

Road Maintenance Task Force

Questions and answers

October 2012

Background

Why was Road Maintenance Task Force set up and who sat on it?

The Road Maintenance Task Force was set up by the government in July 2011 to identify opportunities for efficiencies and increased effectiveness in the delivery of operations, road maintenance and renewals, including through innovative services, products and methods of procurement. The process, findings and recommendations from the task force are intended to encourage the consistent uptake of those opportunities through the country.

The task force had an eight-member governance group and a 28-member technical working group. The membership was representative of the sector, drawn from local government, the NZ Transport Agency, consultants and contractors.

Organisation	Governance group representative
NZ Transport Agency (NZTA)	Jim Harland (Convenor)
Local Government NZ (LGNZ)	Geoff Swainson
Road controlling authority (Rural)	David Adamson (Southland District Council)
Road controlling authority (Urban)	Murray Noone (Auckland Transport)
Road controlling authority (Provincial)	David Fraser (Hastings District Council)
NZ Transport Agency Highways & Network Operations Group	Mark Kinvig
Association of Consulting Engineers NZ (ACENZ)	Tony Porter (Opus International Consultants)
New Zealand Contractors' Federation (NZCF)	Jeremy Sole
Roading New Zealand (RNZ)	Cos Bruyn (Downer EDI NZ)

Key findings

How did the task force come up with the findings?

The task force governance group drew on the expertise of its members to identify areas for investigation, which were further developed by the technical working group members. The technical working group worked in teams which investigated specific topics, with additional research commissioned to support their analysis.

What are the key findings?

The task force identified four general areas for improvement:

- Adapting the business models currently used to deliver maintenance, renewals and operations.

- Improving procurement practices, which will also support the new business models.
- Improving prioritisation and optimisation of activities through level of service differentiation.
- Introducing consistent advanced asset management practices across the country amongst road controlling authorities.

The task force reviewed current business models used to deliver road maintenance. They noted that there is room for increased efficiency through greater collaboration among road controlling authorities and by taking a 'one network' approach. Collaboration and in some cases joint management of the network provide significant opportunities for improving efficiency. Such approaches would also drive greater network optimisation.

The task force also identified significant room for improving existing procurement practices. In particular, they recognise that some alternative delivery models could reduce costs and enhance effectiveness. For example, different delivery models could improve contractual relationships, reduce administrative costs and incentivise contractors to cut costs.

Improving the way roading investment is prioritised is also seen by the task force as an opportunity for reducing cost. Differentiating the road network to ensure each road is fit for purpose will help focus infrastructure improvements on parts of the network with high economic and social value.

The task force believes that planning and delivery should be improved to enable greater efficiency and effectiveness, and to better address risk. Asset management is seen as the key to improving value for money and providing significant opportunities in this area.

What is the relationship between the task force's findings and the NZ Transport Agency's review of the maintenance, operations and renewals on state highways?

The NZ Transport Agency's review of the maintenance, operations and renewals was a separate project focused on state highways but with the same overall objective of finding ways to improve efficiency and effectiveness of investment in road maintenance, operations and renewals.

The State Highway Maintenance and Operations Review was the view of one road controlling authority (the NZ Transport Agency) on what it thinks are the best immediate solutions for addressing the challenge of the maintenance budget. The task force's findings represent the view of the wider transport sector.

What is the relationship between the task force's findings and the National Land Transport Programme?

The task force was established to look for opportunities for efficiencies and increased effectiveness in the delivery of maintenance, operation and renewals. The level of government funding available for these activities is allocated through the National Land Transport Programme, which determines funding amounts within the parameters of the Government Policy Statement on Land Transport 2012/13 - 2012/22.

What is the relationship between the task force's findings and the government's 'Better Local Government' reforms announced in March?

The task force interim findings were developed prior to, and independent of, the Better Local Government reforms. They are supportive as they encourage local authorities to share resources, look for efficiencies and share best practice.

Who are the primary recipients of the report?

The Road Maintenance Task Force report's primary recipients are local authorities and the NZ Transport Agency, as the accountable road controlling authorities. All recommendations are addressed to road controlling authorities in the first instance.

Next steps

What happens next?

Now that the report is finalised, a Roothing Efficiency Group has been established to continue the work of the Road Maintenance Task Force and also drive implementation of the NZ Transport Agency's State Highways Maintenance and Operations Review. The group is made up of representatives from local authorities and the NZ Transport Agency. Work streams will include work that is either: NZ Transport Agency-led, shared work arising from the task force recommendations, and local government-led work (especially around collaboration and clustering). The first meeting of the Road Efficiency Group governance group will follow the formal handover of the final Road Maintenance Task Force report to the Minister of Transport on 24 October.

Most of the work will be completed by the end of 2013. Suppliers, through their industry associations, will be involved in the implementation process as appropriate but governance will be in the hands of the road controlling authorities, including the NZ Transport Agency.

Are the task force recommendations supported by stakeholders?

The majority of stakeholders support the report's recommendations. Some small to medium-sized contractors perceive threats to their business - being concerned that possible shifts in the market to larger contracts for longer terms will affect their survival. A range of stakeholders, from across the sector, have urged caution in making changes to procurement arrangements - to avoid eroding competition within supply markets.

Local government representative organisations have mostly been supportive of the recommendations. There are mixed views within local government about the recommended creation of a national road classification system which will establish for each class of road an acceptable level of service and maintenance standard.