The Australian Government will invest $3.5 billion through its new Roads of Strategic Importance (ROSI) initiative, to improve productivity and efficiency on Australia’s key freight roads, providing better connections between agricultural regions and ports, airports and other transport hubs and better access for tourism, mining and other sectors.

ROSI will deliver works such as road sealing, flood immunity, strengthening and widening, pavement rehabilitation, bridge and culvert upgrades and road realignments—opening up corridors to provide a more reliable and safe road network, improve access for higher capacity vehicles, better connect regional communities, and facilitate tourism opportunities. Improved access provided through ROSI will deliver substantial social and economic benefits, including opportunities for greater regional employment and business growth.

ROSI reserves $1.5 billion for projects in Northern Australia (Northern Australia ROSI), acknowledging the importance of this region, building on the benefits being delivered through the Australian Government’s Northern Australia Roads Program and Northern Australia Beef Roads Program. The projects are to be jointly funded, with the Commonwealth to contribute up to 80 per cent and the remainder being provided by state and territory governments, local government and/or the private sector.

Principles

The ROSI will be delivered against the following objectives:

- **Delivering via a corridor approach** to support network improvements, as opposed to upgrades to individual elements that do not address capacity issues along the selected route. That is, works would involve rolling packages of upgrades to raise the standard of the full corridor, as opposed to just upgrading a single bridge or other bottleneck.

- **Funding for corridors should primarily deliver improvements to freight movements**, based on a solid evidence base. Funding for projects on the corridor should be identified through analysis of data such as the CSIRO’s Transport Network Strategic Investment Tool (TraNSIT) model, the Bureau of Infrastructure, Transport and Regional Economics modelling, and strategic network assessments by states.

- **The corridors should also support regional economic growth** by helping support the expansion of key local industries and improve connectivity and access, including better access to support tourism growth.

- The upgraded corridors will also **improve safety for all users** through improved road conditions.

- **The initiative should support partnerships between Commonwealth and state governments with local government and industry**, including shared funding responsibilities, appropriate recognition and improve data sharing.

- **Where appropriate, projects should support targeted freight road reforms.** This could involve trials of incremental heavy vehicle user charging where industry have indicated a willingness to contribute an additional charge for a higher level of service (e.g. upgrades, improved access) on a corridor, route or network, including on upgraded local government roads or greater access to the corridor. It should also involve greater consultation with industry on project identification, selection and prioritisation.

- **Projects should support wider national reforms**, such as Indigenous employment and supplier-use participation.
Two-stage approach

To inform the development of the ROSI, the Australian Government is undertaking a two-stage process, with Stage One involving a high-level desktop analysis, and Stage Two focused on developing the scope of works along the corridors. Both Stage One and Two will include targeted stakeholder engagement.

Stage 1 – Corridor Analysis

The Department of Infrastructure, Regional Development and Cities (the Department) is undertaking an analysis of relevant data and evidence to further understand the challenges and opportunities across Australia’s road network. This includes:

- modelling from the CSIRO’s TraNSIT model to assess freight movements by commodity on key arterials, and pinch points within key corridors; and
- analysis on traffic and freight volumes across key corridors.

The Department is also considering other relevant sources, including:

- Infrastructure Australia’s (IA) Infrastructure Priority List and relevant audits;
- strategic network analysis/assessments undertaken by the jurisdictions and state infrastructure plans; and
- reports or plans by other government bodies.

Stage 1 – Initial stakeholder engagement – Northern Australia ROSI

As part of its commitment to developing northern Australia, the Australian Government will be consulting with key northern Australia stakeholders via a series of roundtable events. This process will build on the engagement undertaken for the Northern Australia Beef Roads Program across 2015 and 2016, and will ensure that the Government’s commitment to develop northern Australia is informed by current perspectives and experience.

A key objective of the roundtables will be to hear from stakeholders on the challenges and opportunities regarding freight movements and connectivity across northern Australia. Stakeholders will be invited to share their perspectives and other relevant information to inform discussions with the Australian Government. Contributions at the roundtable discussions will be considered as part of the Department’s advice to the Australian Government in recommending key corridors to be funded under the Northern Australia ROSI.

Stage 2 – Developing the scope of works for ROSI corridors

Once the Australian Government has identified corridors for the ROSI, the Department will work with state and territory governments to identify specific packages of work within each corridor to deliver a higher level of service. Through this stage, there will also be targeted stakeholder engagement, including with freight operators, in determining the final works packages. Agreed projects will be delivered as per the National Partnership Agreement on Land Transport Infrastructure.

Initial Corridors

ROSI will deliver rolling packages of upgrades over a 10-year period to raise the standard of the corridor. Initial commitments under ROSI include:

- $400 million for roads in Tasmania, with priority on the Bass Highway;
- $100 million to improve access from regional New South Wales to the Australian Capital Territory via the Barton Highway; and
- $220 million for the Bindoon Bypass in Western Australia.