



# MAYORAL MEMO - 28 SEPTEMBER 2022

One of the great myths is that fuel excises collected at the bowser are exclusively used to fund the road network. How I wish that were so.

Excise on petrol started in 1929 and the revenue generated was hypothecated to help build the fledgling road network. In 1957 the excise system was overhauled and excises went to general revenue. The Australian Government will generate \$13.9 billion from fuel excises this financial year (at 46 cents per litre) but only just over 50 per cent of that will be invested in land transport projects. That \$13.9 billion figure is after the Government gives back over \$8 billion with the Fuel Tax Credits Scheme which, ironically, was a scheme designed to acknowledge that some organisations, such as mining companies, primarily purchase fuel for vehicular use on their own roads therefore they should not contribute to road maintenance. But...the money just goes back in to general revenue so it makes no sense. Plus we are subsidising fossil fuels therefore slowing the adoption of transport solutions that don't use fossil fuels. I digress.

Most roads you drive on are primarily funded from Council rates. Across

the nation, Councils will collect over \$23 billion in rates this year.

The condition of roads in our LGA are in a poorer condition than at any time during my memory. After the amalgamation, the road network grew to 2,872km of which 1,356km are unsealed. To make matters more complicated, we have 115.7km of 'State Roads' which are wholly funded by the State Government (the Mitchell Highway for example). The 242.5km of 'Regional Roads' are a little trickier. These are significant roads such as Burrendong Way; Mendooran Road and Saxa Road. These are the responsibility of Council but are largely funded by the State Government. The 2,514km of 'Local Roads' are funded by Council but we sometimes receive grants from the Federal or State Governments for specific projects. Council's budget this year includes \$7.2 million for road maintenance and \$21 million for planned capital works (including grant funding).

That pales into insignificance though when you consider that the current asset management plan for road infrastructure has a \$40 million backlog. That is, Council would need an additional \$40 million today to bring the entire road network up to an acceptable state. Unfortunately this backlog has been steadily building since amalgamation and never addressed. That is something this Council will need to consider. The solution in Armidale to a similar problem is a request for a 50 per cent rate increase over three years.

And, of course, the current wet weather is not helping.

None of this is offered as an excuse but a realistic assessment of the current state of play. We need dry weather, more money and then time, materials and manpower to solve our current road woes.

**Councillor Mathew Dickerson**  
**Mayor of Dubbo Regional Council**

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