



## PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

**Referred by:** Australian Labor Party

**Proposal No:** C1569

**Date Referred:** 7/3/2023

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

**Proposal Title:** Regional Roads Fund

**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)	-	-	-	-	-
Depreciation					-
Less: Offsets					-
Revenue					-
<b>Net Operating Balance:</b>	-	-	-	-	-

Capital Expenditure	-	-	-	-	-
Capital Offsets					
<b>Net Capital Expenditure:</b>	-	-	-	-	-

<b>Net Lending/(Borrowing):</b>	-	-	-	-	-
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### Total State Sector Impacts

<b>Net Lending/(Borrowing):</b>	-	-	-	-	-
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### Notes and costing assumptions:

The policy creates a capped \$334 million regional road fund to build new roads in rural and regional areas. The policy proposes the following funding profile over the forward estimates; \$30 million in 2023-24, \$152 million in 2024-25 and \$152 million in 2025-26.

The policy proposes to use funds from the Snowy Hydro Legacy Fund (SHLF) for the new regional road fund. The Parliamentary Budget Office (PBO) has consulted with NSW Treasury and Department of Regional NSW (DRNSW) who have advised that there is a total of \$1.5 billion (\$1.4 billion over the forward estimates) of "reserved" and "uncommitted" funds that could be used. Based on this advice the PBO has costed the impact of this policy as zero as funding is available from the SHLF.

To use the funds from SHLF they would need to meet the purpose of fund which is to improve economic development in regional NSW by investing in infrastructure projects of primary benefit to the regions. The PBO considers it reasonable that the funds could be re-purposed for building new roads in rural and regional areas as they align with this purpose and support one of the key focus areas, rail and road passenger connectivity.