

# Road infrastructure reform – a future social contract for Australia?

ALGA Congress 2015

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19 November 2015

# About the NTC

## **Independent agency**

- Funded by federal, state and territory governments
- National reforms for land transport safety, regulatory efficiency, environmental outcomes and productivity
- Infrastructure = key productivity driver or 'denier':
  - gaps in key freight routes
  - first/last mile issues
  - \$2.2 billion p.a. shortfall in local road investment

# Our role in reform

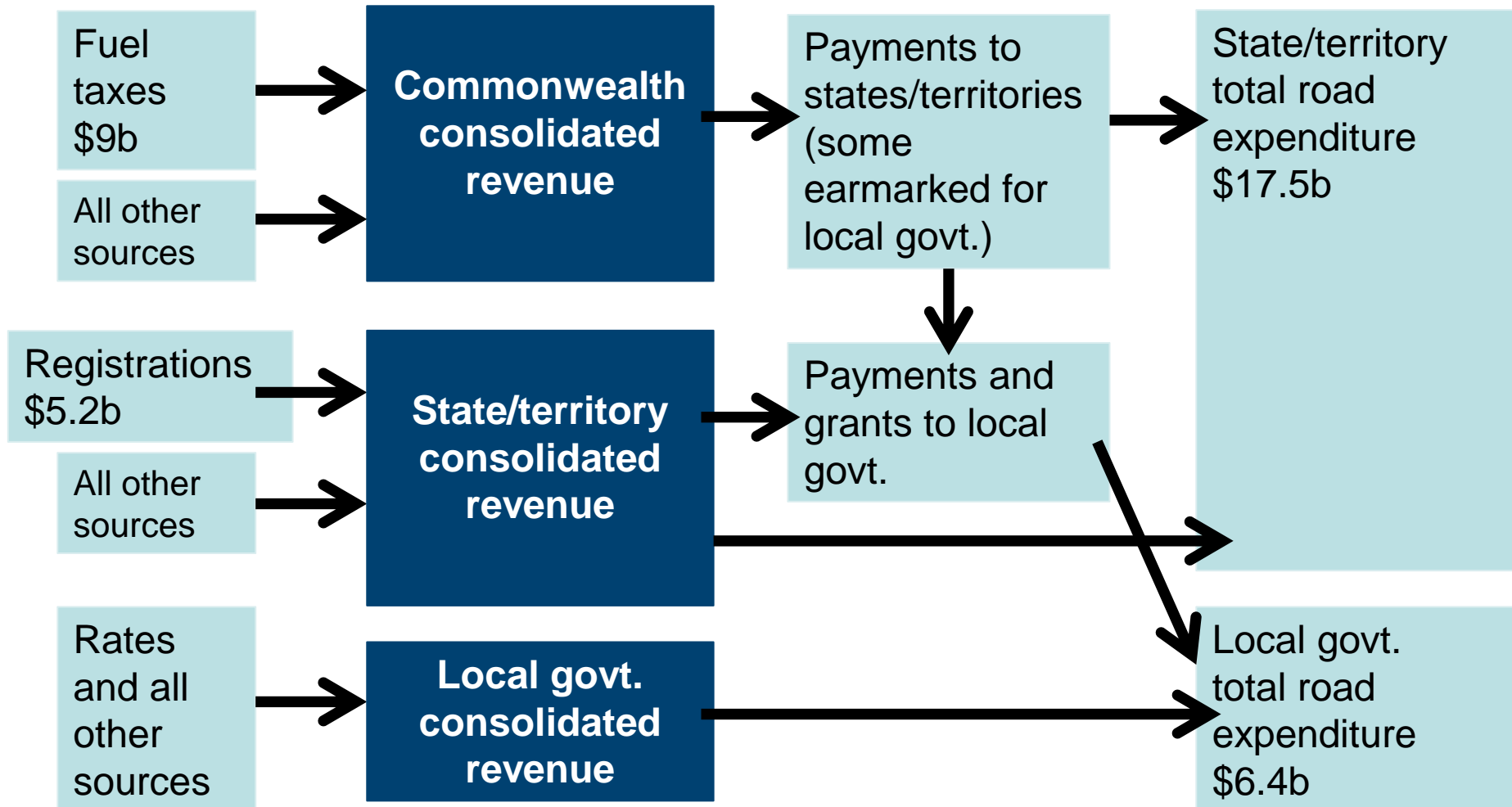


# The current social contract

## **Social contract prism:**

- Public understanding of charges?
- Do road users know where money goes?
- Do they have a say?
- Community understanding of infrastructure costs?
- Are user charges equitable?
- Are costs and revenues balanced?

# Complex pathway (e.g. FY2012-13)



# A future social contract

- Ring-fence revenue
- User pays
- Payment is fair, equitable and transparent
- Charges calculated under nationally agreed model, feeding into a national expenditure program
- Users have a say in determining service levels and prioritizing the expenditure program
- Independent scrutiny – expenditure and revenue levels in balance

# Future social contract: Benefits

<b>ROAD MANAGERS</b>	<b>ROAD USERS</b>
<b>Plan more efficiently and longer term</b>	<b>Transparency</b>
<b>Explore more funding options</b>	<b>Understand costs</b>
<b>Better chance of meeting road needs</b>	<b>Demand → Supply</b>

# Emerging support for user pays

## Transurban work

- 1200 Melbourne drivers – trial underway
- Survey of 1000 motorists in other key cities showed most prefer user pays
- Deloitte: *“Not necessarily about charging motorists more, but rather considering how the revenue envelope can be collected more fairly and invested more efficiently.”*



# The challenges

## Past stumbling blocks

- Technology – now an enabler
- User pays – perhaps preferred
- Industry stakeholders – ready for discussion
- **National consensus on what we want – challenge remains**

# Reaching national consensus

## **NTC uniquely positioned to navigate**

- What reform outcomes do we want?
- What are the policy objectives?
- Also:
  - How will change deal with disadvantaged users?
  - Remote and rural road maintenance
  - Managing the path to incremental reform

## **Paving the road to reform**

The National Transport Commission leads regulatory and operational reform nationally to meet the needs of transport users and the broader community for safe, efficient and sustainable land transport.

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