NORTHERN TERRITORY GOVERNMENT

Department of LOGISTICS AND INFRASTRUCTURE

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Finance and Public Administration References Committee
Department of the Senate
PO Box 6100
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Via email: seniorclerk.committees.sen@aph.gov.au

Dear Committee

Re: Northern Territory Response – Senate Inquiry into financial support for state and territory infrastructure projects

Thank you for the opportunity to contribute to the Finance and Public Administration References Committee Senate Inquiry into financial support for state and territory infrastructure projects. It is hoped this submission assists the Committee in its inquiry as this matter has significant implications for the Northern Territory and its unique operating environment.

The Northern Territory

In an increasingly complex geopolitical environment, the Northern Territory is of growing strategic importance. Investment in infrastructure is essential not only to support local populations but to safeguard national defence, resource security, supply chain resilience, and broader national interests. The Northern Territory's infrastructure needs are well documented and are unique to the rest of Australia. Vast distances, a highly dispersed and remote population, high service-delivery costs, extreme climate and a comparatively small tax base create an operating environment requiring a bespoke approach to financial support of infrastructure projects.

Federal funding, namely GST distributions and tied grants underpin over 70%[1] of the Northern Territory's revenue and is the single most decisive enabler of infrastructure planning and delivery across many areas including transport, housing, health, resources and digital connectivity in the north. It is common for larger projects requiring Australian Government support to have a heavy emphasis placed on conventional economic metrics and business case maturity. The reliance on these metrics can disadvantage projects in remote and regional areas where benefits are dispersed, long-term or primarily social, cultural or strategic in nature.

The Northern Territory acknowledges the importance of independent assessment processes and business case requirements. While formally neutral, existing funding arrangements operate in practice to disadvantage small, fiscally constrained jurisdictions. Considerations such as uniform assessment criteria, co-contribution requirements, equity funding and administrative burdens fail

[1] https://budget.nt.gov.au/papers/guide/territory-governments-revenue

to account for the Northern Territory's structural characteristics. Greater flexibility and clearer guidance are required to ensure proportionality, fit-for-purpose analysis and realistic expectations of the Northern Territory's fiscal capacity, particularly where Australian Government policy objectives are the primary drivers.

The Northern Territory invests significantly more per capita in infrastructure than any other Australian jurisdiction. Total infrastructure expenditure in the Northern Territory is nearly twice that of the next highest jurisdiction (see figure 1[2]), reflecting the high costs of delivering essential services across vast distances, to dispersed and remote populations. Proportionally, this investment underscores the structural challenges the Northern Territory faces. Even with the highest per-capita spend the need still exists for the Australian Government to close infrastructure funding gaps, maintain service standards and enable projects of national and strategic significance. This disparity highlights the importance of assessment frameworks and funding processes that recognise the Northern Territory's unique context, rather than applying models designed for densely populated states.

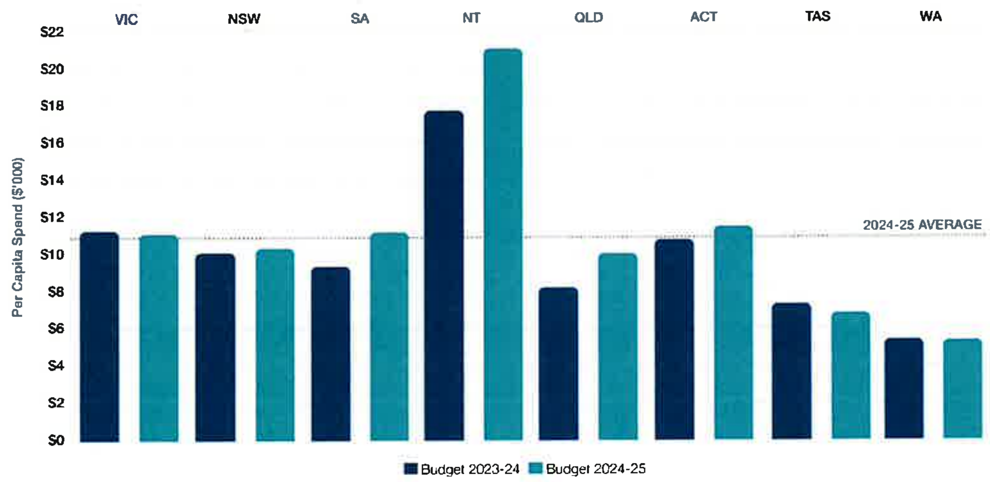

Figure 1 Per capita infrastructure funding by state and territory governments over the last two years

Land transport infrastructure investment in the Northern Territory is foundational rather than discretionary. Roads, flood immunity works and access-enabling infrastructure are prerequisites for the effective delivery of both fully and partially Australian Government-funded initiatives such as health, education, justice and social services. Where these investments are delayed or underfunded, costs are shifted back to the Australian Government through poorer outcomes across many outputs and higher long-term expenditure. It should also be noted Northern Territory efforts towards Closing the Gap have a disproportionate impact on national metrics recognising 26% of Territorians are Aboriginal or Torres Strait Islander[3]. As a result, land transport infrastructure investment in the Territory should be considered as a national policy lever rather than a jurisdictional benefit.

[2] https://infrastructure.org.au/policy-research/major-reports/australian-infrastructure-budget-monitor-2024-25/
[3] https://www.abs.gov.au/articles/northern-territory-aboriginal-and-torres-strait-islander-population-summary

Infrastructure delivery in the Northern Territory is also subject to materially higher construction costs than other jurisdictions that current funding frameworks do not adequately recognise or account for. These costs arise from remoteness, long and fragile supply chains, limited contractor availability, high mobilisation costs and extreme climatic conditions that restrict the effective construction season. Where funding programs impose fixed or compressed delivery timeframes, these cost pressures are intensified, reducing market competition and increasing delivery risk.

Further, the delivery of infrastructure projects in the Northern Territory is subject to additional legislative processes that significantly affect project timeframes, costs and overall productivity. Negotiations and approvals required under the *Aboriginal Land Rights (Northern Territory) Act 1976* (Cth) (ALRA) introduce a level of complexity that is not present in other Australian jurisdictions.

The ALRA is administered by the Commonwealth and applies only in the Northern Territory, covering almost 50% of the Northern Territory's land mass. As a result a substantial proportion of government and private sector infrastructure projects are required to navigate extended consultation, negotiation and approval processes before works can commence. These requirements apply regardless of project scale and are often sequential rather than concurrent, contributing to extended delivery timelines.

The Department of Logistics and Infrastructure currently has more than-120 infrastructure projects with outstanding approvals or agreements under the ALRA, preventing projects from progressing to construction. These delays create flow-on impacts across project planning, procurement and delivery, reducing certainty for government agencies, contractors and investors.

Time delays arising from extended approval processes frequently lead to significant cost escalations. Prolonged timeframes expose projects to inflationary pressures, increased construction costs, contract variations and the need for repeated redesign or re-procurement. In many cases, delays also reduce the economic efficiency of infrastructure investment by deferring the delivery of public benefits and constraining broader regional development outcomes.

The complexity and duration of the ALRA approval processes present ongoing productivity challenges for both government and private industry. These challenges reduce the Territory's ability to respond quickly to infrastructure needs, limit economic development activity, and act as a deterrent to private sector investment. Addressing these constraints is critical to improving infrastructure delivery efficiency and supporting sustainable economic growth in the Northern Territory. Sustained, transparent and fit-for-purpose/jurisdiction Australian Government infrastructure support is imperative for the Northern Territory. This includes an awareness of the complexities that contribute to the Northern Territory's unique challenges such as the ALRA. Without it the Northern Territory cannot close its infrastructure deficit, meet service standards comparable to the rest of Australia or unlock nationally significant opportunities.

Recommendations

Recommendations for the Senate Finance and Public Administration References Committee's consideration. It is recommended that the Australian Government:

1. Formally recognise the Northern Territory as a structurally disadvantaged jurisdiction for infrastructure funding purposes, with this recognition embedded in funding guidelines, criteria and intergovernmental agreements rather than applied on an ad hoc or discretionary basis.
2. Establish a dedicated, needs-based Australian Government infrastructure funding stream for the Northern Territory that operates outside competitive grant processes and is calibrated to baseline access, safety and service enablement rather than project-by-project competition.
3. Set a default Australian Government funding share of 100% for Northern Territory projects that deliver critical land transport access, flood immunity, community connectivity, disaster resilience and service-enabling infrastructure, recognising the Territory's limited revenue base and national interest role.
4. Apply proportionate, fit-for-purpose business case and assurance requirements for Northern Territory projects, including acceptance of staged approvals, corridor-level and strategic business cases, and alternative evidence where conventional cost–benefit analysis is not appropriate.
5. Recognise opportunities against Closing the Gap and impacts to core investment decision criteria for Northern Territory projects, with equal weighting to economic efficiency and productivity measures, reflecting the Territory's demographic profile and national commitments.
6. Substantially reduce administrative and reporting burdens on Northern Territory infrastructure delivery by consolidating Australian Government reporting requirements, minimising duplication, and shifting to outcomes-focused performance monitoring.
7. Transition from transactional funding arrangements to a genuine partnership-based model with the Northern Territory, recognising shared Australian Government Northern Territory Government responsibilities for national connectivity, resilience, equity and service delivery outcomes.
8. Explicitly recognise maintenance and asset preservation as eligible and prioritised components of Australian Government infrastructure funding for the Northern Territory, including provision for ongoing maintenance of service-critical assets.
9. Mandate a whole-of-life asset management approach across Australian Government infrastructure frameworks, acknowledging that sustained maintenance investment in the Northern Territory reduces future capital demands, service disruption and long-term fiscal risk.
10. Establish predictable, multi-year Australian Government maintenance funding streams for the Northern Territory, scaled to asset exposure, remoteness and climatic conditions, to avoid premature asset failure and the costly cycle of rebuild rather than maintain.

This Inquiry presents a critical opportunity to correct long-standing structural inequities in Australian Government infrastructure funding. If meaningful reform is not delivered, current frameworks will continue to disadvantage the Northern Territory, constrain service delivery and weaken the achievement of national policy objectives.

A differentiated, equity-based funding approach is essential to align investment with actual need, maximise the return on public expenditure and materially advance national policy outcomes. Robust processes, clear governance frameworks and effective oversight mechanisms are critical in delivering this certainty, enabling the Northern Territory to plan and deliver projects that are not only locally transformative but nationally significant. By ensuring funding decisions are transparent, consistent, and based on rigorous yet context-sensitive assessment, the Australian Government can unlock productivity gains, strengthen regional and national resilience, and support strategic outcomes across many key sectors. Infrastructure investment in the Northern Territory should be treated not as a discretionary exception, but as a core national responsibility and a strategic priority for Australia.

Responses to each of the inquiry terms can be found at Attachment A.

Your sincerely

Gemma Lake
Acting Chief Executive Officer

Response to the Terms of Reference

a) the criteria and processes used by the federal government to assess, prioritise and allocate infrastructure funding

In the Northern Territory the ability to demonstrate economic and social value is constrained by several structural factors. Small and dispersed populations limit the scale of quantifiable demand, while data availability is often limited or incomplete, particularly in remote regions. Many projects address interrelated challenges such as service reliability, public health, climate resilience and community liveability. These benefits accrue gradually and are difficult to isolate or monetise. As a result, traditional economic modelling can under-represent the true value of essential infrastructure.

The Commonwealth's infrastructure funding criteria and assessment processes place strong emphasis on economic merit, particularly the use of benefit–cost ratios and monetised returns within business case frameworks. The emphasise on economic efficiency, scale and quantified benefit-cost ratios, while appropriate for metropolitan and high-volume corridors are criteria poorly suited to the Northern Territory, where infrastructure primarily enables basic access, safety and service delivery to address complex, long-term problems in remote and low-population contexts.

EXAMPLE: Northern Territory road network - connectivity for essential goods and services

Large sections of the Northern Territory's road network are the sole access routes to remote Aboriginal communities. These roads carry low traffic volumes but are critical for access to health clinics, schools, policing and emergency services. Under conventional assessment frameworks, such projects score poorly despite their essential role in delivering nationally funded services.

Similarly, infrastructure required to maintain year-round access during the wet season often fails to meet standard economic thresholds due to small population catchments. Yet without flood immunity works, entire communities can be cut off for extended periods, resulting in medical evacuations, disrupted schooling and higher Australian Government and Northern Territory Government service costs.

Generic business case processes are only as robust as the data and assumptions that underpin them. In high-density jurisdictions, mature datasets and well-defined demand profiles support more confident quantification of benefits. In contrast, in the Northern Territory, uncertainty in baseline data, future growth patterns and behavioural responses can significantly affect modelled outcomes, often to the detriment of projects that are critical to maintaining basic service standards that compare to the rest of Australia.

This dynamic means that essential investments in areas such as water security, transport access and energy supply may appear comparatively weak when assessed primarily through conventional economic metrics. Without explicit recognition of data limitations and a more balanced consideration of social, cultural, equity and strategic outcomes, assessment frameworks risk systematically deprioritising infrastructure that is fundamental to Australia's long term economic and social development, as well as achieving nationally consistent service expectations.

The Northern Territory, as a small jurisdiction, is often left to battle the inconsistency of funding agreements with varying, onerous and progress-limiting impacts often mitigating success. In some instances, the Northern Territory's own funding opportunities are significantly impacted due to the significant delays that can be experienced in paying milestones to the Northern Territory. This results in the Northern Territory paying interest on borrowing and bankrolling Australian Government obligations. An example of this is the Remote Housing agreement. A co-funded agreement in the billions, where milestones are not able to be claimed on a regular basis and rely on other departments and groups. This can, in turn, impact construction delivery and timeliness further impacting already irregular milestone payments. Further, other agreements such as the National Land Transport Infrastructure Projects agreement (roads) require Auditor General led audits on an annual basis. While auditing is essential, ad-hoc or once-off auditing of an agreement would limit the financial impacts on a small jurisdiction while ensuring governance and due-process is followed.

It should be noted the Northern Territory welcomes recent adjustments to Infrastructure Australia's Investment Framework and looks forward to ongoing updates that continue to recognise the broader social, cultural, and strategic value of infrastructure in Northern and remote Australia. Notwithstanding this, the below provides further examples of ongoing challenges.

EXAMPLE: National Water Grid Authority - Investment Framework and Water Security Success

The National Water Grid Authority's (NWGA) Investment Framework provides a practical example of how Commonwealth funding assessment can be adapted to the realities of northern and remote Australia. Rather than relying predominantly on narrow economic metrics, the framework explicitly incorporates economic, social, environmental and cultural considerations, recognising the limitations of conventional modelling in low-population, data-constrained and complex operating environments.

This broader assessment approach has enabled investment in critical water security infrastructure that would be difficult to justify through traditional benefit–cost analysis alone. Recent examples include targeted water infrastructure upgrades across Maningrida, Numbulwar, the Gove Peninsula and Yulara, as well as the "Better Bores for Communities" initiative, which will deliver safe and reliable drinking water to multiple remote communities by 2027. These projects deliver clear public health, service reliability and community resilience benefits, despite limited scope for monetised economic returns.

The Darwin Region Water Supply Program, including the Adelaide River Off-Stream Water Storage (AROWS) project, represents a larger-scale application of the same framework. AROWS has been identified as nationally significant due to its role in securing long-term water supply for the Darwin region, supporting population growth, defence, industrial development and climate resilience. The project has received Commonwealth support to date under the National Water Grid program and is being progressed in accordance with the NWGA Investment Framework.

As AROWS moves closer to a Final Investment Decision, it will require assessment processes that place appropriate weight on its strategic, resilience and national interest value, alongside conventional economic analysis. The NWGA framework provides a credible basis for this more balanced and strategic assessment, particularly for major projects where benefits are long-term, system-wide and not readily captured through standard economic modelling.

Overall, the experience of the National Water Grid Authority demonstrates the value of assessment models that move beyond narrow economic metrics and explicitly account for data limitations, small populations and complex social outcomes. This approach offers a useful reference point for broader Commonwealth infrastructure funding processes seeking to improve effectiveness and equity in remote and regional jurisdictions.

Elevated construction costs further distort assessment outcomes for Northern Territory projects. Higher unit costs, driven by transport distances, workforce scarcity and limited economies of scale, reduce apparent cost efficiency when assessed against national benchmarks.
This systematically disadvantages projects that are unavoidable and essential in the Northern Territory context.

The current competitive funding model assumes that all jurisdictions can prepare repeated, complex funding submissions and absorb co-contribution requirements. This assumption does not hold for the Northern Territory and results in inequitable outcomes.

b) the transparency, consistency and accountability of federal funding decisions

While assessment frameworks and published criteria provide a basis for Australian Government infrastructure funding, limited visibility around how final funding decisions are reached can create uncertainty for state and territory governments. This is particularly challenging for large, complex projects that require ongoing Australian Government support, where understanding how competing priorities, trade-offs and strategic considerations influence funding is essential for long-term planning and investment decisions. Improving clarity around funding rationales and decision-making processes would help jurisdictions manage delivery risk and plan major infrastructure with greater confidence.

For the Northern Territory, this lack of transparency undermines long-term planning and investment certainty. Funding decisions are frequently program-specific and time-limited, with changing eligibility rules and priorities. This creates instability for a small jurisdiction with limited ability to rapidly redeploy resources or absorb sunk planning costs. True accountability requires transparency not only in process, but in outcomes. There is currently insufficient public reporting on whether Australian Government infrastructure funding is reducing regional inequity or contributing to national priorities such as Closing the Gap.

Further, the lack of consistency of parameters for negotiation, as an example the Northern Territory co-contributes 50% for housing agreements but 20% for road infrastructure agreements, creates a disparity between infrastructure that is essential to the development of the Northern Territory. Given the current infrastructure deficient and budget funding deficit being experienced in the Northern Territory, the parameters for negotiation should be further refined for nation building initiatives and to develop north Australia.

With a total jurisdiction population smaller than some state's local-government areas, the Northern Territory remains subject to the same funding criteria as the larger states without the resources, capability or agility to respond in the same manor. Where this becomes particularly evident is in funding rounds such as Disaster Recovery (round 3) where remote councils and Aboriginal organisations are eligible for higher levels of Australian Government contribution for submissions but remain reliant of Northern Territory Government support to deliver projects due to capacity and capability gaps in remote workforces coupled with financial limitations.

c) how the viability and appropriateness of state and territory projects receiving federal funding is assessed, including the adequacy of business cases, rural and regional distribution impacts, and use of independent assessments

The viability and appropriateness of projects in the Northern Territory is often difficult to demonstrate within standard Commonwealth assessment frameworks. Business case processes are designed around data-rich, higher-population contexts and rely on assumptions and models that are less robust in remote and low-density regions. Uniform business case requirements impose a disproportionate burden on the Northern Territory. Preparing, for example, Infrastructure Australia–level business cases for relatively small but critical projects diverts limited resources away from delivery and maintenance. Traditional viability assessments also fail to capture avoided costs. For example, investment in flood immunity on key access roads can significantly reduce the need for emergency airlifts, temporary relocations and crisis service responses, all of which are funded or co-funded by the Australian Government. Remote road upgrades also support workforce retention for teachers, health workers and police, reducing turnover and associated recruitment and training costs. These benefits are real, measurable and national in impact, yet are rarely given sufficient weight in viability assessments. It is not unusual for the Northern Territory to be excluded from many mature data sets due to a range of factors including resourcing and capacity. This can result in a gap in the provision of quantifiable data to support applications and acquittal, further disadvantaging small jurisdictions.

Project viability in the Northern Territory is further affected by imposed delivery timeframes within Australian Government funding programs. Short delivery windows often require projects to be completed within a single dry season, limiting contractor availability and driving higher pricing to manage delivery risk. In many cases, projects could be delivered more efficiently and at lower cost if timeframes were aligned with local conditions rather than national program cycles. Consideration should also be given to aligning Australian Government funding cycle with that of state and territories, noting co-contribution for significant, out of cycle announcements cannot always be supported by smaller jurisdictions without significant planning and consideration, often weighed up at the expense of other initiatives and priorities.

Independent assessments provide valuable rigour, but may not fully capture local context, interdependent benefits, or long-term resilience outcomes. Similarly, regional and remote distributional effects are not always clearly weighted, meaning that projects critical to small or dispersed communities may appear less viable under conventional frameworks. Proportional, context-sensitive assessment approaches are essential to ensure Australian Government funded projects deliver meaningful outcomes in the Territory. Independent assessment processes should be recalibrated to recognise that for the Northern Territory, infrastructure viability is often a function of service continuity and risk reduction, not traffic volumes or commercial returns.

d) how the economic, social, cultural and community impacts of federally supported infrastructure projects are considered during assessments

In the Northern Territory, large or critical infrastructure projects address complex, long-term challenges. This can include remote connectivity and disaster resilience, remote water security, regional health infrastructure, energy reliability and broad transport and logistic network appropriateness and access. To fully account for these impacts, assessments need to be considered through a different lens. This includes:

- **Economic:** recognising broader system and indirect benefits, such as enabling regional development, supporting defence or industry, and reducing future emergency or replacement costs.
- **Social:** valuing improvements to health, safety, service equity, and liveability in small or remote communities, informed by local experience and stakeholder feedback.
- **Cultural:** integrating First Nations priorities and heritage considerations, as well as capacity and capability of regions into project design and decision-making, including consultation outcomes and local knowledge.

- **Community:** capturing the effect of infrastructure on cohesion, accessibility, and resilience, with evidence drawn from engagement with local government, community organisations, and service providers.

EXAMPLE: Enabling Infrastructure in the Northern Territory

The Northern Territory is pursuing a coordinated suite of major enabling infrastructure projects that, collectively, underpin economic growth, resilience, and national strategic interests (see **Appendix A**). Key initiatives include:

- Adelaide River Off-Stream Water Storage (AROWS) – securing long-term water supply for Darwin and surrounding communities, supporting population growth, defence facilities, and industrial development.
- Middle Arm Precinct – a major industrial and logistics hub that enables defence, resource, and renewable energy activities, while creating local jobs and facilitating national supply chains.
- Territory Energy Link – a high-capacity transmission and distribution network that supports renewable energy integration, enhances reliability, and enables industrial and residential growth.
- Freight and Logistics Network improvements – strategic transport upgrades that improve connectivity across the NT, reduce costs for communities and businesses, and support regional and national supply chains.

These projects are highly interconnected. Together, they create synergies that multiply economic, social, and strategic outcomes, strengthen resilience, and enhance the Territory's capacity to generate its own-source revenue.

Assessment of each project should explicitly consider these interdependencies across economic, social, cultural and community issues, ensuring that Australian Government support is coordinated and scaled to maximise overall value. By evaluating the full system, rather than isolated projects, Australian Government funded infrastructure can deliver transformational benefits for both the Territory and Australia, across communities, industry, defence, and supply chain resilience.

Stakeholder inputs are essential in regions where data is limited or incomplete providing qualitative evidence that complements quantitative analysis. By explicitly weighting these factors, assessment processes can better reflect the true value of federally supported infrastructure in remote and regional contexts. In turn, this ensures decisions support both national objectives and local needs. In the Northern Territory, assessing the economic, social, cultural and community impacts of infrastructure projects requires a system-wide perspective, recognising that major initiatives are interconnected and that their combined effect is what ultimately drives national, regional, and local benefits far beyond what any single project could achieve.

e) federal oversight mechanisms used to track progress and performance of a state or territory project receiving federal funding and opportunities to improve governance, oversight and public reporting

Federal oversight of infrastructure projects in the Northern Territory through Federal Funding Agreements provides a clear framework for accountability, focused on financial compliance, milestones and outputs. This compliance-based approach is straightforward to administer and reduces immediate risk for the jurisdiction. However, limiting oversight to compliance can result in missed opportunities to capture the broader economic, social and strategic value of projects.

More effective and outcome-focused reporting could build a stronger evidence base, improve understanding of project impacts and support better-informed decisions for future investments. Creating linkage between performance reporting and long-term outcomes, jurisdictions and the Commonwealth can:

- demonstrate value
- reduce uncertainty for large or complex projects
- enhance the strategic impact of federally funded infrastructure.

Bespoke and effective reporting and performance tracking in the Northern Territory would not only improve delivery and reduce risk but also create a robust evidence base for future investment decisions in strategically important infrastructure noting the Northern Territory's strategic location, beyond the economic impacts alone.

The systematic under-prioritisation of maintenance and asset preservation could be considered a critical weakness in current Australian Government infrastructure funding arrangements. Funding programs are overwhelmingly capital-focused with limited provision for ongoing maintenance, renewal and resilience upgrades. This approach is particularly damaging in the Northern Territory context. The Territory manages a vast infrastructure asset base relative to its population, much of it in remote and climatically harsh environments. Roads, bridges and floodways are exposed to extreme heat, heavy rainfall and flooding, accelerating asset deterioration. Without adequate, predictable maintenance funding, assets degrade rapidly, shortening their useful life and increasing whole-of-life costs.

These same environmental and logistical factors also result in an increase to upfront construction costs and ongoing maintenance costs across the Northern Territory. High mobilisation expenses, reduced productive construction periods and accelerated asset wear mean that whole-of-life costs are materially higher than in other jurisdictions. Funding models that do not explicitly recognise these realities underestimate true asset costs and increase long-term fiscal risk.
The current funding model creates a perverse outcome. Maintenance is deferred due to funding constraints, assets deteriorate, and Governments are then required to seek significantly larger capital investments every 30 to 40 years to rebuild infrastructure that could have been sustained at a fraction of the cost through timely maintenance. This is neither fiscally responsible nor consistent with sound asset management principles.

Rebuilding assets repeatedly is substantially more expensive than maintaining them, particularly in remote locations. Deferred maintenance also increases the risk of asset failure, service disruption and emergency responses, which as outlined earlier shifts costs to Australian Government-funded systems such as health, emergency management and disaster recovery. Maintenance funding must be treated as a core investment rather than a discretionary afterthought in order to reduce future capital outlays and improve value for money. Maintenance funding should be proportionate to asset need, risk and exposure, not constrained by narrow program rules that favour new builds.

Enabling infrastructure required to unlock housing and development is characterised by long and often unavoidable lead times. Australian Government grant programs must continue to acknowledge these realities and be designed accordingly. In particular, programs should mandate the inclusion of funding for early-stage investigations, planning and design, recognising these activities as essential precursors to capital delivery. Providing certainty and support at these early stages will materially improve project readiness, reduce delivery risk and ensure future capital funding is translated into timely, on-the-ground outcomes.

For the Northern Territory, sustainable infrastructure outcomes require dedicated and ongoing Australian Government contributions to maintain nationally significant and service-critical assets. Recognition that maintenance investment directly reduces future capital funding demands, and funding models that support whole-of-life asset management rather than episodic capital replacement is required.

f) any other related matters

Structural inequity and the case for differentiated treatment

The Northern Territory's circumstances justify formal recognition as a special-status jurisdiction for infrastructure funding purposes. This is not preferential treatment, but equitable treatment based on structural disadvantage and national interest. Elevated construction and delivery costs are a structural feature of infrastructure provision in the Northern Territory, not a reflection of inefficiency or poor project selection. Treating these costs as anomalies rather than inherent conditions perpetuates underinvestment and undermines value for money.

Continuing to apply uniform frameworks will perpetuate underinvestment, widen inequality and undermine national policy objectives. A differentiated approach would better align Australian Government funding with need, equity and long-term national outcomes.

Supporting local-level infrastructure

The Northern Territory plays a unique and essential role in delivering not only state-level but in many cases local-level infrastructure. This is particularly relevant in regional and remote areas where local resourcing and capacity is limited. The critical, essential role of smaller jurisdiction state-level governments needs recognition in Australian Government funding frameworks. This role is particularly critical in regional and remote areas where local governments often lack the capacity and resources to deliver infrastructure required to support population growth and economic development. Commonwealth grant programs should therefore apply the same co-contribution arrangements available to local councils—including the provision of up to 100% Commonwealth funding—where the Territory is delivering infrastructure that performs an equivalent local government function.