

Roads are an enormous, important and complex national asset and yet Australia's significant investment on roads each year is inefficient and not held to account.

Road agencies around Australia seem to have enormous influence and seem resistant to change. Significant money is poured into roads but they're not managed effectively as a national asset and they remain untouched by competition reforms that reshaped the economy in the 1990s.

Unlike almost every other agency across all levels of government, road agencies cannot be held to task for failing to achieve outcomes or meeting standards. There is no oversight of road spending or outcomes. There is no information available on the condition of this important asset and there are no agreed standards for different road types.

Road funding needs to be prioritised against national, transparent and objective standards and assessments actual of road conditions. Funds should not be provided to road agencies and local governments without funding-linked outcomes and expectations about how the condition of roads will be measured.

Roads are crucial for freight distribution and yet Australia has no plan for freight. The National Freight Network Strategy in 2009 made good ground with a core road and rail network but was rejected by the federal road agency - an agency which holds sole funding and planning authority for the network.

The importance of the road network to freight movements provides an opportunity for much-needed road funding reforms. The current approach to raising road revenue from cars/light vehicles involves paying vehicle registration fees and fuel excise and funding from heavy vehicles is averaged and because the charges are not directly related to use of any given road industries cannot influence where revenue is spent. This blunt funding system is inefficient, unfair and fails to address productivity needs.

Direct user-charging of all vehicles should be the end-goal however this needs to be achieved progressively and heavy-vehicle pricing reform should be the first step. It should be implemented immediately and the Federal government needs to take the lead.

Change should involve moving away from averaged truck charges to direct user-pricing of heavy vehicles on at least some major highways which compete with commercial rail. In return, trucking should have legally-enforceable rights to improve access and service levels for their vehicles on these routes. This would unlock significant economic value by resolving competitive imbalances between rail and road freight.

The federal government needs to lead this work with road agencies throughout Australia.

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