

Council happenings . . .

with Mayor
Glenn Wall

Road Funding

As advised in the community newsletter the Federal Government has recently provided a continuation of its "Roads to Recovery" Program, with our share of this funding amounting to \$400,577 per annum over a five year period and the first three years allocation will be attributed to the worst sections of Glendonbrook Road.

As usual, Staff will develop a schedule of works endeavouring to combine contracts and works with other projects for economies of scale and gain more "Bang for our Buck".

This year, besides our usual "Roads to Recovery" we have received our Financial Assistance Grant of \$687,480 (Roads & Bridges component) and Regional Road Block Grant of \$889,000. Unfortunately the \$6 million obtained by the Hon. Mr. Bob Baldwin for Regional Roads between Dungog and Tocal and Dungog and Glen Oak has been fully expended. The final three projects carried out with this funding were the Green Hills project (Regional Road 101) and both sections of Regional Road 301 (Clarence Town Cemetery precinct and the Ports Stephens / Dungog Shire Boundary).

Although these projects have made a big difference to worn out roads, we still have a long way to go to catch up with the rest of NSW, and there remains the underlying problem of inadequate ongoing funding to establish a sustainable roads maintenance program.

The stark reality is that funding cannot just come from the ratepayer. With some of the timber bridges in our area that will require replacement in the near future the sheer cost of such for some of these bridges will be more than the entire rate income which this Council generates in one year (\$4Million). Loan borrowings alone will not fund the replacement of the timber bridge network as it is simply unaffordable.

The funding solution has not been addressed by either tier of government and as Council and numerous practitioners have previously made comment upon, the share of taxation revenue to local government has been shrinking. Short term injections of funds whilst welcome are not a sustainable long term solution to a national problem.

In real terms, our income from all sources has not kept pace with escalating requirements and rising costs, and this is typical for most rural councils. Local government owns 85% of Australia's road infrastructure and only collects about 3% of all taxation revenue.

When the previous Government came to office our financial assistance grants equated to 1% of federal taxation revenue, but this now dropped by about 27%. Local government wants to see this level of funding restored and established as a fixed percentage of commonwealth taxation revenue.

For instance, "Roads to Recovery" is an excellent program that was introduced by the Howard Government in 2000 to do something about the deteriorating standard of local roads throughout Australia.

In announcing the program at that time the then Deputy Prime Minister, the Hon John Anderson, proclaimed that small rural councils cannot be expected to maintain local roads from their rates base alone. Of course, this is a function of population density and a permanent adjustment in funding arrangements was warranted.

But the program was initially only for four years, and after much lobbying on our part it was extended to 2008 and then again to 2014. Unfortunately its future beyond that date remains uncertain, and by 2014 it will have lost 40% of its real value.

In Dungog Shire this funding has been directed towards much needed works on local roads and bridges and this year Regional Roads. However, we need certainty for essential long-term infrastructure programs to be able to best determine our workforce and plant needs.

This excellent program needs to be extended indefinitely and indexed, and in view of the quantum of funding raised through fuel excises etc and past record federal budget surpluses, there is no rational reason why this should not happen. Otherwise we will continue with bandaid solutions to maintain 60 year old infrastructure that should be replaced.

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