

REPORT FROM NATIONAL ROADS CONGRESS

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Paper Summary

This year's Congress had several reports relating to different approaches to road funding and State / Local co-operation.

Two papers highlighted the need to embrace asset management planning.

The Australian Automobile Association drew together statistics relating to costs of traffic accidents and current levels of road funding.

There are concerns that the "direction" of efforts may not be the same as intended at Moree.

The current *Roads to Recovery* /Asset Management project has been refocussed on a review of the *Roads to Recovery* process and its effectiveness.

The proceedings of the Congress are available from the Internet at <http://www.alga.asn.au>

Introduction

The annual National Local Roads Congress was held in Toowoomba, Qld, from 26-30 July 2002. With attendance of over 400 delegates, its importance has been confirmed and its forum recognised as THE expression of Local Government relating to roads and transport.

On the Federal scene, the Opposition, through Mr. Martin Ferguson, Shadow Minister for Regional and Urban Development, Transport and Infrastructure, saw fit to be highly visible at this Congress, despite the absence of Federal Minister for Transport and Regional Services, Mr. John Anderson. Martin's continued presence at each Congress gives hope to the ALGA that despite future election results, both political parties are in touch with the ALGA perspective of local roads funding.

His presentation "Old Fashioned Honesty and Integrity Needed for this Modern Debate – Funding Transport Infrastructure" left no stone unturned in the political points scoring. Despite this, some real issues were delivered to the delegates

The important issue was *Auslink* and its perceived impact on future road funding. The lack of information and detail at that point in time made it difficult to know what opinion to form. His advice was timely – Local Government needs to be alert and politically astute as this proposal unfurls – as encouraged by Cr. M. Montgomery – engage in the *Auslink* Green Paper process rather than be a spectator to it.

The deferral of \$100M of *Roads to Recovery* funding didn't pass unnoticed and the reduced confidence in Government decisions highlighted. Road funding has been full of surprises over the last 12 months. This reactive

rather than proactive funding process is of concern.

From all of this he made one comment that is to be noted for future reference.

“In my view it is still important for you to focus on a detailed analysis of future transport infrastructure requirements and funding, using a sound asset management approach to prove your case.”

It is encouraging that he would endorse the approach being taken by Local Government to develop and promote the case for road funding, being consistent with the Opposition’s intent regarding infrastructure provision and funding.

As the keynote speaker, at the beginning of the Congress, his challenge was taken up by several of the speakers while others gave credence to his statements.

Attached is a copy of the session topics and presenters for the Congress.

State / Local Government Co-operation and Funding approaches

This year’s programme had a focus on activities within the different States relating to use of road funding and co-operation between Local Government and State Road Authorities.

The presentation by the South Australian Local Government Association explained how previously there had been a provision to use 15% of Grants Commission funds to provide roads of regional importance. When *Roads to Recovery* funds were received this same approach was used. The decision had been mutual and a continuance of a previous arrangement.

This process is similar to Western Australia where funds have been used

to target those roads identified by Regional Roads Groups.

The term ‘regionally significant’ has been introduced into the *Roads to Recovery* discussion and is the cause of reasonable concern amongst Councils. It is seen by some as an attempt to divert funds to other than Council responsibility roads, and by others to diminish the ‘local’ content of decisions. To date, it has been mutually agreed by Local Government, in SA and WA, to use funds on ‘regionally significant’ roads. Whilst this remains as the primary criteria for such decisions, there should be no need for concern.

As a partner in the provision of the road network, Local Government needs to actively engage in the decision making process such that the outcome is truly both ‘local’ and ‘regional’.

This ‘regional significance’ view is being expressed by DOTARS when referring to *Roads to Recovery* funds. In fact it is one of the criteria for annual evaluation of the outcomes of the scheme. Nowadays, it is more an input rather than an outcome. Consequently you will deliver regional improvements.

From where I sit, the “change” of focus may not be a change but a strengthening of the Federal wish to have Local Government show it is making informed, “big picture” decisions that have regional impact, along with the local outcomes.

ALGA Local Roads Committee Report.

Councillor John Wearne AM, Chair, ALGA Local Roads Committee presented this report

The way forward from Mildura: -

- Prove the case for long term on-going adequate funding

- To complement and provide input to future road funding lobbying

In a nutshell, the congress resolved to prove the case for long term on-going adequate funding for local roads.

This task would complement and provide input to future road funding lobbying

What has happened since then?

Mildura Committee now comes under the ALGA

Opportunity for a broader agenda

A number of significant state initiatives

A commitment from the Commonwealth to review *Roads to Recovery* projects

One of the significant developments has been the incorporation of the Committee under the ALGA banner. This gives much more solid status than previously existed under our congress mandate. It reflects a commitment from the State Associations to the priorities identified at Mildura.

Whilst the committee has been coming to grips with the national agenda, there has been a number of significant initiatives at the state level. This came through strongly in the session where 5 State Associations reported on their work. Some of these have been highlighted previously.

The Commonwealth has also come out in support of ALGA to review projects funded from the *Roads to Recovery* program and to a long-term approach to asset management in local government.

There are two aspects to asset management

- Decision making processes at the Council level
- Supporting engineering analysis

But what does asset management mean. There are two quite distinct streams. One is the decision making processes by the Council, while the other is the advice that engineers provide based on assessments of life cycle costing, road condition and remaining life and all those technical considerations that most Councillors find difficult to come to grips with.

These two activity streams need to come together. Good advice from the engineers is needed along with Councillors who understand the long-term implications of their decisions. National consistency in the approach to asset management is needed as part of the case for continued Commonwealth funding. The actual system adopted must remain the prerogative of individual councils that are relevant to their local conditions.

Summary

Significant progress at State level in asset management

Commonwealth commitment

Advice to the ALGA consistent with the views of this congress

National approach to asset management

Report on the *Roads to Recovery* projects by end of the year

The following recommendations were proposed and adopted by the Congress after some debate regarding the "wordsmithing" of the intent.

Recommendations - 1

That we pursue a nationally consistent approach to asset management based on studies by the States

That we pursue national data to demonstrate a case for continuing and possible enhancement of the *Roads to Recovery* program

Recommendations - 2

That future infrastructure development strongly emphasise regional prioritisation and the identification of key local roads of regional significance

That issues arising from the *Auslink* proposal that have the potential to impact on local government be identified, considered and represented

The issue for today is for Councils to move to a regional focus in identifying road infrastructure to make the strongest case for Commonwealth funding.

The Federal view: Progress on *Roads to Recovery*

Delivered by Ms Trudi Meakins, Assistant Secretary, Roads Programme Branch, DOTARS, this paper opened up several issues. Without a doubt, *Auslink* was the “in” topic, closely followed by the success of the *Roads to Recovery* programme, to date.

Her appraisal of *Auslink* is that virtually every aspect of the way we plan and fund transport infrastructure will change – for the better. She also sees Local Government having a substantial part to play. As a consequence of the *Roads to Recovery* programme, the Commonwealth wants to re-engage with Local Government in the delivery of transport infrastructure and outcomes. *Auslink* will extend the partnership role between the Commonwealth and Local Government.

As a result of *Auslink*, Australia’s plan for a national transport system will extend beyond civil engineering edifices to include technological, or managed, solutions to infrastructure challenges.

It is understood that other spheres of Government would not transcend their own interests to promote national objectives unless they also accrued benefits under *Auslink*.

Roads to Recovery is seen as a resounding success, from an administrative function. The success of the secure website is the centrepiece of this success. Input by Councils of minimal details results in payments, within a prescribed time frame. Despite the simple inputs required, there is incredible reluctance to meet deadlines.

By now it is too late, but did you submit your annual report before the 30th September?

The rephrasing of the *Roads to Recovery* programme funds caused major concern when announced at the May Budget. As a result of departmental action, 244 Councils were shielded from the funding changes. Others may gain additional funding as a result of the hardship relief provisions.

An important point, made by Trudi, was the fact that the Minister, Mr. John Anderson, had moved to ensure that the funding for *Roads to Recovery* had been protected, over the life of the programme. That is regarded as a victory in Canberra. This point was made to support her next request. For the Minister to promote any extension of the *Roads to Recovery* programme, we – collectively- must establish a case for its worth! Consequently, the \$150k grant to ALGA to assess the *Roads to Recovery* programme shows the department’s support.

Looking to the future, any extension of the *Roads to Recovery* programme is now likely to be within the *Auslink* framework and must be strategic in focus. The focus can be summarised in one word – interconnectivity – that is what *Auslink* will address!

The Commonwealth’s support for the *Roads to Recovery* programme as a successful delivery mode, and the intent to extend these arrangements as part of *Auslink* were expressed and Local Government was invited to become an integral part of the *Auslink*,

particularly relating to regional solutions!

DMR/LGAQ Alliance

A joint presentation by LGAQ/DMR explained the Alliance process to the interstate visitors. There is keen interest, by other States, in the direction the Alliance takes over the ensuing years.

Why an Alliance?

- Increasing demand on road system
- Increasing community expectations
- Limited funding - need to use existing money better
- Only one network
- Efficiencies through working in partnership
- Benefits from longer term planning
- Butcher report identified road management benefits through State and LG working together and by having a focus on a regional road network

The Queensland Alliance

- *Partnership approach* - MR and LG
- Wide breadth of issues including: investment; prioritisation resource sharing; capability; operations; etc
- Formation of regional road groups (RRG), technical committees and a network of local roads of regional significance.
- *Not "one size fits all"* - geographic diversity
- *Focus on regional areas and authority* - determine regional priorities at the regional level

- *A state-wide framework* - guide decision making for investment and road management strategies

Identified Issues

- Asset management (AM) capability development was identified as an important issue for local government
- AM to address High Court decision on non-feasance
- AM to work together for a consistent view of network (hierarchy, condition, minimum output specs)
- Minister (DMR) has committed \$2 million per annum to assist local government to develop capability

Future Direction for Queensland Alliance

- LGAQ executive, on behalf of LG, and state cabinet agreed to implement
- Proposed signing of Agreement in late August
- Progressive implementation on a coordinated basis across the state through 2002- 2003
- Formation of groups/selection of network - 2002
- State-wide asset management capability - mid 2003
- Implementation of most initiatives - end 2003

A very brief overview of the Queensland process which is happening now!

Note the frequent use of 'regional' in the points being made.

As a member of one of the pilot groups to develop Road Prioritisation Guidelines, Classification of Roads of Regional Significance, and Joint Purchasing and Resource Sharing

Initiatives, I became involved with and conquered the 'regional' issue. It is not a great concern to myself or the 7 Councils in the Central Highlands Regional Roads Partnership. After 10 years of thinking regionally and acting locally, we moved into the groove easily.

The 10 years of prior experience was crucial! We had developed trust, sufficient to have a go!

Just to dispel any delusions, there was \$2.0M over 2 years to be shared amongst the CHRRP, on the basis of our pilot programme outcomes. That is further incentive to have a go!

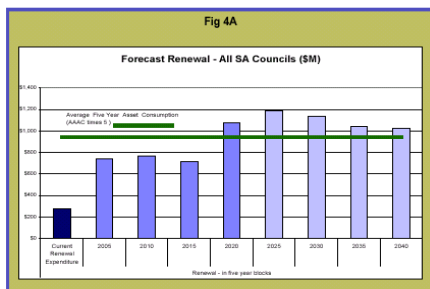
Just for the record, we are talking about an area of 118420 square kilometres, having a population of 46660, with an annual value of rural production of \$452M.

Asset Management – Strategy.

Two papers highlighted the need for Councils, as decision-makers, to embrace asset management planning as a two-part strategy – top-down planning and bottom-up activities that are in harmony.

The SA presentation "A Wealth of Opportunities" highlights the mounting problem of deferring asset renewal provisions whilst still building new assets.

<http://www.lga.sa.gov.au/ProjectBriefRoadFunding.htm>



The detail of the report "A Wealth of Opportunities" is well worth examination – it is an excellent overview of the whole State. You may want to query

the details but the effort and findings cannot be dismissed. The magnitude of the lurking monster, RENEWAL OF ASSETS, is clearly quantified!

The IPWEA presentation took this matter to a grassroots level asking each Council how it has approached this issue in its recent Budget!

Our Executive Director took a brave stance, challenging the elected representatives' recent Budget decisions. His comments are precised here!

More than likely last year's budget process again resulted in a balanced budget. Pats on the back all round! But I question whether any consideration was given to the long term impacts of Council decisions. More than likely the maintenance budgets were cut ...again! More than likely, the budget seemed tighter again this year! But we still manage to include new projects.

Why are budgets getting tighter each year and why do we keep cutting the maintenance allocation? One certain explanation is that new assets commit Council to a higher liability in future year's budgets. This increasing liability has an accumulating impact on our budgets every year.

Rarely is a second thought given to the ongoing cost of maintaining the new asset or the increased staff costs to operate the new facility. And what of the long term impact on the condition of our existing assets?

As the stewards of our community's assets, "The Role for Elected Members" is to leave the community a better place. But I would question whether in fact we are leaving greater liabilities for future generations. It is essential to ensure that existing assets are funded before we blindly build new assets.

Well-informed decisions for the future lie in having effective long term financial and asset management plans in place. Do you know the future viability of your Council and its infrastructure?

Graphic detail of the history of depreciation provisions and asset renewal funding was presented. A broad cross-section of recent reports of Councils' failure to make provisions and the quantum of under funding was highlighted.

Then he delivered his topic, "The Role of the Engineer".

There are hard decisions to be made. There is a need to be well informed.

Both the Engineering professionals and Councillors have a role to play and together we can achieve better results.

The impact of the asset renewal task as a future funding demand on current funding levels was stressed in both presentations

Another View of the Same Scenario

John Metcalfe of the Australian Automobile Association made the presentation that attracted most interest.

Having addressed the fuel excise inquiry and the nil result, John drew together statistics relating to costs of traffic accidents and current levels of road funding. There are obvious cost benefits to be gained by funding the roads task yet, to date, no government has taken up the challenge!

Whole-of-community approach

- health and hospital costs
- social welfare
- emergency services

- motoring taxes
- environmental outcomes

Cost of road crashes in Australia

- Human costs – \$8.4 billion
- Vehicle costs – \$4.1 billion
- General costs – \$2.5 billion
- Total Costs – \$15.0 billion

Human costs of road crashes (\$ million)

- Medical/ambulance/rehabilitation – \$361
- Long term care – \$1990
- Labour in the workplace – \$1625
- Coroner – \$1
- Labour in the household – \$1493
- Quality of life – \$1769
- Legal – \$813
- Correctional services – \$17
- Workplace disruptions – \$313

Human costs of road crashes and road funding

- Government disability support and long-term care of road crash disabled - \$2 billion
- Federal road funding - \$1.3 billion
- Medical / ambulance / rehabilitation costs - \$360 million
- Local government financial assistance identified for roads - \$407 million
- Legal cost of road accidents - \$813 million
- Federal Government Black Spot funding - \$40 million

Road safety is a whole-of-government issue.

The clarity of the case is an excellent reason why AAA is a partner with ALGA regarding Local Roads funding.

The National Asset Management Project.

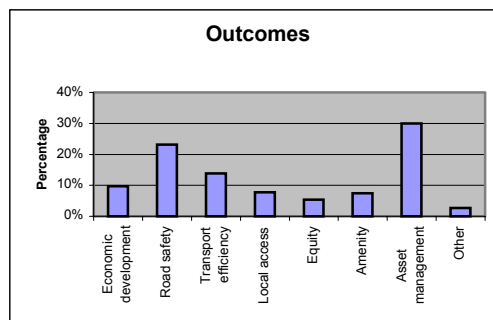
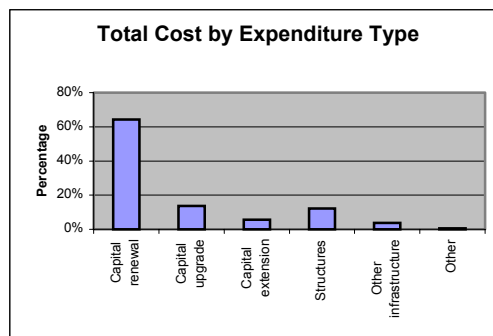
The current *Roads to Recovery / Asset Management* project has been refocussed on a review of the *Roads to Recovery* process and its effectiveness.

Any speaker who raised the issue of the *Roads to Recovery* programme made reference to this project. The need for and features of the review were highlighted. This project is seen as the answer to the simple question “How well have Councils used the money already given to them?” Flowing from that answer would be the extension of the *Roads to Recovery* programme.

Auslink has changed the landscape relating to road funding and obviously this project’s outcomes will provide input to the White Paper. Consequently, the first phase must be complete by December 2002.

The proposed approach is to survey the information provided as part of the *R2R* process and detail that with more detailed data from clusters across Australia. In effect, show several different and interesting case studies – tell the Local Governments’ stories. Reference to *R2R Review Report No 1* details the intention and sought councils’ expressions of interest to become involved.

This report shows some patterns emerging from the data so far:



Two themes have been identified. Two thirds of the funds will be spent on asset renewal, and priority has been given to road safety and asset management.

There is an opportunity to be involved in this review by indicating Councils’ willingness. I have already indicated that the Central Highlands Regional Roads Partnership is prepared to be involved as a pilot group for this project.

Further Information

The proceedings of the Toowoomba National Local Roads Congress are available from the Internet at “www.alga.asn.au”.

Rumblings....

There was an expression of concern by some of the delegates that the “direction” of efforts may not be as initially intended from the founding days of Moree.

The need to make provision for “discussion/ question” time was raised strongly. The lack of this opportunity

and the lack of capacity / authority to move motions from the floor was very important to some of the delegates.

There appears to be a strong need for the State Associations to be more in-touch with member Councils regarding agenda content and presentations for future Congresses.

Conclusion

Having attended both the previous Local Roads Congresses, I believe this Congress marked a turning point for road funding.

Without a doubt, the roads of "regional significance" became a reality during the proceedings. This is cause for concern amongst some Councils. For others it signals an opportunity to mature and become fully involved in the roads network!

The strong focus on asset management at both the strategic and operations level demands action now,

not at some later date. Neither the Government, nor the Opposition, can say it any clearer than it has been said – without both sound decision-making and strong engineering analysis, the case for road funding struggles to survive beyond 2005.

The *Roads to Recovery* programme heralded the beginning of a direct Commonwealth / local government partnership. *Auslink* is offered as a means to broaden the involvement of Local Government in further similar arrangements. That is the challenge!

Cr. Mike Montgomery's opening words to the delegates are a fitting close.

"We embarked on a great endeavour three years ago. Like any intrepid traveller we must imagine how we wish our journey to end and plot a path to achieve that aim."

References

“Old Fashioned Honesty & Integrity Needed for this Modern Debate– Funding Transport Infrastructure”. - **Martin Ferguson MP**. *National Local Roads Congress 2002- Toowoomba*.

“Report form the Committee”- **Cr. John Wearne AM**. *National Local Roads Congress 2002- Toowoomba*.

Speech delivered by **Trudi Meakins**, DOTARS. *National Local Roads Congress 2002- Toowoomba*.

“Local Government and Main Roads Alliance” – **Greg Hoffman, LGAQ**, and **Neil Doyle**, DMR. *National Local Roads Congress 2002- Toowoomba*.

“A Wealth of Opportunities” **SALGA**

“Infrastructure: what is the Future Viability of Your Council” – Chris Champion, IPWEA. *Public Works Engineering* (Aug/Sept. 2002.)

“Better Roads: A Whole–of-Community Approach” **John Metcalfe**, AAA. *National Local Roads Congress 2002- Toowoomba*

“Review of Projects Funded from the Roads to Recovery Program” **Peter Rufford**, ALGA and **Andy Hrast** DOTARS. *National Local Roads Congress 2002- Toowoomba*

“R2R Review Report No1” **Commonwealth – ALGA Project Team**. July 2002.

Appendix A - Conference Programme

Monday, 29th July 2002.

Keynote Address:

Mr Martin Ferguson AM MP
Shadow Minister for Regional and Urban Development, Transport and Infrastructure

South Australia: Roads of Regional Significance
Ms Jane Gascoigne, South Australian Local Government Grants Commission

Local Government Association of Queensland Road Funding Inquiry
Professor Allan Layton, School of Economics and Finance, Queensland University of Technology

State Association Round Up

- Municipal Association of Victoria
- Local Government Association of South Australia
- Local Government Association of Queensland
- Western Australian Local Government Association
- Local Government and Shires Association of New South Wales

Keynote Address:

The Hon. Steve Bredhauer MP
Minister for Transport and Main Roads, Qld.

Report From Australian Local Government Association Local Roads Committee
Mr John Wearne, Chairman

Tuesday, 30th July 2002.

National Transport Issues
Mr Paul Blake, Executive Director, National Transport Secretariat

Progress on Roads to Recovery
Ms. Trudi Meakins, Department of Transport and Regional Services

The Role for the Engineers
Mr Chris Champion, Chief Executive Officer, Institute of Public Works Engineering Australia

Local Road Funding: The State Perspective
Mr. David Anderson, VicRoads
Mr. Steve Golding, Queensland Department of Main Roads

Better Roads: A Whole-of-Community Approach
Mr. John Metcalfe, Australian Automobile Association

Update of the ALGA / Commonwealth Review of the Roads to Recovery Project
Mr. P. Rufford, ALGA and Mr. Andy Hrast, DOTARS.

Plenary Session: Where to From Here?

Author Biography

KEVIN F. BICKHOFF. FIPWEA, MIE(Aust), RPEQ.

(Director of Engineering Services, Emerald Shire, Qld.)

Born in Mount Morgan, when gold was real wealth!

Raised on a dairy farm in the Callide Valley, educated at Gladstone, graduated from Darling Downs Institute of Advanced Education, now University of Southern Queensland, with a Degree in Engineering (Civil) in 1970.

Spent the last 32 years involved with Local Government, with a primary focus on roads, and a involvement with the provision of infrastructure for areas of rapid growth, both residential and industry.

IPWEA representative on the ALGA Local Roads Committee.

With three major coal mines using Emerald as a dormitory town, a major feedlot and live-weight saleyards, two Cotton Gins, extensive citrus and grape orchards, and four grain receival depots, local roads are important to Emerald's continued growth and prosperity!

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