



Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition
Date Referred: 20/02/2019

Proposal No: Y057
Date Published: 18/03/2019

Proposal Title: Repairing Local Roads

Cluster: Transport

General Government Sector Impacts

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	4 year Total \$'000
Expenses (ex. depreciation)	-	25,000	75,000	75,000	175,000
Depreciation	-	-	-	-	-
Less: Offsets	-	-	-	-	-
Revenue	-	-	-	-	-
Net Operating Balance:	-	(25,000)	(75,000)	(75,000)	(175,000)

Capital Expenditure	-	-	-	-	-
Capital Offsets	-	-	-	-	-
Net Capital Expenditure:	-	-	-	-	-

Net Lending/(Borrowing):	-	(25,000)	(75,000)	(75,000)	(175,000)
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Total State Sector Impacts

Net Lending/(Borrowing):	-	(25,000)	(75,000)	(75,000)	(175,000)
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Notes and costing assumptions

The policy proposes to provide \$500 million capped amount over five years in grant funding to repair regional roads in NSW. The total cost of the policy over the forward estimates is \$175 million, with \$325 million to be provided in 2022-23 and 2023-24.

Key assumptions:

- The policy assumes administrative costs will be absorbed within agency resources. The PBO considers this reasonable as the additional funding is an extension of current work done by the Transport cluster.
- Under the policy, regional councils are able to apply for grants to repair or upgrade regional roads. Regional councils are defined under the Restart NSW Fund Act, and are those outside of Sydney, Newcastle and Wollongong.
- The policy also proposes to review the classification of roads, with a view to transfer up to 15,000 kms of the Regional NSW 'Regional Road Network'. Costs for maintaining any re-classified roads have not been included.
- The review of the classification of roads will appoint an independent panel to review roads in the 'Regional Road Network' and determine if they should be classified as regional. Costs for the review have not been included as they are assumed to be able to be absorbed by the agency as part of usual functions.