



Funding local roads

Addressing the infrastructure backlog
NSW regional and local roads

January 2019

About the NRMA

Better transport infrastructure has been a core focus of the NRMA since 1920 when our founders lobbied for improvements to the condition of Parramatta Road in Sydney. Independent advocacy was the foundation activity of the organisation and remains critical to who we are as we approach our first centenary.

The NRMA has grown to one of the largest tourism and transport companies in Australia, representing over 2.6 million Australians principally from NSW and the ACT. We provide motoring, transport and tourism services to our Members and the community.

Today, we work with policy makers and industry leaders to advocate for transport solutions that help solve key pain points such as congestion, access and affordability and connect people and communities. We're passionate about facilitating travel across Australia, recognising the vital role tourism plays in supporting regional communities.

By working together with all levels of government to deliver integrated transport and tourism options we can provide for the future growth of our communities and continue to keep people moving for generations to come.

Comments and queries

Carlita Warren

Senior Manager — Policy and Research

Wal Setkiewicz

Senior Policy Advisor — Economics

NRMA

PO Box 1026 Strathfield NSW 2135

+61 2 8741 6000

public.policy@mynrma.com.au

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Background

Regional and Local roads are the backbone of our transport system, making up approximately 80% of the national road network.

These assets underpin employment, tourism, goods movements and social wellbeing, making them critical to healthy and sustainable communities and economies, as well as national productivity.

Under the national funding system, local government is responsible for funding, upgrading and maintaining thousands of kilometres of roadways. And while local expertise and input can assist to prioritise road projects, declining council revenues and increasing maintenance costs are quickly diminishing the financial capacity of local governments to invest.

In addition to council revenues, local governments rely on grants and federal and state funding to maintain and improve the road network. While federal and state funding has increased in recent times, a significant shortfall still exists. The need to adequately fund upgrades and the construction of new road infrastructure to cater for future growth in both passenger and freight traffic has not been addressed.

The Regional and Local roads infrastructure backlog in NSW has been sharply increasing and is now at an unacceptable level, with obvious safety risks apparent and connectivity between rural, regional and urban centres suffering.

Over several recent years, the funding backlog has risen by almost 30% from \$1.73 billion in 2014-15, to \$2.2 billion in 2016-17.

Regional councils are responsible for approximately 75% of this backlog, or \$1.7 billion.

With the Regional and Local roads network in a state of decline and unable to properly accommodate existing passenger and freight movements, yet alone deliver for future growth in population, tourism and movements in goods and services, now is the time to look at measures to significantly improve the current state of affairs.

The potential to expand tourism, agriculture and industrial freight in regional centres will be restricted if roads are not built and maintained to a standard that can cater for existing and future demand.

Local governments cannot continue to play catch up with road infrastructure and maintenance, which is being exacerbated by a lack of general revenue, program funding and engineering expertise. The national funding system in its current form is simply inadequate to provide for safe and productive motoring and transport.

Funding of the Regional and Local roads network ultimately needs to be sustainable over the long term, with temporary initiatives implemented in the short term to bring the entire network up to a satisfactory standard to improve safety and productivity.

Without immediate action and an effective, long-term Regional and Local roads funding plan, we will continue to put greater pressure on the network, intensifying the current infrastructure backlog.

Given the importance of our Regional and Local roads to safety, tourism, local economies and national productivity, the NRMA has identified a number of reform initiatives aimed at alleviating the current funding backlog and making funding more manageable and sustainable for local governments into the future.

The NSW Regional and Local roads network

The total NSW road network is around 184,859km in length, with approximately 80% classified as Local Roads. These roads are managed by local councils (see Table 1). Councils also manage the land adjacent to all public roads other than freeways.

The NSW Government, through Roads and Maritime Services (RMS), is responsible for the management of the remaining 18,028km (20%) of the major arterial road network in NSW (State roads), and provides funding for councils to manage 18,257km of state-significant Regional roads. RMS also manages 2,970km of roads in far western NSW where there is no council jurisdiction.¹

According to the NSW Local Government Grants Commission Report 2015-16,² the total Local roads network in NSW is comprised of the following:

Table 1: Local Road Category and Length (km) – Managed by Local Government

Road type	Coverage (km)
Urban Local roads	32,824
Non-urban sealed	34,423
Non-Urban unsealed Local roads	79,091
Total Local road network	146,340

Total Road Km Network - not correct due to rounding.

Local road infrastructure deficit

Many councils, particularly in regional NSW, have growing infrastructure backlogs. An infrastructure backlog occurs when an asset is not performing at its optimal level. Reduced expenditure leads to less maintenance and asset enhancement expenditure, which in turn lowers the performance of the asset.

Backlogs not only occur in road infrastructure, but also in other critical public infrastructure assets, including water, stormwater and recreational facilities. Local roads infrastructure competes for funding against other asset classes.

For many councils, diminishing financial capacity to maintain the Local roads network to a satisfactory standard has resulted in their service provision being compromised. A deteriorating road network lends itself to greater travel times, increased accident probability and reduced productivity.

2016-2017 infrastructure backlog

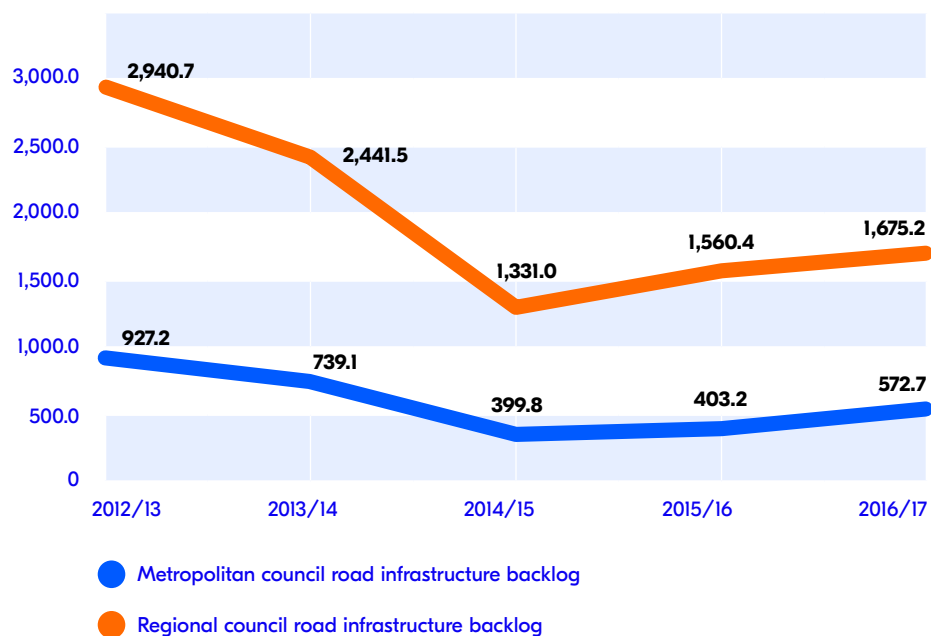
The NRMA analysis of local council annual financial statements for 2016-17 shows that in 2016-17, the Local road infrastructure backlog increased to \$2.2 billion, with the Regional council road infrastructure backlog increasing \$115 million to \$1.7 billion. This represents approximately 75% of the total infrastructure backlog.

Figure 1 demonstrates the growing metropolitan and regional infrastructure deficit in NSW.

¹ Roads & Maritime Services road network responsibility facts as referenced from website, dated 22 June 2017 rms.nsw.gov.au/road-network-responsibility

² NSW Local Government Grants Commission (2016), 2015-16 Annual Report p37

Figure 1: Metropolitan and regional road infrastructure backlogs since 2012-13 (\$million)



The Hunter and North Coast regions account for almost 40% of the total Regional backlog, with the infrastructure deficits across Central NSW, the Far West, Snowy Mountains and South Coast increasing by 46.8% from \$285.9 million in 2014-15 to \$419.7 million in 2016-17.

The unsatisfactory condition of road assets and reduced maintenance, along with limited asset management, highlights the alarming trend of councils struggling to deliver acceptable road conditions.

Table 2: Local council road infrastructure backlog 2014-15, 2015-16 and 2016-17

Council	Infrastructure backlog (\$million)			% Change		% of total backlog		
	2014-15	2015-16	2016-17	2015-16	2016-17	2014-15	2015-16	2016-17
Metropolitan councils	399.8	403.2	572.7	0.8	42.1	23.1	20.5	25.5
Regional councils	1,331.0	1,560.4	1,675.2	17.2	7.4	76.9	79.5	74.5
Total	1,730.8	1,963.5	2,247.9	13.4	14.5	100.0	100.0	100.0

Beyond productivity – the cost of crashes on Local and Regional roads

Regional and Local roads continue to record higher fatalities and injuries in comparison to State roads.

Over the period 2013-17, the Regional and Local roads network accounted for 68.9% of all fatalities and 77.6% of all injuries,³ costing the NSW economy \$3.9 billion. Our regional communities shoulder a majority of this impost at \$2.6 billion. This overrepresentation of crashes on Regional and Local roads requires immediate attention.

The cost of not having a proper base to maintain Regional and Local roads will continue to have a negative impact on safety.

Table 3: Percentage splits by road type for the period 2013-17 (fatalities and total injuries⁵)

Council	% Fatalities	% Serious injuries	% Moderate injuries	% Minor injuries	% Total injuries
Freeways/motorways	2.1	3.5	3.1	4.5	3.6
State roads	28.9	17.6	19.5	18.2	18.7
Regional roads	33.3	34.6	34.4	37.9	35.5
Local roads	35.6	44.3	43.0	39.4	42.1
Total	100.0	100.0	100.0	100.0	100.0

Using the NRMA Cost of Crashes methodology as outlined in our May 2017 report⁴, the annual average cost of lives lost and injuries totalled \$5.4 billion for the period 2013-2017.

Table 4: Cost of fatalities and total injuries on NSW roads, average annual cost for period 2013-2017

	(Smillion)
Freeways/motorways	151.1
State roads	1,320.0
Regional roads	1,833.9
Local roads	2,092.4
Total	5,397.4

Using the annual Cost of Crashes estimate of \$5.4 billion, the cost of road trauma on Regional and Local roads equates to approximately \$3.9 billion. The corresponding cost on State roads is \$1.3 billion.

³ The Regional and Local roads network is managed by Local Government Councils. Councils receive funding from the NSW Government to maintain the Regional road network. Regional roads are other state roads which do not include state highways and freeways/motorways. Local roads other than the remaining network of roads have traditionally been maintained by local councils.

⁴ Calculation based on methodology in NRMA (2017) The Cost of Crashes – An analysis of lives lost and injuries on NSW Roads, May 2017 p2

⁵ Transport for NSW Centre for Road Safety Road Traffic Casualty Crashes in New South Wales – data as supplied for the period 2013 to 2017

Addressing the infrastructure backlog

Federal and state governments have had recurrent road funding grants and programs in place for many decades, however a considered, all-encompassing plan to properly and consistently guide road asset renewal and maintenance has always been lacking.

The structure of past and present grants and programs has also tended to show that geographically larger and less populated councils have, at times, been disadvantaged when attempting to attract investment in road infrastructure to maintain critical asset bases.

Given the spiralling road infrastructure deficits and projected growth in regional passenger and freight traffic over the coming decades, the need for emergency Regional and Local roads funding and a new federal approach to long-term infrastructure renewal and maintenance is critical.

Most local government areas currently find themselves in an impossible position of playing catch up with road renewal and maintenance, meaning an increasing number of assets are being neglected.

The NRMA believes it is now time to look at initiatives to immediately reduce the Regional road funding backlog and future proof road infrastructure works and maintenance, all of which will remain critical to local economies for decades to come.

With a disproportionate number of reported crashes, of the utmost importance in the short term is bringing Regional NSW roads up to an acceptable standard to improve safety.

Local government areas report on infrastructure assets periodically and assess the current condition of major assets as part of this requirement. Throughout Regional NSW, \$300 million worth of works is required to replace roads classified as 'very poor,' with a further \$600 million required to replace roads classified as 'poor.'

This \$900 million investment would bring all regional roads up to 'satisfactory' condition, meaning, according to assessment criteria, that only ongoing infrastructure maintenance is required.

Regional roads that are not satisfactory – those classified as 'very poor' and 'poor' by local council assessments – can't perform adequately based on current use and conditions, giving rise to safety issues and lost productivity.

While the total infrastructure backlog across the state is currently around \$2.2 billion, our strongest focus is on addressing the most critical components of this growing safety and productivity issue, namely inadequate roads in the regions.

The NRMA sees an immediate need for a one-off package of initiatives to renew or upgrade these critical roads, supported by a long-term national funding and maintenance plan to ensure a sustainable approach to funding into the future.

⁶ Gross replacement costs as reported by councils



Reform initiatives

NSW Government

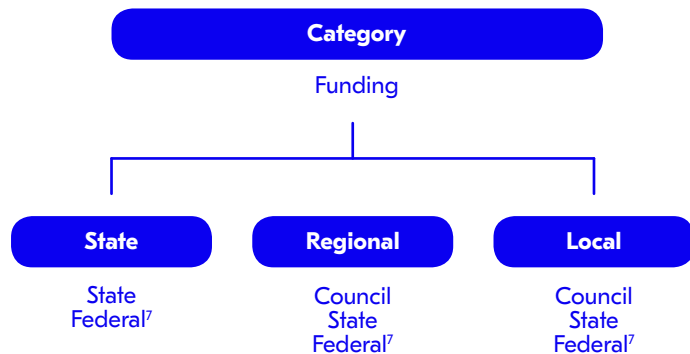
Following five years of consecutive analysis of federal, state and local government road funding, Member surveys, and participation in the Australian Government’s Black Spot Program, the NRMA has identified five disparate reform initiatives to assist in clearing the Local roads funding backlog.

1. Recategorise strategic roads in the regions to State roads

Under the *Roads Act 1993*, Roads and Maritime Services (RMS) classifies certain roads in NSW, designating a legal class of Highway, Main road, Secondary road or Tourist road. In addition to these roads, there are unclassified Regional and Local roads.

To manage this vast network, an administrative framework of *State, Regional and Local* categories was established to help clarify funding and maintenance responsibility.

Figure 2: Funding sources for varying road categories



While state governments and councils are primarily responsible for road construction and maintenance under the current funding system, the Australian Government also contributes under various programs, which are funded as part of the annual budget process.

Roads that are categorised as Regional perform an intermediate function between the main arterial network of State roads and council-controlled Local roads. Due to their network significance, the NSW Government (through RMS) provides financial assistance to councils for the management of Regional roads.⁸

Over time, however, it has become apparent that the current road funding system is inadequate, with Regional and Local roads deteriorating. Given the size of investment required to bring the network up to a satisfactory standard, most councils simply lack the financial capacity to rectify the Regional and Local network.

Recategorising strategic Regional and/or Local roads to State roads would immediately shift responsibility for funding and maintenance to the NSW Government, negating the need for council funding. Recategorising roads would also allow councils to concentrate on maintaining a smaller pool of roads while minimising the need to apply for road funding through NSW Treasury.

Measure	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Recategorisation of strategic roads to State roads	-	-	-	-	-	TBD ⁹

⁷ Australian Government road expenditure under the various funding programs is appropriated as part of the annual budget process.

⁸ Schedule of Classified Roads and Unclassified Regional Roads, April 2017, Version 11.

⁹ The initiative of recategorising roads presents no direct cost, however newly classified State roads requiring renewal or upgrade would be the responsibility of RMS.

2. Increase resourcing and engineering capacity in the regions by equipping joint organisations with specialist personnel to oversee the prioritisation and delivery of asset upgrades across Local Government areas

Councils throughout NSW are not properly equipped to monitor and develop asset management plans to optimise the delivery of core infrastructure services. Inadequate information and a lack of expertise in assessing existing asset performance is hindering the ability of many councils to develop business cases to access existing funding pools, making future planning difficult.

A recent report from Professionals Australia highlighted this issue, suggesting that up to 20% of project capital costs are wasted due to a lack of engineering expertise in scoping.¹⁰

While in-house engineers can reduce the costs associated with tendering and procurement, existing council budgets, particularly in the regions, have precluded accessing this expertise, as well as associated professional services.

Through the pooling of resources and the aggregation of asset performance data, however, councils have an opportunity to create economies of scale to improve their assessment and business case development capabilities to assist with funding proposals.

Recently, 85 councils in regional NSW became members of 13 newly-created 'Joint Organisations' – entities with legal powers that can assist councils to work collaboratively and more efficiently.

Joint Organisations include Canberra region, Central NSW, Far North West, Far South West, Hunter, Illawarra Shoalhaven, Mid North Coast, Namoi, New England, Northern Rivers, Orana, Riverina and Murray, and Riverina.

The creation of these Joint Organisations presents an opportunity to resource-share and address the asset prioritisation and funding limitations previously experienced by individual councils.

Equipping Joint organisations with specialist engineering and associated personnel would enable a more professional and holistic approach to road asset maintenance and upgrades across local government areas.

Through the *Local Government (regional joint organisations) Proclamation 2018* under the *Local Government Act 1993*, Joint organisations, administered by a board, can employ staff and engage with state agencies on behalf of councils, including making submissions.

Rebuilding diminishing engineering capacity through the regions and increasing access to specialist resources is an initiative that would help prioritise road upgrade projects based on need and maximise value for money for the state government and councils.

Measure	Year 1 SM	Year 2 SM	Year 3 SM	Year 4 SM	Year 5 SM	Total SM
Engineering capacity for the regions	2.5	2.5	-	-	-	5

¹⁰ Professionals Australia (2014), "Best value is elusive without engineers", 22 March 2014. Published online at <http://www.professionalsaustralia.org.au-newsviews-latest-?id=3064>

3. Revitalising the Regional and Local roads network through the Regional Growth Fund and Snowy Hydro Legacy Fund

In 2017, the NSW Government announced a \$1.3 billion Regional Growth Fund program to boost economic activity in regional NSW.

In addition, the sale of the NSW's share of the Snowy Hydro Scheme to the Australian Government has driven the recent establishment of a \$4.2 billion Snowy Hydro Legacy Fund, which will be used to fund regional infrastructure projects or upgrades.

These funds present the state with a unique opportunity to explore and progress transformative infrastructure initiatives identified in long-term government plans, including the NSW State Infrastructure Strategy 2018-2038 and the 20-Year Economic Vision for Regional NSW.

While far-reaching, these plans all maintain a significant focus on improving and upgrading roads and connections, and encouraging regional visitation and tourism, particularly to growth centres.

Allocating \$60 million per annum from the Regional Growth Fund and/or Snowy Hydro Legacy Fund over a five-year period would fund the gross replacement cost of all regional NSW roads requiring urgent renewal or upgrade.

Increasing this allocation up to \$180 million per annum over the same five-year period would bring all Regional NSW roads up to satisfactory condition.

Replacing or upgrading these roads – classified by councils as 'very poor' and 'poor' – should be a critical focus area when it comes to revitalising NSW regions.

Bringing Regional roads up to a satisfactory condition will provide economic stimulus to growth centres and boost the productivity of the agricultural, resources and tourism sectors.

Measure	Year 1 SM	Year 2 SM	Year 3 SM	Year 4 SM	Year 5 SM	Total SM
Regional Growth Fund + Snowy Hydro Legacy Fund						
RGF + Snowy Fund: Renew/upgrade 'very poor' NSW Regional roads	60	60	60	60	60	300
RGF + Snowy Fund: Renew/upgrade 'poor' NSW Regional roads	120	120	120	120	120	600

Australian Government

4. Accelerate reform of Roads to Recovery and Financial Assistance Grants

The Australian Government's Roads to Recovery program is aimed at supporting the maintenance of the nation's road infrastructure assets.

Under the program, direct funding to councils is distributed according to a formula based on population and road length set by the Local Government Grants Commissions in each state and the Northern Territory.¹¹

In addition to this road funding, the Australian Government's Financial Assistance Grants program contains a Local roads component.

Accelerating these programs and linking funding directly to road backlog estimates as compiled by councils would unlock capacity to upgrade critical roads classified as poor in condition.

Through the Australian Government's current budget, NSW has been allocated \$419.9 million from the Roads to Recovery program through to 2021-22.

The Financial Assistance Grants program allocated \$215.2 million to NSW in 2017-18 for Local roads. This per annum allocation is expected to rise to \$247.0 million by 2021-22.

Measure	Year 1 \$M	Year 2 \$M	Year 3 \$M	Year 4 \$M	Year 5 \$M	Total \$M
Additional funds: Roads to Recovery program	54	54	54	54	54	270
Additional funds: Financial Assistance Grants program	126	126	126	126	126	630

5. Dedicate a portion of fuel excise to Local councils for road maintenance

\$17.5 billion is currently collected by the Australian Government from road users across Australia through fuel excise, levied at a rate of 41.2 cents per litre (cpl) for unleaded and diesel fuel purchases.

While fuel excise raises considerable revenue, only 15.8 cpl (or 38% of the total) is returned to the road network to assist with maintenance and upgrades.

If an additional share of net fuel excise was reserved for Regional and Local roads moving forward, maintenance funding would be more definite and local councils could bring forward critical road infrastructure projects.

An allocation of between two and five cpl from net fuel excise for Regional and Local roads across the nation would ensure improved local maintenance programs and put in place a mechanism to help counter any potential future pressures on road infrastructure backlogs.

On current budget allocations, NSW would receive between \$165.5 and \$414 million per year for road maintenance based on apportioning between two and five cpl from net fuel excise.

Measure	Year 1 cpl	Year 2 cpl	Year 3 cpl	Year 4 cpl	Year 5 cpl	In Perpetuity
Fuel excise to Local roads	2-5	2-5	2-5	2-5	2-5	→

¹¹ Australian Government Roads to Recovery Program as referenced from website https://investment.infrastructure.gov.au/infrastructure_investment/roads_to_recovery/

Rationale

A long-term strategy and effective funding plan for our Regional and Local roads network will improve the liveability of our communities, increase productivity, safety and tourism, and improve access to employment and business opportunities.

As roads are deemed to be a prime facilitator of economic activity, it is essential that our road network is maintained at an optimal condition to maximise productivity and future growth.

The objectives of this policy proposal include:

- Improving the amenity of our local communities
- Improving access, travel times and safety in regional communities
- Enhancing the productivity of the freight task
- Reducing the cost of the road backlog for future generations

A sustainable remedy is required to address the current shortfall and plan for future growth and use of the road network.

For every dollar the Australian Government invests in infrastructure, a return of \$4 is returned to the economy.¹²

Population growth

The NSW Department of Planning and Environment 2011-2036 population projections reveal significant increases in population for the Sydney metropolitan area and a number of coastal regions, including Sydney North (45%), Sydney Central/South (40%), Central Coast (29%), Hunter (27%), North Coast (18%) and the South Coast (21%).

In the Sydney metropolitan area alone, the population is expected to grow to 6.4 million by 2036, with the South West and West council regions contributing almost 64% of this growth.¹³

Population growth and growing density in the greater Sydney region and major regional centres will place additional pressure on the road network. Inadequate

planning and maintenance of current assets will affect the future performance and amenity in these regions.

Table 8: NSW Department of Planning and Environment – Population growth projections 2011 to 2036

Region	2011	2036	Growth	% Growth
Sydney North	1,049,800	1,520,650	470,850	44.9%
Sydney Central/South	1,540,800	2,160,500	619,700	40.2%
Sydney South West/West	1,617,200	2,650,400	1,033,200	63.9%
Metropolitan councils	4,207,800	6,331,550	2,123,750	50.5%
Central Coast	322,650	415,050	92,400	28.6%
Hunter	604,550	765,950	161,400	26.7%
North Coast	584,100	691,700	107,600	18.4%
New England/North West	182,650	202,100	19,450	10.6%
Blue Mountains	104,600	115,750	11,150	10.7%
Central NSW	247,700	280,500	32,800	13.2%
Far West	41,900	37,250	-4,650	-11.1%
Murray	109,650	118,850	9,200	8.4%
Riverina	151,150	160,700	9,550	6.3%
South Coast	455,500	548,950	93,450	20.5%
Capital Country	171,150	222,250	51,100	29.9%
Snowy Mountains	35,150	34,950	-200	-0.6%
Regional councils	3,010,750	3,594,000	583,250	19.4%
All councils	7,218,550	9,925,550	2,707,000	37.5%

SOURCE: NSW Department of Planning and Environment

¹² Australian Financial Review as referenced from website <https://www.afr.com/news/policy/budget/federal-budget-2018--infrastructure-spending-boosts-economy-fourfold-20180508-1o02cb> 8 May 2018

¹³ NSW Planning & Environment (2017) Population projections: 2011- 2036 NSW population and household projections from various excel spreadsheets on department's website.

Congestion

Poorly maintained road infrastructure leads to congestion and bottlenecks on priority corridors, particularly in metropolitan areas.

The current cost of congestion in the Sydney metropolitan area totals \$7.3 billion.¹⁴ This is expected to rise to \$12.6 billion by 2030.¹⁵

Cost of crashes

Approximately 77.7% of fatality and serious injury crashes occur on Regional and Local roads,¹⁶ costing the economy \$3.9 billion. Our regional communities shoulder a majority of this impost at \$2.6 billion.¹⁷

Freight

By 2031, the freight task in NSW is projected to nearly double to 794 million tonnes.¹⁸ While significant investment has been made in port infrastructure, Local roads that serve as first-mile and last-mile connections to ports, terminals and logistics hubs remain under pressure to meet current demand.

The Hunter, Central West, Illawarra and South West are mining and agricultural hubs that generate significant freight movements, yet are also destinations that have some of the largest Local road deficits and maintenance shortfalls. This in turn affects the productivity, efficiency and safety of logistic movements in and out of these areas.

Recognising that 92% of interstate freight movements occur by road, there is a need to ensure our regional infrastructure network can continue to provide support.

Tourism

In NSW, approximately 75 million domestic and international visitors undertake a road trip each year, generating \$18.6 billion in the state economy.¹⁹ Of this expenditure, 65% occurs outside Sydney in regional communities.

Analysis conducted by the NRMA indicates that if the sector continues to perform in line with current tourism forecasts, visitor nights in the state could grow to 280 million by 2026-27, of which 110 million would be generated in regional NSW. Nights generated by self-drive visitors could reach 152 million. The tourism industry could, therefore, contribute \$45 billion to the NSW economy, \$15 billion of which would be concentrated in regional NSW.²⁰

Yet only 42% of international visitors to capital cities travel beyond the city gateway, compared to 67% of domestic overnight trips that included a regional destination. International visitation to Australia's capital cities continues to grow faster than that to regional Australia (up 8.9% compared to 6.2%).¹⁷

The Local road network has a vital role in facilitating journeys of domestic and international visitors. Poor connectivity impedes the visitor experience, reduces regional dispersal and compromises safety.

¹⁴ Australian Government (2015) Department of Infrastructure and Regional Development: Bureau of Infrastructure, Transport and Regional Economics - Traffic and congestion cost trends for Australian capital cities p26

¹⁵ Ibid p26

¹⁶ This is based on the willingness to pay methodology used to calculate the cost of avoiding a fatality or injury. See Transport for NSW (2018) Principles and Guidelines for Economic Appraisal of Transport Investment and Initiatives.

¹⁷ Calculation based on methodology in NRMA (2017) The Cost of Crashes – An analysis of lives lost and injuries on NSW Roads, May 2017 p2

¹⁸ Transport for NSW (2013) NSW Freight and Ports Strategy

¹⁹ NRMA (2018) NSW Are We There Yet? The current and future value of tourism to NSW

²⁰ Ibid 19. Based on Tourism Research Australia forecasts.

Road asset management

Evidence collected by the Institute of Public Works and Engineering Australia (IPWEA) in its 2017 road asset benchmarking report suggests that while roads and bridge funding from both the Australian and NSW Governments has increased, local councils will face increasing risk exposure in the future if funding and asset management practices remain at current levels.

Asset growth and consolidation needs to be properly planned to enhance road connectivity. Solving for road access and connection will be critical to building sustainable communities especially in regional NSW. In addition the local councils' ability to meet the future economic growth challenges that both the Australian and NSW Governments are seeking to impose on regional communities needs to be addressed.

The NRMA supports the IPWEA recommendations to enhance local council asset management performance that provides for:

1. Asset management and long term financial plans that are aligned, up to date and compliant with best practice.
2. Continues to improve asset management to a position that councils can demonstrate and provide a sustainable and affordable service delivery model for their communities.
3. Ongoing focus on and funding for asset management capability building.

²¹ IPWEA (NSW) Roads and Transport Directorate Road Asset Benchmarking Report - 2017 Road Management Report (May 2018), pp ix - x

Cost of reform initiatives

The following measures offer governments indicative funding proposals over five years to address the current NSW Regional roads infrastructure backlog. While the total Regional backlog is approximately \$1.7 billion, the NRMA views the following measures as critical on the path to longer term funding reforms.

NSW Government

Assuming no change in Australian Government roads funding, approximately \$900 million over five years is required to bring NSW Regional roads up to a satisfactory standard. In addition, approximately \$5 million is required to provide the regions with an appropriate level of engineering capacity.

Critical measures	Year 1 \$M	Year 2 \$M	Year 3 \$M	Year 4 \$M	Year 5 \$M	Total \$M
Recategorisation of strategic roads to State roads	-	-	-	-	-	TBD ²²
Engineering capacity for the regions	2.5	2.5	-	-	-	5
Regional Growth Fund + Snowy Hydro Legacy Fund						
Renew/upgrade 'very poor' NSW Regional roads	60	60	60	60	60	300
Renew/upgrade 'poor' NSW Regional roads	120	120	120	120	120	600
Total	182.5	182.5	180	180	180	905+

²² The initiative of recategorising roads presents no direct cost, however newly classified State Roads requiring renewal or upgrade would be the responsibility of RMS.

Australian Government

Assuming no change in State Government roads funding, approximately \$900 million over five years is required to bring NSW Regional roads up to a satisfactory standard.

Critical measures	Year 1 SM	Year 2 SM	Year 3 SM	Year 4 SM	Year 5 SM	Total SM
Additional funds: Roads to Recovery program	54	54	54	54	54	270
Additional funds: Financial Assistance Grants program	126	126	126	126	126	630
Total	180	180	180	180	180	900

To ensure improved asset condition moving forward, the NRMA proposes that an additional two to five cents per litre (cpl) from net fuel excise is reserved and allocated to Regional and Local roads maintenance programs across the nation.

Maintenance measure	Year 1 cpl	Year 2 cpl	Year 3 cpl	Year 4 cpl	Year 5 cpl	Total cpl
Fuel excise to Regional and Local roads	2-5	2-5	2-5	2-5	2-5	2-5



Region-specific results

Summary

High level results

For all councils, the maintenance expenditure profile fell from a surplus in 2015-16 of \$2.5 million to a deficit in 2016-17 of

\$8.7 million

Metropolitan councils spent

\$20.3 million

more on maintenance than was estimated for 2016-17

The metropolitan council infrastructure deficit has risen \$170 million from \$403 million to

\$573 million

The regional council infrastructure deficit has risen \$115 million to

\$1.68 billion

This increase is 2.7 times the dollar value of road grants received by regional councils

The infrastructure backlog across NSW has risen

14.5%

from \$1.96 billion in 2015-16 to \$2.23 billion in 2016-17

The regional council maintenance shortfall rose from \$11.2 million in 2015-16 to

29 million

in 2016-17

Metropolitan

Metropolitan backlog
= \$572.7million,
representing only

25.4%

of the total backlog

Sydney Central/South region's infrastructure
backlog rose from \$137.1 million in 2015-16 to

\$242.6 million

in 2016-17, a 76.9% increase

Sydney Central/South's maintenance have
increased in surplus from \$3.6 million to

\$5.8 million

over the period 2015-16 to 2016/17

Sydney South West/West region's infrastructure
backlog rose from \$210.4 million in 2015-16 to

\$282.1

million in 2016-17, a 34.1% increase

Sydney North's

maintenance shortfall is marginally in deficit

The Sydney north region's
infrastructure backlog fell
from \$55.6 million in 2015-16
to \$48.1 million in 2016-17, a

13.5% decrease

For the South West/West region the maintenance
surplus has increased by \$4.4 million in 2016-17 to

\$14.5
million

Regional

North Coast had the biggest maintenance shortfall at

\$16.6 million



The Blue Mountains region recorded the biggest percentage fall in its backlog at 46.9% to

\$12.2 million

The top five infrastructure backlog regions are the North Coast, Hunter, Central NSW, Riverina and the South Coast. The combined infrastructure backlog in these regions totals

\$1.29 billion

representing 77% of the total regional backlog and 57.3% of total NSW backlog.

Largest percentage increases in infrastructure backlogs in 2016-17 occurred in the Central NSW

42.2%

and the South Coast (44.7%) regions.



North Coast region has the highest infrastructure backlog estimate at \$437.8 million, being 26% of the total backlog. The region's backlog rose 1.6% on 2015-16 figures. However the backlog is lower than the

\$484.6 million

estimate in 2014-15

Table 5: Financial assessment of local council roads 2014-15 to 2016-17: Infrastructure, funding and maintenance profile (\$Millions)

Council	Infrastructure deficit (status)					Local council road funding					Ratios			Maintenance Profile		
	Infrastructure backlog			% Change		Road grants			% Change		Infrastructure deficit/road grant funding			Maintenance surplus/shortfall (-)		
	2014-15	2015-16	2016-17	2015-16	2016-17	2014-15	2015-16	2016-17	2015-16	2016-17	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
Metropolitan councils	399.8	403.2	572.7	0.8%	42.1%	117.4	134.3	164.8	14.4%	22.7%	3.4	3.0	3.5	11.0	13.7	20.3
Regional councils	1,331.0	1,560.4	1,675.2	17.2%	7.4%	533.3	543.8	662.8	2.0%	21.9%	2.5	2.9	2.5	-32.1	-11.2	-29.0
Total	1,730.8	1,963.5	2,247.9	13.4%	14.5%	650.7	678.1	827.7	4.2%	22.1%	2.7	2.9	2.7	-21.1	2.5	-8.7



Table 6: Financial assessment of local council roads 2014-15 to 2016-17: Infrastructure, funding and maintenance profile (\$Millions)

Region	Infrastructure deficit (status)					Local council road funding					Ratios			Maintenance Profile		
	Infrastructure backlog			% Change		Road grants			% Change		Infrastructure deficit/road grant funding			Maintenance surplus/shortfall (-)		
	2014-15	2015-16	2016-17	2015-16	2016-17	2014-15	2015-16	2016-17	2015-16	2016-17	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
Sydney North	54.8	55.6	48.1	1.5%	-13.5%	21.8	24.0	30.4	10.4%	26.3%	2.52	2.31	1.58	0.1	-0.0	-0.0
Sydney Central/South	143.5	137.1	242.6	-4.4%	76.9%	36.8	43.6	52.2	18.4%	19.8%	3.90	3.15	4.65	-8.7	3.6	5.8
Sydney South West/West	201.5	210.4	282.1	4.4%	34.1%	58.9	66.7	82.3	13.3%	23.3%	3.42	3.15	3.43	19.6	10.1	14.5
Metropolitan councils	399.8	403.2	572.7	0.8%	42.1%	117.4	134.3	164.8	14.4%	22.7%	3.40	3.00	3.47	11.0	13.7	20.3
Central Coast	80.2	81.9	84.0	2.1%	2.5%	13.9	14.6	18.0	4.9%	23.4%	5.76	5.61	4.66	-9.1	3.8	7.8
Hunter	206.2	194.2	207.1	-5.8%	6.7%	41.8	43.4	52.6	3.8%	21.3%	4.94	4.48	3.94	-10.4	2.7	-2.0
North Coast	484.6	430.7	437.8	-11.1%	1.6%	85.4	87.3	109.0	2.2%	24.9%	5.67	4.94	4.02	-11.1	-13.8	-16.6
New England/North West	109.8	107.8	98.6	-1.9%	-8.5%	71.0	72.0	88.6	1.4%	23.0%	1.55	1.50	1.11	3.7	0.6	-3.5
Blue Mountains	20.8	22.9	12.2	10.1%	-46.9%	9.9	9.9	12.4	-0.9%	25.7%	2.09	2.32	0.98	-0.8	5.9	0.9
Central NSW	96.1	109.9	156.3	14.4%	42.2%	87.8	89.1	107.0	1.5%	20.1%	1.10	1.23	1.46	1.3	-8.8	-0.6
Far West	35.9	60.3	66.6	68.1%	10.3%	34.7	35.1	41.6	1.2%	18.3%	1.03	1.72	1.60	-1.3	-4.6	-3.1
Murray	50.0	43.5	43.6	-13.1%	0.4%	43.0	44.1	58.0	2.4%	31.6%	1.16	0.99	0.75	-0.2	-1.8	1.9
Riverina	51.4	321.2	321.9	524.7%	0.2%	64.3	64.5	76.5	0.4%	18.5%	0.80	4.98	4.21	1.4	4.6	0.7
South Coast	136.8	115.1	166.5	-15.9%	44.7%	32.5	33.8	41.5	4.0%	22.6%	4.20	3.40	4.01	-2.6	-1.2	-1.9
Capital Country	42.1	41.2	50.1	-2.2%	21.8%	36.2	37.0	42.8	2.3%	15.8%	1.16	1.11	1.17	-1.2	3.3	-11.4
Snowy Mountains	17.1	31.7	30.4	85.9%	-4.3%	12.7	13.0	14.8	2.0%	14.2%	1.34	2.45	2.05	-1.9	-1.7	-1.1
Regional councils	1,331.0	1,560.4	1,675.2	17.2%	7.4%	533.3	543.8	662.8	2.0%	21.9%	2.50	2.87	2.53	-32.1	-11.2	-29.0
All councils	1,730.8	1,963.5	2,247.9	13.4%	14.5%	650.7	678.1	827.7	4.2%	22.1%	2.66	2.90	2.72	-21.1	2.5	-8.7

Note: All infrastructure backlog amounts have been rounded. Percentage calculations reflected in the table will therefore vary slightly differ due to rounding.

Local Government Area (LGA) assessments

Tables 7.1 to 7.15 provide the infrastructure backlog and maintenance profiles for each local council in NSW. As previously stated, the time period analysis may not be the same for each council, and therefore may lead to slight variations in reporting.

In addition, there is no financial information available from the new Bayside council for the period 2016-17.

The following notes are applicable when interpreting the data contained in these tables.

1. The percentage movement in the infrastructure backlog numbers for councils over the period 2015-16 to 2016-17 do show significant increases and decreases of relatively small numbers.
2. The ratio of infrastructure deficit to road grant funding is a numerical assessment of the dollar value of the infrastructure deficit against the dollar value of road grants funding. This funding is only for three streams of annual grants that are allocated to all councils. This ratio only attempts to highlight the size of the infrastructure deficit against the regular funding base.
3. This report aggregates the 2014-15 and 2015-16 council returns under the new amalgamation boundaries established in 2016. The financial numbers for the old Auburn, Holroyd, and Parramatta councils for the 2014-15 and 2015-16 are based on the 2016-17 numbers for the new Cumberland and Parramatta councils. **The revised 2014-15 and 2015-16 numbers should be viewed as indicative calculations only.**
4. For the 19 new amalgamated councils, the financial results for 2016-17 are the first financial returns under the new reporting arrangements.

Sydney North

Table 71: Financial assessment of Sydney North local government area 2014-15 to 2016-17: Infrastructure, funding and maintenance profile (\$Millions)

Region	Infrastructure deficit (status)					Local council road funding					Ratios			Maintenance Profile		
	Infrastructure backlog			% Change		Road grants			% Change		Infrastructure deficit/road grant funding			Maintenance surplus/shortfall (-)		
	2014-15	2015-16	2016-17	2015-16	2016-17	2014-15	2015-16	2016-17	2015-16	2016-17	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
Hornsby	0.8	0.2	0.5	-69.7%	136.1%	4.3	5.1	5.6	17.3%	10.1%	0.17	0.04	0.10	-0.2	0.1	0.4
Hunters Hill	0.9	1.0	0.9	9.9%	-6.2%	0.4	0.5	0.6	3.8%	23.5%	2.09	2.21	1.68	0.1	-0.2	-0.0
Ku-Ring-Gai	18.9	24.3	23.1	28.6%	-4.8%	3.3	3.0	4.6	-10.6%	54.9%	5.68	8.18	5.03	-0.9	-2.1	1.3
Lane Cove	0.4	0.4	-	-16.3%	-	0.8	0.9	1.1	13.4%	21.7%	0.52	0.39	0.00	0.6	0.6	-1.0
Mosman	3.0	2.3	1.7	-24.1%	-26.4%	0.7	0.9	0.9	29.8%	4.8%	4.46	2.61	1.83	-0.1	0.9	-0.0
North Sydney	-	-	-	-	-	1.5	1.9	2.3	29.2%	18.7%	-	-	-	0.1	0.2	-0.1
Northern Beaches	7.2	4.2	1.7	-42.0%	-59.1%	6.4	7.2	8.9	11.6%	23.8%	1.12	0.58	0.19	0.7	0.2	-0.9
Ryde	18.9	18.9	15.7	-0.1%	-17.1%	2.5	2.8	3.8	9.7%	35.4%	7.46	6.80	4.16	0.7	-0.7	0.5
Willoughby	4.6	4.3	4.4	-7.0%	2.0%	1.7	1.8	2.6	6.6%	42.7%	2.69	2.34	1.67	-0.8	0.0	0.0
Sydney North	54.8	55.6	48.1	1.5%	-13.5%	21.8	24.0	30.4	10.4%	26.3%	2.52	2.31	1.58	0.1	-0.9	0.0

Note: All infrastructure backlog amounts have been rounded. Percentage calculations reflected in the table will therefore vary slightly differ due to rounding.

Key observations

- The Northern Beaches Council is an amalgamation of the old Manly, Pittwater and Warringah councils.
- Hornsby Council had the biggest percentage increase in its infrastructure backlog.
- Ku-ring-gai's ratio of infrastructure deficit to road grant funding fell over the period 2015-16 to 2016-17 from a multiple of 8.18 times to 5.03 times.

Sydney Central/South

Table 7.2: Financial assessment of Sydney Central/South local government area 2014-15 to 2016-17: Infrastructure, funding and maintenance profile (\$Millions)

Region	Infrastructure deficit (status)					Local council road funding					Ratios			Maintenance Profile		
	Infrastructure backlog			% Change		Road grants			% Change		Infrastructure deficit/road grant funding			Maintenance surplus/shortfall (-)		
	2014-15	2015-16	2016-17	2015-16	2016-17	2014-15	2015-16	2016-17	2015-16	2016-17	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
Bayside	5.7	6.3	n/a	9.4%	n/a	3.21	3.65	4	13.8%	22.5%	1.79	1.72	n/a	0.9	3.0	n/a
Burwood	9.1	8.3	8.0	-8.8%	-4.2%	0.73	1	1	46.4%	-9.7%	12.49	7.79	8.26	-0.3	0.1	0.1
Canada Bay	7.8	1.8	2.9	-77.3%	61.7%	1.81	2	2	21.8%	11.6%	4.30	0.80	1.16	0.2	-0.2	-0.6
Canterbury Bankstown	64.4	47.3	63.8	-26.5%	34.7%	7.7	9.0	11	16.8%	21.7%	8.39	5.28	5.84	-9.8	-2.1	-0.2
Georges River	2.1	2.2	8.0	2.4%	266.0%	3.3	3.8	5	15.2%	27.3%	0.66	0.58	1.68	0.1	0.3	2.9
Inner West	15.5	11.5	88.5	-25.8%	671.3%	4.1	4.8	6	17.6%	22.0%	3.78	2.38	15.06	-0.2	1.3	0.0
Randwick	4.5	4.4	4.3	-0.7%	-3.6%	2.78	3	4	9.7%	22.8%	1.60	1.45	1.14	1.5	2.0	2.6
Sutherland	20.2	19.0	26.5	-6.1%	39.7%	5.72	6	8	12.8%	17.8%	3.53	2.94	3.49	-0.8	-1.8	0.2
Sydney	4.7	23.2	35.5	395.5%	52.7%	4.12	5	6	32.0%	19.2%	1.14	4.27	5.46	-0.9	-1.0	0.6
Waverley	4.3	4.1	1.6	-3.6%	-61.8%	1.29	1	2	10.2%	22.6%	3.33	2.92	0.91	1.2	1.4	0.7
Woollahra	3.4	2.8	2.3	-17.5%	-16.2%	1.25	2	2	29.2%	23.7%	2.73	1.74	1.18	-1.2	0.6	-0.6
Strathfield	1.8	6.2	1.2	250.3%	-80.1%	0.83	1	1	32.9%	2.9%	2.13	5.61	1.08	0.6	-0.1	0.1
Sydney Central/South	143.5	137.1	242.6	-4.4%	76.9%	36.8	43.6	52.2	18.4%	19.8%	3.90	3.15	4.65	-8.7	3.6	5.8

Note: All infrastructure backlog amounts have been rounded. Percentage calculations reflected in the table will therefore vary slightly differ due to rounding. n/a = not available

Key observations

- Bayside Council is the amalgamation of the old Botany and Rockdale councils.
- Canterbury Bankstown Council is the amalgamation of the old Bankstown and Canterbury councils.
- Georges River Council is the amalgamation of the old Kogarah and Hurstville councils.
- Inner West Council is the amalgamation of the old Ashfield, Leichardt and Marrickville councils.
- Inner West Council and Canterbury Bankstown have the highest infrastructure backlogs at \$88.5 million and \$63.8 million respectively.
- Strathfield council had the biggest percentage fall in their infrastructure backlogs at 80.1% in 2016/17.
- Sydney council infrastructure backlog has risen \$12.3 million to \$35.5 million in 2016-17.
- Waverley's maintenance profile fell from a surplus of \$0.6 million to a deficit of \$0.6 million.
- Canada Bay's maintenance shortfall rose from \$0.2 million to \$0.6 million.

Sydney South West/South

Table 7.3: Financial assessment of Sydney South West/South local government area 2014-15 to 2016-17: Infrastructure, funding and maintenance profile (\$Millions)

Region	Infrastructure deficit (status)					Local council road funding					Ratios			Maintenance Profile		
	Infrastructure backlog			% Change		Road grants			% Change		Infrastructure deficit/road grant funding			Maintenance surplus/shortfall (-)		
	2014-15	2015-16	2016-17	2015-16	2016-17	2014-15	2015-16	2016-17	2015-16	2016-17	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
Blacktown	51.3	42.4	41.7	-17.3%	-1.7%	9.1	10.6	13.3	15.9%	26.1%	5.61	4.01	3.12	8.9	-0.3	0.6
Camden	6.6	5.9	6.0	-11.2%	2.6%	2.8	2.8	3.8	1.2%	35.3%	2.34	2.06	1.56	0.4	-0.6	0.2
Campbelltown	18.5	19.7	14.0	6.5%	-29.0%	4.8	5.5	6.8	15.9%	22.2%	3.87	3.56	2.07	8.1	0.0	0.7
Cumberland	17.1	20.8	93.8	21.6%	350.8%	4.0	4.7	6.0	19.5%	27.0%	4.33	4.41	15.64	-3.3	2.8	3.2
Fairfield	10.2	10.7	10.3	4.6%	-3.3%	5.2	6.2	7.6	18.5%	23.6%	1.97	1.74	1.36	-1.3	6.2	2.6
Hawkesbury	11.3	12.0	12.7	6.5%	5.2%	4.9	5.1	6.2	3.6%	21.9%	2.31	2.38	2.05	-2.7	-2.7	-2.4
Liverpool	37.1	39.6	39.8	6.8%	0.6%	5.6	6.4	8.1	14.9%	25.1%	6.61	6.14	4.94	0.1	-0.5	-0.8
Parramatta NEW	1.7	2.1	9.4	23.5%	347.4%	5.2	6.2	7.8	19.3%	26.9%	0.33	0.34	1.20	-0.2	0.2	0.2
Penrith	14.7	14.7	13.1	0.0%	-10.8%	6.6	7.2	8.9	9.2%	23.9%	2.24	2.05	1.47	-0.0	1.9	1.1
The Hills	0.0	0.0	0.0	-	-	5.8	6.6	7.3	14.7%	9.9%	0.00	0.00	0.00	12.6	2.7	4.5
Wollondily	33.0	42.5	41.3	28.7%	-2.8%	5.0	5.4	6.5	8.0%	19.7%	6.60	7.87	6.39	-2.8	0.5	4.6
Sydney South West/West	201.5	210.4	282.1	4.4%	34.1%	58.9	66.7	82.3	13.3%	23.3%	3.42	3.15	3.43	19.6	10.1	14.5

Note: All infrastructure backlog amounts have been rounded. Percentage calculations reflected in the table will therefore vary slightly due to rounding.

Key observations

- Cumberland Council is the amalgamation of the old Auburn and Holroyd councils.
- Parramatta NEW council is the amalgamation of the old Parramatta council and parts of Hills, Auburn, Holroyd and Hornsby council.
- Cumberland and Blacktown councils had the highest infrastructure backlogs at \$93.8 million and \$41.7 million respectively.

Central Coast

Table 7.4: Financial assessment of Central Coast local government area 2014-15 to 2016-17: Infrastructure, funding and maintenance profile (\$Millions)

Region	Infrastructure deficit (status)					Local council road funding					Ratios			Maintenance Profile		
	Infrastructure backlog			% Change		Road grants			% Change		Infrastructure deficit/road grant funding			Maintenance surplus/shortfall (-)		
	2014-15	2015-16	2016-17	2015-16	2016-17	2014-15	2015-16	2016-17	2015-16	2016-17	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
Central Coast	80.2	81.9	84.0	2.1%	2.5%	13.9	14.6	18.0	4.9%	23.4%	5.76	5.61	4.66	-9.1	3.8	7.8

Note: All infrastructure backlog amounts have been rounded. Percentage calculations reflected in the table will therefore vary slightly differ due to rounding.

Key observations

- Central Coast Council is an amalgamation of the old Gosford and Wyong councils.

Hunter

Table 7.5 Financial assessment of Hunter local government area 2014-15 to 2016-17: Infrastructure, funding and maintenance profile (\$Millions)

Region	Infrastructure deficit (status)					Local council road funding					Ratios			Maintenance Profile		
	Infrastructure backlog			% Change		Road grants			% Change		Infrastructure deficit/road grant funding			Maintenance surplus/shortfall (-)		
	2014-15	2015-16	2016-17	2015-16	2016-17	2014-15	2015-16	2016-17	2015-16	2016-17	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
Cessnock	2.7	8.9	16.2	233.8%	81.8%	5.3	5.4	6.6	2.3%	22.3%	0.51	1.66	2.47	-2.8	3.2	0.4
Dungog	22.0	21.5	11.4	-2.2%	-47.0%	3.3	3.5	4.1	5.7%	19.7%	6.72	6.22	2.76	-2.7	-2.1	-0.7
Lake Macquarie	50.6	43.4	45.0	-14.2%	3.7%	7.9	8.1	9.3	2.6%	14.2%	6.39	5.34	4.85	-0.3	0.6	-2.7
Maitland	77.2	65.4	64.3	-15.3%	-1.6%	3.6	3.9	4.9	7.2%	24.7%	21.27	16.80	13.25	-2.6	-1.5	-0.7
Muswellbrook	5.2	5.4	9.0	3.0%	67.0%	2.5	2.5	3.2	1.6%	26.4%	2.13	2.16	2.85	-0.1	-0.4	0.0
Newcastle	23.4	31.5	44.9	34.6%	42.7%	5.8	6.3	7.7	8.7%	21.7%	4.04	5.00	5.87	-1.8	4.4	4.0
Port Stephens	13.6	11.2	11.5	-17.5%	3.0%	3.8	3.9	4.8	2.3%	24.1%	3.56	2.87	2.38	0.5	-0.2	-0.8
Singleton	8.3	5.8	3.5	-30.0%	-39.3%	3.9	4.0	4.8	3.6%	18.3%	2.13	1.44	0.74	-0.4	-0.7	-1.4
Upper Hunter	3.3	1.1	1.3	-66.2%	14.8%	5.7	5.8	7.3	1.1%	26.4%	0.58	0.19	0.18	-0.2	-0.6	-0.1
Hunter	206.2	194.2	207.1	-5.8%	6.7%	41.8	43.4	52.6	3.8%	21.3%	4.94	4.48	3.94	-10.4	2.7	-2.0

Note: All infrastructure backlog amounts have been rounded. Percentage calculations reflected in the table will therefore vary slightly due to rounding.

Key observations

- Maitland council had the highest infrastructure backlogs at \$64.3 million.
- Maitland Council's Infrastructure Backlog is 13.25 times the size of its recurrent road grant funding.
- Lake Macquarie's maintenance profile fell from a surplus of \$0.6 million to a deficit of \$2.7 million.

North Coast

Table 7.6: Financial assessment of North Coast local government area 2014-15 to 2016-17: Infrastructure, funding and maintenance profile (\$Millions)

Region	Infrastructure deficit (status)					Local council road funding					Ratios			Maintenance Profile		
	Infrastructure backlog			% Change		Road grants			% Change		Infrastructure deficit/road grant funding			Maintenance surplus/shortfall (-)		
	2014-15	2015-16	2016-17	2015-16	2016-17	2014-15	2015-16	2016-17	2015-16	2016-17	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
Ballina	1.5	1.4	1.7	-4.2%	15.8%	4.1	4.2	5.2	2.8%	23.7%	0.37	0.35	0.32	0.0	0.1	-0.6
Bellingen	6.1	2.3	25.1	-62.3%	983.7%	2.4	2.3	3.1	-3.6%	32.6%	2.55	1.00	8.15	-1.3	-2.5	-0.6
Byron	28.5	32.4	31.9	13.5%	-1.4%	3.6	3.7	4.5	2.4%	20.8%	7.89	8.75	7.14	-0.7	-0.4	-0.8
Clarence Valley	29.0	43.7	38.0	50.7%	-13.1%	11.1	11.6	14.0	3.9%	21.0%	2.60	3.78	2.71	-3.9	-6.8	-6.4
Coffs Harbour	0.0	0.0	0.0	0.0%	0.0%	6	6	8	1.7%	26.5%	0.00	0.00	0.00	-0.4	-0.3	0.1
Kempsey	49.8	0.0	16.2	-	-	5.9	6.1	7.8	3.1%	26.8%	8.37	0.00	2.09	-1.1	-0.4	-0.6
Kyogle	34.3	32.9	32.9	-3.9%	-0.1%	4.8	4.8	6.8	0.5%	40.6%	7.13	6.81	4.84	-0.2	-0.0	-0.2
Lismore	88.3	79.3	71.3	-10.2%	-10.1%	6.2	6.4	7.9	3.0%	22.7%	14.12	12.31	9.02	1.1	1.3	0.2
Mid Coast	97.4	124.1	115.5	27.5%	-7.0%	16.7	17.0	21.0	2.1%	23.6%	5.85	7.30	5.50	-2.5	-2.4	-5.1
Nambucca	9.2	8.4	6.9	-8.2%	-18.1%	3.3	3.3	4.2	-0.7%	26.1%	2.77	2.56	1.66	-0.0	0.0	-0.1
Port Macquarie Hasting	91.4	97.2	80.0	6.4%	-17.7%	8.0	8.1	10.1	1.3%	24.9%	11.48	12.05	7.94	-2.1	-2.1	-1.9
Richmond Valley	2.7	0.3	9.5	-90.0%	3385.3%	4.5	4.6	5.7	1.6%	24.9%	0.61	0.06	1.66	0.0	0.3	0.4
Tweed	46.4	8.6	8.8	-81.4%	2.2%	8.8	9.1	11.1	3.4%	22.8%	5.29	0.95	0.79	-0.1	-0.6	-1.1
North Coast	484.6	430.7	437.8	-11.1%	1.6%	85.4	87.3	109.0	2.2%	24.9%	5.67	4.94	4.02	-11.1	-13.8	-16.6

Note: All infrastructure backlog amounts have been rounded. Percentage calculations reflected in the table will therefore vary slightly differ due to rounding.

Key observations

- Mid Coast Council is an amalgamation of the old Gloucester, Great Lakes and Greater Taree councils.
- Mid Coast and Port Macquarie Hasting councils had the highest infrastructure backlogs at \$115.5 million and \$80.0 million respectively.
- Bellingen's ratio of infrastructure deficit to road grant funding rose for the period 2015-16 to 2016-17 from a multiple of 1.0 times to 8.15 times.
- Mid Coast's maintenance shortfall has more than doubled for \$2.4 million in 2015-16 to \$5.1 million in 2016-17.

New England/North West

Table 7.7 Financial assessment of Hunter local government area 2014-15 to 2016-17: Infrastructure, funding and maintenance profile (\$Millions)

Region	Infrastructure deficit (status)					Local council road funding					Ratios			Maintenance Profile		
	Infrastructure backlog			% Change		Road grants			% Change		Infrastructure deficit/road grant funding			Maintenance surplus/shortfall (-)		
	2014-15	2015-16	2016-17	2015-16	2016-17	2014-15	2015-16	2016-17	2015-16	2016-17	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
Armidale Regional	15.4	27.3	24.4	77.8%	-10.6%	6.9	7.1	8.6	3.9%	20.1%	2.24	3.83	2.85	-0.2	0.3	-1.7
Glen Innes	17.9	15.5	12.7	-13.2%	-18.5%	3.7	3.6	4.7	-3.1%	30.9%	4.83	4.33	2.69	0.5	0.0	0.0
Gunnedah	7.4	2.1	3.2	-72.0%	54.9%	4.2	4.2	5.3	-1.5%	27.5%	1.75	0.50	0.60	0.0	0.2	0.8
Gwydir	13.9	7.2	7.0	-48.2%	-3.3%	6.2	6.1	7.5	-0.3%	22.8%	2.26	1.17	0.92	0.0	0.0	0.0
Inverell	5.1	5.1	5.1	0.0%	0.0%	7.3	7.6	8.9	4.5%	17.1%	0.70	0.67	0.57	0.0	0.0	-0.2
Liverpool Plains	5.6	5.6	5.6	0.5%	-0.9%	4.8	5.0	6.0	4.2%	19.8%	1.17	1.13	0.93	2.3	-3.6	-3.5
Moree Plains	7.5	8.5	8.7	12.9%	2.4%	8.2	8.4	10.3	2.3%	22.3%	0.91	1.01	0.84	-0.5	-0.3	-0.1
Narrabri	8.9	12.5	9.7	39.8%	-22.2%	6.6	6.4	8.0	-3.8%	26.5%	1.35	1.96	1.21	1.0	0.1	0.9
Tamworth	0.0	0.0	0.0	0.0%	0.0%	11.9	12.0	15.0	1.1%	24.9%	0.00	0.00	0.00	0.2	2.2	0.3
Tenterfield	11.1	6.3	6.8	-43.4%	8.0%	5.3	5.4	6.6	2.3%	22.0%	2.10	1.16	1.03	0.4	0.4	0.2
Uralla	0.5	2.0	1.1	267.4%	-41.7%	3.2	3.3	4.0	2.8%	21.8%	0.17	0.60	0.29	-0.0	1.2	-0.1
Walcha	16.4	15.7	14.4	-4.6%	-8.3%	2.8	2.9	3.6	3.0%	24.2%	5.80	5.37	3.97	0.1	0.3	-0.1
New England/North West	109.8	107.8	98.6	-1.9%	-8.5%	71.0	72.0	88.6	1.4%	23.0%	1.55	1.50	1.11	3.7	0.6	-3.5

Note: All infrastructure backlog amounts have been rounded. Percentage calculations reflected in the table will therefore vary slightly due to rounding.

Key observations

- Armidale Regional Council is an amalgamation of the old Armidale and Guyra councils.
- Gunnedah Council had the biggest percentage rise in its infrastructure backlog at 54.9%.

Blue Mountains

Table 7.8: Financial assessment of Blue Mountains local government area 2014-15 to 2016-17: Infrastructure, funding and maintenance profile (\$Millions)

Region	Infrastructure deficit (status)					Local council road funding					Ratios			Maintenance Profile		
	Infrastructure backlog			% Change		Road grants			% Change		Infrastructure deficit/road grant funding			Maintenance surplus/shortfall (-)		
	2014-15	2015-16	2016-17	2015-16	2016-17	2014-15	2015-16	2016-17	2015-16	2016-17	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
Blue Mountains	8.0	10.1	1.4	26.6%	-85.9%	3.6	3.7	4.7	1.7%	26.1%	2.20	2.73	0.31	-0.0	-0.1	-0.1
Lithgow	7.6	7.7	10.0	1.3%	28.8%	3.4	3.3	4.2	-2.2%	27.0%	2.28	2.36	2.40	-0.6	0.9	0.9
Oberon	5.1	5.0	0.8	-2.6%	-85.0%	2.9	2.9	3.5	-2.6%	23.7%	1.75	1.75	0.21	-0.2	5.0	-0.0
Blue Mountains region	20.8	22.9	12.2	10.1%	-46.9%	9.9	9.9	12.4	-0.9%	25.7%	2.09	2.32	0.98	-0.8	5.9	0.9

Note: All infrastructure backlog amounts have been rounded. Percentage calculations reflected in the table will therefore vary slightly differ due to rounding.

Key observations

- Blue Mountains Council had the highest percentage fall in its infrastructure backlog at 85.9% to \$1.4 million.

Central NSW

Table 79: Financial assessment of Central NSW local government area 2014-15 to 2016-17: Infrastructure, funding and maintenance profile (\$Millions)

Region	Infrastructure deficit (status)					Local council road funding					Ratios			Maintenance Profile		
	Infrastructure backlog			% Change		Road grants			% Change		Infrastructure deficit/road grant funding			Maintenance surplus/shortfall (-)		
	2014-15	2015-16	2016-17	2015-16	2016-17	2014-15	2015-16	2016-17	2015-16	2016-17	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
Bathurst	15.2	22.0	51.7	44.5%	134.9%	5.1	5.1	6.3	0.1%	23.2%	2.97	4.29	8.19	-3.8	-6.2	-0.1
Blayney	6.7	25.8	11.1	287.8%	-57.2%	2.3	2.6	2.8	14.4%	7.4%	2.94	9.97	3.98	0.1	0.1	0.7
Cabonne	5.6	4.5	6.1	-20.6%	36.5%	6.4	6.4	7.8	0.1%	22.5%	0.88	0.70	0.78	-0.1	-0.1	0.8
Coonamble	1.8	1.7	1.7	-1.1%	-0.3%	4.7	4.8	5.6	2.7%	17.4%	0.38	0.37	0.31	1.6	1.3	1.7
Cowra	1.2	1.1	1.1	-10.7%	0.0%	3.9	3.7	4.8	-3.0%	27.7%	0.31	0.28	0.22	1.0	-0.1	0.4
Dubbo Regional	6.7	10.6	9.8	58.2%	-6.8%	9.3	9.3	11.6	0.3%	24.6%	0.72	1.13	0.85	0.2	-1.3	0.0
Forbes	0.9	1.2	3.8	40.1%	217.5%	5.5	5.3	6.7	-3.4%	26.3%	0.16	0.23	0.58	2.6	0.2	-0.1
Gilgandra	5.0	2.9	5.2	-40.6%	75.6%	3.6	3.5	4.4	-3.3%	28.1%	1.38	0.85	1.16	-0.3	-0.5	0.2
Lachlan	3.7	3.7	3.8	1.1%	1.9%	10.8	10.9	12.9	0.9%	18.9%	0.34	0.34	0.29	-0.8	-1.3	-0.2
Mid-Western	31.4	16.9	24.4	-46.0%	44.0%	7.8	7.9	9.4	1.3%	18.2%	4.00	2.13	2.60	-1.0	-0.1	0.4
Narromine	5.2	12.0	5.3	130.5%	-56.2%	4.3	4.6	5.3	6.8%	14.6%	1.20	2.58	0.99	-0.0	-0.5	0.3
Orange	2.7	3.0	26.9	12.8%	797.1%	3.1	3.4	3.9	11.7%	13.2%	0.86	0.87	6.90	-0.4	-0.6	-6.6
Parkes	6.2	1.7	3.0	-71.8%	70.0%	5.9	5.9	7.3	0.5%	23.5%	1.05	0.29	0.41	-0.0	0.0	0.4
Warren	0.9	0.8	0.8	-9.1%	5.7%	3.9	4.1	4.6	6.8%	10.8%	0.23	0.19	0.18	0.3	0.2	0.9
Warrumbungle	1.6	0.4	0.0	-75.0%	-90.6%	8.3	8.5	9.9	2.3%	16.6%	0.19	0.05	0.00	2.0	0.1	0.9
Weddin	1.7	1.6	1.7	-6.1%	6.9%	3.1	3.0	3.7	-2.7%	24.8%	0.54	0.52	0.45	0.0	0.0	0.0
Central NSW	96.1	109.9	156.3	14.4%	42.2%	87.8	89.1	107.0	1.5%	20.1%	1.10	1.23	1.46	1.3	-8.8	-0.6

Note: All infrastructure backlog amounts have been rounded. Percentage calculations reflected in the table will therefore vary slightly differ due to rounding.

Key observations

- Dubbo Regional Council is an amalgamation of the old Dubbo and Wellington councils.
- Bathurst, Orange and Mid-Western councils have the highest infrastructure backlogs at \$51.7 million, \$26.9 million and \$24.4 million, respectively.
- Bathurst's ratio of infrastructure deficit to road grant funding rose for the period 2015-16 to 2016-17 from a multiple of 4.29 times to 8.19 times.
- Orange's maintenance shortfall increased \$6 million in 2016-17.

Far West

Table 7.10: Financial assessment of Far West local government area 2014-15 to 2016-17: Infrastructure, funding and maintenance profile (\$Millions)

Region	Infrastructure deficit (status)					Local council road funding					Ratios			Maintenance Profile		
	Infrastructure backlog			% Change		Road grants			% Change		Infrastructure deficit/road grant funding			Maintenance surplus/shortfall (-)		
	2014-15	2015-16	2016-17	2015-16	2016-17	2014-15	2015-16	2016-17	2015-16	2016-17	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
Bogan	1.5	2.8	2.2	88.5%	-22.0%	4.1	4.0	5.1	-3.2%	26.4%	0.35	0.69	0.43	1.9	-0.6	-0.1
Bourke	4.4	3.8	3.7	-13.8%	-2.7%	6.3	6.5	7.5	3.9%	15.1%	0.70	0.58	0.49	-0.0	0.4	0.0
Brewarrina	1.7	1.6	1.6	-5.1%	0.0%	4.1	4.4	5.0	6.8%	12.3%	0.40	0.36	0.32	-0.5	-0.4	-0.8
Broken Hill	0	25.2	34.7	-	38.0%	1.5	1.5	1.9	3.1%	23.2%	0.00	16.28	18.23	0.0	-0.2	0.2
Central Darling	6.9	6.9	5.3	0.0%	-22.9%	6.2	6.1	7.3	-2.1%	19.7%	1.10	1.13	0.73	0.1	-0.7	-0.7
Cobar	17.5	15.6	14.0	-11.1%	-10.1%	5.6	5.9	6.7	4.8%	14.5%	3.13	2.65	2.09	-3.5	-2.4	-0.4
Walgett	4.0	4.6	5.1	14.6%	11.3%	6.8	6.7	8.1	-2.4%	21.7%	0.59	0.69	0.63	0.7	-0.7	-1.3
Far West	35.9	60.3	66.6	68.1%	10.3%	34.7	35.1	41.6	1.2%	18.3%	1.03	1.72	1.60	-1.3	-4.6	-3.1

Note: All infrastructure backlog amounts have been rounded. Percentage calculations reflected in the table will therefore vary slightly due to rounding.

Key observations

- Broken Hill Council's infrastructure backlog is 18.23 times the size of its recurrent road grant funding

Table 7.11: Financial assessment of Murray local government area 2014-15 to 2016-17: Infrastructure, funding and maintenance profile (\$Millions)

Region	Infrastructure deficit (status)					Local council road funding					Ratios			Maintenance Profile		
	Infrastructure backlog			% Change		Road grants			% Change		Infrastructure deficit/road grant funding			Maintenance surplus/shortfall (-)		
	2014-15	2015-16	2016-17	2015-16	2016-17	2014-15	2015-16	2016-17	2015-16	2016-17	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
Albury	2.7	4.6	8.3	73.8%	80.2%	3.6	3.7	4.7	2.8%	28.1%	0.74	1.25	1.75	0.2	1.0	1.2
Balranald	8.7	8.7	1.6	0.5%	-82.0%	4.2	4.3	5.3	2.7%	23.3%	2.07	2.02	0.29	-0.1	1.1	0.3
Berrigan	0.0	0.0	0.0	-	-	4.1	4.2	5.2	2.1%	23.6%	0.00	0.00	0.00	-0.0	-0.2	-0.5
Edward River	0.5	0.5	2.3	0.0%	352.5%	4.76	4.90	6.02	2.9%	22.8%	0.11	0.11	0.39	-0.1	-0.1	0.4
Federation	11.4	10.9	10.9	-3.8%	0.0%	6.83	6.96	8.51	1.9%	22.4%	1.66	1.57	1.28	0.4	-0.2	-0.0
Greater Hume	0.1	0.1	0.2	2.3%	66.7%	6.8	7.0	8.5	3.4%	21.3%	0.01	0.01	0.02	0.0	-0.3	-2.7
Murray River	0.1	13.4	13.4	9141.4%	0.0%	9.62	9.92	12.03	3.2%	21.3%	0.02	1.35	1.11	-0.2	0.0	0.0
Wentworth	29.6	8.1	7.0	-72.5%	-14.6%	6.2	6.3	7.7	2.0%	22.8%	4.81	1.30	0.90	0.0	0.0	-0.6
Murray	53.0	46.4	43.6	-12.5%	-5.9%	46.0	47.3	58.0	2.7%	22.7%	1.15	0.98	0.75	0.2	1.2	-1.9

Note: All infrastructure backlog amounts have been rounded. Percentage calculations reflected in the table will therefore vary slightly due to rounding.

Key observations

- Edward River Council is an amalgamation of the old Conargo and Deniliquin councils.
- Federation Council is an amalgamation of the old Corowa and Urana councils.
- Murray River Council is an amalgamation of the old Murray Plains and Wakool councils.
- Greater Hume Council's maintenance shortfall increased 2.4 million in 2016-17 to \$2.7 million.

Riverina

Table 7.12: Financial assessment of Riverina local government area 2014-15 to 2016-17: Infrastructure, funding and maintenance profile (\$Millions)

Region	Infrastructure deficit (status)					Local council road funding					Ratios			Maintenance Profile		
	Infrastructure backlog			% Change		Road grants			% Change		Infrastructure deficit/road grant funding			Maintenance surplus/shortfall (-)		
	2014-15	2015-16	2016-17	2015-16	2016-17	2014-15	2015-16	2016-17	2015-16	2016-17	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
Bland	4.2	4.2	9.0	0.0%	112.5%	7.8	7.7	9.6	-1.7%	24.9%	0.54	0.55	0.94	-0.5	2.5	0.5
Carrathool	0.9	3.8	2.3	304.1%	-40.0%	6.8	6.8	8.5	0.8%	24.3%	0.14	0.55	0.27	0.2	-0.5	0.2
Coolamon	0.1	0.1	1.5	-30.7%	1511.6%	4.1	4.2	5.0	2.5%	19.1%	0.03	0.02	0.31	-0.2	0.1	1.4
Cootamundra Gundagai	3.2	2.9	7.4	-9.4%	154.4%	4.4	4.4	5.6	0.1%	25.8%	0.72	0.66	1.33	0.6	0.6	4.6
Griffith	4.6	4.6	4.8	0.0%	4.0%	4.2	4.2	5.3	-0.3%	27.4%	1.11	1.11	0.91	-0.1	-0.1	-0.0
Hay	0.0	0.0	0.0	0.0%	0.0%	2.6	2.7	3.3	3.5%	22.0%	0.00	0.00	0.00	-0.0	-0.3	-0.2
Junee	1.5	1.7	1.2	10.0%	-25.0%	2.5	2.5	3.4	-0.6%	32.8%	0.59	0.66	0.37	-0.2	-0.2	-0.2
Leefon	2.3	1.1	0.6	-52.3%	-43.0%	2.7	2.7	3.4	-1.3%	27.1%	0.84	0.41	0.18	0.8	0.0	0.0
Lockhart	0.0	0.0	0.0	0.0%	0.0%	4.7	4.7	5.8	0.4%	24.1%	0.00	0.00	0.00	0.3	-0.0	0.1
Murrumbidgee	1.1	0.6	0.0	-45.7%	-	4.6	4.6	5.7	0.2%	25.4%	0.24	0.13	0.00	0.1	-0.2	0.6
Narrandera	1.7	2.0	7.2	17.2%	262.6%	4.1	4.0	5.2	-0.7%	28.0%	0.41	0.49	1.38	0.0	0.2	0.5
Temora	0.0	0.0	4.2	-	-	3.5	3.5	4.4	0.3%	26.3%	0.00	0.00	0.94	0.2	0.4	0.6
Wagga	28.7	297.3	283.8	936.1%	-4.6%	9.3	9.3	11.3	0.4%	21.5%	3.09	31.85	25.01	0.2	1.7	-7.5
Riverina	48.4	318.3	321.9	557.3%	1.1%	61.3	61.4	76.5	0.2%	24.7%	0.79	5.19	4.21	1.4	4.1	0.7

Note: All infrastructure backlog amounts have been rounded. Percentage calculations reflected in the table will therefore vary slightly differ due to rounding.

Key observations

- Cootamundra Gundagai Regional Council is an amalgamation of the old Cootamundra and Gundagai councils.
- Murrumbidgee Council is an amalgamation of the old Jerilderie and Murrumbidgee Shire councils.
- Wagga Council's infrastructure backlog is 25.01 times the size of its recurrent road grant funding.
- Wagga's maintenance profile fell from a surplus \$1.7 million in 2015-16 to a deficit \$7.5 million in 2016-17.

South Coast

Table 7.13: Financial assessment of South Coast local government area 2014-15 to 2016-17: Infrastructure, funding and maintenance profile (\$Millions)

Region	Infrastructure deficit (status)					Local council road funding					Ratios			Maintenance Profile		
	Infrastructure backlog			% Change		Road grants			% Change		Infrastructure deficit/road grant funding			Maintenance surplus/shortfall (-)		
	2014-15	2015-16	2016-17	2015-16	2016-17	2014-15	2015-16	2016-17	2015-16	2016-17	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
Bega Valley	1.5	1.9	3.1	28.4%	64.0%	6.8	7.1	8.6	4.3%	20.0%	0.22	0.27	0.36	-1.0	0.9	1.1
Eurobodalla	34.0	7.2	35.5	-78.8%	390.9%	4.8	4.8	6.0	0.8%	24.0%	7.09	1.49	5.91	0.0	0.0	0.0
Kiama	2.2	2.4	0.6	6.8%	-77.0%	1.7	1.8	2.1	3.7%	16.0%	1.31	1.35	0.27	0.2	0.0	-0.0
Shellharbour	5.2	4.4	3.7	-15.4%	-17.1%	2.2	2.3	3.0	4.4%	28.2%	2.33	1.88	1.22	-0.4	0.1	0.4
Shoalhaven	22.4	23.0	43.9	2.7%	91.3%	9.9	10.1	12.5	2.1%	23.9%	2.27	2.28	3.52	-0.6	-1.6	-1.9
Wollongong	71.4	76.2	79.8	6.7%	4.7%	7.1	7.7	9.4	8.4%	22.3%	10.05	9.89	8.47	-0.8	-0.7	-1.5
South Coast	136.8	115.1	166.5	-15.9%	44.7%	32.5	33.8	41.5	4.0%	22.6%	4.20	3.40	4.01	-2.6	-1.2	-1.9

Note: All infrastructure backlog amounts have been rounded. Percentage calculations reflected in the table will therefore differ due to this rounding.

Key observations

- Eurobodalla, Shoalhaven and Wollongong councils have the highest infrastructure backlogs at \$35.5 million, \$43.9 million and \$79.8 million, respectively.

Capital Country

Table 7.14: Financial assessment of Capital Country local government area 2014-15 to 2016-17: Infrastructure, funding and maintenance profile (\$Millions)

Region	Infrastructure deficit (status)					Local council road funding					Ratios			Maintenance Profile		
	Infrastructure backlog			% Change		Road grants			% Change		Infrastructure deficit/road grant funding			Maintenance surplus/shortfall (-)		
	2014-15	2015-16	2016-17	2015-16	2016-17	2014-15	2015-16	2016-17	2015-16	2016-17	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
Goulburn Mulwaree	17.7	16.6	15.6	-5.9%	-6.0%	4.5	4.6	5.7	2.0%	25.3%	3.96	3.65	2.74	-0.6	0.2	0.3
Hillstop	1.6	1.9	8.0	19.1%	314.8%	8.8	9.0	8.5	2.2%	-5.0%	0.18	0.21	0.94	0.2	-0.9	0.2
Queanbeyan-Palerang	7.5	10.8	14.8	44.7%	371%	7.2	7.5	8.9	4.3%	17.6%	1.03	1.43	1.67	-0.4	3.8	-14.1
Upper Lachlan	2.7	1.2	2.5	-54.6%	106.4%	6.0	6.0	7.4	0.3%	24.5%	0.45	0.20	0.34	0.5	0.6	1.2
Wingecarribee	5.1	3.2	3.5	-36.6%	6.7%	5.5	5.6	7.0	2.2%	24.4%	0.93	0.58	0.50	-0.9	-0.2	1.2
Yass Valley	7.5	7.4	5.8	-2.1%	-21.8%	4.2	4.4	5.3	2.6%	22.3%	1.78	1.69	1.08	-0.1	-0.1	-0.2
Capital Country	42.1	41.2	50.1	-2.2%	21.8%	36.2	37.0	42.8	2.3%	15.8%	1.16	1.11	1.17	-1.2	3.3	-11.4

Note: All infrastructure backlog amounts have been rounded. Percentage calculations reflected in the table will therefore differ due to this rounding.

Key observations

- Hillstop Council is an amalgamation of the old Boorowa, Harden and Young councils.
- Queanbeyan-Palerang Council is an amalgamation of the old Palerang and Queanbeyan councils.
- The new Queanbeyan-Palerang Council's maintenance profile fell from a surplus of \$3.8 million in 2015-16 to a deficit of \$14.1 million in 2016-17.

Snowy Mountains

Table 7.15: Financial assessment of Snowy Mountains local government area 2014-15 to 2016-17: Infrastructure, funding and maintenance (\$Millions)

Region	Infrastructure deficit (status)					Local council road funding					Ratios			Maintenance Profile		
	Infrastructure backlog			% Change		Road grants			% Change		Infrastructure deficit/road grant funding			Maintenance surplus/shortfall (-)		
	2014-15	2015-16	2016-17	2015-16	2016-17	2014-15	2015-16	2016-17	2015-16	2016-17	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
Snowy Monaro Regional	171	30.4	30.4	77.9%	0.0%	8.4	8.5	10.6	1.8%	23.8%	2.04	3.56	2.87	-1.9	-1.7	-1.1
Snow Valleys	0.0	1.4	0.0	-	-	4.3	4.4	4.3	2.5%	-4.1%	0.00	0.31	0.00	0.0	0.0	0.0
Snowy Mountains	171	31.7	30.4	85.9%	-4.3%	12.7	13.0	14.8	2.0%	14.2%	1.34	2.45	2.05	-1.9	-1.7	-1.1

Note: All infrastructure backlog amounts have been rounded. Percentage calculations reflected in the table will therefore differ due to this rounding.

Key observations

- Snowy Monaro Regional Council is an amalgamation of the old Bombala, Cooma-Monaro and Snowy River councils.
- Snowy Valleys Council is an amalgamation of the old Tumbarumba and Tumut councils.

Methodology

Financial information – council annual financial statutory returns

The financial information used in this report is sourced from the annual financial returns of each local council in NSW²³. As part of its financial statutory reporting, each council is required to submit a report on the condition of its public infrastructure assets known as Special Schedule No: 7

The tables presented in this report use the following financial asset information for roads from each council:

1. Carrying value of the road asset class.
2. Estimated cost to bring council's infrastructure asset to a satisfactory standard, if they are currently not of an adequate standard.
3. Required maintenance level to keep the Council's existing assets.
4. Actual maintenance spent on the Council's existing assets.

Council financial returns for 2016-17

The 2016-17 financial year was the first full reporting year for number of new amalgamated metropolitan and regional councils.

These reporting periods are as follow:

- Non amalgamated councils: Reporting period – 1 July 2016 to 30 June 2017 (108 councils)
- Amalgamated councils pre 30 June 2016: Reporting period – 12 May 2016 to 30 June 2017 (19 councils)
- Amalgamated councils post 30 June 2016: Reporting period – 9 September 2016 to 30 June 2017 (1 council, Bayside Council)

Financial returns were received for all councils except Bayside which is not yet publically available.

Therefore this data does not appear in the 2016-17 analysis.

This report assumes all 127 schedule returns for each local council covers the financial year ending 30 June 2017.

Annual Australian and NSW Government road grants to councils

The road grants component used in this report includes only three recurrent grant monies that are received by each council in NSW to be spent on their road network, and comprises the following programs:

1. Roads to Recovery
2. Financial Assistance Grant – Local road component, and
3. Non State Road Assistance – NSW Government grants (Block Grants, REPAIR Program and Traffic Route Lighting Subsidy)

The allocations used in this report are taken from the 2014-15, 2015-16 and 2016-17 Australian Government²⁴ and NSW Government websites²⁵.

Metropolitan and regional council splits

The metropolitan and regional area splits are the same as shown in last year's report. The regions are aligned to the NSW Government's tourism area boundaries with some minor adjustments, for example, the Port Stephens local government is included in the Hunter region rather than the North Coast.

²³ The returns are delivered as part of the annual statutory reporting which includes both the annual report and financial statements for each council as submitted to the NSW Office of Local Government.

²⁴ Roads to Recovery and Financial Assistance Grants are sourced from the Department of Infrastructure and Regional Development website.

²⁵ NSW Road Grants numbers sourced from the Roads and Maritime website and other sources <http://www.rms.nsw.gov.au/business-industry/partnerssuppliers/lgr/grant-programs/regional-road-block-grant.html>

Methodology

Ratio calculation – infrastructure deficit to roads grants funding

This ratio calculates the size of the funding task required by local councils to clear their backlog.

A ratio greater than 1 means that the council has an infrastructure deficit that is higher in dollar value than the existing recurrent funds received from the Australian and NSW governments. The greater the ratio, the higher the funding task to clear the backlog.

A ratio less than 1 means that the council, in dollar terms, has an infrastructure backlog less than its current funding levels.



