

Road infrastructure reform – a future social contract for Australia?

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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

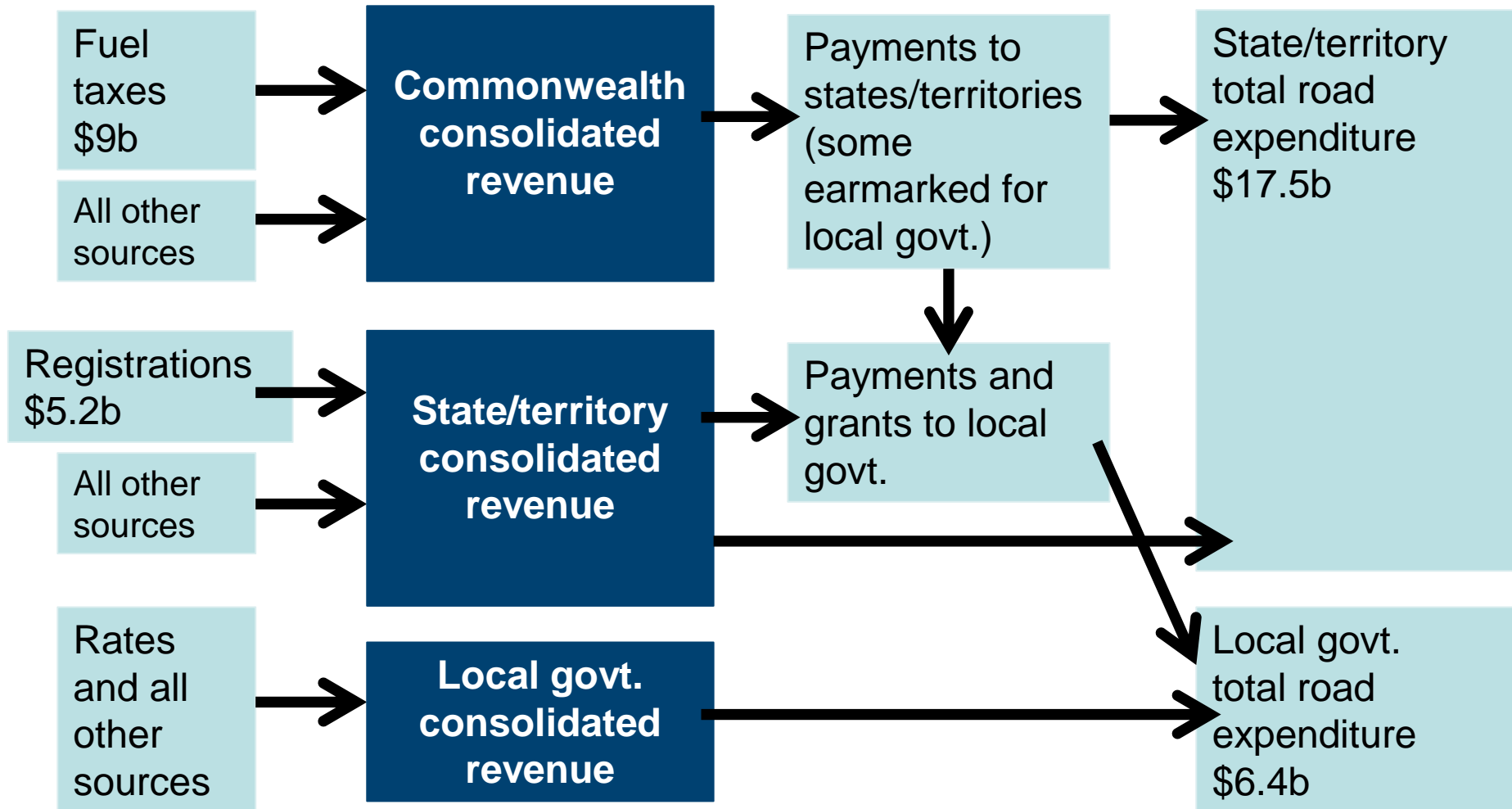


The current social contract

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

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

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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