



THE ROADS ALLIANCE

Progress Report **2011-12**

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1 Message from the Chair

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2012 marks the 10 year anniversary of the Roads Alliance partnership and I am very proud to have joined the Roads Alliance Board this year.

Since its inception, the partnership has fostered technical innovation and delivered better infrastructure throughout Queensland. Through the commitment of Regional Road Groups (RRGs), we now have a safer and more efficient regional road network, notwithstanding the challenges presented by natural disasters in recent years.

2012 has also been a year of change. The machinery of government changes in March 2012 also meant changes for the Roads Alliance. However, the strength of the partnership and the ongoing collaboration between Transport and Main Roads and the Local Government Association of Queensland (LGAQ) at all levels continues to make the Roads Alliance possible and I thank our LGAQ colleagues for their leadership and advocacy throughout this year.

I would like to take this opportunity to thank all Roads Alliance Board members for their contributions throughout the year and acknowledge Dave Stewart and Graham Fraine for their leadership and direction as former members of the Board. I also welcome Joshua Hannan to the Board.

In 2011–12, the Transport Infrastructure Development Scheme (TIDS) provided significant funding to local governments, with the majority allocated directly to RRGs for the continued development of their regional transport infrastructure.

The Roads Alliance also committed an unprecedented investment in stewardship capabilities in the areas of asset management, program development, joint purchasing and resource sharing, and road safety in 2011-12. The initiatives highlighted throughout this report clearly demonstrate the Roads Alliance's commitment to identifying efficiencies and achieving best value outcomes.

These initiatives could not be developed without the dedication of council officers and Transport

and Main Roads regional staff throughout 2011-12. Your commitment to the partnership at a local level is highly valued. On behalf of the Board, I thank you for managing investment in the transport network and for pursuing capacity, capability and efficiency improvements in your region.

Looking forward, the Roads Alliance will continue to strive for excellence. The Board commissioned a 10 Year Review of the Alliance to identify areas of improvement. We are also sponsoring initiatives to reduce red tape and provide more autonomy to local government. These initiatives include moving to a 'one bucket' funding model, reviewing RRG allocations and member composition and fully automated financial reporting.

The Roads Alliance will continue to be Transport and Main Roads principal engagement mechanism with local government. I am committed to its ongoing success and urge all stakeholders to work together to address the challenges of regional transport networks and deliver the best value outcomes for the people of Queensland.



Michael Caltabiano
Director-General, Transport and Main Roads
Chair, Roads Alliance Board



2 Progress report summary

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Road Safety

- › NetRisk workshops commenced following RRG's receipt of NetRisk data reports
- › Road Safety Risk Management training was offered to RRGs
- › Road Safety Partnership Steering Committee endorses the development of Road Safety Program tools
- › Road Safety officer was engaged in Eastern Downs RRG to implement road safety strategies

Asset Management

- › Road Asset Valuation Project announced to develop universal asset management methodology specific for local government

JP&RS

- › RAPT released JP&RS Toolkit
- › North West Queensland RRG released a prospectus outlining a ten-year regional strategic investment plan for increased federal government funding
- › Far North Queensland RRG established JP&RS working group lead by new Regional Procurement Officer

Program Development

- › The Gidgee Agreement was signed to seek commitment from all stakeholders to ensure Richmond-Winton Road works are undertaken with the vision of improving the outcome for the community
- › TIDS Cycleways Program 2012-13 allocated \$4.6m for cycle-friendly infrastructure projects

Capability Development

- › SCDF delivered \$1m to RRGs in 2011-12
- › Road Safety Audit Policy was announced, providing RRGs with funding to undertake audits and training
- › Stage 2 of Southern RRG's Pavement Modelling Project was completed, with \$222,000 allocated over the next three years for Stage 3 of the study
- › Eastern Downs received \$75,000 SCDF for Toowoomba Road Safety Strategy and Action Plan, of which \$25,000 funded a road safety officer
- › Outback received \$96 190 to conduct two asset management workshops and a Road Asset Management computer application
- › South West received \$35,000 to review the RRG's activities. The funding allowed the RRG to identify and implement improvements
- › \$450,000 was allocated for RRGs to improve their Bridge Asset Management by purchasing systems or undertaking training
- › Road Drainage Fundamentals training was delivered in Rockhampton, with a manual being released for state-wide distribution
- › \$686,786 was allocated for the Road Asset Valuation Project to facilitate the adoption of TMR's road asset valuation methodology by councils
- › State-wide Capability Development Funding submission form developed to aid the preparation of applications

- › Quarterly expenditure report distribution commenced to help RRGs improve the management of Queensland's regional roads
- › Review of the Project Development Toolkit undertaken, to ensure relevance and currency.



3 Progress report articles

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3.1 Roads Alliance road asset valuation project

Roads Alliance Road Asset Valuation project was announced in the 2011-12 year, and is fully funded by the Roads Alliance Board and supported by the Queensland Audit Office (QAO).

“The project’s objective is to facilitate the adoption of the Department of Transport and Main Roads’ (TMR) road asset valuation methodology by councils to provide support and other benefits including financial compliance,” said the Roads Alliance Project Team’s Simone Talbot.

Valuations of road assets need to be based on reliable and consistently applied methods to support asset management best practice and provide reliable data for local government reporting requirements.

Valuation exercises undertaken by Queensland local governments to meet statutory reporting requirements can be costly and time consuming. Research by the Queensland Audit Office has identified variations in critical assumptions used by local governments in their road valuation process.

Since 2008-09, TMR have developed a road valuation approach that is applied consistently throughout Queensland, which accommodates varying climatic, terrain and soil types.

The process is updated annually, and the methodology has been accepted by the QAO. TMR is also utilising these rates for its strategic planning process and as a road pricing index.

The Roads Alliance Road Asset Valuation project will extend the TMR methodology to the local government road network with the addition of stereotypes for local government roads not covered by the existing stereotypes.

The project will provide:

- › standardised valuation methodology, including standardised useful lives
- › road unit rates with variations by region, climate, soil type and terrain
- › residual values by road component
- › road unit rates for asset management and strategic infrastructure planning
- › data for Queensland regional road price indices.



Implementation of the project outcomes will enable local governments to:

- › review and assign unit rates and residual values to individual road segments on the local government network based on the most appropriate stereotype
- › review and assign component-useful lives to individual road segments on the local government network
- › calculate remaining useful life for each component of each road segment on the local government network based on age/condition (continuing assessment)
- › undertake valuation calculations for each road segment on the network using unit rates, residual values, useful lives and remaining useful life estimates.

Similar to the approach applied by TMR, the project will convene an ‘expert panel’ to give local governments the opportunity to gain an understanding of the costs and benefits of undertaking valuations with TMR. Invitations to participate in the panel will be extended to relevant professionals including accountants, asset managers and engineers.

The project team will be guided by a local government expert panel, which will review and

provide guidance on the specific assumptions adopted, along with the final rates and residual values.

Local governments will be able to undertake the valuation for their road network by utilising the standard methodology. While they may choose to use their own unit rates and lives, the reasons for this will need to be documented in their valuation report to justify departure from the standard approach.

The project will promote the use of the Roads Alliance asset management data and align with core local government asset management requirements. The comprehensiveness of the total database will be improved with contributions from local governments and TMR.

The project is also an opportunity to develop joint purchasing and resource sharing arrangements between TMR and local governments. Utilising a common approach will reduce tender preparation and management costs related to this annual activity.

Local governments will be able to access a quality and proven valuation process which has the confidence of QAO. This will provide local governments that use the standardised approach with a level of confidence that they will satisfy reporting requirements.



3.2 Joint purchasing and resource sharing

The Roads Alliance has long supported efforts by RRGs to maximise value from all available resources through joint purchasing of common goods and services, as well as sharing valuable skills and resources.

The Roads Alliance Joint Purchasing & Resource Sharing (JP&RS) Toolkit was released in September 2011, following significant work by the Scenic Valleys RRG in collaboration with Somerset Regional Council of the Northern SEQ RRG in identifying best practice processes, resources and opportunities. Barriers to undertaking shared resourcing or purchasing were also identified. It was concluded that with the support and commitment of councillors, as well as sufficient and competent staffing, successful JP&RS initiatives are more achievable.

A recent survey of this toolkit's use by RRGs indicated that many have yet to take full advantage of its resources. However, it is anticipated that the establishment by a number of RRGs of JP&RS Working Groups and increased engagement of dedicated procurement resources will see an increase in the toolkit's use.

RRGs have undertaken a range of JP&RS activities throughout 2011-12, commonly including joint reseal programs and training delivery. Far North Queensland RRG has recently coordinated a joint MetroCount training arrangement, resulting in cost savings for up to 17 councils across five RRGs.

RRG JP&RS initiatives

Far North Queensland RRG established a Regional Procurement Technical Committee, led by their newly appointed Regional Procurement Coordinator. The RRG has undertaken a number of JP&RS initiatives including standardising conditions of tendering and contracting for regional procurement of bulk chemicals.

Scenic Valleys RRG is continuing to see benefits from their work in developing the JP&RS Toolkit by sharing their bridge and grader crews with neighbouring councils, undertaking a joint reseal contract and establishing a JP&RS working group to pursue other initiatives.

Flood recovery and reconstruction provided opportunity for councils and TMR regions to work together to achieve savings. Whitsunday RRG members, Mackay, Whitsunday and the local TMR regional office, have joined in the geographic delivery of NDRRA projects in their region.

Some innovative opportunities for JP&RS activities have also been undertaken or investigated, with Wide Bay Burnett RRG's regional termite tender and Outback RRG's considerations of bulk cement purchasing and regional grader specifications.

Funding support creates savings

