

ORDINARY COUNCIL

LATE REPORTS

Thursday 15 February 2024

Ordinary Council Meeting

Thursday, 15 February 2024

Items of Business

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The Hon Catherine King MP

**Minister for Infrastructure, Transport, Regional Development and Local Government
Member for Ballarat**

Ref: MC23-070820

Dr Clare Allen
Chief Executive Officer
Port Macquarie-Hastings Council
PO Box 84
PORT MACQUARIE NSW 2444

via: council@pmhc.nsw.gov.au

Dear Dr Allen *Clare,*

Thank you for your letter of 22 November 2023 regarding the Independent Strategic Review of the Infrastructure Investment Program and the decision to no longer provide Australian Government funding for the Oxley Highway Stage 2 Planning project at this time.

Firstly, our new Infrastructure Policy Statement sets clear guidelines for how the Government will identify investment in infrastructure projects across Australia. This includes reshaping how the Commonwealth funds projects by returning to a preference of 50:50 funding with the states and territories for future investments. This decision is critical to the ongoing sustainability of the pipeline, as it results in both levels of government carrying an equal share of both the benefits and the risks of projects. This change will not result in a cut to infrastructure funding. Instead, it will allow the Government to invest in a greater number of priority projects.

In addition, in May this year the Government commissioned an independent review of the Infrastructure Investment Program. This review process demonstrated that the former Government failed to manage the Infrastructure Investment Program properly. In response, I worked with the states and territories to ensure that going forward, the Infrastructure Investment Program is both sustainable and deliverable. This has included increasing funding to states for cost overruns, and the hard decision to withdraw Commonwealth funding from some projects.

As part of responding to the findings of the Independent Strategic Review of the Infrastructure Investment Program, the Government has made necessary decisions to no longer provide funding at this time to some projects. This includes projects that were not realistically going to be delivered with the funding available, have made little to no progress over a significant amount of time, and projects that do not align with Commonwealth or state and territory priorities.

The Oxley Highway Stage 2 – Planning project was announced nearly two years ago and has not yet commenced.

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I acknowledge the information you have provided in your letter about the Council's priority of upgrading the Oxley Highway at Wrights Road and Lake Road. Should the New South Wales Government wish to raise this project again in the future, once the project is identified in the context of regional strategic priorities, the request will be considered in the context of future budgets.

To support safer local roads, we have announced that councils, who manage over 75 per cent of Australia's road networks, will also have more funding available to support them. These announcements include:

- Roads to Recovery funding will be gradually doubled from \$500 million to \$1 billion a year;
- Black Spot Program funding will progressively increase from the current annual commitment of \$110 million to \$150 million per year; and
- We are merging the existing Bridges Renewal Program (BRP) and the Heavy Vehicle Safety and Productivity Program (HVSPP) into a single application-based ongoing funding stream for local governments – the Safer Local Roads and Infrastructure Program. This funding will also increase gradually, so that \$200 million will be available per year, up from the current \$150 million total annual investment in the HVSPP and the BRP.

Thank you for taking the time to write to me on this matter.

Yours sincerely



Catherine King MP

29 / 1 / 2024