

LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

WRITTEN QUESTION

Mr Higgins to the Minister for Infrastructure, Planning and Logistics:

Annual Report – Department of Infrastructure, Planning and Logistics

1. Please explain how the \$1.86bn figure for the infrastructure program quoted on p3 is made up. What is the line breakdown?

2016-17 Capital Works, Minor Works & Design Development	
Agency	2016-17 Total Approved Program (\$M)
DIPL - Infrastructure	713
DIPL - Design & Development	8
DIPL - Roads	626
Housing – GEH & Remote	279
Total	1627

2016-17 Repairs and Maintenance	
DIPL - Infrastructure	88
DIPL - Roads	76
Roads Disaster Maintenance	6
Total	170

2016-17 Recoverable Works, Direct Debit, Consultants & Operational	
DIPL - Infrastructure Other	69

TOTAL DIPL	1866
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2. Why was there a 63km shortfall of sealed road? How can the Minister explain a 16/17 estimate of 167km of sealed roads but only achieve 104km of sealed roads?

Kilometre upgrade KPIs are based on tender award. A number of large tenders did not reach tender award as estimated for a number of reasons as outlined below:

- 12 Lane Kilometres of the Arnhem Link Road Upgrade - A significant period of consultation with Traditional Owners and key stakeholders was required to confirm the scope of works. Australian Government approval was received on 18 September 2017. It is anticipated that the tender will be advertised early 2018 for construction during the 2018 dry season.
- 8 Lane Kilometres of Roper Highway Upgrade Various Sections between Fizzer Creek and Ngukurr – There was a delay in finalising the scope. However, Stage one was awarded on 28 November 2017 to complete a section from chainage 133-135kms. The next stage is currently being scoped.
- 40 Lane Kilometres of Plenty Highway Upgrade – 120 -140 Kilometres – The Department has been working with the Australian Government on formal approval for the project. The only outstanding issue is an agreement on the Indigenous employment and business targets which the Department has submitted for Australian Government review and approval. The work has been advertised in anticipation of formal approval being confirmed in the coming weeks.
- 2 Lane Kilometres of Gunn Point to Upgrade – This project has been re-scoped for the entire length of Gunn Point to support Project Sea Dragon. Consultation work is currently underway.

Note: civil expenditure level remained high nonetheless, (with actual work on bridges and other road infrastructure), noting spend against prior year.

3. Please explain how the target of 53km roads upgraded was missed with only 31km of roads upgraded in 16/17.

Kilometre upgrade KPI's are based on tender award. A number of large tenders did not reach tender award as estimated for a number of reasons as outlined below:

- 16 Lane Kilometres of the Victoria Highway (sections 87-91km and 92-96km) – Tender was not awarded until 4 October 2017. The delay in awarding was due to changes made to the Code for Tendering and Performance of Building Work 2016 under the *Building and Construction Industry Act 2016*.
- 6 Lane Kilometres of Lasseter Highway Pavement and Seal Widening – Minor delay in tender award which was achieved in September 2017.

4. Infrastructure spend in 16/17 was \$844.64m. Please provide information on what projects and where were they delivered.

The Department delivered a record expenditure of \$844.6 million during the 2016-17 financial year, an increase of \$78.9 million over 2015-16 which was \$765.7 million.

Works included fast tracked projects brought forward by Government and the \$5 million Steel Stimulus Package which were designed to support local steel fabrication and stimulate the local construction industry.

2016-17 Expenditure by Region and Program					
Region	Capital Works \$'M	Minor Works \$'M	Repairs & Maintenance \$'M	Recoverable & Other \$'M	Total \$'M
Alice Springs	110.0	8.62	39.15	8.16	165.93
Darwin	321.8	29.13	75.59	17.41	443.93
Gove	62.4	2.79	7.87	4.92	78.00
Katherine	71.2	6.38	31.69	0.64	109.88
Tennant Creek	29.0	2.18	15.21	0.52	46.92
TOTAL	594.4	49.09	169.51	31.66	844.66

A number of large strategic infrastructure projects were completed or commenced in 2016-17, detailed in the following table:

Description	Expenditure 2016/17
ROBINSON RIVER - CONSTRUCT HEALTH CENTRE	\$5,263,123.04
RELOCATION OF AMBULANCE CENTRE IN KATHERINE	\$5,776,257.29
NPRH (AG) CONSTRUCT ADDITIONAL 15 NEW DWELLINGS MANINGRIDA	\$6,880,766.73
UPGRADE ROYSTONEA AVE ADDING 3RD LANE GATEWAY DEVELOPMENT	\$10,914,098.90
CYCLONE LAM & NATHAN RECTIFICATION WORKS	\$10,766,727.40
TIGER BRENNAN DRIVE DUPL CBD TO BERRIMAH RD (RCD/15021)	\$11,427,613.89
VANDERLIN DRIVE DUPLICATION	\$12,420,726.29
WADEYE MULTI-PURPOSE POLICE STATION & ACCOMMODATION	\$17,516,182.41
LARAPINTA DRIVE-COMPLETE SEALING TO MEREENIE INNER LOOP	\$23,488,601.04
RDH - OUTPATIENTS & PUBLIC AREAS	\$27,039,625.76
ROPER HWY - HIGH LEVEL BRIDGES WILTON (RLK/14015)	\$31,356,493.72
PALMERSTON REGIONAL HOSPITAL	\$77,973,480.28

5. Only 12% of building assets were inspected in 16/17. Why does budget 17/18 state that a 50% target is achievable?

DCIS has completed configuration of a new mobile inspection tool. This tool will be used by external contractors to inspect assets. The 50 percent target is to compensate for reduced inspection activity over the last two financial years.

6. \$3.9m was spent on consultants in 2017. How many were Territory based consultants?

Of the \$3.9 million spent on consultants, 80 percent was spent with Territory based consultants.

7. Why does the 2016/17 Annual Report not have a comparison of performance against the previous year, as has been a feature of Annual Reports in times past?

Under Australian Accounting Standards, new entities or materially changed entities such as the Department of Infrastructure, Planning and Logistics (DIPL) are not required to provide comparatives. The three former departments that joined together to form DIPL included other functions such as the Darwin Waterfront Corporation, Northern Territory Environmental Protection Authority and Environment and Heritage outputs. Changes in agency functions and structure such as those experienced by DIPL, generally result in performance comparatives not being achievable between years as the new structure does not align with past entities or their output structure.

8. With respect to credit risk, what constitutes “sufficient collateral” as stated on p129 of the Annual Report?

The notes to the financial statements on credit risk are required as per Australian Accounting Standards and are based on a template prepared by the Department of Treasury and Finance. All agencies mitigate credit risk by only paying on goods and services received in full. Treasurer’s Direction M2.2 provides further guidance in terms of having appropriate surety bonds or bank guarantees for large value construction contracts. The following provides further detail on how large value construction contracts are dealt with:

- The all of government procurement conditions of contract for Tiers 4 and Tier 5 (\$500 000 and above) are National Public Works Council (NPWC as per whole of Government rules) and include provision for bank guarantees, liquidated damages and surety bonds.
- These conditions are also used for Tier 3 (\$100 000 – 500 000) projects that require additional security, possession of site and other provisions.

- 9. An answer to a previous written question indicated that future plans for Richardson Park were being considered by the Department of Infrastructure, Planning and Logistics. Can the Minister please provide an update given the government owned facility remains vacant and is deteriorating with time?**

The Department of Infrastructure, Planning and Logistics, in collaboration with the Departments of Education; and Tourism and Culture, is continuing to investigate options for the site.

Annual Report – NT Planning Commission

1. How are planning priorities determined?

In accordance with its functions under the *Planning Act*, the NT Planning Commission (NTPC) is tasked with preparing and consulting on integrated strategic land-use plans, guidelines and assessment criteria for inclusion in the NT Planning Scheme by the Minister for Infrastructure, Planning and Logistics. Prior to the new financial year the NTPC will endorse its forward work program. The work program will consist of projects that the NTPC have identified as being the particular areas with the most immediate need for land use planning in the NT.

2. What are the target levels of community participation in Local Area Activity Centre Plans? What constitutes success? How are these levels determined?

The NTPC's approach to community engagement is informed by the International Association for Public Participation (IAP2) Spectrum of Public Participation. The level of engagement undertaken is determined for each individual project, as a number of internal and external factors will require consideration for each project. Factors include, but are not limited to:

- immediate or long term impact on the community;
- level of interest from the community, as perceived by internal stakeholders;
- level of interest being shown by the community;
- degree of potential community impact;
- underlying values and views of external stakeholders;
- degree of complexity;
- degree of political sensitivity;
- ability of resources; and
- media interests.

The success of each project is measured by the NTPC against relevant factors.

3. Stage 1 consultation on the Central Darwin Area Plan project is expected to commence in late 2017, what resources are being allocated to this task?

In accordance with the *Planning Act*, the CEO must provide the Commission with Staff and facilities to enable the Commission to properly perform its functions. In addition, approximately \$330 000 has been allocated to undertake

background investigations and studies including:

- Social Infrastructure Assessment;
- Demographic Study;
- Water, sewer, power, transport and drainage infrastructure studies; and
- Urban design to inform the Central Darwin Area Plan.

4. What processes are in place to review the effectiveness of communications channels used in the communications strategy?

Prior to the launch of each project the NTPC reviews and approves a Community Engagement Strategy for each project. The Community Engagement Strategy is tailored to meet the individual needs of each project and details the communications strategies that will be used to communicate with the community. Once consultation on each stage concludes, the NTPC reviews the effectiveness of the methods used and feedback received against the Strategy. Changes are made if necessary before proceeding to the next stage.

5. What resources are dedicated to communications?

The Chief Executive Officer of the Department has provided resources to the NTPC for communications purposes. This includes utilising in-house departmental communications expertise and resources and the use of external consultants and resources if required e.g. graphic designers, facilitators, printing and distribution.

6. Is there a budget for social media? If not, why not?

Social media is one part of an engagement/communications strategy. There is no specific social media budget allocation for the NT Planning Commission. Where the NTPC deems appropriate to use social media for a particular project, a portion of the overall operational budget for the NTPC is expended for that purpose.

7. Why is there such a discrepancy between what was budgeted for FY 16/17 and the actual spend in FY 16/17, i.e. \$540 000 in Budget 16/17, and an actual spend of \$293,000 in FY 16/17?

Total expenditure against budget was under due to the transition period of appointing a new Planning Commissioner and transitioning arrangement of supporting staff, some of which are now paid by Lands and Planning.