

28 November 2007

Austroads Project CS 1338 – Improving Local Road Expenditure Data

PROJECT UPDATE to participating Councils

A representative sample of 10% of Australian Councils were invited to participate in an Austroads Project to improve the quality of local road expenditure data used by the National Transport Commission (NTC) in its cost allocation model to calculate heavy vehicle charges.

The Austroads Project involves a survey of councils in 2007 and 2008 to obtain improved detailed costing information for analysis and input into the NTC's cost allocation model. Seventeen workshops were held throughout Australia in February/ March 2007 and attended by 69 councils. 31 councils completed the survey for by the close date. The co-operation and assistance from councils in attending the workshops and completing the survey form is greatly appreciated.

The project interim report is now complete and accepted by the Project Steering Group. The report recommended that participating councils be provided with an update on the project and the outcome from the 2007 survey and data analysis.

A copy of the executive summary of the interim report is attached for your information and records. The interim report concluded:

- The project successfully developed the methodology proposed to obtain greater detail on local road expenditure from the ALGA National Local Road Data System (NLRDS).
- The project identified local road expenditure data to improve the NTC's cost allocation model.
- There was insufficient data to recommend changes to the current estimated percentages of local road expenditure that are related to 'access' and used in the NTC cost allocation model.
- There is general support for further investigations as an addition to the project to identify the costs that may be attributed to the major users of the local road system being:
 - Local (residential) use
 - Regional (business/commercial) use, and
 - Higher mass limit vehicle (commercial) use

The Austroads project builds on the ALGA National Local Road Data System (NLRDS) which has been updated for 2005/06 and is available at www.jr.net.au/nlrds.

The Austroads regional workshops and expenditure survey is to be repeated in February/March 2008 using a simplified survey form and improved definition and instructions for estimating the percentages of expenditure that are related to the social cost of access and related amenity services compared to road use related expenditure.

I seek your continued support for the Austroads project, attendance at the 2008 regional workshops and completion of the survey form. We will be in further contact with you to advise of the date and location of the 2008 workshop.

We would like to improve the survey response rate and estimates of expenditure relating to access and amenity compared to road use, as well as gather further detail to estimate the costs and benefits relating to residential, business/commercial and higher mass limit vehicles.

If you are able to pass on to this update to your councils in your region who may have an interest in improving local road expenditure data and who were unable to attend the 2007 regional workshop, it would be appreciated.

If you would like any further information, please contact JRA's John Howard, on mobile 0427 949 035 or e-mail johnhoward.jra@bigpond.com.

We look forward to an improved local road expenditure knowledge base for the benefit of the whole local government sector.

Yours faithfully



Jeff Roorda
Executive Director
Jeff Roorda & Associates

IMPROVING LOCAL ROAD EXPENDITURE DATA PROVISION

AUSTROADS PROJECT CS 1338

INTERIM REPORT



October 2007

SUMMARY

Local road expenditure data is collected and reported by the Australia Bureau of Statistics and used by the National Transport Commission in its heavy vehicle charging methodology.

Local Road data is also collected by the State/Territory Grants Commissions, Western Australia Local Government Association and Australian Capital Territory Department of Urban Services for the Australian Local Government Association's National Local Road Data System.

This project is to improve local road expenditure data to provide additional detail for the National Transport Commission and enhance the National Local Road Data System by conducting a supplementary survey of a sample of representatives councils to obtain greater detail on the expenditure categories to allow disaggregation of the National Local Road Data System dataset into the detail required for the National Transport Commission's vehicle charging methodology.

This interim report is prepared to report on the 2007 supplementary survey and identify any improvements for incorporation into the 2008 supplementary survey.

The project has successfully developed the methodology for disaggregation of the National Local Road Data System into the National Transport Commission Third Determination Road Construction and Expenditure data categories. The methodology can be applied to other requirements for greater detail on local road expenditures.

Based on 2004/05 National Local Road Data System data, the estimated local road expenditure that can be attributed to the access use of local roads is \$1,676 M. This is an increase over the estimate of \$1,573 M used in the National Transport Commission Third Determination model.

The following tables compares the Third Determination Road Construction and Maintenance Expenditure data with the disaggregated National Local Road Data System estimates developed under this project and show an update of the Arterial and Local Road Expenditure. The update shows that expenditure on local roads comprises 24% of total expenditure on arterial and local roads.

Factors affecting the accuracy of this estimate of \$1,676 are identified for discussion and resolution for input into the 2008 supplementary survey. The survey did not obtain meaningful information to improve the estimates of the percentages of local road use associated with access and usage to modify the estimates of 25% for urban roads and 50% for rural roads used in the Third Determination estimates. This will be further addressed through improvements to the 2008 supplementary survey methodology.

The supplementary survey was conducted through a series of 17 regional workshops held throughout Australia. The workshops introduced the purpose of the Austroads project, demonstrated the supplementary survey questionnaire and guidelines. Opportunity was taken to discuss further enhancement of the ALGA National Local Road Data System to identify the costs and benefits that may be attributed to the major users of the local road system being:

- Local (residential) use
- Regional (business/commercial) use, and
- Higher mass limit vehicle (commercial) use

There was general support from the workshops for continue investigation of costs and benefits attributable to use of the local road system.

Comparison of Third Determination Road Construction and Maintenance Expenditure data with the disaggregated NLRDS Data

Expenditure Category	3rd Determination						Disaggregated NLRDS					
	Local Urban Roads		Local Rural Roads		Total		Local Urban Roads		Local Rural Roads		Total	
	\$M	%	\$M	%	\$M	%	\$M	%	\$M	%	\$M	%
A Servicing & Operating Expenditure	142	22%	123	14%	265	17%	624	62.7%	183	26.9%	808	48.2%
B Road Pavement & Shoulder Maintenance												
B1 Routine Maintenance	41	6%	119	13%	160	10%	56	5.6%	189	27.7%	245	14.6%
B2 Periodic Maintenance of Sealed Roads	40	6%	76	8%	116	7%	20	2.0%	25	3.7%	45	2.7%
C Bridge Maintenance & Rehabilitation	26	4%	37	4%	63	4%	7	0.7%	8	1.2%	15	0.9%
D Road Rehabilitation	61	9%	128	14%	189	12%	95	9.5%	51	7.6%	146	8.7%
E Low Cost safety Improvements	75	11%	49	5%	124	8%	23	2.3%	6	0.9%	29	1.7%
F Asset Expenditure / Improvements												
F1 Pavement Components	88	13%	133	15%	221	14%	74	7.4%	145	21.4%	219	13.1%
F2 Bridges	23	4%	46	5%	69	4%	7	0.7%	28	4.1%	35	2.1%
F3 Land Acquisition, Earthworks, Other	159	24%	197	22%	356	23%	32	3.2%	32	4.6%	64	3.8%
G1 Corporate Services	0	0%		0%		0%	58	5.8%	12	1.8%	70	4.2%
Total	655	100%	908	100%	1563	100%	996	100.0%	680	100.0%	1676	100.0%

Updated Road Construction and Maintenance Expenditure Data

		Arterial Urban (\$M)	Arterial Rural (\$M)	Local Urban (\$M)	Local Rural (\$M)	Totals (\$M)
	Expenditure Category					
A	Servicing & Operating Expenditure	308	321	624	183	1437
B	Road Pavement & Shoulder Maintenance					
B1	Routine Maintenance	89	311	56	189	645
B2	Periodic Maintenance of Sealed Roads	86	200	20	25	331
C	Bridge Maintenance & Rehabilitation	56	96	7	8	167
D	Road Rehabilitation	131	334	95	51	611
E	Low Cost safety Improvements	162	128	23	6	319
F	Asset Expenditure / Improvements					
F1	Pavement Components	440	495	74	145	1154
F2	Bridges	115	171	7	28	321
F3	Land Acquisition, Earthworks, Other	801	736	32	32	1601
G1	Corporate Services	99	127	58	12	296
	Total	2287	2919	996	680	6882

Recommendations

1. The results of the 2007 supplementary survey be reviewed by the project steering group to ensure that all opportunities to obtain maximum benefit from the 2008 supplementary survey are realised.
2. A summary report on the findings and recommendations from the 2007 supplementary survey be made available to councils invited to participate in the supplementary survey and council staff attending the regional workshops.
3. The 2008 supplementary survey be conducted using a simplified survey questionnaire and expanded guidelines with examples.
4. The proposal suggested to the project steering group by the consultants to investigate further enhancement of the National Local Road Data System to develop improved knowledge relating to the costs that may be attributed to major uses of the local road system be supported with data collection in the 2008 supplementary survey.