

LESS TALK, MORE ACTION SAYS LEIGHTON CHIEF

Leighton Holdings Chief Executive, Wal King, used the opportunity of ARF's annual lunch in Sydney in December to call on state and federal governments to stop talking and start delivering major infrastructure projects such as roads.

Addressing 200 road industry leaders, Mr King said lack of action on the backlog of infrastructure projects, coupled with poor co-ordination between governments on the scheduling of these projects, was a significant roadblock to prosperity and job security.

"The backlog in investment in water, energy, land transport and other major infrastructure that CEDA puts at \$25 billion is denying us higher productivity and wealth creation," Mr King said.

"Our nation and our industry is busy delivering infrastructure in arrears."

Mr King said more than 160 key infrastructure projects had been identified, including Sydney's M4 East and the F3 - M2/M7 connection, the Pacific Highway upgrade, and Melbourne's East - West growth corridor integration.

"The M4 has been planned since 1992 and there's still no firm timetable for getting it done," he said.

"Planning is not the issue. Implementation is the issue."

Mr King said despite the current skills crisis, the construction industry could muster the necessary skills to deliver these projects.

"The problem is not a lack of capacity in the construction industry, but the lack of co-ordination between state and federal governments to ensure that as each stage of a major project is completed - from the bid to construction to delivery - another is ready to go," he said.



Wal King... "our nation is busy delivering infrastructure in arrears".

"For example, at one stage in NSW we had three mega projects at once - the Cross City Tunnel, the M7 and the Epping to Chatswood railway. Now there is not one major project in Sydney."

Mr King welcomed the Rudd Labor Government's appointment of the country's first Infrastructure Minister.

He said an important task for the new Minister should be to get the states on board and smooth the way to further real investment in infrastructure from the public or private purse.

"I believe we'll also see more PPPs and alliances as the burden is shared more equitably and more opportunities

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- Call the Executive Director, Ian Webb, on (03) 9821 5255.

open up for a cooperation approach to project delivery and long-term arrangements.

"I hope we will also see more sensible procurement processes to shortlist bidders earlier in the process to reduce bid costs and, ultimately, project costs."

ARF Chief Executive, Ian Webb, gave guests at the annual lunch an overview of the organisation and its achievements over the last 12 months, culminating in the presentation of the International Road Federation's Global Road Achievement Award.

CALL FOR JOHN SHAW MEDAL NOMINEES

Nominations are now being called for the 2008 John Shaw Medal, recognising an outstanding contribution by an individual to Australia's road transport sector.

The Medal, which honours the memory of former NSW Department of Main Roads Commissioner and IRF Man of the Year, John Shaw, is judged and awarded by a panel of former recipients.

Last year's winner was His Excellency Dr Ken Michael AC, Governor of Western Australia, a former Commissioner of Main Roads for WA.

For further information on the Award, including the selection criteria and a list of past recipients, visit the ARF website (www.roads.org.au, click on the About Us page then John Shaw Medal), or contact ARF Chief Executive, Ian Webb, email ianwebb@roads.org.au

PITT OVERSEES RECORD QUEENSLAND ROAD CONSTRUCTION PROGRAM

Queensland's Department of Main Roads is continuing its record works program under the guidance of new Main Roads Minister Warren Pitt.

Mr Pitt, who has held the far north Queensland seat of Mulgrave for most of the past 18 years, was appointed to his current position in September 2007, taking over from Paul Lucas.

Mr Pitt has been given the task of overseeing the record Queensland roads program, with \$3.05 billion allocated to roads infrastructure in 2007-08.

Major projects being undertaken this year include:

- continuation of the \$1.88 billion duplication of Brisbane's Gateway Bridge
- the construction of two new bridges in Mackay – the Forgan and Hospital bridges – at a combined cost of \$104.5 million
- the completion of the \$543 million Tugun Bypass linking Queensland and northern New South Wales
- the start of work on the \$315 million duplication of the Houghton Highway bridge to Redcliffe.

Mr Pitt's strong community-oriented background, which includes three

years as Minister for Communities, Disability Services, Seniors and Youth, has provided a strong foundation for his current role and fits well with Main Roads' strategic vision of Connecting Queensland.

Mr Pitt is also Minister for Local Government and will be working to strengthen Main Roads' existing strong links with councils throughout Queensland.



Minister Warren Pitt

BOOK NOW FOR ARF FORUM

ARF's first Forum for 2008, sponsored by Caterpillar, is being held in Sydney on Tuesday, April 15.

The full-day Forum at the Watersedge Conference Centre, Walsh Bay, will feature the usual strong array of speakers, including road authority leaders from around the country and a keynote speaker from Caterpillar in the United States talking about the latest developments in road construction equipment and technology.

The ARF Forum is our six-monthly 'state of the nation' meeting of Australia's road industry leaders, and typically attracts representatives from upwards of 70 organisations.

Participants can book their place via the ARF website, www.roads.org.au

But be quick – numbers are limited to 120 and past Forums at this venue have sold out quickly.

ARF MEMBER PROFILE

QUEENSLAND DEPARTMENT OF MAIN ROADS



AUSTRALIAN ROAD FORUM

Opportunities aplenty with Main Roads in Queensland

With nation-leading population growth and a 33-year low in unemployment rates, Queensland has stamped itself as Australia's state of opportunity.

But the opportunities aren't on offer just limited to the individual – plenty exist for those in the business of delivering infrastructure.

Queensland's Department of Main Roads is a world leader when it comes to the construction, management and maintenance of road networks.

And, as Main Roads Director-General Alan Tesch explains, a record road infrastructure task means further strengthening already strong ties with industry and continuing to build the department's capacity to deliver.

"Main Roads has always been prominent in contributing to a national response to the Australian road agenda," Mr Tesch said.

"But our current road-building program has placed even greater importance on being able to find ways to do things better.

"Our 2007-08 budget contained some \$3.05 billion in capital works, driven largely by population growth of 2.3 per cent per annum and record business investment of \$30 billion in the 2006/07 financial year.

"To deliver on these and future works, Main Roads is continually refining the way it does business with industry partners to find new and innovative ways to increase capacity."

Mr Tesch said the Queensland Government's long-term commitment to funding road infrastructure was evidence of the opportunities available to existing and potential industry partners.

Main Roads' Roads Implementation Program (RIP), which allocates \$13.3 billion over five years, delivers on the roads component of the South East Queensland Infrastructure Plan and Program (SEQIPP), a 20-year blue print for infrastructure in the state's thriving south-east.



SEQIPP contains projects underway like the \$1.88 billion duplication of the Gateway Bridge in Brisbane and the construction of the \$543 million Tugun Bypass.

Main Roads is also currently constructing the \$333 million Inner Northern Busway, which will open in the middle of this year as the vital CBD link in a new Brisbane busway network.

"The department's own state-wide road-building program gives an indication of the opportunities available to industry," Mr Tesch said.

"And SEQIPP shows that those opportunities aren't just limited to now – they stretch well into the future.

"SEQIPP contains \$35 billion in road and transport projects, as well as \$78 million set aside to investigate another possible \$15 billion in future projects.

"SEQIPP and comparable regional plans, which will be rolled out around the state in years to come, are evidence of the Queensland Government's commitment to planning for the future, including roads.

"Our five-year Roads Implementation Program also identifies projects statewide that contribute to broader plans for the community."

While building and managing a road network for the Queensland of today and tomorrow is the department's core business, Main Roads is also a major contributor to the national and international road agendas.

Main Roads is heavily involved in peak Australian road bodies, AustRoads, the Australian Road Forum (ARF) and the ARRB Group – the nation's road research organisation - and is recognised internationally for its contribution and willingness to learn from others.

Through AustRoads and ARF, the department participates strongly in both the World Road Association (PIARC) and the International Road Federation (IRF).

"Involvement in the international roads arena is proving invaluable to Australia, Queensland and Main Roads," Mr Tesch said.

"In October 2006, Main Roads was part of an ARF-led delegation that undertook a trade mission to China.





“A flow-on effect from that mission is the department’s China Professional Development and Work Experience Pilot Program, which is due to start later this year.

“As part of the program, Queensland will gain the services of mid-level Chinese Engineers for up to 18 months at a time, working on a variety of projects.”

The Chinese pilot program is just one example of how Main Roads continues to find ways to grow its capacity – both through internal and external measures.

In facing up to the challenge of delivering a huge increase in work, Main Roads is changing how it deals with industry and capacity: making best use of current industry capacity, encouraging firms to grow and seeking to attract new firms to Queensland, as well as upgrading the department’s own capacity.

Smarter contracting is ensuring increased efficiency and targeted initiatives are helping combat a shortage of skilled workers that is being experienced across the nation.

In 2005, Engineers Australia warned about the implications of the likely retirement of 30,000 engineers in the decade to come, while leading industry analysts BIS Shrapnel expect the workforce gap - the difference between the demand for skilled labour and the capacity of the existing workforce - to become even more pronounced after 2010/11.

“The traditional road construction contract still has an important role to play but, in some cases, other delivery methods are best suited to particular projects.

“The vast majority of the 28 alliance-style contracts being undertaken by the Queensland Government lie with Main Roads.

“The \$543 million Tugun Bypass, for example, will be delivered by the middle of the year, six months ahead of the original schedule, because of the efficiencies that can be achieved under an alliance structure.

“Early contractor involvement is another delivery method helping Main Roads make better use of current capacity and the department’s first PPP project is also on the horizon.”

Last year Main Roads signed an Australia-first multi-million dollar agreement with the ARRB group, providing access to another 56 experts and further development opportunities for the department’s young professionals.

Main Roads’ commercial construction arm, RoadTek, recently opened a purpose-built electrical training centre on the Gold Coast, while a graduate industry exchange program – due to start in 2008 - will see graduate recruits spend time with industry partners, giving them increased exposure to identified learning needs.

Such initiatives add to Main Roads’ capacity but, with more than \$500 billion in infrastructure to be built nationwide by the government and private sectors in the next 10 years, the need for growth – inside and outside the department - is ongoing.



BIS Shrapnel have forecast a peak to Queensland’s road-building task in 2012-13, with work to then stabilise at that level going forward.

“Main Roads is working to encourage industry partners to grow their capacity – just as we are endeavouring to grow our own,” Mr Tesch said.

“A long-term program like SEQIPP certainly offers such encouragement but we are also finding ways to make our projects more attractive to industry.

“These include using equitable risk allocations, moving projects swiftly from planning, to preconstruction and construction and reducing transaction costs associated with doing business with Main Roads.

“We are also keen to attract new participants to the Queensland infrastructure marketplace by marketing Main Roads interstate and overseas.

“Main Roads is very much ‘open’ for business and our new website at www.mainroads.qld.gov.au provides full details of all the department’s operations – from our five-year RIP, to up-to-date details on current projects and information for tenderers and contractors.

“On top of that, our General Manager of Major Projects, Derek Skinner, and our General Manager or Program Development and Performance, Ken Beattie, are always happy to talk to prospective new industry partners.”

Derek Skinner: 3337 8243

Ken Beattie: 3120 7266

Like to find out MORE about ARF and its members?

Visit our website at:

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