

**STATE ROAD FUNDS TO LOCAL GOVERNMENT ADVISORY
COMMITTEE (SAC)**

MINUTES – 01 September 2023

(Meeting 02/2023)

Held at WALGA

SAC Members Present:

Mr J Erceg	MRWA (Chair)
Mr M Cammack	MRWA
Mr D Snook	MRWA
Mr D Morgan	MRWA
Cr K Chappel	WALGA
Cr M Rich	WALGA
Cr C Pavlovich	WALGA
Mr N Sloan	WALGA

Others in Attendance:

Mr M Hoare	MRWA (Secretariat)
Mr K Pethick	MRWA (Observer)
Mrs K Massimiano	MRWA (Observer)
Mr S Purdy	IPWEA (Observer)
Mr M Bondietti	WALGA (Observer)

Apologies:

Cr H Sadler	WALGA	
Mr I Duncan	WALGA	(Observer)

1. WELCOME AND APOLOGIES

Chair opened the meeting at 10am and welcomed the SAC members.

Cr H Sadler and Mr I Duncan were noted as apologies.

John Erceg introduced Mrs K Massimiano as part of the Main Roads team.

2. CORRESPONDENCE

No items of correspondence were noted.

3. MINUTES OF PREVIOUS MEETINGS (01/2023)

The minutes of the Meeting held on 28th April 2023, as attached to the agenda, were accepted as a true record of proceedings.

4. BUSINESS ARISING FROM PREVIOUS MEETINGS

4.1 Summary of Outstanding Actions

Reference Item No/Officer	Action Required / Taken
<p>Multi-Criteria Assessment Pro Forma Model 02/2022-1 ID</p>	<p>01/09/2023 Refer Item 11.3 for update. The review process is at varying stages for each region although the intent is a conclusion for all by mid-2024.</p> <p>28/04/2023 Ian Duncan informed that the compilation of the draft model for the 2025-26 program is currently running behind schedule. This is expected to be complete by November 2023. An update on the progress will be provided at the September 2023 SAC meeting.</p> <p>09/12/2022 Ian Duncan informed that this is ongoing, targeting RRG meetings early next year. The draft will be distributed to SAC prior to engagement with Regional Road Groups. Also refer Item 11.3</p> <p>2/09/2022 Prepare a Pro Forma MCA Model to provide to each RRG and metrics for the determination of Road Project prioritisation going forward.</p>
<p>LGTRPP Program 2023/24 01/2023-1 MB</p>	<p>01/09/2023 Complete - refer Item 11.2</p> <p>28/04/2023 A presentation is required to report on LGTRPP findings and recommendations.</p>
<p>Roads Program 2023/24 01/2023-2 KP</p>	<p>01/09/2023 Complete – refer below for details.</p> <p>28/04/2023 Feedback is to be provided regarding the justification of the \$594K requirement by the South-West Region for RRG support.</p>
<p>Expenditure Profiles YTD 2022/23 01/2023-3</p>	<p>01/09/2023 Complete – reminder sent.</p> <p>28/04/2023 Acquittals need to be done by RRG Secretariates; reminders of closing date need to be sent out.</p>

Reference Item No/Officer	Action Required / Taken
Local Government Roads of Strategic importance (Roads 2040) 01/2023-4	<p>01/09/2023 Complete – refer Item 9.3</p> <p>28/04/2023 At SAC meeting 02/2023, Doug Morgan will present on the evolution of the current Guidelines and Criteria for the identification of significant local Government roads of regional importance, the process followed and what the implications are.</p>

Kevin Pethick elaborated on the following item:

\$594K requirement by the South-West Region (SWR) for RRG support

- SWR, due to capacity and capability, provide Local Government (LG) with greater bridge and asset management support than other regions. Historically RRG support included technical support.
- There is a sizeable number of LG bridges in the Southwest (that also have a larger proportion of the older wooden style bridges) compared to other regions and are generally longer, more complex with higher traffic volumes.
- SWR aid LGs regarding their bridge asset programs as the LGs do not necessarily have the capacity. If each LG undertook the works themselves then the individual hiring of consultants would not be as cost effective.

5. LOCAL GOVERNMENT ROADS PROGRAM

5.1 Expenditure Profiles YTD 2022/23

SAC noted the report on the Summary of Expenditure of State Funding on Local Roads for the period ending 30th June 2023.

Maurice Cammack provided a summary of the final expenditures for the 2022/23 Program.

2022/23 Budget	\$ 279,796 M
YTD Expenditure	\$ 216.903 M
Overall result	\$ 62.893 M (under expenditure)

The 2022/23 overall result of \$62.9 million under expenditure was disappointing, representing around 22.5% of the total budget (compared to 13% last reported to SAC 28 April 2023) comprising \$43.1 million Category 1 underspend (23%) and an underspend of \$19.7 million (22%) for Category 2. This compared to a \$45.9 million reported underspend for 2021/22 or around 18% of the total budget.

For the Main Roads Program, Category 2, Bridges had an underspend of \$6.2m (Bridgeworks \$4.6m and Bridge Inspection \$1.6m) for 2022/23. For each bridge, design to construct, is about a 2-to-3-year program with market capacity problems. Going forward there is a possibility of new entrants into this market, however, it is likely it will require at least a two-year catch-up period.

Bridge Inspections were also \$1.6m under spent with Main Roads having difficulty obtaining contractors so the level of work programmed could not be achieved. Doug Morgan advised with an aging bridge network and backlog for wooden bridges there is a plan to in-source bridge inspections.

State Initiatives had a \$16m under expenditure (37%) in 2022/23. Orphan Roads, as per previous years, had a \$3m under expenditure that has been allocated to remote access roads in 2023-24 by the Aboriginal Roads Committee. 2022-23 was the last year of this specific program.

The Springdale Road Bridge over Jerdacattup River replacement project had two attempts at going out to tender with the contract awarded in May 2023 for completion by June 2024. The Outback Way and Rottnest Island works were programmed for 2022-23 delivery but will now be delivered in 2023-24. Abernethy Road Project involves a suite of alliance projects that adds to the complexity is not proceeding with these funds reallocated to other works.

Overall, the State Initiatives program has undergone a close review of project deliverability with project cash flows being update where appropriate. As a result, there is a higher level of confidence that State Initiatives will achieve its expenditure targets during 2023-24.

For the Local Government Program, Direct Grants were \$30.785 million fully spent in line with the budget. Road Project Grants underspent \$26.3 million (21%), mainly driven by Metro and South West RRGs which can have project issues just due to complexity, size, and scale of projects.

The State Black Spot Program ended the financial year with a \$14.6m underspend (59%).

A common theme to the overall under delivery were issues with utility service providers, such as Electricity, Gas and NBN.

Cost escalation of labour and material has also resulted in a delay in delivery due to LGs having to reprioritise their budgets as required to cover their one third budget commitment.

ACTION 02/2023-1:

The, to be appointed, WALGA Local Government Roads Support Manager to work with the South West and Metropolitan Technical Groups to review reasons for delays in the delivery of projects funded via Road Project Grants and the State Black Spot Program to capture key risks and formalise options.

5.2 **Expenditure Profiles YTD 2023/24**

SAC noted that the report on the Summary of State Funding on Local Roads for the end of July 2023 period.

The report reflected the 2023/24 allocation of \$252.595 million approved by the Minister (State budget allocated funds) and \$62.893 million carried over resulting in a total budget of \$315.488 million for delivery this year, collectively the largest ever. With the formal signing of the Agreement scheduled for the WALGA LG Convention, Monday 18 September 2023, advice to RRGs has been to continue with business as usual.

5.3 **MINDER (Financial Report)**

Mark commented briefly on the report provided.

SAC noted the report.

5.4 **Local Roads Program Manager**

Mark Bondiotti provided a brief update informing that the job review performed by WALGA and Main Roads resulted in a revised role description (WALGA Local Government Roads Support Manager) with updated outcomes and performance measures. Funding has been included in the Strategical and Technical Support budget and SAC proposed that the hours be increased to approximately 25 hours per week (0.6 FTE) and functions to extend outside the metropolitan area.

SAC endorsed the report and agreed WALGA can go to market and arrange interviews to fill the position.

6. STATE BLACK SPOT PROGRAM

6.1 Summary and Financial Reports

SAC noted the Summary and Financial Reports for 2022/23 as at June 2023

Overall

- With the year completed, expenditure on the State Black Spot Program for 2022/23 was \$16.70m or 37% of the approved budget, including carryovers, of \$45.65m.

State

- Total expenditure for 2022/23 including reprogrammed projects is \$6.47m. The total budget including carryovers is \$15.85m.

Local

- Co-Contribution Program- Total expenditure for 2022/23 including reprogrammed projects is \$9.21m. The total budget including carryovers is \$18.27m.
- Enabling Actions Program-Total expenditure for 2022/23 is \$0.23m. The total budget including carryovers is \$0.70m.
- Mass Action Treatments Program-Total expenditure for 2022/23 is \$0.80m. The total budget including carryovers is \$10.83m.

7. AUSTRALIAN GOVERNMENT BLACK SPOT PROGRAM

7.1 Summary and Financial Reports

SAC noted the Summary and Financial Reports for 2022/23 as at June 2023

Overall

- With the year completed, expenditure on the Australian Government Program for 2022/23 is \$12.12m or 67% of the approved budget, including carryovers, of \$18.04m

State

- Total expenditure for 2022/23 including reprogrammed projects is \$2.82m. The total budget including carryovers is \$2.98m.

Local

- Total expenditure for 2022/23 including reprogrammed projects is \$9.30m. The total budget including carryovers is \$19.73m.

8. REGIONAL ROAD GROUP ATTENDANCE

Mark Bondietti spoke to the Regional Road Groups report attached to the agenda and commented on the 3 of 10 RRG meetings held since the last SAC meeting on 28 April 2023 and the next RRG Chairs workshop scheduled for the 20th of September.

SAC noted the report.

9. ROAD CLASSIFICATION REVIEW

9.1 Classifications & Proclamations

SAC noted the attached table of classifications and proclamation actions.

Marriott Road is a new addition since the last SAC meeting on 28 April 2023 with land tenure issues to be resolved before proclamation.

9.2 Future State Roads Project

The Future Roads Project (Metropolitan) is complete. There will be no transfers for urban roads in 2023/24.

The Future Roads Project (Rural) is progressing with assessments being undertaken based on the list of potential roads identified from the project.

SAC noted the report.

9.3 Local Government Roads of Strategic Importance (Roads 2040)

Doug Morgan provided details and spoke to the Roads 2040 Guidelines and Criteria presentation, as requested at the previous meeting held on 28 April 2023.

A Main Roads and WALGA working Group reviewed and determined the selection criteria process with the existing Roads 2020 criteria used as a starting point. RRGs were engaged to assess and arrive at the final agreed 5 criteria with the Working Group advising that the criteria would not be applied retrospectively.

Some flexibility was installed in the process by including a RRG criteria that allows a road/route to qualify by meeting only one of the criteria and with the submission supported by the RRG with a documented motivation as to why they consider the road/route important enough to be considered for inclusion on their Local Government Roads of Strategic Importance list.

It is important to note that Roads 2040 is not a funding prioritisation document, this process is undertaken separately using a Multi Criteria Assessment model agreed to by the RRG and endorsed by SAC. However, Roads 2040 does include a development strategy.

10 STATE ROAD FUNDS TO LOCAL GOVERNMENT AGREEMENT

10.1 Commitments list

Maurice spoke to the 3 (three) commitments as per below included in the new SRFLGA 2023-24 to 2027-28 and highlighted the importance of flexibility in scope for Main Roads and WALGA to work out which and how these systems can be improved over the first 2 years.

- Road Safety
- Aboriginal Employment
- Recycled Materials

New SRFLGA Agreement

The signing of the Agreement is confirmed for Monday, 18th of September 2023 at the 2023 WALGA LG Convention with the Premier and Deputy Premier in attendance. Main Roads media team are consulting with WALGA in preparing materials for the signing ceremony.

10.2 Procedures

The SRFLGA Procedures have been reviewed and updated by WALGA and Main Roads. SAC recommended a strengthening of the wording in relation to Item 4 of the Procedures addressing the three associated working groups and the establishment of their Terms of Reference. It was recommended that each Terms of Reference be required to be approved by SAC.

ACTION 02/2023-02

To the Procedures add that each Terms of Reference be approved by SAC.

SAC raised the communication issue between Local Government's RRG representatives (an elected member) and the LGAs elected members and it was recommended that, in the Procedure's at Item 8.1.8 Reporting Structure, to include, for clarity, specifically who needs to be advised when reporting the meeting minutes.

ACTION 02/2023-03

Amend the first paragraph of Item 8.1.8 Reporting Structure in the Procedures to now read:

"The Local Government's RRG representative (being an Elected Member under 8.1.3) ensure that the RRG minutes are communicated to each of that LG's other Elected Members."

Subject to the two preceding action items being completed, SAC approved the changes to the procedures and notification of the updated procedures to all RRGs.

11 GENERAL BUSINESS

11.1 Heavy Vehicle Services Report

Des Snook spoke to the report provided highlighting CCTV (Closed Circuit Television) monitoring. At the request of industry, due to an increase in vehicle damage and theft, CCTV coverage was installed at Forrestfield RTAA (Road Train Assembly Area) by Main Roads. The RTAA is monitored 24/7 and footage is maintained for 72 hours, and should an incident occur within the RTAA the transport industry should report the incident to WA Police and receive an incident number. Discussions have commenced to install CCTV coverage at regional and other locations.

SAC noted the report provided.

11.2 Local Government Transport and Roads Research and Innovation Program (LGTRRIP)

Mark Bondiotti spoke to a slide presentation and elaborated on the LGTRRIP objectives. More than sixty nominations were received. Through a multi criteria assessment prioritisation, three projects were selected for funding in 2022/23 for delivery by ARRB.

The three projects are now completed with the three resulting documents to be published within the next two weeks.

These are:

Guide for the Selection of Low-Cost Safety Initiatives
Guide for the Selection of Recycled Materials on Local Road Projects
Warrants for the Sealing of Gravel Roads

Future projects under consideration will include potentially Design and Construction guidelines for the use of crushed recycled concrete and crumbed rubber.

These projects will respond to the commitments in the new SRFLGA.

SAC noted the report provided.

11.3 Multi-Criteria Assessment (MCA) Model for Road Project Grant Prioritisation

Mark Bondiotti provided an update on the project noting that the aim is for the MCA model to be in use in each region separately for the 2025-26 program selection process noting that all regions have slight differences and require an individualised approach.

11.4 Roundtable (Other Business as raised)

No other issues have been raised.

12 NEXT MEETING

Friday 05th of December 2023 at Main Roads WA.

13 MEETING CLOSE

There being no further business the meeting closed at 12:20 pm.

APPENDIX A

Action List

Reference Item No/Officer	Action Required / Taken
SWR & Metro RPG & SBS 2022-23 performance review 02/2023-1 ID	01/09/2023 Due to the delivery outcomes during 2022-23, it was requested by SAC that the, to be appointed, WALGA Local Government Roads Support Manager work with both the South West and Metropolitan Technical Groups to review reasons for delays in Road Project Grants and State Black Spot Programs to capture key risks and formalise options.
Commitments working groups Terms of Reference 02/2023-2 MC	01/09/2023 SAC to endorse the 3 (three) SRFLGA commitments Working Groups Terms of Reference (Procedures Item 4 amended)
Procedures Item 8.1.8 02/2023-3 MC	01/09/2023 Amend the first paragraph of Item 8.1.8 Reporting Structure in the Procedures to now read: As per the update in the minutes Item 10.2 above
Multi-Criteria Assessment Pro Forma Model 02/2022-1 ID	01/09/2023 As per the update in the minutes Item 11.3 above 28/04/2023 Ian Duncan informed that the compilation of the draft model for the 2025-26 program is currently running behind schedule. This is expected to be complete by November 2023. An update on the progress will be provided at the September 2023 SAC meeting. 09/12/2022 Ian Duncan informed that this is ongoing, targeting RRG meetings early next year. The draft will be distributed to SAC prior to engagement with Regional Road Groups. Also refer Item 11.3 2/09/2022 Prepare a Pro Forma MCA Model to provide to each RRG and metrics for the determination of Road Project prioritisation going forward.