



Presentation to the 2016 Australian Local Government Association's Local Roads and Transport Congress in Toowoomba Queensland by the Australian Rural Roads Group Chair Cr. Susan Price, Moree Plains Shire Council NSW (edited version)

Good afternoon. I am pleased to be here speaking to you today about an issue I am passionate about – rural roads and the partnerships required to improve and maintain them. Life on a modern farm in Australia in 2016 is vastly different to that of a farm in the 1960's when many of our local roads were first constructed.

The farming enterprises of 2016 are vibrant businesses interacting on the global stage as much as many of our city businesses. Many farming operations forward sell products and export directly either themselves or through selling agents. The importance of local roads to these businesses is more important now than at any time in the past, particularly given the increased use of just in time contracts, which require product to be delivered at a certain time. Australia is very fortunate to have a highway, rail and port system that allows farm produce to be transported relatively quickly and efficiently once they reach these major pieces of infrastructure.

However, the weak link in the logistics supply chain for many producers is the

local road component of that supply chain...and as we all know a chain is only as strong as its weakest link.

Infrastructure Australia has called for a National Freight Supply Chain Strategy that includes the whole of the supply chain, that is, including local roads, and this has been endorsed by the Australian Logistics Council, however, as yet our governments have not been stirred into any action on this issue.

But what does having a substandard local road really mean for many farming businesses?

Consider this: we are consistently bombarded with messages about how our cities' food demands are growing and the increasing markets for Australian agricultural products in Asia. There is an expectation that our farmers can continually rise to the occasion and supply these ever growing markets thereby increasing the prosperity of their regions and, as a flow on, the economy as a whole. But is this truly possible for many producers?

Our farmers have been lucky with high chick pea prices this season on the back of a drought in India. India, however, has now had rain and as a result planted chick peas. This means that the window of opportunity to get chick peas to the Indian market has been reduced. If producers can't get their crop to port in time, due to the condition of roads, the premium price will be lost. It is, therefore fair to say that many normal business decisions cannot be made because of the condition of roads.

A local farmer in my area had the opportunity to sell wheat at a premium price but could not take advantage of that price because rain was predicted and therefore they couldn't risk not being able to get trucks onto the farm if it did rain. What a great opportunity going begging. These particular producers also face the fact that freight companies charge them more because of the condition of their roads. It is clear that we need a local road network that is fit for purpose to support local productivity across the country.

The Australian Rural Road Group was formed as a response to the plight of local roads in 2010. The group was formed to try and devise a better way of distributing road funding taking into account productivity. There were 5 main reforms recommended in our first report.

They were:

1. Mandate 10 year asset management plans for local government
2. Retain current local road funding programs as a baseline
3. Establish an Independent National Roads Portfolio Manager
4. Establish a National Rural Local Road Productivity Fund
5. Build management skills and research capacity in roads

To test the idea that councils were capable of consistent asset management and productivity assessment the ARRG also delivered another project called The North West Freight Network which shows 5 councils: Gwydir, Narrabri, Gunnedah, Warrumbungle and Moree Plains, working together to deliver an upgraded network of roads across the 5 shires capable of handling up to 2AB Quad truck combinations. These upgrades would provide great freight benefits to grain, cotton and cattle producers in those areas if this core road network was upgraded to take larger, more efficient vehicles. This project is unfunded at this stage because when presented to government it was deemed to be too large for funding.

The problem, however, seems to be that many local roads do not attract funding from state and federal governments because the cost benefit ratios do not meet the required level and this is something that the ARRG would like us all to look at.

Traffic counts on rural roads can be seasonal, weather affected and determined by the condition of the road in the first place. Is delaying 1,000 people for a minute more important than a truck, loaded with product for market, being delayed for 1,000 minutes?

Also, in rural communities a road is more than just a road.

It is the means whereby children get to school, people get to work, health services are accessed, emergency services are accessed and delivered, the mail is delivered and social connectedness occurs.



Deloitte prepared a study for the Australian Business Round Table which was referenced in a recent media release from the Red Cross. This study determined that the cost of a natural disaster is around 50% more than previously estimated if the economic costs of the social impacts caused by a natural disaster are taken into account. This is the first time that social impacts such as mental health issues, family violence, chronic disease and alcohol misuse has been taken into account and shows that we can put a cost on these things. Many people in rural areas face similar costs associated with social issues every day. For example, many children in our shire, Moree Plains, are unable to attend school if there is more than 15-20mls of rain.

Add to this the cost of not being able to get to work or separating the family so that partners can get to work and children can be educated, then the cost of not having a fit for purpose road means you have a situation akin to a natural disaster all the time. In the Moree Plains Shire people travel long distances, many on weather affected local roads to reach their place of work. These factors must be added to any cost benefit for a local rural road.

As an aside, Australia spends around \$560 million per year each year on replacing infrastructure as a result of natural disasters, a proportion of which are local roads.

When are we going to realise that we need to do more than replace like for like. Allowing for betterment to build some resilience into the system is a better use of the taxpayer dollar. In 2011-12 Moree Plains received around \$40 million for flood damaged roads. If we had a flood again tomorrow much of this work would need to be completed again as all we could do was replace like with like. We are slow learners aren't we?

Getting back to cost benefit analysis. There are other factors that should also be considered. Many of our productive agricultural areas are on black soil plains; while these soils are particularly fertile and great for cropping, they are extremely difficult to build roads on. This should be taken into account when assessing costs. Access to gravel or distance to suitable gravel is also an issue for these very productive areas. In our shire the average distance we have to source gravel is 30 to 40 kilometres.

This adds substantially to the costs of re-gravelling or sealing our roads. Again this should be taken into account. The opportunity cost of not having a fit for purpose road means that basic business decisions cannot be undertaken. This is another factor that I believe should also be included when considering the cost or benefits of any given local road.

Local roads comprise 85% of the national road network, a total length of over 600,000 kilometres of which are rural roads. Of these 65% are unsealed.

If we multiplied the social economic costs of these roads across our nation it would be a staggering figure. I find it hard to believe that we cannot devise a better way of calculating the costs and the benefits so that we can selectively upgrade many of these local roads. These types of upgrades would work to decrease the cost of freight movements and hence increase productivity significantly. It is estimated that the cost of freight can be up to 30% of the production costs for grain farmers. A reduction in this number would greatly improve productivity.

Request for feedback

The Australian Rural Road Group is endeavouring to develop a specific cost benefit ratio that suits the assessment for rural and regional road upgrades, rather than the current method that is weighted towards the higher density urban areas.

If you have any thoughts on the disability factors that should be included, please let us know by emailing your thoughts using the form at <http://austwideruralroadsgroup.com/index.php/contact>

I would like to see a partnership developed between all levels of government to seriously look at local road issues. As I mentioned previously, local roads constitute 85% of our road network. In a country the size of Australia, which relies on agriculture for its own citizens and for export markets to power the economy, we cannot afford to neglect our local roads and think we will still have an efficient, timely and cost competitive freight supply chain which allows us to compete effectively in the global market.

The current system of cost benefit analysis fails our rural and remote roads. This was recently stated in the Ausroads Research Report – Reforming Remote and Regional Road Funding in Australia where it is stated that “while there is growing recognition of and research into quantifying the wider economic benefits of transport within the urban context, limited research is currently undertaken from the perspective of regional and remote areas. This means the wider economic benefits for rural and remote road projects cannot be monetised using a well-established and generally accepted methodology, making the inclusion of these in a cost benefit analysis difficult.” This is a major problem when we are competing for the same limited funds as our urban neighbours.

Port and train capacity as well as agricultural productivity has increased significantly. However, our unsealed road network is going backwards. But I put this to you: Improving a stormwater drainage system without addressing a significant choke point is not going to achieve the desired outcome. Wonderfully efficient ports are all well and good and very necessary but if you can't get the product to the ports they are not being used as efficiently as they should be to guarantee the most productive freight outcomes.

If our local roads are to improve we need a partnership between all levels of government.

There needs to be a desire and a vision to see these very important roads as part of the whole supply chain that runs the economic engine of our economy. It needs to be a priority and we need to see the current state of these roads as severely limiting the potential of our regions and therefore, as a result of the flow on effects, our cities and hence our nation. They have been neglected long enough. Our local road network needs to be fit for purpose for the 21st Century.

Our roads must be reliable and promote efficient land use and business decisions. They must enable social connectedness in rural and remote communities. Local roads also need to be maintained and financed in a sustainable way. We need a vision for the future and then some action. If our forefathers had done a cost benefit analysis on the Sydney Harbour Bridge, the Opera House or even the Snowy Mountains Scheme they may never have been completed. Could we imagine Australia without them today? Similarly we need this vision for our local roads.

In NSW today our Fixing Country Roads Programme, for which we are extremely thankful, is \$50 million. Compare this with the renovations to ANZ Stadium which is estimated to cost \$800 million. Yet we are told over and over again, there is not enough money for local roads. May I suggest in the words of Mahatma Gandhi: “There is sufficiency in the world for man's need but not man's greed”. We just need to allocate it more effectively and equably to produce the most productive outcomes.



The Year in Review 2015/2016

The outgoing Chair, Cr. John Coulton Mayor of Gwydir Shire Council NSW, delivered this report to the Annual General Meeting held in Canberra during the ALGA General Assembly June 2016

The ARRГ lodged an ambitious, \$150 million dollar submission to Infrastructure Australia and other possible funding bodies, which further highlighted the pressing need to address the massive challenges facing the freight task in Australia in the coming years.

The submission brought together the expertise and the professional and financial commitment of five local government areas in the North West of NSW, and, if funded, will vastly improve the road network in some of the most productive regions in the country. Regionally based rural road network planning is extremely important.

However, this is not merely an upgrade, but a carefully and strategically considered and priced freight network designed to support and dovetail seamlessly with the imminent Melbourne – Brisbane Inland Rail project, which, in all likelihood now seems very likely to proceed.

As an alliance of many rural local governments in Australia, the Australian Rural Roads Group represents the interests of many of the most productive communities in Australia that contribute significantly to the national wealth.

The group has published leading research and recommendations on structural reform of Australia's road funding system;

- 'Going Nowhere: The Rural Local Roads Crisis, Its National Significance and Proposed Reforms' - October 2010
- "Worth feeding: Case studies of rural local road efficiency and reform of Australia's road pricing" - Oct 2011

In many ways the work undertaken by the ARRГ has produced tangible results and has assisted in moulding the rural road funding model now being used more extensively by State and Federal funding bodies for expanded road funding.

Our efforts are bearing fruit!

Our group has taken on board the challenge presented by the former Deputy PM Warren Truss, “Don't come to government with a problem, come with the solution”.

In many ways the ARRГ has influenced the rural road funding debate and has assisted in gaining more funds for our rural road network that so desperately needs attention.

Over the next year, if supported by our members at the Annual General Meeting, we will commence working on gaining political support for a fairer share of the Financial Assistance Grants being transferred to the Councils with the most need, rural and remote Councils.



Gwydir Shire Council is moving forward with an innovative and imaginative program designed to reinvigorate the shire's local economy.

The basic philosophical underpinning of the Circular Economy approach is to modify the material flows that will eventuate from local economic activity, as far as possible, into resources (money, energy, etc) that remain in and circulate throughout the local economy.

Agri-industrial system

The main proposal being explored by the Council is outlined graphically in the accompanying diagram. The diagram outlines the integration of several proposals where the sum of the component parts will be greater through the integrated nature of the individual proposals than the projects operating independently.

The recently released Namoi Investment Prospectus highlighted the opportunity for value-adding onto Gwydir Shire's existing substantial agricultural base.

The core elements of the Gwydir Shire Circular Economy are regional scale agri-industrial systems incorporating a vertically integrated poultry sector, a biogas plant and a large scale glasshouse system for the production of organic food.

This system is based on the optimised utilisation and cascading of local resources within local 'closed-loop' systems.

Importantly, the Gwydir Shire has all of the natural, agricultural and local renewable energy resources to support this system and its investors. The opportunities presented

by this approach are achievable and sustainable. Overall, the full implementation of the proposal will generate nearly 1,000 direct jobs and many more indirect support positions across a range of skill sets.

Council is presently preparing the Development Application for the greenhouse component and is in serious negotiations with interested parties for all the components.

Behind the meter scheme

Another component of the circular economy initiative is the development of a Shire wide 'behind the meter' electricity scheme. Under this scheme the Council will assess the energy requirements of each dwelling and business, both urban and rural properties, and develop an individual solution to meet the energy needs for each consumer. Once designed, entry to the scheme will be voluntary.

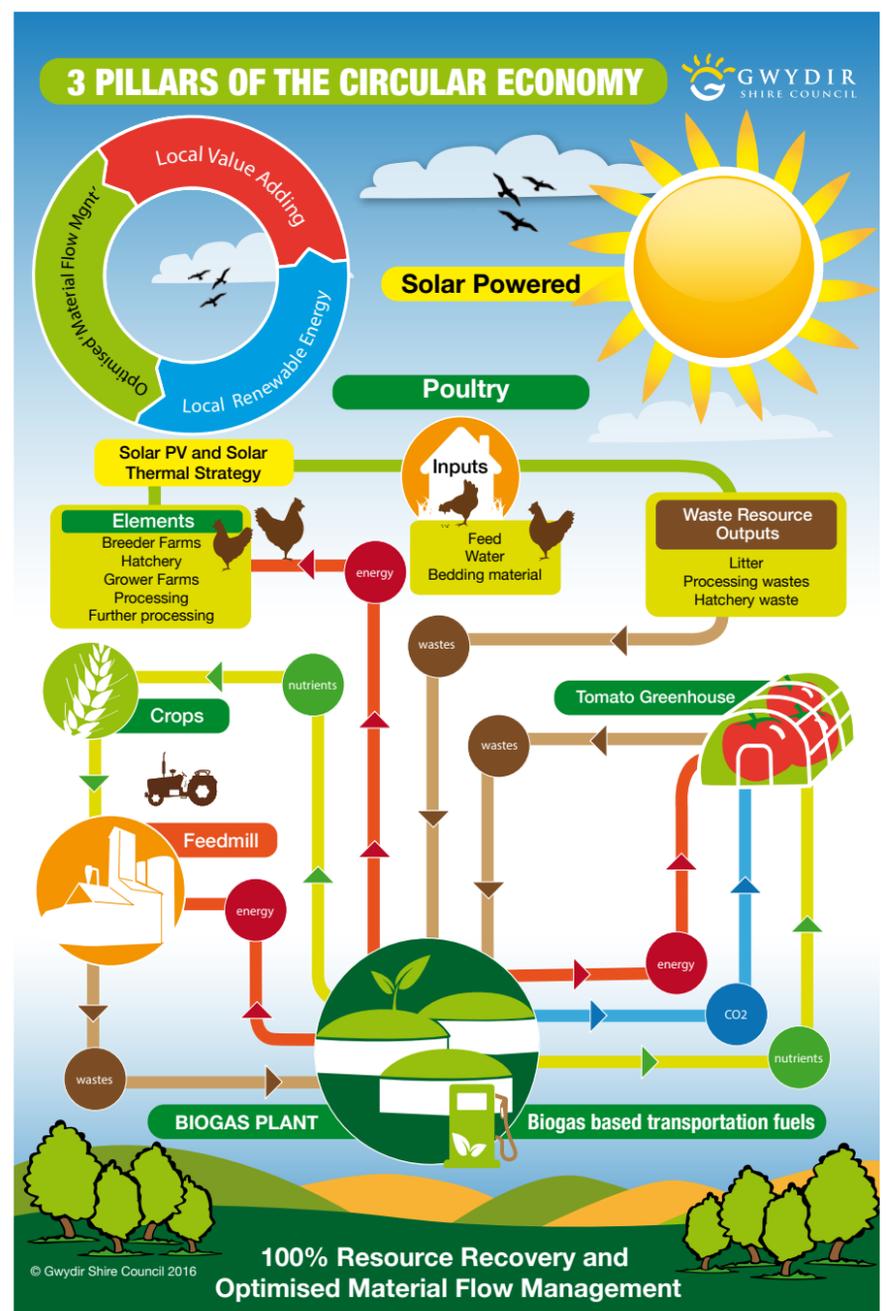
The Council's partnering organisation in this scheme is ZEN Energy, a South Australian based solar energy supplier.

The scope and scale of the proposal would make this innovative approach to energy conservation quite unique. The proposal has significant economic benefits to the Shire's population.

To ensure that the benefits are available to every household, irrespective of the socioeconomic circumstances of the household, a funding method is proposed that will ensure the repayments are less than

or equal to the energy cost savings accrued. Loan financing will be used to implement the scheme and, excluding the Council's own buildings, there will be no net cost to Council over the life of the project. Once again, this

proposal will allow money to remain within the Shire and circulate many times locally. It will also create employment opportunities for local electricians in the installation and maintenance of the scheme.





Implementing New, Proven Socioeconomic Development Strategies for Rendering Regional NSW Truly 'Fit for the Future'

Gwydir Shire Council (GSC) Embraces the Circular Economy

- GSC has embraced Circular Economy as its socioeconomic development platform to carry the Shire into a prosperous 21st Century and beyond.
- The three pillars of the Gwydir Shire Circular Economy are:

- Optimised 'Material Flow Management': optimising the flow of all materially influential factors across the Shire
- 'Local Value Adding': expanding and optimising Gwydir's natural, agricultural and agri-industrial advantages
- 'Local Renewable Energy': powering 'Local Value Adding' and the broader local Circular Economy

Gwydir Shire's regional scale agri-industrial system incorporating a vertically integrated poultry sector

- The accompanying info-graphic sets out a regional scale agri-industrial system that (is planned for) will be implemented in the Gwydir Shire. This system will be a core element of the Gwydir Circular Economy
- This benchmark agri-industrial system incorporates a world-best-practice vertically integrated poultry sector
- This system is based on the optimised utilisation and cascading of local resources within local

'closed-loop' systems: Circles within circles within circles supporting the Gwydir Circular Economy

- Importantly, the Gwydir Shire has all of the natural, agricultural and local renewable energy resources to support this agri-industrial system

GSC, a proactive hands-on partner

- Through GSC, the poultry and related sectors have more than a supporter; they have a proactive hands-on partner

Contact: Ken Davey 02 6724 2014 or Duncan Thain 02 6724 2005



Sunday 26 March 2017



The Gwydir Fitness Centre Fundraising Committee is launching a new and exciting event. THE BINGARA BUSTER FESTIVAL will be staged on Sunday 26 March 2017.

This festival brings a 'special event' demographic to the Gwydir Shire community and will combine an elite athletic event (The Bingara Buster), traditional Fun Run events (5km, 4 x 500m relay and orienteering theme race) with family entertainment and a showcase of healthy lifestyle options.

The Bingara Buster is a challenging hill climb event (in the King of the Mountain

style) designed to test even the best of athletes.

The Body and Soul Festival is a very special community festival with a health and wellbeing theme. Health professionals, service providers and businesses will have the opportunity to showcase their products and services in one convenient and picturesque location.

All enquiries thebingarabusterfestival@gmail.com or phone Duncan Thain on: 0267 242 005 | Mobile. 0400 450 220. Further Information available on www.thebingarabusterfestival.com.au

Gwydir Libraries exploring the Boundaries

Gwydir Shire libraries are continually exploring the realms of innovative ways to reach members across its vast Shire. In addition to the existing successful branches in Bingara and Warialda, Council has expanded the services through the introduction of an Outreach Program. The program was developed as part of the library service strategy to deliver library services to outlying villages and communities who may suffer from geographical isolation, or may not have access to information services which support traditional library usage.

Local library services co-ordinator, Gail Phillipott, has led the introduction of a number of service opportunities for clients from across Gwydir Shire's large 9,453 km² area. Newly introduced services include a mobile delivery program where tailored programs and services are made available through site visits to smaller remote communities which previously had no direct access to library services. This program has been very well received

by parent groups and community members. Programs not normally available, such as story time for toddlers, baby bounce and rhyme, and adult book clubs have been very successfully introduced.

Gail has also established outreach delivery networks to assist library members' access to home delivery and depot drop-off points located throughout the Shire. Elderly members are receiving books home delivered using other staff, library members, school buses or personal delivery.

A homework helper email system for isolated rural children has also been established whereby children have access to resources and skills to aid with research into school projects and homework. This a blessing to parents in remote communities and on farms, already dealing with the struggles associated with isolation. Children often spend hours on buses travelling to and from school and are embracing this service and parents are breathing a sigh of relief.

Recent funding through the NSW Library Development – Country Libraries Fund was used to support this initiative by upgrading communication networks with an emphasis on mobile technology. A number of mobile devices were secured through the funding and these are available for use through the Outreach Program.

The introduction of these non-traditional delivery methods has been a result of the library service continuously reviewing service levels and their effectiveness. One of Gwydir libraries' key commitments is to endeavour to deliver better services across all sections of the Shire and for all ages.

The unique challenges a large shire with sparse population faces has meant that program delivery needed to be customised for purpose to meet community expectations for as many residents as possible.

Gwydir Shire's innovative library services have been recognised by the Central Northern Regional Library and the State Library of NSW, recently being nominated for a Marketing Award for Public Libraries at the 2016 SWITCH Library Conference.

AN OASIS OF OPPORTUNITY AWAITS...



The Roxy complex is a magnificent example of an interwar cinema and café, and one of only a few remaining in Australia today.

The Gwydir Shire Council is seeking expressions of interest from potential lessees willing to build the Roxy Café business to its full potential, and help make the Roxy complex an iconic regional destination.

The 100 seat café/restaurant features faithfully restored 1930s décor and boasts a fully equipped commercial kitchen complete with pizza and combi ovens. The café caters for functions for the adjacent Roxy Theatre such as weddings, and conferences as well as walk in trade, with endless opportunities to value add by offering high teas and offsite catering as well as old-style lollies and fudge for the passing tourist trade.

The ideal candidate is experienced, adventurous and excited by the whole food story – the growing, cooking and eating of fresh local food. They appreciate what a small country community has to offer, and they are deeply involved with it.

If you are excited by this opportunity please contact Georgia Standerwick on 0409 901 540 or 02 6724 0066 or visit www.roxybingara.com.au

Contact Bingara 02 6724 2000 or Warialda 6729 3000 | 33 Maitland Street, Locked Bag 5, Bingara NSW 2404 | www.gwydir.nsw.gov.au | mail@gwydir.nsw.gov.au