



## PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

**Referred by:** Australian Labor Party

**Proposal No:** C1198

**Date Referred:** 24/01/2023

**Date Published:** 20/03/2023

**Proposal Title:** Roads reclassification

**Cluster:** Transport

### General Government Sector Impacts

	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	4-year Total \$'000
Expenses (ex. depreciation)	-	(47,000)	-	-	(47,000)
Depreciation	-	-	-	-	-
Less: Offsets	-	-	-	-	-
Revenue	-	-	-	-	-
<b>Net Operating Balance:</b>	-	<b>47,000</b>	-	-	<b>47,000</b>

Capital Expenditure	-	(15,000)	(50,000)	(123,000)	(188,000)
Capital Offsets					
<b>Net Capital Expenditure:</b>	-	<b>(15,000)</b>	<b>(50,000)</b>	<b>(123,000)</b>	<b>(188,000 )</b>

<b>Net Lending/(Borrowing):</b>	-	<b>62,000</b>	<b>50,000</b>	<b>123,000</b>	<b>235,000</b>
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### Total State Sector Impacts

<b>Net Lending/(Borrowing):</b>	-	<b>62,000</b>	<b>50,000</b>	<b>123,000</b>	<b>235,000</b>
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### Notes and costing assumptions:

This policy proposes to cancel and not proceed with the planned road reclassification program of returning ownership of local and regional roads to the NSW Government, and return any savings to the budget for spending elsewhere on other roads initiatives. The policy is to commence 1 July 2023.

Based on advice from Transport for NSW, this policy is estimated to produce a saving of up to \$235.0 million over the forward estimates.

#### Background

In February 2019, the NSW Government announced a:

- Road Classification Review to ensure the road classification framework fit for purpose and roads across NSW are appropriately classified, and
- a broader review to look at transferring up to 15,000 kilometres of council managed roads to management by Transport for NSW (TfNSW).

**Notes and costing assumptions continued:**

In September 2021, the NSW Government announced its response to the Independent Panel's Interim Report. It endorsed 37 out of 40 recommendations for road reclassification and/or transferring management.

The 2021-22 Regional NSW Budget Paper outlined \$250 million over three years to support upgrades of regional roads transferred to the State, as part of the NSW Government's Regional Road Transfer and Road Classification Review. This was subsequently re-profiled in the 2022-23 Budget.