

## **The Queensland Roads Alliance – cooperation not conflict**

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### **1. Introduction**

The Roads Alliance is an innovative approach to road management. It is a new type of public management based on collaboration. It shifts state and local governments away from managing according to traditional functional responsibilities to an outcome based cooperative management model. It represents a genuine shift in emphasis from a functional approach, based on ownership, to an outcomes approach.

The Roads Alliance is a partnership. It enables local governments to meet local and regional needs and has provided state government with a better way of managing lower order roads. It has driven significant change by challenging existing beliefs, processes and cultures in both levels of government. The outcome is better roads sooner for all regions of Queensland. The Roads Alliance is about better skilled people, using better technology and information, making better decisions to deliver road network outcomes.

Under the Roads Alliance, Main Roads and local government form regional road groups to manage a network of roads across a region. Each group develops investment strategies and makes investment decisions for roads within the agreed network across the region. The group also works to increase the efficiency of road works through joint purchasing and resource sharing and improved road management capability.

Why did Queensland state and local government decide to work together?

Traffic volumes in Queensland, on state and local government roads are increasing. The Queensland population is growing rapidly. Traffic mix is also changing. Increasingly, the situation arises where road trains, caravans and normal traffic are mixing on rural and regional roads not designed to accommodate the emerging traffic trends. While the traffic rates are growing it is becoming increasingly difficult for state and local government to maintain and improve the network to accommodate growth. The Queensland government has significantly increased road funding over the last decade.

Roads are a big issue for local government. Local government spends about one third of its funding on roads. It is hard to get accurate figures, but a Local Government Association of Queensland inquiry on 2003 shows that while local governments are increasing funding for their road networks they are having trouble meeting demand for the road network.

The Roads Alliance is a response to this problem. Who owns the road is not a concern of the road user. They look to government, whether it is state or local, to provide a road network that meets their needs. If state and local government shared the problem – they should share the solution.

When commenced in August 2002, key objectives of the Roads Alliance were to:

- maximise economic development and benefit through better funding allocations
- achieve maximum efficiencies for state and local governments through a combined approach to road network planning and project scheduling
- invest in improved road management and delivery capability through increased training, advanced technology and systems transfer.

If implemented properly the potential benefits of the Roads Alliance are:

- road management and investment decisions made regionally
- economies of scale in various areas – ie plant, equipment and staff
- improved local government road management, investment and construction capability
- access to better road management technology
- better and safer regional road network sooner
- improved access to social services within the region eg schools, hospitals
- improved regional economic development opportunities through reduced travel time and costs – tourism, freight, etc
- improved consistency in planning and investment
- network approach to investment
- best use of available resources
- greater use of state and local government expertise
- concentrate efforts on roads of regional significance across the state.

## **2. Management arrangements**

### **2.1 Regional Road Groups**

Fifteen regional road groups (RRGs) cooperatively manage the road network, regardless of ownership. RRGs are made up from local governments and Main Roads. RRGs are based on existing relationships taking into consideration economic, social, environmental and geographic characteristics of a region, which serves to influence the planning and management of the regional road network and the services provided by that network. Local government will determine the membership of an RRG. Local Governments in any one RRG should be contiguous. Each local government will be a member of only one RRG but may attend other RRG meetings as an observer. Where the composition of the RRG is a large number of local governments, RRGs may establish sub-groups. Each local government is entitled to be a member of a RRG. Main Roads Districts shall be members of each RRG. Generally, mayors represent local governments on the RRG while District Directors represent Main Roads.

RRGs are the primary decision making bodies of the Alliance. Each RRG has a technical committee that provides advice to the RRG. RRGs, with the support of a Technical Committee, have the responsibility to plan, prioritise and manage investment on a specific road network. RRGs have a co-ordinating role in areas of asset management, joint purchasing, resource sharing and workforce capability improvement on behalf of local government and Main Roads and can also influence investment decisions on other road networks.

The responsibilities of a RRG are to:

- determine the Local Roads of Regional Significance network
- adopt basic asset management practices and minimum data set requirements
- manage regional funding arrangements
- determine regional investment strategies
- adopt practices for the development of a five year works program including prioritisation procedures and weighting methodology
- adopt policy to increase joint purchasing and resource sharing
- review and plan for improved capability
- introduce change management procedures.

### 3. The network

The Roads Alliance network, called local roads of regional significance (LRRS), is made up of roads of similar function owned by the different levels of government. The network is approximately 32,000 kms, of which about 12,000 kms are state controlled roads. Figure 1 sets out the roads included in the network. Appendix 1 includes a map of the network.

Figure 1.

State Government controlled roads	Local Government controlled roads
National highways	
State strategic roads	
Regional roads	
District roads	Primary road
	Secondary road
	Minor road
	Access track/road
	Rough tracks

Local roads of regional significance

#### 3.1 Criteria for determining a Local Road of Regional Significance

A Local Road of Regional Significance will:

- provide primarily a connecting function within the regional road network, that is, across more than one local government area
- form an important part of the economic development strategies within the local government areas (ie major access to rural, agricultural, industrial)
- play a critical role for regional industry including access to attractions of regional significance and access to major natural resources (eg mines, quarries, forests)
- connect shires, towns, cities and regions and provide travel time and distance savings
- commuter routes (ie urban roads providing travel and distance savings)
- access to rail heads, freight depots, ports and major airfields from a higher order regional road
- provide access to major regionally significant institutions like community health, education, recreation, youth, aged care and entertainment facilities
- form the only access to a remote community.

#### 3.2 Funding

The Roads Alliance has established funding rules based on the assumption that real benefits come from taking a more strategic view, including spending not based on ownership or boundaries. The key rules are:

- local Governments do not have to spend outside their area, on a state controlled road (or more than they would usually have spent)
- Main Roads contribution will be the current five years in the Roads Implementation Program (RIP) for district roads in the LRRS network minus 'special funding'
- Main Roads will provide local government with information on how this compares with the past five years funding
- contribution by each local government is based on allocations for their current forward program of works for those roads in the LRRS with information on how this compares with the last five years

- neither councils nor Main Roads are required to increase expenditure over their traditional funding levels, but each local government and Main Roads should at least maintain their committed level of expenditure for their roads
- all identified funds for the LRRS network must be spent either on LRRS, or if agreed by the RRG, on higher order State controlled roads
- ideally, the highest priority projects will be funded first, but this will depend on available funds. If budgets do not permit highest priority projects to be funded first, then other projects may be selected as long as they are also priority projects, or the timing of projects can change to bulk up funding over a number of years to fund larger projects
- over the five years of the works program, both Main Roads and Local Governments must spend their allocations. A process will be determined by each RRG to monitor the spending of allocations
- routine maintenance is to be funded 100% by Main Roads for State controlled roads, and 100% by Local Government for local government roads but the RRG can, within limits, agree to reallocate to or from Main Roads
- RRGs can change priorities on or within State controlled roads and also have some ability to direct Main Roads funds to local government roads within the LRRS
- RRGs must allocate 80 per cent of state funding to state roads. Allocation of these funds is to ensure continued maintenance of minimum safety and maintenance standards on state controlled roads within the LRRS.
- local governments can nominate and spend on projects outside of their area by agreement.
- the Regional Road Group can quarantine a portion (for example 5%) of their available funds for allocation to projects that scored lower in the prioritisation process. This money could be for unforeseen issues or a specific focus for investment, such as timber bridge upgrade
- employment guarantee for vulnerable local governments will be maintained consistent with the existing Main Roads / Local Government Protocol
- The Three Viable Sectors policy for delivery will be maintained.
- it is expected that standards being built should be based on “fitness for purpose” principles taking into account longer term realistic funding levels, and greater consistency across the region (for example across boundaries).

#### **4. Asset management**

A survey of Queensland local governments in September 2001 showed that, by their own admission, 70 per cent had no asset management systems or procedures. The aim of the Roads Alliance is for all local governments across Queensland to have at least a basic road asset management decision support system as a first stage, and to gradually progress to a more comprehensive system over time. The Roads Alliance road asset management system enables the development of a sustainable road network through improved data management and more appropriate intervention. Also, determining standards and intervention levels by road function helps to address community expectations in a consistent way across the overall road network.

The asset management framework enables all local governments and Main Roads to have:

- consistent and comparable data outputs from their own asset management systems, with a focus on a minimum common dataset initially
- in the long term, harmonisation of more advanced asset management methodologies, covering items such as deterioration models, maintenance management, and assessments of social benefits and agency costs.

To achieve consistent and comparable outputs the Roads Alliance system, has provided local governments and Main Roads with:

- a common road classification system
- the same type of data collected for roads and structures – i.e. minimum common datasets
- the same methodology for "condition" evaluation of roads (sealed and unsealed) and structures
- standard reporting templates
- systematic procedures for inspection scope and frequency
- records of inspections and storage of collected data.

To achieve consistent outputs across local governments and Main Roads will require consistent input data and an adopted methodology for assessing that data. Two data collection and evaluation methodologies have been developed by the Asset Management Committee – a methodology for sealed roads and a methodology for unsealed roads.

The data specifications and asset management methodologies recognise the significant diversity across the state, and the need for RRGs and councils to develop their own systems and processes.

The Roads Alliance established an asset management committee to develop and implement asset management system. This committee agreed the final systems and conducted a prequalification process for suppliers of Roads Alliance asset management systems. A total of 18 suppliers were prequalified over 6 complexity levels from a simple system up to the most complex. Main Roads subsidised 50 per cent of the cost of systems and training.

## **5. Program development**

The Roads Alliance requires each RRG to develop a five year program of work – four year fixed and one year indicative. To create their program each RRG will develop investment strategies and a project prioritisation process.

### **5.1 Investment strategies**

An investment strategy details the desirable road network conditions to be achieved over 20 years. The strategy should also detail the expected standard of the road relative to its travel task. Within the scope of works set for the 20 year vision, short term priorities have been identified. These short term priorities will guide the selection of projects contained in the works program. Regional Investment Strategies provide the first stage of the planning cycle. The long term investment strategies are intended to provide a regionally consistent view of the LRRS and assist with the prioritisation process.

### **5.2 Regional investment strategies**

The objective of the strategy is to:

- develop a regional view on the current state of the LRRS network in relation to the wider industry and community needs, transport and land use
- outline visions of 'where to from here' for the LRRS network over the next 20 years, by road function and demand
- align these ambitions broadly with best estimates of future funding levels over the next 10 to 20 years

- broadly consider issues across RRG boundaries for better road user and community outcomes.

### **5.3 Project prioritisation**

Each RRG will develop its own methodology within agreed guidelines, including relevant criteria and weighting for undertaking a technical assessment for the prioritisation of nominated projects. The methodology should take into account the range of considerations that decision makers would consider in their evaluations. These considerations include safety, economic, social, and environmental impacts which are specific for the region. Considerations also include value for money and risk evaluation.

Each member of the RRG will nominate projects on the LRRS network based on the agreed regional investment strategy and information from the asset management system. In developing a program of projects, choices will be based on attaining the best network outcome with the available funds by:

- meeting basic safety needs
- alignment with agreed longer term objectives
- staging of works to achieve the longer term vision standards
- utilising cost effective “fitness for purpose” standards at each stage
- focusing maintenance not just on keeping the road intact, but minimising the long term upgrading costs of the link.

Projects will be prioritised:

- using an agreed project prioritisation methodology and optimised to align with RRG objectives in terms of employment, development and environmental sustainability
- by giving consideration to the level of available funds.

By considering the elements above, the RRG members agree a final list of projects that make up the regional works program for their LRRS network. This process began with developing a two year works program from 2004-05. RRGs will develop a five year program from 2005-06.

The Roads Alliance has taken an unusual approach to managing improvement and preservation projects. It is usual for road agencies to consider capital and maintenance separately. Under the Roads Alliance projects are grouped into two broad groups, road preservation and road improvement. All projects are run through the same prioritisation process. The Roads Alliance directly compares preservation and improvement projects.

The prioritisation process will assist the technical committees and the RRGs to make decisions in a consistent and transparent manner in accordance with the RRGs objectives. It needs to be emphasised that each RRG has total control over these objectives within an agreed set of rules and can determine how the prioritisation technical process will operate, including the weightings to be applied to each determining criteria.

Key elements for RRGs to consider when determining final prioritisation include:

- developing the regional road network
- the best use of available funds
- maintenance of local employment and business
- equitable sharing of projects
- maintenance of road and bridge standards

- improvement in road and bridge standards to desired levels
- promotion of Alliance objectives including increased joint purchasing and resource sharing and improved workforce capability.

## **6. Joint purchasing and resource sharing**

Main Roads and Local Government are significant purchasers of materials, plant and services and therefore have many common requirements. Material supply, plant, labour and provision of services for construction and maintenance on the total road network, are all areas for consideration when increasing joint purchasing and resource sharing between Main Roads and groups of local governments. The Roads Alliance created a Joint Purchasing and Resource Sharing Committee to further develop and implement joint purchasing and resource sharing guidelines to maximise the benefits to local government and Main Roads.

As part of the Roads Alliance RRGs will work to:

- gain better efficiency from available resources
- improve cooperation, planning and coordination of road projects
- maximise cost savings for groups of Local Governments and Main Roads Districts that participate through increased joint purchasing using economies of scale
- maximise utilisation of available plant and human resources.

The cost savings generated from these efficiencies will enable greater revenue to be devoted to road construction and maintenance.

Joint purchasing can occur when two or more Local Governments and/or Main Roads require similar services and/or goods and it is mutually beneficial through economies of scale including the reduction of internal administration costs, sharing a common purchase order and payment system.

This initiative would include joint purchasing of:

- machinery
- technology
- natural resources
- service contracts for road works
- other purchases.

It would also include joint use of staff and/or contractors, and joint calling of tenders for supply of materials and/or services. Some local governments have experience of this opportunity through Contracting and Purchasing (CAPS), now Local Buy, provided by the Local Government Association of Queensland and for Main Roads through State Government's Logistics and RoadTek.

Resource sharing is the coordinated use of resources, by mutual arrangement between members of an RRG, that are used in the planning and delivery of services and road infrastructure. This sharing enables better utilisation of resources. It can minimise overhead costs by maintaining a level of resources necessary to meet demand and increase the value of each dollar available for road infrastructure.

This could include, where feasible, the joint use of:

- plant and equipment
- systems and technology
- labour and technical services
- information
- service contractors
- depots.

A good example comes from the Southern Downs RRG where three local governments have agreed to share a jet patcher. The jet patcher is owned by one local government with the owning shire invoicing the other shires based on level of use. The plant is staffed jointly. There were a few issues to work through, mainly building political support for the process and agreeing on working conditions for staff. The benefits are:

- increase of 42% plant usage for plant owner
- capital expenditure saving of \$100,000 for those councils that hire the jet patcher
- opportunity to share skills and ideas across RRG members.

## **7. Capability development**

A key outcome sought from the Roads Alliance is an increase in road management and construction capability. Possible capability outcomes include improvements to systems, skills and technology, which all impact on the ability of Main Roads' and local governments' workforces to deliver services more effectively and most importantly, more efficiently.

Within the Roads Alliance, Main Roads and local government facilitate capability developments such as:

- options for transferring and sharing valuable information, knowledge, expertise and skills
- transferring and exchanging technology and systems
- providing additional personal and professional development opportunities
- joint development of asset management.

Examples of capability activity include:

- jointly sponsored traineeships and apprenticeships in needed skill areas
- rotating employees through positions in different agencies or even different service delivery areas
- employees from councils/Main Roads with a wealth of experience in needed expertise areas to advise other professionals in a mentoring type relationship
- recruiting and exchanging engineers and employees from other business areas
- sharing technology and expertise about technology that is needed by the entire RRG, or parts of it
- developing partnerships between RRG members to share resources and investment, particularly when developing consistent technology, asset management system inputs and outputs
- purchasing and utilising plant and equipment and establishing a register of employees with needed expertise
- reviewing maintenance and works scheduling, technical/engineering standards and levels of service among RRG members to see if greater efficiency and consistency can be achieved in the delivery of services



- considering any changes to communication strategies and planning of consultation that could assist the RRG in delivering consistent and positive messages about the decisions undertaken by the RRG
- benchmarking of delivery efficiencies and comparisons across Local Governments and Main Roads.

Main Roads has committed \$6 million for capability through the Roads Alliance. Initiatives funded so far include:

- purchase of asset management systems
- training for asset management
- training for road data collection
- road data collection
- works supervisor training
- implementation of Mapinfo
- training for Mapinfo.

As part of the Roads Alliance, Main Roads has made its systems available to local governments. By early 2006 all local governments will have been provided with the Main Roads bridge asset management and information systems and will have received training in them.

## **8. Results**

The development and implementation of the Roads Alliance has been successful. Each RRG has:

- formed a technical committee
- selected and implemented an asset management system
- collected road data and entered it into an asset management system
- completed stage 1 investment strategies
- begun stage 2 investment strategies
- agreed criteria for its project prioritisation methodology
- developed projects for inclusion in the program
- developed a five year program to be published in the Roads Implementation Program
- identified and implemented joint purchasing and resource sharing opportunities
- undertaken capability improvement activities.

Successful outcomes of the Roads Alliance's many innovative road management policies and practices include:

- new processes to improve road management and engineering practices through increased capability and training
- comprehensive asset management system
- improved road management and planning through better asset management data
- development of an investment strategy and project prioritisation process
- fixed four-year works program – providing certainty and longer-term commitment.

It is too soon to tell on some things yet, but indications are that the Roads Alliance will deliver on:

- more efficient ways to construct and maintain roads through increased joint purchasing and resource sharing
- improved economic performance through reduced travel costs and improved access to economic infrastructure
- increased local government capability and better management of road worker employment.

The Roads Alliance model has been well recognised. In its AusLink Green Paper the Australian Government acknowledged the Roads Alliance as leading the way through extensive collaboration and consultation to develop an innovative model for smarter delivery and management of Queensland's road network. In Queensland, the Roads Alliance received a Premier's Excellence award for leadership in public sector management. Recently, the Roads Alliance won an International Road Federation Award in the program management category. The Roads Alliance is a best practice model with the potential for replication across many areas of public policy.

## **9. The collaborative model**

124 out of 125 councils in Queensland voluntarily agreed to do something they did not have to do. There is no legislation. There are no regulations. Initially, there was no additional money to sweeten the deal. There has been a small amount of money subsequently, with a possibility of more to come. So, what is different about the Roads Alliance? Why does the collaborative model work?

The single most important aspect is that it is voluntary. There is no element of compulsion in the Roads Alliance. The deal is held together by the power of the idea. The idea being that if we share the problem we should share the solution. There is a strong belief within the Roads Alliance that local decision makers should make local decisions at the local level. Many of the state roads in the LRRS network would be local government roads in other states. Given these roads perform a local function it is appropriate that Main Roads involve local leaders in decision making.

Fundamentally, the Roads Alliance is based on trust. Main Roads and local governments in Queensland have a long history of successfully working together. The Roads Alliance is founded on this existing relationship that already had a significant degree of trust. Over the last 10 years there is a history of successful change between main Roads and local government. There also needs to be trust between local governments. Each local government in each regional road group has to be confident the neighbour will play by the rules. In many ways the regional road groups are a web of compromise based on trust where local governments and Main Roads participate in the process assuming the other members of the group are acting within the rules. The success of the Roads Alliance so far indicates that the system is working.

Developing the Roads Alliance was an intensely consultative process. The LGAQ describe it as the most consulted activity undertaken by local government in Queensland. Senior managers from state and local government toured the state to talk about the alliance concept at specially arranged workshops. The concept was also put on the agenda for local government association meetings. It was a key item at local government road and transport forums. Senior Main Roads managers visited each district to discuss the issues with Main Roads staff. There were communication plans, communication kits and videos. The aim of this activity was to agree the model before implementation began. A fundamental rule was that the Roads Alliance did not move forward until Main Roads and the LGAQ were confident that an overwhelming majority of local governments agreed with the concept.

A key message early in the consultation phase was that local governments and Main Roads districts would need to move beyond parochialism. It was essential to get across the message that it is possible to derive a local benefit from acting regionally. If your key access is to Brisbane, Mt Isa or Townsville you benefit from any work carried out on that road, whether the work is in your local government or district area or not. Many people claimed at the start of the process local politics would render local government incapable of acting regionally. This has not proven to be the case. Many local governments have demonstrated a clear commitment to regional decision making.

When developing the Roads Alliance model there was an emphasis on not trying to do too much too soon. It is very much an incremental model. The objective of this approach is to reduce the level of risk a local government is taking at any one time. It enables local governments and Main Roads to stage implementation.

An important aspect of developing the Roads Alliance was that it not be more than what local government and districts would have been doing anyway. The trick was not to change what they did, but how they did it.

## **10. Conclusion**

Meeting the community's expectations in providing increasingly complex infrastructure creates challenges beyond the ability of any one level of government to address. The Roads Alliance is an innovative process to assist governments to meet these challenges. It requires change. It requires governments to let go of the past and adopt new ways of doing things. It goes beyond the traditional models where levels of government dispute responsibility based on archaic institutional arrangements agreed over one hundred years ago. It is based on cooperation – not conflict. The Roads Alliance has developed better relationships, better capability and better performance.

## Appendix 1

