

INQUIRY INTO LOCAL GOVERNMENT IN NEW SOUTH WALES

Organisation: Transport for NSW

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The Director
General Purpose Standing Committee No. 6
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Dear Ms Foley

General Purpose Standing Committee No 6

Inquiry into Local Government in NSW

Thank you for the opportunity to make a submission into the Inquiry into Local Government in NSW.

The NSW Government's 'Fit for the Future' reform package has committed up to \$1 billion in support and incentives to help each council become 'Fit for the Future'.

Part of the 'Fit for the Future' reform package includes working with the local government sector to build Joint Organisations (JO) in regional NSW. JOs will provide a forum for local councils and the State to work together to deliver regional priorities such as jobs, education, housing, roads and transport.

Five JO pilot groups – Hunter, Illawarra, Central West, Namoi and Riverina regions – were announced in November 2014 to be trialled across NSW as part of the 'Fit for the Future' reform. These JO pilot groups are currently working with the NSW Government to develop the JO model and build better working relationships between councils and State agencies.

In the context of local government reform, Local Government NSW (LG NSW) wrote to the Minister for Roads, Maritime and Freight on 7 April 2015 seeking clarity on the future of Road Maintenance Council Contracts (RMCC) on State Roads. Road Maintenance Council Contracts are managed by the Transport cluster through Roads and Maritime Services.

Road Maintenance Council Contracts

Given the JO model will not be finalised until early 2016 (with JOs expected to be rolled out across regional NSW post the September 2016 Local Government elections), Roads and Maritime Services believes it would be premature, and unnecessarily contentious, to review the Road Maintenance Council Contracts model at this point in time.

Roads and Maritime Services is proposing to confirm to councils its intention to retain the current RMCC contractual arrangement with individual councils until such time as the JO model is agreed and JOs have been established as legal entities in their own right.

During the trial period, Roads and Maritime Services will continue to work with councils to maximise value for money within the existing RMCC contact through the following initiatives:

- Access to established supply and service panel contracts – Roads and Maritime Services has established panel contracts through tender process for various types of services including project development, asphalt works, resealing, installation of road safety measures and linemarking. By accessing these contracts, Councils will be able to reduce administrative cost and achieve better value for money through economy of scale.
- Increased industry participation – Roads and Maritime Services will continue to make the industry aware of upcoming works in regional areas through various forums such as regular meetings with Australian Asphalt Pavement Association (AAPA); and
- Improved performance measures – the current RMCC contact and related documents were prepared in 2008/2009. Roads and Maritime Services has been working with councils to agree on a performance framework document to drive the performance under RMCC to be more efficient.

Roads and Maritime Services will continue to work with the Department of Premier and Cabinet Regional Leadership Group to assist the five pilot JOs to identify strategic road and transport priorities across the regional cluster of councils, which will guide their planning and projects for the first year.

In the context of the broader 'Fit for the Future' reform processes, Roads and Maritime Services' position will provide some level of business certainty for councils in the period before the rollout of the JO model.

Should you require any further information regarding Road Maintenance Council Contracts or the Transport cluster, please contact Cabinet and Parliamentary Services at

Yours sincerely

Tim Reardon
Secretary

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