

Changes to Main Roads Contract Delivery Model

Main Roads to expand through the regions - General Information Sheet

A review of our current maintenance delivery model has led to the following recommendations which have been approved by Cabinet:

- an Increase in Main Roads' FTEs in the regions;
- bring maintenance back under Main Roads direct control; and
- Main Roads to directly manage delivery of some Minor Capital Works (MCWs) supported by local contractors and Local Governments

Existing maintenance contracts (or Network Contracts) are starting to reach their endpoint this year, with most ending by February 2024. The Kimberley contract is due to end in 2026.

In total, 660 new or transitioned jobs across the State will come to Main Roads. This will see road maintenance workers and support staff currently employed by contractors have the opportunity to become Main Roads employees, as well as a number of new positions created.

What Changes are Needed for Delivery

The project roll-out will be overseen by a steering committee including Premier and Cabinet, Public Sector Commission, Labour Relations and Treasury.

The Steering Committee is committed to the successful deployment of this project.

Savings from the new operating model are being reinvested across the State and will deliver:

- \$19.7 million investment in new regional housing and
- \$29.1 million investment in regional depot and office facilities
- Vehicles –
 - increase the light vehicle fleet by 256 across the State
 - bring existing maintenance truck leases in-house, or lease new ones.
 - lease new construction crew trucks

The jobs are roughly divided into:

1. Maintenance Crews from the Network Contracts and new construction crews becoming Main Roads employees.
2. Core MRWA regional positions currently filled by consultants/contractors (primarily AMSS but also panel contracts and by network contractors in Metro and South West Great Southern);
3. Back office technical and administrative jobs to enable the maintenance and construction function;
4. Vacancies in the approved regional structure.

What are the benefits for Main Roads?

The new model will be entirely self-funded by avoiding overhead and profit applied through current contract arrangements. There are no additional funds from the State being considered.

The addition of construction crews as Main Roads employees in the regions will see a portion of the currently contracted project work brought in-house. This will increase the skills levels and understanding of other contract requirements within Main Roads, particularly in the regions.

A focus on quality will be easier to maintain for construction and maintenance projects, as well as being able to more easily introduce trials of new initiatives and technologies.

The increased permanent employment levels in the regions will make Main Roads functions more sustainable and the organisation will be able to provide consistent and enhanced incident response services.

What are the benefits for the State?

Main Roads staff will be based in the regions and will live in the regions with their families so the increase in regional employment will result in economic growth and build Western Australia's prosperity as a whole, triggering a number of local community benefits.

The opportunity to hire within the local communities supports local small businesses, increases local spend on goods and services and increases Gross Regional Product.

Regional prosperity will be boosted with a gross regional product increase of \$335 million, in present day value terms, over a 10-year period under the new arrangement.

The new model includes investment in regional staff housing, depots and offices (funded from operational savings realised through the change) estimated to be \$48.8 million over a six-year period.



The Future

Main Roads will self-deliver all routine maintenance.

Main Roads will not be able to take on all project work currently delivered through the network contracts, so an increased proportion of annual project work will be made available to contractors through competitive procurement processes.

Broome Cape Leveque Road Upgrade project – Kimberley Region

Main Roads direct-managed the delivery of the Broome Cape Leveque Road upgrades. Maximising the use of locally occurring materials we were able to realise significant cost reductions while also encouraging local Aboriginal employment and business engagement. This resulted in the construction of a fit-for-purpose road and the success of this project clearly demonstrates Main Roads' capacity to deliver successful outcomes for the community.