

STATE ROAD FUNDS TO LOCAL GOVERNMENT ADVISORY COMMITTEE

MINUTES (Meeting 03/2021)

Held at Main Roads on
Friday, 10th December 2021 10:00am

Committee Members Present:

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

Others in Attendance:

Mr I Duncan	WALGA	
Mr K Pethick	MRWA	
Mr S Purdy	IPWEA	
Mr G Eves	MRWA / WALGA	(From Agenda Item 10 revised order)
Mr M Hoare	MRWA	(Secretariat)

Apologies:

1. WELCOME AND APOLOGIES

The Chairman welcomed the Committee members noting the retirement of Cr Julie Brown. Nick Sloan will be leaving at 11am for another commitment and Des Snook will be arriving late (11am).

With Nick Sloan having to leave the meeting early the agenda order was revised as follows:

- Items 1 to 3 (with Geoff Eves waiting outside)
- Local Road Program Manager position contract (Geoff Eves)
- Item 10 – State Road Funds to Local Government Agreement, all items
- Item 11.2 – RRG key performance indicators
- 11.3 – Gascoyne RRG procedures
- Item 4 and balance of the agenda

2. CORRESPONDENCE

Two items of correspondence noted those being:

1. Letters to RRG Chairs regarding expenditure on the State Black Spot Program.
2. Email advice to RRGs advising an amendment to the Agreement Procedures (s16.2) to reflect signage for projects funded under this agreement.

3. MINUTES OF PREVIOUS MEETINGS (02/2021)

The minutes of the Meeting number 02/2021, held on 13 August 2021, as attached to the Agenda were accepted as a true record of proceedings.

LOCAL ROADS PROGRAM MANAGER ROLE AND CONTRACT

Delegates discussed the evolution of the Local Roads Program Manager activities and those actions required to support further improvement in the effectiveness of road project delivery and grant funding acquittal.

Resolved to assign the required activities across two roles that would be responsible for;

- a) Support and education for Local Government Officers on Planning, Deliverability and Delivery of projects; and
- b) Administration of the follow up on project progress against submitted milestones.

Action :

Discuss offline and make a decision out of session before the beginning of February 2022 who is best placed to engage the LRPM (WALGA or Main Roads) providing a more focussed support function for Local Government to help manage and deliver approved projects.

4. BUSINESS ARISING FROM PREVIOUS MEETINGS

4.1 Summary of Outstanding Actions

Reference Item No/Officer	Action Required / Taken
MRRG new line marking process 02/2021-1 MRRG Sec	<p>10/12/2021 Complete Report was included in the agenda.</p> <p>13/08/2021 Metropolitan Regional Road Group Secretariat to provide a report back on the effectiveness of the new process for line marking administration trialled in 2020-21 and the potential to extend it to other programs</p>
RRG Programs 02/2021-2 ID	<p>10/12/2021 Complete – Ongoing opportunities identified where LG officers are gathered in one place e.g. Institute of Public Works Engineering Conference and Transport and Roads Forum next year where targeted communications can be delivered.</p> <p>13/08/2021 Investigate opportunities to communicate the processes and requirements for State Government road grant funding to Local Government officers</p>
2020-21 SBS Carry overs 01/2021-3 MH	<p>10/12/2021 Complete Letter in Correspondence In. Refer Item 6.</p> <p>13/08/21 SAC Secretariat to write to Regional Road Group Chairpersons asking if they can confirm out of session with the Regional Road Group that the 2021/22 State Black Spot program can be delivered in conjunction with the carry over projects from 2020/21 this financial year.</p>
New Agreement Timeline 01/2021-4 MC	<p>10/12/2021 Complete – Refer 10.2</p> <p>13/08/2021 Prepare SAC paper for 10 December 2021 meeting agenda outlining the Draft timetable and milestones needed to be in place to achieve a signed Agreement before 2023/24 subject to Government and both parties willing to continue this process.</p>
Funding Signs 01/2021-5 MC	<p>10/12/2021 Complete – The procedures have been updated as per the Correspondence Out item.</p> <p>13/08/2021 Following a conversation with WALGA the Agreement Procedures will be amended to reflect joint attribution funding signs between Main Roads and Local Government and brought back to SAC out of session for endorsement</p>

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Review Road Funding Distribution Methodology 02/2020-2 ID / MC	10/12/2021 Refer Item 10.2 – Ian Duncan to organise a SAC workshop mid-February 2022.
	13/08/2021 Ongoing – The separate workshop for SAC to be held after 31 August 2021 to discuss the Assessment Framework deliverables under Items 6.1 and 6.2 from the paper included with the 01/2021 meeting's agenda has been reset to during September 2021.
	16/04/2021 Dependent on the progress of the consultant, a separate workshop for SAC will be held after 31 August 2021 to discuss the Assessment Framework deliverables under Items 6.1 and 6.2 from the paper included with the previous meeting's agenda.
	16/04/2021 Refer item 10.2 for a draft scope of work to a review the current Road Project Grant funding split between Metropolitan and Rural RRGs
	01/12/20 Maurice Cammack and Ian Duncan to update progress to report back to SAC at the next SAC meeting on 16 April 2021
	13/08/2020 Maurice Cammack and Ian Duncan to develop a potential scope of work for a review of the current Road Project Grant funding split between Metropolitan and Rural RRGs

Maurice Cammack spoke to the business arising and elaborated on the following items:

MRRG New Line Marking Process

- A lot of projects particularly in the rehabilitation area were being finished on the ground but were not fully acquitted by the end of financial year due to line marking process
- The new process has addressed this issue by splitting out line marking as a separate process
- The benefit is that the administrative work of accruals has been reduced which helps prevent the potential problem of an accrual not being recognised and displaying as under budget in the end of year expenditure figure.
- At the MRRG Elected Members meeting held on 25 November 2021, the new line-marking administration process was endorsed, making this a permanent change in the MRRG Rehabilitation program as well as extending it to new projects in the MRRG Improvement program from 2022/23 onwards.

Advice from Regional Road Groups regarding Capacity to deliver State Black Spot Program given carry over funding from 2020/21.

- Five RRGs advised that they anticipate full expenditure including carry over: Great Southern, South West, Gascoyne, Goldfields Esperance and Wheatbelt South.
- Mid-West advised that they have two project that will carry over to 2022/23 and one will be completed this year.
- Kimberley advised that most projects will be carried over for delivery in August 2021.
- Two local governments from Wheat belt North have concerns with contractor availability causing delays with other responses to come.
- Concerns raised about project cost escalations. These are carried by Local Governments as the two third funding component is capped on the initial approval.
- **ACTION 03/2021-1:** Follow up with RRGs to provide a list of State Black Spot projects that will not be fully delivered this financial year and what the specific reasons are. Organise an offline out of session meeting to examine resolutions and the approach for next year.

5. LOCAL GOVERNMENT ROADS PROGRAM

5.1 Expenditure Profile - State Road Funds to Local Government Agreement program

The Committee noted the report on the Summary of Expenditure of State Funding on Local Roads for the period ending 31st October 2021.

2021/22 Budget	\$259,608 M (including \$45.679 m funds carried forward from 20/21)
YTD Expenditure	\$ 79.506 M
Forecast	\$240.643 M
Forecast overall result	\$ 18.965 M (under expenditure)

Just under \$80 million of the budget has been spent which represents around 30% of the budget with 33% of the year elapsed.

The 2020/21 \$19.965 million forecast under expenditure represents around 7% of the total budget and is comprised of \$5.3 million Local Government underspend and Main Roads underspend of \$13.6 million.

At the same time last year, October 2020, the expenditure to date was \$84.111 million (36% Total Budget) which represents a decrease of \$4.6 million in expenditure to date for this current Financial Year.

Also, at this time last year, there was \$3.8 million forecast over expenditure representing around 0.016% of the total budget although the final 2019/20 June 30 position ended up as a \$45.679 million under expenditure representing 19.8% of the budget.

From October 2021, if expenditure in the next eight months is the same as that period last year (80.1% of the program) the result will be an anticipated \$35.84m underspend.

Areas of the Program currently under budget expenditure are consistent with previous years.

State initiatives on Local Roads is forecasting a \$11 million under expenditure against a \$49 million program with three projects driving that under expenditure.

Lloyd St Extension Stage 3	\$1.87m
Abernethy Road	\$8.16m
Orphan Roads"	\$3.00m

The first two projects are both connected with Main Roads work on the Great Eastern Hwy Bypass / Roe Hwy Interchange where the Cities of Kalamunda and Swan have asked Main Roads to deliver these projects on their behalf. The councils lobbied for the funding that is wrapped up in a large alliance.

Last year's allocation under Orphan Roads was unspent and is being allocated outside the program as per the guidelines on remote access roads to aboriginal communities and currently this year's \$3 million allocation is still available via the DPC process.

5.2 Commodity Freight Roads Program 2022/23

The Committee endorsed the proposed program and endorsed the remaining unfunded projects as reserve projects.

5.3 MINDER (Financial Report)

The Committee noted the report included in the agenda.

Delegates were advised that the current key activities include:-

- (1) Condition assessment of roads of regional significance in Great Southern and Goldfields Esperance have been completed. A scope of work has been completed for the Wheatbelt Region and an RFQ gone out to market.
- (2) Work on progressing Roads 2040 is well advanced.

5.4 Local Roads Program Manager (LRPM) November 2021 Report

The Committee endorsed the report included in the agenda.

Geoff Eves spoke to the report and commented on the major activities undertaken this period.

There is an encouraging trend in the diminishing number of legacy projects and projects carried forward.

Main Roads have done a desk top analysis to identify at risk projects that are the focus of efforts. Over this last period there have been 11 one on one stakeholder meetings with local authorities.

Several meetings have been held with senior staff at the Shire of Serpentine Jarrahdale due to delivery risks identified in the Technical Group review. The Shire is seeking to deliver a large number of grant funded projects including under the Black Spot program. A new director is in place and contracts have been bundled to attract tenders due to limited industry capacity..

Improvement Program – Large capital expenditure and whilst Main Roads do the technical assessment the LRPM addresses risks to delivery by assessing documentation and contacting local authority officers regarding planning and scheduling.

6. STATE BLACK SPOT PROGRAM

6.1 Summary and Financial Reports

The Committee noted the Summary and Financial Reports for the period – 2021/22 (as at the end of October 2021).

Overall

- Total expenditure to date is \$7.5M being 17.6% of the approved budget
- Current forecasts are predicting a final expenditure of \$32.81M being 77% of budget

State

- Current expenditure is \$4.74M being 22% of the approved budget
- Current forecasts are predicting a \$5.43M underspend

Local

- Current expenditure is \$2.76M being 13% of the approved budget
- Current forecasts are predicting a \$4.31M underspend

The State Program for State road expenditure has 35 projects that are being delivered with a \$11.3 million carry over. The current prediction is for a \$5.4 million carry over that is 50% improvement on carry over for previous year.

The State Program for Local roads forecast is showing a \$21 million program to deliver with a carry over of just under \$10 million. The forecast predicts a \$4 million under expenditure a 50% improvement on last year.

Forecasting appears optimistic based on previous years and as per previous discussions finding out where projects are may bring to light some of the issues.

7. AUSTRALIAN GOVERNMENT BLACK SPOT PROGRAM

7.1 Summary and Financial Reports

The Committee noted the Summary and Financial Reports for the period – 2021/22 (as at the end of October 2021).

Overall

- Total expenditure to date is \$5.71M being 29.3% of the approved budget
- Current forecasts are predicting a final expenditure of \$24.65M being over programmed

State

- Current expenditure is \$1.36M being 23% of the approved budget
- Current forecasts are predicting a \$1.25M underspend

Local

- Current expenditure is \$4.34M being 22% of the approved budget
- Current forecasts are predicting a \$0.16M underspend

The Draft 2022/23 Australian Black Spot Program is currently being put together with the Consultative Panel meeting likely to be held at the end of January 2022 to confirm the program.

8. REGIONAL ROAD GROUP ATTENDANCE

The Committee noted the report attached to the Agenda.

7 of the 10 Regional Road Groups met in the period since the last SAC meeting held 13 August 2021. As local elections were held in October 2021 RRGs have elected a Chair for the coming two years. There is a mixture of returned and new chairs across the regions.

A Regional Road Group Chairs meeting was held in September 2021 where there was some discussion on RRG processes to improve efficiency and effectiveness that will be further developed and considered as part of a future Agreement.

9. ROAD CLASSIFICATION REVIEW

9.1 Classifications & Proclamations

The Committee noted the attached table of classifications and proclamation actions.

Changes are indicated on the front page of the report highlighting classification of Ocean Reef Road, Curtin Avenue and, 2 carriageways of Marmion Avenue is now complete and these have been added to the list of roads for Proclamation .

9.2 Future State Roads Project

The report was noted.

9.3 Local Government Roads of Strategic Importance

The report was noted.

10 STATE ROAD FUNDS TO LOCAL GOVERNMENT AGREEMENT

10.1 Commitments List from the Agreement

Maurice Cammack provided an update on active items (3) from the Agreement.

- 1) Local Government Road Safety Project
WALGA and Main Roads are working towards the establishment of a Road Safety Management System to suit the needs of Local Government. Work in the South West Region to develop a revised multi criteria analysis model to improve the selection of projects and increase the focus on road safety is complete.
- 2) Regional Road Group Significant Local Government Roads (refer Item 9.3)
Amended Roads 2040 documents have been sent to RRG Secretariats for endorsement by each Regional Road Group. To date 3 Regional Road Groups have endorsed their documents with the remaining 6 to be followed up.
- 3) Review Road Funding Distribution Methodology (refer Item 10.2)
In summary 6 of the actions have been completed with 3 more in progress and on track for completion by the end of this agreement 30 June 2023.

10.2 Review Road Funding Distribution Methodology

The Committee noted the report included in the agenda

Ian Duncan provided an update on progress to date.

At the last meeting there was a decision to engage a consultant to provide a framework and methodology to review whether the split between metropolitan and non-metropolitan RRGs for Road Project Grant funding was appropriate.

A RFQ was sent to four pre-qualified consulting firms. Responses have been received and indicative pricing was tabled.

- **ACTION 03/2021-2:** Ian Duncan to come back before Xmas with a recommendation for one of the two suppliers for commissioning in early January 2022 and then meet with SAC mid-February 2022 to organise a workshop.

10.3 New SRFLGA Agreement

The current Agreement expires at the end of 2022/23.

Main Roads has sent a Briefing Note to the Minister seeking approval for Main Roads to commence negotiation with WALGA and Main Roads are awaiting advice to come back.

In the interim Main Roads has prepared a draft negotiation timeline in the papers outlining what is a reasonable approach to step through from now until July 2023 when the new Agreement is expected to be in place.

The aim is to have a draft Agreement ready by June 2022 then there are two consultation periods one with Main Roads and the Minister and one with Local Government using WALGA Zone meetings. It is then anticipated to have a final report with recommendations in October 2022 in time to achieve approval with sign off from WALGA and the Minister at the end of 2022 with the expectation of going to the first Cabinet meeting in 2023 for State Government formalisation and sign off.

Feedback from the meeting was that the Committee was comfortable with the timeline proposed.

11 GENERAL BUSINESS

11.1 Over Size, Over Mass Unit, National Heavy Vehicle Regulator and Harvest Management Scheme

The Committee noted the report included in the agenda.

Heavy Vehicle Services (HVS) Restricted Access Vehicle (RAV) assessments comparisons within the Wheatbelt Region shows as at October 2021 there is now 41 roads awaiting review, an increase from 36 in August 2021. New roads are proposed for higher RAV access on an ongoing basis.

CA07 - Main Roads has continued to work with Industry and Local Government's on this issue. At this time there is a consensus that the form is now being utilised more appropriately with a monitoring stance now being taken.

There have been some Heavy Vehicle information sessions where Main Roads go out to regional areas for a morning or day to meet and discuss matters with local transport operators and what can be done to sort out any issues.

There is a Heavy Vehicle Community Education Campaign underway where videos have been made on moving over size over mass loads and also moving oversized agricultural loads for delivery on TV, and social media to help with public awareness of these issues.

The Harvest Mass Management Scheme for 2021-22 is underway again and is similar to HMMS 2020-21 where carriers just need to apply.

Regional Roadworks Signage Review – The Minister arranged for an independent committee that included Nick Sloan and Ian Duncan from WALGA. The recommendation report included 13 recommendations that were all accepted by the State Government. The first lot of recommendations will be implemented by January 2022.

11.2 Key Performance Indicators (KPI) for Regional Road Groups

Members endorsed the report attached to the agenda.

The items that have been most focussed on are those relating to the delivery and acquittal of grant programs. At 1.2 there is a disappointing result for Black Spot Programs as have been discussed over the last 12 months. On a more positive note, there is an improvement at 1.3 for Road Project Grant expenditure.

It is expected that 2.1 condition survey results will improve in coming years due to (1) investment in condition assessments of regionally significant local roads and (2) the cycle required by the Department of Local Government for revaluations.

Level 1 Bridge Inspections are improving with the profile being raised at RRG level and just needs to become part of business as usual.

11.3 Gascoyne RRG Policy and Procedures Manual

Members endorsed the Gascoyne document attached to the agenda subject to clarification of page 13 Claim 2nd 40% "Upon commencement of works on the ground." This is not on commencement of works but rather proof of the first 40% having been spent.?

11.4 Roundtable (other business as raised)

None.

12 NEXT MEETING

TBC - Mike Hoare to send a set of proposed 2022 SAC meeting dates to Ian Duncan for consideration. If there are specific issues to meet about focused workshops will be organised outside the formal SAC meetings

13 MEETING CLOSE

There being no further business the meeting closed at 12:15pm.

APPENDIX A

Action List

Reference Item No/Officer	Action Required / Taken
2021-22 SBS Projects 03/2021-1 MH	10/12/2021 Follow up with RRGs to provide a list of State Black Spot projects that will not be fully delivered this year and what the specific reasons are. Organise an offline out of session meeting to examine resolutions and the approach for next year
Flow of information 03/2021-3 ID	10/12/2021 WALGA to discuss offline issues relating to checks and balances between elected members, individual Local Governments and the flow of information.
New LRPM contract 03/2021-4 KP	10/12/2021 Discuss offline and make a decision out of session before the beginning of February 2022 who is best placed to engage the LRPM (WALGA or Main Roads) providing a more focussed support function for Local Government to help manage and deliver approved projects.
Review Road Funding Distribution Methodology 03/2021-2 ID / MC	<p>10/12/2021 Ian Duncan to come back before Xmas with a recommendation for one of the two suppliers for commissioning in early January 2022 and then meet with SAC mid-February 2022 to organise a workshop.</p> <p>13/08/2021 Ongoing – The separate workshop for SAC to be held after 31 August 2021 to discuss the Assessment Framework deliverables under Items 6.1 and 6.2 from the paper included with the 01/2021 meeting's agenda has been reset to during September 2021.</p> <p>16/04/2021 Dependent on the progress of the consultant, a separate workshop for SAC will be held after 31 August 2021 to discuss the Assessment Framework deliverables under Items 6.1 and 6.2 from the paper included with the previous meeting's agenda.</p> <p>16/04/2021 Refer item 10.2 for a draft scope of work to a review the current Road Project Grant funding split between Metropolitan and Rural RRGs</p> <p>01/12/20 Maurice Cammack and Ian Duncan to update progress to report back to SAC at the next SAC meeting on 16 April 2021</p> <p>13/08/2020 Maurice Cammack and Ian Duncan to develop a potential scope of work for a review of the current Road Project Grant funding split between Metropolitan and Rural RRGs</p>