

# THE HON CARL SCULLY MP

Minister for Roads  
Minister for Transport



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## MEDIA RELEASE

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### **STATE ROAD MAINTENANCE JOBS PROTECTED**

Competitive tendering of State road maintenance will not be introduced in NSW, the Minister for Transport, Mr Carl Scully, said today.

Visiting Bathurst at the invitation of Country Labor MP Gerard Martin, Mr Scully said he had reviewed the issue following consultations with the Roads and Traffic Authority, Country Labor, local councils and unions.

Instead of competitive tendering, local councils and RTA road crews will continue to carry out State road maintenance and a new system of standards, known as benchmarking, will be introduced to guarantee a high quality of work and reduced maintenance costs.

"The RTA has rightly sought to reduce the growing cost of road maintenance and reinvest the savings directly into new and better roads, but I acknowledge that there are some legitimate concerns about the impact on country jobs," Mr Scully said.

"In revising its proposal, the RTA has found another way of delivering real savings to taxpayers which guarantees a high quality of work by local councils, while protecting the jobs of road workers.

"This outcome has resulted from co-operative discussions between the RTA, councils, unions and local MPs.

"I want to thank Country Labor in particular for strongly putting the case that the Government needed to be sensitive to the impact on jobs and rural communities."

From 1 July, 2000, the RTA will set benchmark standards for State road maintenance which establishes greater accountability for all aspects of roadwork carried out by local councils.

Under the revised model:

- A Maintenance Qualification System will require councils to show their ability to meet standards for roadwork quality, worker safety, traffic safety and environmental protection.
- Required standards will vary depending on the scale of work being undertaken, to ensure that small councils can qualify for small scale works in their local area.
- The RTA will invite local councils to enter contracts for road maintenance work which specify in detail what work needs to be done and set an appropriate fixed price.
- Existing contracts for RTA maintenance works on State roads in metropolitan areas will continue.
- Funds will continue to be allocated on a needs basis to ensure that the road network is properly maintained statewide.
- Savings from the new system will be reinvested in the road network.

"This revised proposal shows that the Government is serious about finding ways to spend more on improving our roads by saving costs but at the same time protecting country jobs," Mr Scully said.

Contact: Jodie Brough (02) 9228 4455 or (0411) 020 292

### RTA Road Maintenance Reform Package

In May 1999 the RTA commenced a reform program for the delivery of road maintenance services on State roads and National Highways:

- To improve the quality of maintenance work on State roads/National highways;
- To encourage RTA work crews and councils to improve work site safety and environmental standards applying to work on State roads and National highways;
- To reduce the cost of maintenance expenditure and re-invest savings into more road works.

#### Draft RTA Position - Compulsory Competitive Tendering

- During the course of 1999 the RTA consulted widely with RTA staff, unions and Local Government on an initial proposal to progressively introduce compulsory competitive tendering for maintenance work on State Roads and National Highways.
- Local Government expressed concern that compulsory competitive tendering would disadvantage councils, particularly smaller rural councils and possibly lead to job losses and consequent social impacts in rural NSW. Local Government indicated a strong preference for benchmarking of services to be provided by existing suppliers (RTA and Local Government) as a preferred option to reduce the cost of road maintenance.

#### Revised RTA Maintenance Reform Package- Benchmarking of RTA and Local Government through Single Invitation Contracts

The RTA has now developed a revised model for the delivery of State Road maintenance services, which balances cost savings with the NSW Government's commitments to regional development, social justice and rural employment sustainability.

The revised package includes:

- **Single Invitation Contracts and Agreed Prices:** Existing RTA and Local Government road maintenance organisations will be offered single invitation contracts to continue providing road maintenance services on State roads and National Highways at agreed prices and with commitments as to timing and quality of work.
- **Mandatory Prequalification:** All RTA and Local Government service deliverers intending to perform maintenance work on State Roads and National Highways will be required to meet the RTA's pre-qualification specifications in the areas of Occupational Health and Safety, environmental management and quality management systems. This will apply for any maintenance work on State Roads from 1 July 2000.
- **Application of Benchmarking:** The RTA will compare costs and quality of work performed against industry best practice and will negotiate with service deliverers to reduce costs and improve quality to ensure value for money for taxpayers is being obtained.

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