6. Equal partnerships exist between the Northern Territory Government and local government for road construction and maintenance works to the point where mobilisation costs are saved for both governments by using common contractors on similar projects.
(Productivity issue)
7. Councils are equipped with the tools and personnel to comply with the National Heavy Vehicle Regulations and process access permits on local roads in a timely manner.
(Productivity, Regulation and Technology issue)

2.1.3 Air transport infrastructure

All local governments in the Northern Territory rely on air transport infrastructure for moving freight which in many cases is small due to:

- the size of aircraft operating (particularly in regional areas)
- the cost of air freight (which is generally high).

Some local governments have had to use air transport exclusively over all other forms of transport in emergency situations because land transport was not available on account of adverse weather conditions. This highlights the overall importance of such infrastructure as aerodromes being sealed and able to handle most weather conditions.

The ownership and management of this infrastructure is beyond the means of most local governments in the Northern Territory however, it is crucial to their operations. With many aerodromes being on Aboriginal land the issue of land tenure also needs to be resolved because:

- without tenure responsibility cannot be properly assigned
- aerodromes cannot be properly regulated.

For island residents in the Northern Territory air services are their only means of travel and these services need ongoing support if they are to continue to access them. Residents of regional and remote communities pay a premium for travel and freight and hence are very much transport disadvantaged.

What changes would you like to see to make your supply chain work better?

1. There is complete asset management information available online about aerodromes so that the public, organisations and councils can be fully informed about the government's plans and progress with works at any one time and can plan accordingly.
(Productivity and Technology issue)
2. Aerodromes on Aboriginal land in the Northern Territory are the subject of long term leases held by the Northern Territory Government.
(Regulation issue)
3. The Australian Government does not withdraw, but grows and expands funding to ensure that:
 - regional and remote aerodromes are upgraded
 - regional and remote air services are subsidised.**(Productivity issue)**

2.2 Competitiveness in the Australian freight sector

A case study completed by the East Arnhem Regional Council (attached) into barge services operating in its local government area highlights some of the challenges councils face when there is little or no competition in the market place. Barge services for councils have long been a benefit (access to a service) and an ordeal (the high cost of the service) with the lack of competition often being one of the causes for the ordeals.

How important is freight movement to your council operations?

Freight movement is critical for council operations because materials and goods (as mentioned in 2.1.1):

- generally have to be transported from major centres like Darwin and Alice Springs (and for these two centres they generally have to come from interstate)

- are used in many council projects that involve:
 - the upgrading, renewal or replacement of assets of which local government in the Northern Territory has over \$3B
 - the provision of services like public libraries, sport and recreation, animal control, aged care, child care, night patrols, waste management.

3.1 Urban growth pressures

Unlike other parts of Australia, most Northern Territory cities and towns are experiencing population growth and this looks likely to continue with the inevitable consequences of increases in demand for passenger and freight services.

Some work has been done on land corridors in the Northern Territory for the major population centres but not enough and certainly not to the requirements now recommended by Infrastructure Australia.

Urban growth pressures in regional and remote areas is typically exemplified by a shortage of housing and this cannot be adequately addressed in some towns due to essential services infrastructure being at capacity.

How can Australia's urban networks better prioritise passenger and freight services in the most effective manner possible?

1. The national framework for corridor protection as recommended by Infrastructure Australia (Source: © *Infrastructure Australia 2017*) has been agreed to by all State and Territory governments and the Australian government by 2018.
2. Land use plans in the Northern Territory clearly identify land corridors and the Northern Territory Government owns them.
3. Land corridors for light rail exist for the large Northern Territory cities and towns and freight routes are in place for heavy vehicles including those that by-pass towns.
4. Enabling infrastructure and essential services in remote Northern Territory towns can cater for future subdivisional development and housing as a consequence of being funded as part of the Infrastructure Priority List of Infrastructure Australia.

Yours sincerely



Damien Ryan
President