

EXECUTIVE SUMMARY

The conclusions reached in this paper are summarised as follows:

What are the problems?

- Local and regional road renewals are not being funded to the required level based on whole of life costing.
- Road assets are being consumed at a greater level than they are being renewed.
- Bridges on local and regional roads are inadequate to carry current traffic loadings.
- New assets are being acquired but we are unable to fund our existing assets.
- There is no systematic local or regional transport planning being carried out.
- Higher Mass limits are being introduced onto local and regional roads with unknown structural capacity
- Cost shifting to Local Government

What are the impacts of these problems?

- Increased road user costs.
- Increasing transport costs being passed on to consumers.
- A reduction in the value of public infrastructure assets.
- A reduction in the level of service being provided by existing assets.
- Greater demands for maintenance being placed on communities.
- A decrease in amenity for many communities.

How did these problems come about?

- A failure to understand basic asset management principles by decision makers.
- No discussion of transport initiatives with local councils or communities.
- A lack of financial resources.
- A lack of skilled technical staff resources.

How might these problems be addressed?

- Improved asset management understanding and capability being the focus of all levels of government.
- The training of decision makers in the basic principles of asset management.
- Increased funding for maintenance and renewal of regional and local roads.
- Consultation with local government and regional organisations to develop appropriate asset renewal programs.
- The development of asset management plans covering all asset classes.

Given the situation, what should be done first?

- There is an immediate and pressing need for increased funding to be made available for local and regional road renewal and maintenance.
- Resources must be made available for the development of comprehensive asset management plans.
- Resources must be made available for the development of comprehensive local / regional transport plans.
- Local Councils and local communities must be consulted in relation to road and transport issues that impact on their local areas. Community education must be an integral part of this consultation.



Institute of
Public Works
Engineering
Australia
(NSW Division)



IPWEA (NSW) ROADS & TRANSPORT DIRECTORATE

The Infrastructure Coordinator
Infrastructure Australia
GPO Box 594
CANBERRA ACT 2601
AUSTRALIA

14 October 2008

Dear Sir / Madam,

Infrastructure Australia – National Infrastructure Submission

The Institute of Public Works Engineering Australia (IPWEA) is a not for profit, membership based, professional organisation representing engineers and others involved in the provision of public works and services predominantly in the local government sphere.

The Roads & Transport Directorate has been set up by IPWEA (NSW) in conjunction with the Local Government and Shires Associations to provide support to its members working in local government across the state. It is supported financially by membership contributions from Local Councils in NSW.

The Roads & Transport Directorate's submission is based on data collected over the past two to three years and includes the impact of local roads and bridges, transport planning and other infrastructure on the communities they service. These issues are summarised in the sections below.

INTRODUCTION

The Roads & Transport Directorate has been set up to meet the demand from members of IPWEA (NSW) over the past few years to act as a focus for research activities and to provide technical advice.

Its main purpose is to assist Local Government in NSW in the area of road infrastructure and transport related activities by:

- Assisting members in discharging their road management roles in the most effective manner consistent with current legal obligations and the most recent technical

practices particularly in the critical area of consistent and cost effective asset management;

- Assisting the IPWEA (NSW), the Local Government Association of NSW and the Shires Association of NSW, individual Councils and members in lobbying for a higher priority to be placed on road infrastructure provision and maintenance and for a more equitable share of resources and funding; and
- Providing for IPWEA members and Local Government a powerful technical and research resource on transport issues at regional, state and national level. The activities would be, as circumstances dictate, either proactive or reactive to achieve the optimum benefit for the region or state.

The Directorate commenced operation in October 2004 and has been involved in determining the needs of members and developing solutions to meet those needs.

Over that period the Directorate has made submissions on a range of issues including:

- NSW Local Government Sustainability Inquiry - IPWEA (NSW) Submission December 2005
- NSW Department of Local Government - Internal Audit - R&TD Submission September 2005
- NSW RTA Road Classification Review - R&TD Submission August 2005
- Road Rail Interface - Submission to ITSRR May 2007
- Sydney - Adelaide Corridor - Submission to DoTaRS May 2007
- Sydney - Brisbane Corridor - Submission to DoTaRS May 2007
- Sydney Metropolitan Corridor - Submission to DoTaRS May
- NSW Department of Local Government - New Directions - IPWEA (NSW) Submission May
- NSW Department of Local Government - Integrated Planning - IPWEA (NSW) Submission May 2007
- Sydney - Dubbo Corridor - Submission to DoTaRS July 2007

Copies of these submissions¹ are available on the website at: www.roadsdirectorate.org.au.

LOCAL ROADS

In 2005 the Roads & Transport Directorate of the IPWEA NSW Division commissioned a Road Asset Benchmarking Project² to provide a snapshot of the current reported condition of

¹ Copies of submissions are available at:

www.ipwea.org.au/AM/Template.cfm?Section=Membership2&Template=/CM/HTMLDisplay.cfm&ContentID=5978

Regional and Local Roads in NSW, an estimate of the shortfall in funding necessary to bring them to a satisfactory condition and specific recommendations about rectification of the problems identified. This report can be accessed at www.roadsdirectorate.org.au.

The findings of this report are summarised as follows:

- 1 97% (147) of NSW councils responded to the IPWEA NSW Roads & Transport Directorate's Road Asset Benchmarking Survey and the Local Government Inquiry survey. Of these responses 89% (135 of 152) were assessed as valid for analysis
- 2 Asset management practice and capability was limited with 20% (27) of responding councils reporting that they used the principles of the International Infrastructure Management Manual, the internationally recognised reference on infrastructure asset management, in full. 19% (26) of councils have an adopted Road Asset Management Plan.
- 3 Road related risk was being addressed through a road asset management plan or within a corporate risk management plan in 31% (42) of the responding councils.
- 4 51% (69) of responding councils indicated they have a long term financial plan, 30% (37) of the responding councils' plans cover a period of at least 10 years.
- 5 21% (27) of responding councils' long term financial plans recognise the effects of infrastructure including financing infrastructure renewal, and providing for growth and life cycle costs for new infrastructure.
- 6 The 135 responding councils are responsible for the management of 14,959 km of regional and local roads combined and 8,471 concrete/steel and timber bridges.
- 7 The responding councils' roads and bridges have a replacement value of \$36,739 million, which is being consumed at the rate of \$587 million per annum.
- 8 Road and bridge assets for the reporting councils are reported to have 57.3% of their service life remaining. The assets are being consumed at a rate of 1.6% of the depreciable amount. Present asset renewal is less than asset consumption being 71% of consumption for sealed roads, 52% for unsealed roads and 26% for concrete/steel bridges. Timber bridge renewal is 362% of consumption recognising the investment priority given by councils to renewal of ageing timber bridges.
- 9 The road life cycle cost for the responding councils was estimated at \$1,207 million per annum. Funding in 2004/05 was reported at \$580 million leaving a funding gap of \$627 million per annum below the life cycle cost.
- 10 Sealed road resurfacing/resealing life cycle cost for the responding councils was estimated at \$236 million per annum. Funding of \$100 million in 2004/05 was \$136 million less than the annual life cycle cost.

² Report available at:

- 11 Unsealed road resheeting life cycle cost for the responding councils was estimated at \$141 million per annum. 2004/05 funding was \$33 million which is \$108M less than the annual life cycle cost.
- 12 The life cycle cost for the responding councils' concrete/steel bridges was estimated at \$10.4 million for regional roads and \$16.2 million for local roads per annum. Funding in 2004/05 of \$3.6 million for regional roads and \$7.2 million for local roads was \$6.8 million and \$9.0 million respectively per annum less than the life cycle cost.
- 13 The life cycle cost for the responding councils' timber bridges was estimated at \$3.5 million for regional roads and \$11.3 million for local roads per annum. Funding in 2004/05 of \$7.9 million for regional roads and \$14.1 million for local roads was \$4.4 million for regional roads and \$2.8 million per annum greater than the life cycle cost. This indicates the investment priority given to timber bridge renewal in 2004/05.
- 14 Survey data quality was variable with a few of the responding councils having good and reliable data and others lacking in both quantity and quality of data.

The critical data is that local road assets are estimated to have a renewal cost in excess of \$36.74billion and that asset renewal is substantially less than current asset consumption. The life cycle costs for road assets is estimated at \$1.207billion per annum with expenditure of \$580million per annum leaving a funding gap of \$627 million per annum.

This is a bleak picture for the local roads situation. There is an obvious need for assistance to local councils to allow them to reverse this long term trend. Clearly the local roads network is in an unsatisfactory condition and is deteriorating year by year.

The solution to this problem is one of resources and resource allocation – not just additional funding. There needs to be a greater understanding of asset management by both staff and elected representatives and a more accurate assessment of road condition so that long term asset management plans can be developed. Associated with asset management planning is long term financial planning which will provide a clearer picture of long term financial needs.

The local road network is critical to local communities and to the Australian economy if we are to improve our efficiency and maintain our standard of living. Primary and secondary production relies on the local road network to access markets and processing facilities. Goods and services rely on the local road system for access and distribution. Increasing road user costs are impacting on costs for both local and national communities.

A further problem is that we are creating new assets at a time when we are unable to meet the maintenance costs of our existing assets. While there is an obvious need to upgrade our national road system, this should only be done in the knowledge that we are able to maintain these assets in the future. This applies to the local and regional networks as well as to the national network. Care must be taken in considering the allocation of Infrastructure Australia funds to ensure that existing road renewals are funded as well as new works.

The Roads & Transport Directorate is currently undertaking a data collection project to update the Asset Benchmarking Project Reports released in 2006. Data collection is being carried out through the completion of a spreadsheet by each council in NSW. Supply of the necessary data is being carried out by Engineering Staff or Asset Managers in conjunction

with Finance Managers. It is expected that every council in the state will provide data to this project.

The major aim of collecting this data is to provide support for Councils and for the Local Government and Shires Associations in better understanding the condition of the local road network and in determining a sustainable source of funding to return the network to a satisfactory condition.

LOCAL BRIDGES

At the same time that the Road Asset Benchmarking Project was carried out Roads & Transport Directorate commissioned a survey of New South Wales councils to document information on timber bridges and to assist councils in their role of providing sustainable local transport infrastructure for their communities. This report³ can be accessed at www.roadsdirectorate.org.au.

The findings of this report are summarised as follows:

- 1 97% (147) of NSW councils responded to the IPWEA NSW Roads & Transport Directorate Timber Bridge Survey as part of the Road Asset Benchmarking Survey. 88% (135) of responses were assessed as valid for analysis. Not all responding councils answered all questions on the survey form.
- 2 The 119 councils who responded to the question are responsible for managing 2,501 timber bridges with 11.5% (287) located on regional roads and 88.5% (2,214) on local roads.
- 3 21.4% (547) of the 71 responding councils' timber bridges are assessed to be in good condition, 47.7% (1,208) are in fair condition and 31.2% (796) in poor condition.
- 4 Councils in the IPWEA Mid North Coast region have the most timber bridges in poor condition (281). Councils in the North Coast region have 158 with 105 in the New England region.
- 5 Funding required to bring timber bridges to 'satisfactory' condition is estimated at \$165 million by 69 of the responding Councils in their Special Schedule Seven reports. The councils spent \$17.4 million of the \$29.0 million estimated to maintain timber bridges at 'satisfactory' condition in 2004/05.
- 6 The replacement value of timber bridges in 81 responding councils was estimated at \$303 million. Timber bridges are in the second half of their life with 44.8% of service potential remaining. Consumption of these timber bridge assets is reported as depreciation expense of \$4.3 million for 2004-05.

³ Available at:

- 7 Timber bridge assets are being consumed at an annual rate of 1.5%. Asset renewal in 2004-05 was 5.4%, which is greater than the rate of consumption as reported by depreciation. This indicates that councils are making investment in renewal of timber bridges a high priority. Discrepancies were identified in the assessment of asset consumption by bridge asset managers and reported as depreciation. This discrepancy is discussed further below.
- 8 Councils in the Illawarra region report the oldest timber bridge stock with 64 timber bridges with 24.3% of service potential remaining. Other regions with aged timber bridges are North Coast (540 bridges at 33.2%), Central West (74 at 34.4%), South West (119 at 35.9%), Orana (102 at 37.7%) and New England (369 at 39.7% of service potential remaining).
9. The 90 responding councils use 19 systems for timber bridge inventory and 23 systems for timber bridge management.
10. 58 of 98 responding councils use drill testing for timber bridges. Annual or more frequent inspections are conducted by 52 of the responding councils. 14 councils do not inspect timber bridges. Load testing of timber bridges is undertaken by 25 councils. 71 do not carry out load testing of timber bridges. 9 councils are aware of the load capacity of all timber bridges. 62 councils have no knowledge of the load capacity of their bridges.
- 11 Bridge maintenance skills are limited, 17 of 96 responding councils have staff with accredited inspection skills, 7 have staff with accredited bridge testing skills and 40 councils have qualified bridge carpenters.
- 12 95 councils identified a need for bridge management and maintenance skills in six areas; bridge carpentry, bridge testing, termite testing, environmental issues and occupation health & safety issues.

The major difference between roads and bridges in terms of inadequate maintenance is that the failure of a bridge is catastrophic. This report shows that councils have recognised this issue and have given the funding of bridges on local roads priority. Despite this, 31.2% of timber bridges across the state are considered to be in poor condition.

In NSW funds have been made available to remediate or renew timber bridges on Regional Roads. A total of \$60million was made available on a dollar for dollar basis but councils have not had the financial capacity to meet their 50% funding commitment. The scheme has been extended by twelve months to allow councils to budget for their share of the costs. This demonstrates the limited capacity of Local Government to meet their asset management needs from existing funding sources.

The comments made above in relation to the local road network apply to the performance of timber bridges which link primary and secondary producers to markets and processing facilities and providers of goods and services to their markets.

The closing of a bridge because of insufficient load capacity can increase transport distances by tens of kilometres and increase transport costs significantly. While individual bridge closures or load limits may be of limited significance, the aggregate cost across Australia is likely to be substantial.

THE AUSLINK NETWORK – HIGHER MASS LIMITS

The AusLink agreement with NSW⁴ states as an objective:

2) *The objectives of this Agreement are to:*

- a) *assist national economic and social development through the funding of projects aimed at improving the efficiency, safety and reliability of the National Land Transport Network; and*
- b) *promote sound cross modal investment decisions through improving long term planning, project assessment and evaluation, and data sharing arrangements.*

The NSW Agreement further provides:

Higher Mass Limits (HML)

- 64) *Both parties recognise that HML vehicles have the potential to lower transport costs and increase productivity and freight efficiency.*
- 65) *Accordingly, both parties agree to work cooperatively to extend the HML network in New South Wales commencing from 1 July 2006.*
- 66) *Access conditions for HML-eligible vehicles operating on the NSW network shall be as follows:*
 - a) *vehicles will have road friendly suspension, and tri-axle vehicles with road friendly suspension will also be required to have mass management accreditation under the National Heavy Vehicle Accreditation Scheme (NHVAS);*
 - b) *road friendly suspensions shall be maintained in line with an enhanced element of NHVAS (being either of those identified at Clause 71), from a time six months after this element is developed and endorsed by the Australian Transport Council; and*
 - c) *vehicles shall be enrolled in a route-compliance monitoring regime using the Intelligent Access Program (IAP), from the time that it is operational and available.*
- 67) *NSW will make the following routes progressively available for HML vehicles:*
 - a) *from 1 July 2006, HML routes currently provided by the Australian Government to HML eligible vehicles registered under the Federal Interstate Registration Scheme – ie Sturt Highway, Hume Highway (Coolac to Victorian border) and New England Highway (Tenterfield to Queensland border);*

⁴ Agreement available at: www.auslink.gov.au/publications/policies/pdf/NSW_Bilateral.pdf

- b) *from 1 July 2006, the Hume and Barton Highways from Coolac to the Australian Capital Territory and Goulburn;*
- c) *by 31 December 2006, the AusLink National Network between Melbourne and within Sydney, following upgrade of the bridges at Paddys River; and*
- d) *other parts of the AusLink National Network – except the Pacific Highway – as agreed bridge upgrading is completed.*

What about the local road network? The issue of the “*first and last kilometre*” has become a significant issue for Councils in NSW. Vehicles using the AusLink National Network need to access ports, processing plants, rail heads and distribution centres using the local road network.

The concerns of a number of councils that HML is not appropriate for implementation on local roads has been raised. The view that HML may be appropriate for highway conditions but not for low speed local pavements which are susceptible to damage due to increased roughness, tight horizontal geometry and the presence of intersections has been discussed with the RTA. The RTA has raised these concerns with the National Transport Commission (NTC) which is the agency having carriage of HML.

Councillors are in the position of having to consider their legal obligations under the provisions of Section 8 of the Local Government Act 1993 which requires them:

- to properly manage, develop, protect, restore, enhance and conserve the environment of the area for which it is responsible, in a manner that is consistent with and promotes the principles of ecologically sustainable development
- to have regard to the long term and cumulative effects of its decisions
- to bear in mind that it is the custodian and trustee of public assets and to effectively account for and manage the assets for which it is responsible

against the national economic benefits which may come from the implementation of HML and other transport reform. In the absence of objective data on which to carry out assessments, many councils are opting not to approve such applications. There is a need for education, increased technical knowledge and the development of assessment standards to allow better outcomes to be obtained. There is a significant cost involved in implementing this solution.

TRANSPORT PLANNING

Transport planning involving the local road network is at best fragmented. The National road network is managed by the Federal Government and includes initiatives such as the AusLink National Network. The State Road System is managed by the various State Governments and incorporates links with the National Network as appropriate. The remainder of the road system including Regional and Local Roads is the responsibility of Local Government with some funding assistance for Regional Roads. This Local Road Network represents 85% of the total road network but is not covered by an adequate integrated transport plan.

State Governments see their road management responsibility as being for the State Network which is appropriate. Local Government on the other hand sees its responsibility as being for Land Use Planning but not for local or regional transport planning. This is understandable since effective transport planning will involve decisions being taken which have implications across local council boundaries. It is suggested that integrated transport planning needs to occur on a regional basis and that it must involve both State and Local Governments.

An attempt to develop such a regional transport plan was undertaken by the NSW Department of Planning in 2005 / 2006 for the Barwon Region of NSW. The draft document provided a comprehensive discussion of the issues to be dealt with and is an excellent starting point for future transport planning. Unfortunately, this draft plan does not seem to have progressed since the beginning of 2006.

COASTAL INFRASTRUCTURE

In May 2005 IPWEA (NSW) made a submission to The NSW Parliamentary Standing Committee on Public Works has inquiry established to investigate the effects of population growth on coastal areas in NSW excluding the metropolitan coastal areas of Sydney, Newcastle and Wollongong. This report covered a wider range of infrastructure than roads and transport and supported the discussion above. A copy of the submission⁵ is available at: www.ipwea.org.au.

The recommendations contained in that submission are:

A Whole of Government approach

A “whole of government” approach to long term regional infrastructure planning and provision is required.

The establishment of a permanent Coastal Councils Development Board similar to DIPNR’s Sydney Regional Growth Centres Commission or the South East Queensland Regional Coordination Committee is recommended.

This Board should be empowered to investigate the issues raised in this submission and have:

- *An all agency approach*
- *A brief across both council and state boundaries*
- *Authority and ability to influence state and federal budget processes*
- *Resourcing from DIPNR*
- *High level political involvement and possibly state Ministerial Status*
- *Access to funding*
- *Input from local, state and commonwealth government planning and infrastructure professionals*
- *Input from professional organisations such as IPWEA (NSW)*

Provision of Generic Templates and Guides

It is recommended that generic “how to guides” or templates be prepared to assist councils and regional groups in:

⁵ Available at:

www.ipwea.org.au/AM/Template.cfm?Section=UPLOADS&Template=/CM/ContentDisplay.cfm&ContentID=39

- *The negotiation of EIS processes for essential infrastructure that will provide some degree of anticipation of outcomes within reasonable timeframes.*
- *The examination of the cumulative effects of a multitude of discrete development approvals on infrastructure needs such as traffic, parking etc.*
- *The development of Sustainability Plans for the coastal council areas.*

These templates would not only provide a guide to individual councils and regions through onerous planning processes but could provide the basis for future benchmarking of best practice results.

The Coastal Councils Infrastructure Board could promote these guides and provide training in their use in cooperation with appropriate professional associations.

The Engagement of Government Departments

The constructive engagement of Local Government and State and Commonwealth Government Departments is essential.

For example it is unlikely that councils will be able to meet the future expectations of their communities with regard to multi purpose halls and cultural facilities. A comprehensive review of "all government" building stocks to maximise usage and minimise duplication is recommended.

A Review of Funding Constraints

A response to the Inquiry would not be complete without some reference to funding.

The pressures facing the coastal councils of eastern Australia are unique and challenging. A review of the funding arrangements from both State and Federal governments and potentially some relief from the constraints imposed by rate pegging on both community infrastructure and ongoing asset management is strongly recommended.

The Engagement of Professional Associations

It is recommended that the relevant Professional Associations and their Regional Group structures be invited and encouraged to take an active role in the continued actions of this Inquiry and in the development of DIPNRs Regional Strategies for the coastal councils.

IPWEA (NSW) has an active Regional Group Structure already in place and looks forward to playing an active role in the proposed public hearings and to supporting the positive outcomes arising from the Inquiry.

These recommendations which are supported by survey data reinforce the arguments presented earlier, particularly in relation to the need for a whole of government approach to dealing with transport infrastructure assets.

NSW LOCAL GOVERNMENT SUSTAINABILITY INQUIRY

The Independent Inquiry into the Financial Sustainability of Local Government in NSW (Local Government Inquiry) was commissioned by the Local Government and Shires Associations in September 2005 in response to the widespread concerns about Local Government's financial capacity to meet the growing demand for infrastructure and services.

The Inquiry Report⁶ contained the following three recommendations relating to Road Assets:

Renew infrastructure

Recommendation 6: Infrastructure Management

The State Government provide financial incentives and technical assistance to enable all councils within three years to adopt a total asset management (TAM) system with consistent asset accounting practices.

TAM covers the registration, valuation, depreciation, condition assessment, planning, design, acquisition, funding, maintenance, operation, replacement and disposal of all council physical assets. It includes a long-term plan of infrastructure spending and funding, which gets incorporated within a council's long-term strategic and financial plan (see recommendation 34)

Recommendation 7: Infrastructure Funding

To overcome the infrastructure crisis, increase council funding by the order of \$900 million per annum through a combination of increased Commonwealth and state grants (\$200 million), council expenditure savings (\$200 million) and higher income from rates, fees and charges (\$500 million).

To minimise the impact on council rates, fees and charges of overcoming the \$6.3 billion infrastructure backlog and closing the \$0.5 billion annual infrastructure renewals gap, the Inquiry would suggest the following course of action:

- *Borrow \$5,300 million to overcome the infrastructure backlog (other than that in water and sewerage which DEUS insists can be funded with existing charges). This would generate about \$400 million in debt charges (interest and principal repayments) annually;*
- *Raise an extra \$900 million per annum in revenue to both close the renewals gap (\$500 million) and meet the new debt charges (\$400 million); and*
- *Derive the extra \$900 million in revenue by seeking \$200 million in extra grants (say \$100 million from the Commonwealth and \$100 million from the state), \$200 million in council expenditure savings and \$500 million in extra income from rates, fees and charges.*

Recommendation 9: Regional Roads

The NSW Government assume responsibility for all regional roads in rural shires since such councils do not have the financial capacity and asset management systems to maintain and renew them.

Most council infrastructure is comprised of roads and a high proportion of roads are in under-populated rural shires which do not have the rate base to support the upkeep let alone renewal of such roads, especially regional roads. Neither improved FAGs nor rate deregulation will be sufficient to solve the rural regional road problem

The circumstance which gave rise to these recommendations have not changed since the report was released in May 2006. This report lends further weight to the earlier discussions.

⁶ Sustainability of NSW Local Government Final Report May 2006 p.28 Available at: www.lgsa-plus.net.au/resources/documents/lgi-final-report_030506.pdf

PUBLIC PRIVATE PARTNERSHIPS

Local Government in NSW has not been keen to enter into Public Private Partnerships for the provision and maintenance of public infrastructure. This reluctance has not been assisted by several high profile project failures in recent years.

In order to add to the discussion, attention is drawn to a partnership arrangement developed in 2004/05 by Mornington Peninsula Shire Council to maintain part of its road network. This partnership provides for the maintenance of roads on a long term basis to achieve set road condition targets. Initial reports on this agreement outline the benefits as:

- Capital renewals are carried out at the optimum time.
- Project funding and works are provided by the private sector.
- Council has a known cash flow requirement over the life of the project.
- There is a cost saving resulting from the project structure.
- Outcomes are agreed by the parties to the project prior to commencement

This model warrants further investigation as a model for consideration by councils and regional groups of councils.

CONCLUSIONS

Discussion Paper 1: Australia's Future Infrastructure Requirements listed a number of questions to guide the preparation of submissions. Brief answers to these questions arising from the issues raised in this submission are listed below.

What are the problems?

- Local and regional road renewals are not being funded to the required level based on whole of life costing.
- Road assets are being consumed at a greater level than they are being renewed.
- Bridges on local and regional roads are inadequate to carry current traffic loadings.
- New assets are being acquired but we are unable to fund our existing assets.
- There is no systematic local or regional transport planning being carried out.
- Higher Mass limits are being introduced onto local and regional roads with unknown structural capacity
- Cost shifting to Local Government

What are the impacts of these problems?

- Increased road user costs.
- Increasing transport costs being passed on to consumers.
- A reduction in the value of public infrastructure assets.
- A reduction in the level of service being provided by existing assets.
- Greater demands for maintenance being placed on communities.
- A decrease in amenity for many communities.

How did these problems come about?

- A failure to understand basic asset management principles by decision makers.
- No discussion of transport initiatives with local councils or communities.
- A lack of financial resources.
- A lack of skilled technical staff resources.

How might these problems be addressed?

- Improved asset management understanding and capability being the focus of all levels of government.
- The training of decision makers in the basic principles of asset management.
- Increased funding for maintenance and renewal of regional and local roads.
- Consultation with local government and regional organisations to develop appropriate asset renewal programs.
- The development of asset management plans covering all asset classes.

Given the situation, what should be done first?

- There is an immediate and pressing need for increased funding to be made available for local and regional road renewal and maintenance.
- Resources must be made available for the development of comprehensive asset management plans.
- Resources must be made available for the development of comprehensive local / regional transport plans.

- Local Councils and local communities must be consulted in relation to road and transport issues that impact on their local areas. Community education must be an integral part of this consultation.

IPWEA (NSW) and the Roads & Transport Directorate appreciate this opportunity to have input into the Infrastructure Australia planning process and would value any opportunity to be involved in future aspects of this process.

For further information in relation to the submission please do not hesitate to contact the undersigned on:

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Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Mick Savage', is written over a light blue rectangular background.

Mick Savage

Manager Roads & Transport Directorate