

Issue

The downward trend of the public expenditure on transport infrastructure as a percentage of GDP since the 1970s and the increased food production requirements and the huge logistical task associated with this means that State and Federal Governments must increase investment in road and rail infrastructure in NSW.

- Decentralisation
- Regional Development
- Transport efficiency
- Safety

What the Association is seeking

- \$1 billion over 4 years in a Local Infrastructure Fund to be made available from the NSW Government budget direct to Local Councils responsible for managing rural and regional roads.
- A 25% increase to funding towards the rural component of roads managed by the RTA due to excessive road damage caused by floods and wet weather. This would increase the expenditure from \$496 million per annum (average over 5 years to 2010) to \$620 million per annum.
- \$100 million per annum regional road freight specific capital fund towards upgrades of more roads to Higher Mass Limit status and better interconnectivity of existing Higher Mass Limit routes.
- Commit to ongoing council involvement in existing Road Maintenance Council Contracts arrangements on the state road network. The overall value of these contracts is about \$146 million.
- Increase the Regional Road Block Grant funding to address the \$60 million per year funding gap on regional roads, including a factor to address the inadequacy of the Block Grant funding formulae to reflect the annual increases in road construction and maintenance costs shown by the Australian Bureau of Statistics Local Road Construction Cost Index, or at least the Local Government Cost Index as developed by IPART, rather than the Consumer Price Index method currently used for annual funding increases.
- Continue the existing \$60 million Timber Bridge Partnership program for another four years and extend the program to include local roads.
- Appropriate consultation and compensation for farmers affected by highway upgrades.

Why

Rural and regional roads networks continue to lack the required funding to maintain their conditions demanded with their increasing use. With the ongoing use of road as the most efficient if not the preferred mode of commodity transportation, it is imperative the NSW Government support their continued upkeep. Local roads are the start of the journey for most agricultural commodities and this influences the efficiency of logistics downstream. For example, all grain products begin their journey on rural roads. Grain produced for livestock feed – almost a quarter of the total grain task in NSW – is almost entirely transported by road. Increased funding for rural and regional roads would therefore benefit the state's entire road transport systems and food production chains as well as benefits to road safety and regional development.

Major Highway Upgrades are vital for road safety and the future infrastructure needs for NSW, but there needs to be more consideration for the impact of highway upgrades on individual farm businesses and rural industries. Major highway upgrades such as the Pacific Highway that deviate from the current routes can significantly impact on the daily operations of farm businesses and their economic viability. Addressing these concerns requires appropriate consultation with individual farmers who are impacted by highway upgrades

Lack of funding

A key finding of the Independent Inquiry into the Financial Sustainability of Local Government in NSW was that, based predominantly on data from the financial year 2004/05, NSW Local Government had accumulated a huge infrastructure renewal backlog of \$6.3 billion that continues to grow by \$600 million per annum¹. Funding is required as a matter of urgency to address the problem of local roads and bridges reaching the end of their economic life.

While the Government announced that \$3.5 billion out of the total \$4.7 billion of the Road's Budget is dedicated to rural and regional roads, with the exception of \$330 million for the Hume Highway, there's little funding support for the State's primary producers.

¹ Local Government Inquiry (2006), *Are Councils Sustainable? Final Report: Findings and Recommendations*
