

Item 10: Operations

10.1 Acceptance of Fixing Local Roads Round 3 funding for Queens Pinch Rd, Coricudgy Rd and Bocoble Rd seal extensions if successful

REPORT BY THE MANAGER WORKS
TO 15 SEPTEMBER 2021 ORDINARY MEETING
GOV400088, GRA600015

RECOMMENDATION

That Council:

1. receive the report by the Manager Works on the Acceptance of Fixing Local Roads Round 3 funding for Queens Pinch Rd, Coricudgy Rd and Bocoble Rd seal extensions if successful;
2. if successful, accept up to \$5,517,000 in grant funding from the Fixing Local Roads program for seal extensions;
3. amend the 2021/22 Budget to allocate \$7,356,000 to seal extension projects as follows:
 - 3.1 Queens Pinch Road seal extension \$2,294,000
 - 3.2 Coricudgy Road seal extension \$2,886,000
 - 3.3 Bocoble Road seal extension \$2,176,000
4. amend the 2021/22 Budget to allocate \$5,517,000 in grant funding as follows:
 - 4.1 Queens Pinch Road seal extension \$1,720,500
 - 4.2 Coricudgy Road seal extension \$2,164,500
 - 4.3 Bocoble Road seal extension \$1,632,000
5. amend the 2021/22 Budget to allocate \$1,839,000 reserve funding as follows:
 - 5.1 Queens Pinch Road seal extension \$573,500 seal extension reserve
 - 5.2 Coricudgy Road seal extension \$526,500 seal extension reserve, and \$195,000 public road closure compensation reserve
 - 5.3 Bocoble Road seal extension \$544,000 public road closure compensation reserve
6. authorise the General Manager to finalise and sign the funding agreement with Transport for NSW.

Executive summary

In July 2021, Council applied for grant funding through the Fixing Local Roads Program Round 3, to seal 6.4km of Queens Pinch Rd, 6.4km of Coricudgy Rd and 6.4km of Bocoble Rd. Council has not received notification of any of the applications as yet.

The purpose of this report is to authorise the General Manager to accept funding and sign the funding agreement and other relevant documentation should Council be notified of any successful applications.

Disclosure of Interest

Nil.

Detailed report

Council has been very successful in Round 1 and Round 2 of the Fixing Local Roads Program, having received notification of over \$10,000,000 in the two rounds. Council has contributed up to 25% of the total budget such that over 47km of seal extension will be carried out under those two rounds.

Currently, there is approximately 100kms of main local road in the Mid-Western Regional Council area that are school bus routes and are unsealed. These roads require frequent maintenance grading given the relatively high traffic volumes, school bus use and heavy vehicles generally. These roads are on a 12-month grading schedule, however sometimes require grading more frequently.

Council have applied for funding to seal the higher volume main local road bus routes under Round 3 including 6.4km of Queens Pinch Rd, 6.4km of Coricudgy Rd and 6.4km of Bocoble Rd. If successful, this would result in a total of 18.2km of existing unsealed bus routes being sealed.

The application required Council to fund 25% of the total project cost, with the remainder being from the NSW Government. It is recommended, that if successful Council accept the grant funding and authorise the General Manager to sign the funding agreement with Transport for NSW. Generally once announced Council has limited time to accept the funding.

Community Plan implications

Theme	Connecting Our Region
Goal	High quality road network that is safe and efficient
Strategy	Provide a roads network that balances asset conditions with available resources and community needs

Strategic implications

Council Strategies

Roads Asset Management Plan

Council Policies

Not applicable

Legislation

Roads Act 1993

Strategic implications

Council Strategies

Roads Asset Management Plan

Council Policies

Not applicable

Legislation

Roads Act 1993

Financial implications

The funding arrangement is 75% grant to 25% Council funding. A budget allocation is recommended in order to accept the funding although successful grant funding has not been announced as yet, so while Council is hopeful of more funding, the amount and timing is not known at this stage.

Grant Name	Funding Body	Project Applied For	Total Value	Grant Amount requested	Council funding committed
Fixing Local Roads – Round 3	NSW Government	Queens Pinch Road Seal Extension	\$2,294,000	\$1,720,500	\$573,500
Fixing Local Roads – Round 3	NSW Government	Coricudgy Road Seal Extension	\$2,886,000	\$2,164,500	\$721,500
Fixing Local Roads – Round 3	NSW Government	Bocoble Road, Bocoble: Seal Extension Bus Route	\$2,176,000	\$1,632,000	\$544,000

An upgrade in infrastructure increases the renewal burden for future years, therefore negatively impacting Building and Infrastructure Renewal Ratio. It also increases depreciation and maintenance in future years which will have a negative impact on future years Operating Performance Ratio.

The increase in grant funding received is good for the community by providing important infrastructure upgrades, however it will have a negative impact on the current years Own Source Revenue ratios, and the future Operating Performance Ratio (increased depreciation) and Building & Infrastructure Renewal Ratio. Extending the sealed road network provides an increase to Councils levels of service, which results in the negative impact to ongoing financial ratios.

Budget Year	Operating Performance Ratio	Own Source Revenue	Building & Infrastructure Renewal
2021/22	-	×	-
Future Years	×	×	×

Associated Risks

Council staff will manage the construction risks associated with the projects.

ANDREW KEARINS
MANAGER WORKS

GARRY HEMSWORTH
DIRECTOR OPERATIONS

1 September 2021

Attachments: Nil

APPROVED FOR SUBMISSION:

BRAD CAM
GENERAL MANAGER