



## QPANI Opening Remarks to the Regional Development Committee

25th March 2015

Mr Chairman, Mr Vice Chairman, Clerk of the Committee and Members.

QPANI greatly appreciate the opportunity you have given us to come before you today and highlight our serious concerns, disappointment and yes anger in relation to the imminent threat to at least 200 highly skilled jobs within the roads maintenance industry across Northern Ireland.

It is accepted that the condition of Northern Ireland's roads is of vital importance to the economic and social well-being of the country. We are an export focused economy and most of our manufacturing businesses depend on excellent connectivity with our ports and airports in order to transport their products quickly and efficiently to their customers

As identified in the 2010 Snaith Report 'planned maintenance of a proper magnitude is able to maintain a road network in a steady condition more cheaply than using reactive techniques or ultimately reconstruction'. The report highlighted that when there is a decline in the condition of the roads system and therefore an increasing rate of reactive patching this creates an increased public liability claims and, most importantly, an increasing level of backlog

maintenance. In this 2010 report the level of backlog maintenance, was estimated at £726 million and since then, we have only been maintaining the roads network to keep it as it is. Continued lack of funding for proper Roads Maintenance will only make this terrible situation worse and if proper funding is not made available NOW this will indeed lead to an even worsening vicious downwards spiral of even more money in the medium to long term being spent on poor value reactive maintenance and increasing public liability claims.

In the previous three years the Executive has managed to allocate the appropriate level of funding to road resurfacing and maintenance of our most important asset. This is to be commended. The facts are that every £1million spent on resurfacing supports 13 jobs. On small scale and minor works projects this employment ripple effect increases to 22 jobs per every £1million spent.

We believe that the Transport NI's over dependence on the in-year monitoring rounds is a real threat to the development and maintenance of our transport infrastructure and needs addressed urgently. There is an urgent need to reduce the Transport NI dependency on the in year monitoring rounds by starting each year with a higher indicative budget of between £80 million and £90 million rather than the current £50 - £60 million.

The Department's unpredictable and fluctuating budgets for road maintenance over decades have put value for money at risk.

Figures show resurfacing is 20 times more efficient than reactive maintenance.

“Infrastructure UK has said that savings of 10-20% are associated with certainty of funding”

The threat to jobs and the safe condition of the £30 billion roads network has happened because of the dramatic reduction in Transport NIs structural maintenance Budget for this coming year of 2015-16. This coming year Transport NIs maintenance budget will start at £22million, some £108 million short of what is required. Over the past number of years the budget for resurfacing our roads has started at around £18 million and has depended on the in year monitoring rounds to increase this to what is recommended by independent experts of approximately £80 million out of the total structural maintenance spend of £130 million. Confirmation that this years resurfacing allocation will start at just £3.5 million has been met with disbelief within the Industry.

The magnitude of these cuts in what is essential maintenance to our roads network is totally disproportionate and will have devastating implications for skilled jobs, the condition and safety of our roads network and have wider ramifications for the economy as a whole”. You can clearly see from the information we have forwarded to you that the 2015 – 2016 starting budget is so low it is hardly believable.

Mr Chairman, our members have businesses to run and responsibility to employees whose families depend on their wages. The 2015/16 budget outcome for Transport NI completely goes against all recommended funding best practice,

indeed ignores past positions held by the Regional Development Committee particularly in relation to adoption and support for the 2010 Snaith Report. The Budgetary position also flies in the face of a number of Assembly motions that supported and urged the Executive to give appropriate allocations of funding for the maintenance of our roads network”.

Given the state of the public finances now and for a few years to come our Executive need to re-consider its position on revenue raising powers for re-investment on our infrastructure. These difficult issues need addressed and difficult decisions taken to ensure that we have a world class road, water and sewage infrastructure.

The Association is now asking serious questions of the wider Executive as to how such a drop in expenditure can be justified given the clear view of the Assembly and many Executive Ministers that funding to maintain our roads network should be a key priority. The two questions that QPANI are asking are

1. Why has the Executive taken its eye off the ball in terms of the economic benefit of infrastructure maintenance and development?
2. What can the construction materials sector expect in terms of workload from the NI Executive over the next couple of years or do we, or those that can, focus and invest in exports and work outside NI?

