

## THE ROLE OF REGIONAL TRANSPORT PLANS

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### Paper Summary

The paper highlights the role that Regional Transport Plans can play in assisting Councils identify their regional infrastructure priorities and identifying the cost sharing arrangements needed to fund them. The paper draws on the experience gained in the preparation of a number of RTPs for regional groupings of Councils across Australia. The planning process provided a framework for Councils to work together with their local industries to make the strongest case for funding from State and Commonwealth Governments. However there are benefits other than making a case for additional funding. The process assists Councils deliver regional outcomes by establishing the linkages between transport infrastructure and regional economic development. The co-operation required for the plan is a positive outcome that better equips individual Councils to allocate priorities within their own local areas.

### Introduction

100 years ago when the forerunner of the IPWEA was established, roads were generally a local affair and the primary long distance mode of transport was rail for both passenger and freight traffic.

A large proportion of the long distance freight task is now undertaken by road transport. However, rail still plays a significant role, particularly on the trans-Australia route between Perth and the Eastern States, and for haulage of bulk commodities such as coal and grain.

The advent of the Australian Government's Auslink programme encouraged a fresh and more holistic look at transport planning and in particular the development of regional plans that may cross local government and even state borders. Where appropriate, transport plans can also be multi-modal.

There are a number of steps in the development of a Regional Transport Plan (RTP):

- Quantification of the transport task
- Defining the transport infrastructure that will support the transport task
- Determining transport infrastructure priorities
- Conducting an economic study
- Preparing a financial plan
- Consolidating these into the RTP

This paper will consider these steps in the context of developing RTPs that satisfy the Auslink criteria and which are useful lobbying tools for stakeholder support and infrastructure funding.

### What Sets a Regional Transport Plan Apart?

As a general rule, a RTP by definition will involve more than one local government area. In the case of the RTP prepared for the Swan Hill Ethanol plant, the transport task involved infrastructure in both Swan Hill

(Victoria) and Wakool (NSW) Local Government Areas.

The RTP is determined by transport demands resulting from regional economic development. Co-operation between stakeholders is essential to develop one document that identifies infrastructure required to support the transport task and provides a sound basis to demonstrate the economic, social/environmental and financial benefits of infrastructure investment.

### **Identify Industry Drivers**

Invariably the driver for the preparation of a RTP will be industry. A new or intensified industry or other land-use changes generally creates a transport demand that the current infrastructure is incapable of meeting. Examples of drivers for some RTPs prepared by the LGInfo Group include:

- Timber - Albany Region WA and NSW South West Slopes
- Inter-modal transport hub – Parkes NSW
- Ethanol Plant – Swan Hill Victoria and Wakool NSW
- Tourism – Newell Highway Corridor and Eastern Dorrigo Way (which was also required to provide flood free access between Dorrigo and the coast)

Industry in particular can create intensified impacts on local communities and create a demand that exceeds the current capacity of both local and regional roads.

Provision of infrastructure to satisfy demands created by industry provides far more cogent economic arguments for funding and can even unlock additional funding sources, such as from the private sector.

### **What is in a Regional Transport Plan?**

The RTP needs to establish the linkages between the drivers for transport infrastructure and the infrastructure itself. It needs to identify the infrastructure, justify it in economic terms and then put together a finance plan to fund it.

Whilst there have been many plans for infrastructure development, there has not been a great deal of focus to date on the financing arrangements to implement them. With increased interest by the Commonwealth in the funding of local roads through the Roads to Recovery Program, the funding arrangements often involve the three levels of government and in many cases the private sector as well.

The financial plan also identifies the gap in funding and who should fund it. It documents any proposed cost sharing arrangements between the various parties.

### **Define the Transport Infrastructure**

The definition of the transport infrastructure must be carried out in a strategic context. That is, the linkages between the industry and a road network within a region. This usually involves a network of roads including local, regional, state or even national routes and may even cross state borders. The local roads may include strategic forest roads as well as the more traditional local Council roads. If the Local Government Area is large enough, the RTP could be contained within its boundaries.

Identifying and costing particular projects allows an assessment to be made of the alternatives so that a preferred scenario or series of alternative scenarios can be developed and evaluated. These can then form the basis of the economic study.

All major stakeholders need to be involved in this step of the plan development, particularly neighbouring councils and relevant state or national road authorities, as well as owners/operators of other transport modes.

### **Undertake the Economic Evaluation**

An economic evaluation of proposed road improvement projects is incorporated in the planning study. Cost benefit analyses are conducted by comparing a project case with a base case. The analysis takes account of the incremental costs of road improvement together with the main economic benefits

which accrue from savings in vehicle operating and time costs, accident costs, and damage to stock caused by bruising on rough roads.

The decision criteria include the benefit cost ratio and the net present value. Sensitivity analysis is also conducted to assess the impact of adverse changes in key assumptions.

Generally, the planning focuses on strategic improvement of road infrastructure in order to catalyse and strengthen local and regional economic development. The proposed developments aim to unlock economic development opportunities. Projects have included the upgrading of tourism byways, development of roads to service new agribusiness projects (eg timber plantations and processing, ethanol plant), and road improvements aimed at strengthening regional and sub-regional centres by sealing 'spokes' and missing links in the network.

### **Facilitate the Financial Arrangements**

Quite often agreeing on the financial arrangements is hard for Councils without the use of an independent consultant. It is not just a question of agreeing on how much to ask of the State or Commonwealth Governments but how much they should put in themselves. For example, if the plan seeks additional Commonwealth funding, the first question that will be asked is – how much of the Commonwealth Roads to Recovery funding is the Councils allocating to the plan? If the answer is zero, then the Commonwealth will be reluctant to provide more funding if there are higher priority projects in the region that the Councils are funding.

The State Government can make this argument as well. Traditionally NSW Councils have been reluctant to contribute any funding to regional roads even though ostensibly they are required to fund 50% of the cost. The plan should provide a transparent picture of how the plan will be funded so that it is clear how much each funding body is contributing.

Councils should not forget the private sector as well. Section 94 contributions are a legitimate private sector source of funding. The funding by forest industries to restore timber roads is also a source of funding to a timber road network that includes local, regional and state roads.

### **Why Have a Regional Transport Plan?**

A RTP is an economically justified blue print for infrastructure spending. The RTP utilises a predetermined set of broad economic indicators, which include a wide consideration of potential benefits such as access to markets and schools, tourism potential and regional development, in addition to the traditional benefits of reduction in road user costs (travel time, crashes etc) to determine priorities.

Australia is characterised by roads that dramatically change standard at Council boundaries. How often have we seen the seal end next to the sign indicating the Council boundary? It would seem a reasonable assumption that in most cases, if a road can justify being sealed in one Council; this importance should extend over the boundary to the next Council area.

A RTP looks at the needs of a region and identifies links that help the region as a whole. If this link crosses through several Council areas, then its importance should generally remain the same.

If these principles are followed in developing the RTP, then the case for attracting external funding will be much easier. The funding that is sought can be justified by being able to demonstrate the benefits gained by the broader community by the allocation of these funds, rather than localised interests.

Our industry is just one player amongst many others knocking on the doors of Government seeking funds. Our case has to be made more compelling, be better justified and more politically attractive than our competitors if we are to succeed.

There is often frustration amongst elected members about more and more consultant's

reports. A RTP should avoid this by setting the overall framework for transport planning by the Council. If studies are commissioned, then there should be an identifiable need for them and they should contribute towards updating or providing more detail in the RTP. The RTP provides the framework for bringing additional planning studies into the regional planning process.

The need for regional planning is being reinforced over and over again by Government. A current example in NSW is the Planning Reform Funding Program being run by DIPNR at the present time. Here the Government is providing significant amounts to encourage Local Government to produce robust planning frameworks for their future growth and development. Similarly the Federal Government is encouraging it in a variety of ways, an example being the approach set out in the Auslink paper.

Traditionally, Local Government has tended to focus on projects rather than programs. This can lead to a disjointed approach and the full benefits of a project not being demonstrated. An example may be upgrading a section of road to increase freight efficiency, yet some 30km away on the same route, there is a bridge with a weight limitation that restricts heavy vehicles from getting to the upgraded section of road. A route approach to prioritising works will see an integrated program rolled out (as funds permit) to deliver the projects providing the highest benefit as early as possible.

Whilst each Council is an independent entity, they share many common interests. Often the Regional Road network is a major shared interest. By definition they are roads linking regions and therefore generally facilitate the flow of goods and services into or out of one Council via another. The efficiency with which these roads achieve this function is therefore a concern for all the Councils involved. This should be a good driver to foster cooperation between the Councils to upgrade routes as a whole rather than argue

for projects for your own Council at the expense of your neighbour. A RTP provides a framework for this co-operation.

## **Conclusion**

A RTP will help Councils better use their existing levels of road funding by targeting projects that have the highest economic and social return for the local communities and the region. It will also enable full integration of Council's land use planning and engineering resources so that they are co-ordinated in delivering the best outcome for the Council. As stated previously, this will be of particular importance to recently amalgamated Councils.

Formulation of an RTP will help foster co-operation between Councils in developing solutions to maximise regional economic development. Council's commitment to co-operation and to focusing on the "big picture" will, in turn, convey a commitment to the other levels of government that they are serious in maximising regional potential and not just wanting money for pet projects.

State and Commonwealth Governments will be more receptive to an economically justified proposal that can demonstrate a real return on their investment in the region. Whilst not guaranteeing that funding will be provided, it will certainly put you ahead of the pack of other interests competing for the government dollar.

There are other benefits than making a case for additional funding. The process assists Councils deliver regional outcomes by establishing the linkages between transport infrastructure and regional economic development. The co-operation required for the plan is a positive outcome that better equips individual Councils to allocate priorities within their own local areas.

## Author Biography



Phil Hawley is the Principal Consultant of Phil Hawley & Associates. Prior to establishing the firm in 1999, Phil worked for 30 years for various metropolitan and regional councils within NSW. He specialises in organisational management and management systems, project management and solid waste management and has undertaken a broad range of projects both as a local government employee and as an independent consultant. Some of these projects have won awards including the IPWEA Engineering Excellence Award in 2002 in the category Waste Minimisation and Management in Construction and Demolition.

The bulk of his practice is still centred on local government.

Phil Hawley & Associates is a member of the LGinfo Group and has been involved in the preparation of Regional Transport Plans, as a team member with the group.

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Steve is a Corporate Member of the Institution Engineers Australia (NPER - 3) and a Registered Value Management Practitioner with the Institute of Value Management Australia. He is a Qualified External and Internal Auditor of Quality Systems to ISO 9000 and has worked within a Quality environment for many years.

Constructive Solutions is a multi disciplinary consulting firm based in Tamworth. It carries out a variety of works including the project management of infrastructure projects, environmental management, community education campaigns, community consultation and group facilitation. Their staff includes Civil and Environmental Engineers and Environmental Scientists with many years of experience in their fields.

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Peter Rufford has thirty years of experience in highway, transport and infrastructure planning in both the public and consulting sectors. He has worked in the planning of road transport systems, evaluation of projects and facility management, including six years with the transport and infrastructure planning company Symonds Travers Morgan Australia.

He worked for the Australian Local Government Association between 1996 and 1999 on transport and infrastructure national policy in local government. He has practiced as an independent consultant since 1999 and consults to a number of national peak transport bodies as well as with the LGinfo Group. The work with the LGinfo Group has involved the preparation of Regional Transport Plans for a number of groups of Councils including the Albany Region in WA, Swan Hill/ Wakool, Parkes and South West Slopes of NSW.

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