

Recommendations

Chapter 2 Commonwealth role

Recommendation 1

The committee recommends that the Commonwealth's role in road funding should focus on achieving national objectives. (paragraph 2.24)

Recommendation 2

The committee recommends that where the Commonwealth chooses to take a direct role in funding its road programs the Commonwealth use specific purpose payments. Further, the committee recommends that the Commonwealth retains responsibility for ensuring adequate performance outcomes are achieved for its programs. (paragraph 2.36)

Recommendation 3

The committee recommends that the Commonwealth use specific purpose payments in the form of block grants to assist State/Territory and local governments with the road programs for which these governments are responsible. Further, the committee recommends that the Commonwealth recognise that State/Territory and local governments are responsible for ensuring adequate performance outcomes are achieved for such programs. (paragraph 2.37)

Recommendation 4

The committee recommends that the Commonwealth consult widely, develop and publish an integrated strategic plan for the national transport network by 1 July 1999. (paragraph 2.62)

Recommendation 5

The committee recommends that the Commonwealth demonstrate its commitment to the integrated strategic plan for the national transport network, proposed in Recommendation 4, by:

- **introducing greater certainty in road funding; and**
- **providing an appropriate, guaranteed level of road funding to support the national outcomes agreed to in the integrated strategic plan.** (paragraph 2.63)

Chapter 3 Adequacy and extent of the national highway system

Recommendation 6

The committee recommends that the Commonwealth, in consultation with States/Territories and appropriate parties, review the current stated objectives for the national highway system. (paragraph 3.27)

Recommendation 7

The committee recommends that, following the review proposed in recommendation 6, the objectives for the national highway system be formally incorporated into the *Australian Land Transport Development Act 1988* and its accompanying *Notes on Administration*. (paragraph 3.28)

Recommendation 8

The committee recommends that the Commonwealth develop performance indicators against each national highway system objective to provide a basis for the regular evaluation of the performance of the national highway system. (paragraph 3.29)

Recommendation 9

The committee recommends that the performance of the national highway system be evaluated against its objectives and the relevance of the objectives be regularly reviewed. Further, the committee recommends that the results of the evaluation, together with an implementation plan, be published by the Commonwealth every five years. (paragraph 3.30)

Recommendation 10

The committee recommends that the Commonwealth request the Australian Transport Council in association with local government to develop a program to address deficient bridge infrastructure. (paragraph 3.107)

Recommendation 11

The committee recommends that the guidelines for roads of national importance be formally incorporated into the *Notes on Administration* which accompany the *Australian Land Transport Development Act 1988*. (paragraph 3.154)

Recommendation 12

The committee recommends that projects funded under the roads of national importance category should:

- **be prioritised on the basis of substantial net economic benefits using benefit cost ratios, and**
- **not be funded at the expense of the national highway system.** (paragraph 3.155)

Recommendation 13

The committee recommends that the Commonwealth work with the States/Territories to determine a suitable national road system comprising the national highway and roads of national importance, and its integration with State/Territory arterial roads. (Paragraph 3.167)

Recommendation 14

The committee recommends that the Commonwealth assess the standard and performance of the national road system every five years. (paragraph 3.168)

Recommendation 15

The committee recommends that the present scope of the national highway system be maintained and that the inclusion of additional roads within the Commonwealth's national road system should be funded as roads of national importance and accompanied with a commensurate increase in Commonwealth road funding. (paragraph 3.169)

Chapter 4 Funding

Recommendation 16

The committee recommends that untied road funding paid to States/Territories and local government be paid as tied block grants and maintained in real terms. (paragraph 4.40)

Recommendation 17

The committee recommends that the Commonwealth ensure greater certainty in its tied road funding program by implementing a guaranteed funding approach for a rolling three year period. (paragraph 4.70)

Recommendation 18

The committee recommends that the Commonwealth, in consultation with States/Territories, establish an asset management strategy for the national highway system. (paragraph 4.82)

Recommendation 19

The committee recommends removing the hypothecation provisions from the *Australian Land Transport Development Act 1988*. Further, the committee recommends that the Commonwealth source future road funding directly from consolidated revenue in line with agreed outcomes in the integrated strategic plan for the national transport network proposed in Recommendation 4. (paragraph 4.113)

Recommendation 20

The committee recommends that, for the national highway system, the Commonwealth with the States/Territories examine the potential for alternative road user charges. (Paragraph 4.129)

Recommendation 21

The committee recommends that the Commonwealth provide resources for the Bureau of Transport and Communications Economics to enable it to develop a model to determine road funding needs for urban national highway links. (paragraph 4.164)

Chapter 5 Administrative arrangements

Recommendation 22

The committee recommends that the Commonwealth revise the *Australian Land Transport Development Act 1988*:

- to repeal hypothecation provisions,**
- to remove any other superseded or inappropriate provisions, and**
- to ensure its provisions adequately support the adoption of a strategic role for the Commonwealth as recommended in this report.**

Further, the committee recommends that amendments to existing legislation or new legislation be introduced into Parliament during 1998. (paragraph 5.16)

Recommendation 23

The committee recommends that the *Notes on Administration* which accompany the *Australian Land Transport Development Act 1988* be reviewed and regularly updated to reflect current administrative requirements. (paragraph 5.23)

Recommendation 24

The committee recommends that the revised *Notes on Administration* and subsequent updates be distributed to relevant Commonwealth and State/Territory agencies as a controlled document. (paragraph 5.24)

Recommendation 25

The committee recommends that the Commonwealth work with the States/Territories to define the responsibilities of all parties in ensuring an efficient project approval process, including:

- the tailoring of approval procedures to match individual State/Territory needs and circumstances, and**
- the setting of performance targets for the submission and processing of projects.**

Further, the committee recommends that the Minister for Transport and Regional Development report to the Parliament on the changes implemented under this recommendation by 30 September 1998. (paragraph 5.62)

Recommendation 26

The committee recommends that the Commonwealth undertake an evaluation of the effectiveness of the maintenance performance agreements, including the effect of imposing the five per cent efficiency dividend on efficiency and on maintenance standards in each State/Territory. (paragraph 5.75)

Recommendation 27

The committee recommends that the Commonwealth work with the States/Territories to determine the scope for construction performance agreements for Commonwealth projects which retain Commonwealth project approval provisions. (paragraph 5.82)

Recommendation 28

The committee recommends that AUSTROADS further develop its guidelines on benefit cost analysis to engender greater consistency between States/Territories. (paragraph 5.101)

Recommendation 29

The committee recommends that the Commonwealth, in conjunction with States/Territories, examine the scope for the development and maintenance of a national road data base to support the Commonwealth's strategic role in road funding and determine an appropriate organisation to develop and maintain such a data base.
(paragraph 5.108)

Chapter 6 Private sector involvement

Recommendation 30

The committee recommends that the Commonwealth considers the following factors in assessing proposals for private sector investment for road projects in which the Commonwealth has an interest:

- **the additional net benefits to the community, and**
- **the distribution of benefits and costs across the community.** (paragraph 6.44)

Recommendation 31

The committee recommends that the Commonwealth seek to achieve economies of scale and scope in the structuring of Commonwealth funded road projects by using contracts that:

- **combine small related projects into a larger project;**
- **combine design, construction and maintenance services (where appropriate); and**
- **use long term maintenance periods.** (paragraph 6.66)

Recommendation 32

The committee recommends that the Commonwealth identify and remove any unwarranted legal or administrative impediments to private or public sector financing for road provision and maintenance by the Commonwealth or the States/Territories.
(paragraph 6.88)

Recommendation 33

The committee recommends that the Commonwealth examine methods by which industry may contribute to Commonwealth road projects and a report to Parliament be provided by 1 June 1998.
(paragraph 6.114)

Recommendation 34

The committee recommends that the Commonwealth ensures that agreements involving the private sector in Commonwealth road projects are transparent and open to public scrutiny. (paragraph 6.120)