

STATE ROAD FUNDS TO LOCAL GOVERNMENT ADVISORY COMMITTEE

MINUTES (Meeting 01/2022)

Held at WALGA on
Friday, 29th April 2022 10:00am

Committee Members Present:

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

Others in Attendance:

Mr I Duncan	WALGA	
Mr K Pethick	MRWA	
Mr S Purdy	IPWEA	(Observer)
Mr G Eves	WALGA	
Mr M Hoare	MRWA	(Secretariat)
Mr A Chew	MRWA	

Apologies: N/A

1. WELCOME AND APOLOGIES

The Chairman welcomed the Committee members introducing Cr Helen Sadler replacing outgoing Cr Julie Brown who has retired. Motion was passed thanking Julie for her contributions and time served to the Advisory Committee over the past 6 years from November 2015 to October 2021.

2. CORRESPONDENCE

No items of correspondence that require noting

3. MINUTES OF PREVIOUS MEETINGS (03/2021)

The minutes of the Meeting number 03/2021, held on 10 December 2021, as attached to the Agenda were accepted as a true record of proceedings.

ROAD SAFETY AND NEXT AGREEMENT

Delegates discussed potential changes in the next agreement, specifically the social outcomes raised by the Minister (Aboriginal Employment, Recycled Materials and Road Safety). To help further discussions it was asked if some information could be put together around current thinking on the Road Safety issue. Whilst this is part of the discussions between WALGA and MRWA some draft of current discussions can be presented.

***ACTION 01/2022-1:**

A document will be prepared and circulated to delegates offline summarising current discussions around the topic of Road Safety and how it may be strengthened in the next agreement.

4. BUSINESS ARISING FROM PREVIOUS MEETINGS

4.1 Summary of Outstanding Actions

Reference Item No/Officer	Action Required / Taken
2021-22 SBS Projects 03/2021-1 MC	29/04/2022 - ONGOING An extraordinary meeting/workshop will be arranged when a paper has been prepared to determine options for implementation to stabilise the SBS 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	29/04/2022 - COMPLETE Operational issues are being worked through and options proposed surrounding Secretariat functions. 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	29/04/2022 - COMPLETE Completed - Following discussion there has been a refocus of the Local Roads Program Manager role and a new contract engagement with WALGA. Geoff Eves commenced this new arrangement effective Monday 21 March 2022 (refer also 5.4). 10/12/2021 Discuss offline and decide 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	29/04/2022 - ONGOING Refer Agenda Item 10.2 ACIL Allen appointed as consultants and are currently analysing the data to be reviewed at yet to be confirmed workshop with SAC 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. 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

	<p>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</p> <p>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>
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Maurice Cammack spoke to the business arising and elaborated on the following items:

State Black Spot (SBS)

- An analysis was conducted into the reasons for non-delivery of withdrawn projects regarding the SBS and out of 109 projects, 29 had been identified as being unable to be delivered by financial year end. A variety of reasons were identified, although there was a focus on Project Development challenges that resulted in non-delivery for 15 of the 29 projects.
- Some options are being reviewed by MRWA with also a view at utilising the monies differently and reviewing the structure. Communication with WALGA via Ian Duncan will commence imminently and Delegates are also able to flow questions through Ian Duncan to MRWA for comment.
- A paper will be prepared together for SAC and how to stabilise the SBS program and possibly re-allocate the funding or consider a structural change to the SBS
- **ACTION 03/2021-1:** An extraordinary meeting/workshop will be arranged when a paper has been prepared to determine options for implementation.

5. LOCAL GOVERNMENT ROADS PROGRAM

5.1 Indicative 2022/23 Local Roads Program

Maurice Cammack provided a summary of the allocation of the 2022/23 Indicative Program:

\$228.921m Program for 2022/23 which represents an increase of \$15m from last year. Direct Grants are \$30.2m for 2022/23 and only two Local Governments had small reductions to their allocation from the previous year derived from their respective area's Asset Preservation Value (Cottesloe \$1,400 & Broome \$52,000)

Road Project Grants increased from \$99.6m last year to \$106.6m

State Black Spot is \$12.59m which increased from \$11.76m in 2021-22.

Remote Aboriginal Access Roads (\$2.289m) Currently finalising the information received from remote access committee before allocating accordingly. Bridge Works & Inspections (\$11.446m) awaiting finalised information on priorities and capacity to deliver.

State Initiatives has \$32m allocated 2022/23 which includes an allocation of \$500K for a pilot Local Government Transport Roads and Research Innovation Program. The detail for allocation of \$6m that provides the State contribution to Commonwealth funded projects on Local Government roads will be finalised once negotiations with the Federal Government regarding project delivery timing are completed.

It was noted that State Initiatives funding is being strategically used to leverage additional Commonwealth funding for projects on Local Government roads. These are projects where Local Governments have successfully advocated to the Commonwealth to fund large, strategic improvement projects including Wheatbelt Secondary Freight Network, Abernethy Road (City of Kalamunda) and Lloyd Street bridge (City of Swan).

Question raised on the RPG allocation for Kimberley/Pilbara funding and why it is split across evenly across each LGA and whether it reflected the Region's roads needs of highest priority and strategic importance.

The Committee endorsed the 2022/23 Indicative program with a requirement that the Pilbara and Kimberley Regional Road Groups provide additional information and demonstrate their allocation of Road Project Grant funding demonstrably reflects the highest priority needs for investment in the Regions' roads of strategic importance and provides maximum benefit for the community.

***ACTION 01/2022-2:** SAC to review the Kimberley & Pilbara RRG supporting information that demonstrates their program allocation reflects the strategic needs of the region (information put together by Ian Duncan and Maurice Cammack)

5.2 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 March 2022.

2021/22 Budget	\$259,608 M (including \$45.68 m funds carried forward from 20/21)
YTD Expenditure	\$ 162.89 M
Forecast	\$ 230.62 M
Forecast overall result	\$ 28.99 M (under expenditure)

Just under \$163 million of the budget has been spent which represents around 62% of the budget with 75% of the year elapsed.

The 2021/22 \$28.98 million forecast under expenditure represents around 11% of the total budget and is comprised of \$13.45 million in programs delivered by Local Government and an estimated \$15.53 million in programs delivered by Main Roads.

At the same time last year, actual expenditure to date was 63% of the total budget. It appears that the forecast total expenditure for the year is more realistic in 2021/22 than in 2020/21. The forecasts are providing improved transparency and clarity although the underlying issues constraining project delivery remain.

State Black Spot – previously discussed as a program of concern

Road Project Grants – forecasting \$6.5m under-expenditure (including additional \$14m carried over from 2020-21)

Bridge Works & Inspections – Whist having experienced challenges in contractor availability and market price escalation, efforts will focus on this program over the remaining months of this FY.

State Initiatives – \$8.4m under-expenditure expected although it is solely related to one project. The Abernethy Road Duplication project, delivered by MRWA as part of a large Alliance Project which includes Lloyd Street Crossing, is currently experiencing issues upgrading a section of the network on airport land. Planning issues surrounding property access have resulted in unanticipated delays in delivery of the project

5.3 MINDER (Financial Report)

The Committee noted the report included in the agenda.

Noted strong support from Regional Road Group Chairs to further develop the MCA model framework and explore how that framework can be applied across all regions

Delegates discussed whether it would be advantageous to mandate an MCA model in the next Agreement. Noted that this level of detail is probably not suitable for the Agreement, but it is appropriate for the procedures for each Regional Road Group.

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.

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 March 2022) and that the delivery outcomes have been discussed earlier.

Overall

- Total expenditure to date is \$15.65M being 37% of the approved budget
- Current forecasts are predicting a final expenditure of \$31.52M being 74% of budget

State

- Current expenditure is \$10.29M being 48% of the approved budget
- Current forecasts are predicting a \$4.62M underspend

Local

- Current expenditure is \$5.35M being 25% of the approved budget
- Current forecasts are predicting a \$6.42M underspend

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 March 2022). Delivery is better than State Black Spot

Overall

- Total expenditure to date is \$10.12M being 52% of the approved budget
- Current forecasts are predicting a final expenditure of \$22.14M being over programmed

State

- Current expenditure is \$2.98M being 50% of the approved budget
- Current forecasts are predicting a \$1.96M underspend

Local

- Current expenditure is \$7.13M being 37% of the approved budget
- Current forecasts are predicting a \$1.37M underspend

8. **REGIONAL ROAD GROUP ATTENDANCE**

The Committee noted the report attached to the Agenda.

Most meetings over the last quarter were held virtually rather than in person, which it was noted was challenging. Also noted that two new Chairs have been appointed since the last SAC meeting.

Cr Gary Cosgrove – Mid West

Cr Grant Robbins – Wheatbelt South

9. ROAD CLASSIFICATION REVIEW

9.1 Classifications & Proclamations

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

Discussed whether there an opportunity to resolve land tenure prior to reclassification actions?
Delegates were advised that there are a significant number of roads with land tenure issues and to resolve these is an exhaustive process that may require additional resources

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 Actions arising

Maurice Cammack provided an update on active items (2) from the Agreement. 6 out of the 8 items have been completed

- 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 has started and ongoing
- 2) Review Road Funding Distribution Methodology (refer Item 10.2)

10.2 Review Road Funding Distribution Methodology

Ian Duncan provided an update on progress to date. ACIL Allen have been selected as consultants and currently reviewing the data and could possibly meet over the next several weeks with SAC to present findings on whether the split between metropolitan and non-metropolitan RRGs for Road Project Grant funding was appropriate

10.3 New SRFLGA Agreement

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

Kevin Pethick provided an update on latest discussions of the WALGA and MRWA working group surrounding the new agreement and commented that the next agreement aims to achieve greater clarity in definitions and certain areas that could be introduced and effectively measured (Aboriginal Employment, Road Safety and Recycled Materials).

Noted that WALGA is the conduit for the communications with LGAs regarding the next Agreement and has established several other working groups to assist with the flow of information.

11 GENERAL BUSINESS

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

The Committee noted the report included in the agenda.

MRWA was invited to give an overview of the decision to bring regional maintenance back in-house. General comment was currently, network contracts in regions that undertake maintenance and minor construction works will come across directly to MRWA. These crews will complete all re-seal and pavement constructions, with the intention of having one small construction crew in every region. This presents an opportunity for Local Governments to be involved in some of the works.

11.2 Main Roads was asked to consider whether time-limited access arrangements could be offered on 'last mile' roads where industry is seeking additional axle loading (typically AMMS 3) rather than the current addition of the road to the AMMS 3 network using a Notice.

***ACTION 01/2022-3:** A/MD to have out-of-session discussion with Director, Heavy Vehicle Safety with regards to 'last mile' local roads and related permits

11.2 Roundtable/ General Business

Members endorsed the Line Marking Process Review Recommendations, see paper attached. This paper was first tabled at the Metropolitan Regional Road Group Meeting on 25 November 2021 where it was endorsed and be progressed to SAC for approval.

12 NEXT MEETING

22 September 2022 at Main Roads

13 MEETING CLOSE

There being no further business the meeting closed at 11:55am.

APPENDIX A

Action List

Reference Item No/Officer	Action Required / Taken
2021-22 SBS Projects 03/2021-1 MC	<p>29/04/2022 - ONGOING An extraordinary meeting/workshop will be arranged when a paper has been prepared to determine options for implementation to stabilise the SBS</p> <p>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</p>
Review Road Funding Distribution Methodology 03/2021-2 ID / MC	<p>29/04/2022 - ONGOING Refer Agenda Item 10.2 ACIL Allen appointed as consultants and are currently analysing the data to be reviewed at yet to be confirmed workshop with SAC</p> <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>
Road Safety and Next Agreement 01/2022-1 KP	<p>29/04/2022 A document will be prepared and circulated to delegates offline summarising current discussions around the topic of Road Safety and how it may be strengthened in the next agreement.</p>
2022/23 Road Project Grant Program Allocation 01/2022-2 ID/MC	<p>29/04/2022 SAC to review the Kimberley & Pilbara RRG supporting information that demonstrates their program allocation reflects the strategic needs of the region</p>
Heavy Vehicle Permits 01/2022-3 DS	<p>29/04/2022 A/MD to have out-of-session discussion with Director, Heavy Vehicle Safety with regards to 'last mile' local roads and related permits</p>

**Other Business – Metropolitan Line Marking Process Review Recommendations
SAC Meeting 29Apr22**

Source: Metropolitan Regional Road Group Elected Members Meeting 25 November 2021

Recommendation:

For the Committee to approve.

The trial line-marking process that commenced in the 2020/21 MRRG Rehabilitation program has continued into the 2021/22 program.

The analysis done reflected a positive impact in reducing the amount of administration to follow up on the outstanding claims.

For the 2020/21 trial period, members noted that 84% of projects were fully claimed within the financial year and only a small number of claims accrued that were received just before the end of the financial year. By comparison, for the 19/20 period, the statistics indicated 88% of projects were fully claimed by the end of the financial year. However, it should be noted that only 36% of projects were fully claimed and 51% were accrued. Given that it took up to 12 months for local government to issue invoices for amounts they requested accruals for, it was evident that there was an overstatement of amounts accrued.

The continuation of new line-marking process into 2021/22 has been recommended by the Technical Members and that this be made permanent in the Rehabilitation program for future years. It was also recommended to extend the new line-marking process to projects in the Improvement Program from 2022/23 onwards.

The Elected Members endorsed the above recommendations and that approval be sought from the State Advisory Committee.

It was noted:

That there would be some difficulty in extending the new line-marking process to the Black Spot program given the complexity of the program and different set of guidelines to adhere to.

The Elected Members gave approval for further consideration to be given by the Technical Members to extend the new line-marking process to the Black Spot program.

Metropolitan Regional Road Group Rehabilitation Program

2020/21 Projects – Summary by Sub-Group

Council Name	Sub Code	Total Projects	Withdrawn	Fully Claimed within FY	EOT Approved	EOFY Accrual *Claim rec.	Final Claim Rec. 2021/22 Q1	Projects Outstanding
Northern	N	19	0	18	1	0	0	0
Eastern	E	19	0	19	0	4	0	0
Central	C	23	1	19	2	1	0	1
Western	W	11	1	9	0	5	0	1
South East	SE	23	1	16	0	0	5	1
South West	SW	38	7	31	0	0	0	0
		133	10	112	3	10	5	3

*As at 30/06/2021

- 84% of projects fully claimed within financial year
 - Project accruals were only completed for claims received 22/06 – 30/06/21 and therefore these projects were counted as fully claimed within FY
- 4% of projects were claimed in 2021/22 quarter 1 (5x Fremantle – no explanation provided)
- 2% of projects received Extension of Time approvals (1x Joondalup Dec-21, 1x Subiaco Dec-21, 1x Subiaco Jun-22), final claims have not yet been submitted
- 2% of projects final claim remain outstanding at EoY (1x Cambridge, 1x Serpentine Jarrahdale, 1x Subiaco)

2019/20 Projects – Summary by Sub-Group

Council Name	Sub Code	Total Projects	Withdrawn	Fully Claimed within FY	EOT Approved	EOFY Accrual *Pending line marking	Projects on Hold	Projects Outstanding
Northern	N	15	0	9	0	6	0	0
Eastern	E	13	0	1	0	12	0	0
Central	C	12	0	5	0	5	0	2
Western	W	11	1	5	0	1	2	2
South East	SE	23	0	4	0	19	0	0
South West	SW	27	1	12	5	9	0	0
		101	2	36	5	52	2	4

*As at 30/06/2020

- 88% of projects fully claimed within financial year (36% fully claimed + 51% accrued based on line marking status)
- 5% of projects received Extension of Time approvals (1x East Fremantle Dec-20, 2x Fremantle Jan-21, 2x Fremantle Apr-21)
- 2% of projects were on hold at EoY due to line marking issues, these were subsequently resolved in July 2021 (2x Cambridge)
- 4% of projects claims remain outstanding at EoY (2x Nedlands final 20% - line marking invoice issued Jun-20, 1x Subiaco 2nd 40% - LG advised works at 60% complete, 1x Subiaco final 20% - works to be completed Jul-20)

2019/20 Projects Summary by Sub-Group Current Status of 'Carry-Over' Projects
(EOT Approved, EOFY Accrual, On Hold, Outstanding)

Council Name	Sub Code	Total Projects	Final Claim Rec. 2020/21 Q1	Final Claim Rec. 2020/21 Q2	Final Claim Rec. 2020/21 Q3	Final Claim Rec. 2020/21 Q4	Final Claim Rec. 2021/22 Q1
Northern	N	6	0	4	2	0	0
Eastern	E	12	1	3	4	3	1
Central	C	7	0	3	2	2	0
Western	W	5	3	2	0	0	0
South East	SE	19	5	7	5	1	1
South West	SW	14	5	5	2	2	0
		63	14	24	15	8	2

**As at 30/09/2021*

- Of the 5 projects which received an Extension of Time only 1x East Fremantle was finalised within the approved period
 - 4x Fremantle EOT Jan-21, final claims received Apr-21
- All 4 projects outstanding at the end of FY were finalised with Q2 of 2020/21
- 1x Kalamunda accrual project final claim received Jul-21 – Line marking invoice issued Sept-20
- 1x South Perth accrual project final claim received Aug-21 – Line marking invoice issued Feb-21