

Notes from the LGTAP meeting Tuesday 9 June 2009

LGA 48476

The purpose of the meeting was to facilitate discussion and establishment of appropriate Special Local Road Program policy to assist with consideration of regional LGA 2009/10 funding submissions.

Present

- Mr. Brian Hurn (Mayor of Barossa Council) as chair and a member from a country Council,
- Mr. Wally Iasiello (Director of Technical Services, City of Port Adelaide Enfield) and as a member from a metropolitan Council
- Mr. David Hitchcock as delegate of the Executive Director of the LGA;
- Ms. Jane Gascoigne as nominee of the Minister for State/Local Government Relations
- Mr. Mark Elford as nominee of the Minister for Transport;

Apologies

Mr. Kym McHugh (Mayor of Alexandrina Council) as a member of the LGA State Executive Committee

The LGTAP discussed the following issues;

Recap of the 13 May 2009 meeting and consideration of action items

Jane Gascoigne, Mayor Brian Hurn and David Hitchcock provided an outline of the visit to the Northern Areas Council and the District Council of Orroroo Carrieton in relation to the Laura to Orroroo Road. Details outlined included observations of the quality of the completed road and specific discussions with the Councils regarding the engineering and administrative process that occurred. Of particular interest to the LGTAP members was the methodology employed by both Councils in managing cost expenditures occurred on the road.

The LGTAP noted that notwithstanding any final decisions on expenditure variations that the fundamental principle to be followed is that individual Councils are responsible for the accuracy of project cost calculations and expenditure levels and the LGTAP will not carry any risk associated with project cost over runs.

DC Orroroo Carrieton

The LGTAP agreed that in consideration of independent advice received from HDS Australia and following discussion with the Council that the amount of \$261,000 be recommended for funding to D C Orroroo Carrieton for completion of the final stage in 2008/09 of the Laura to Orroroo Road. This amount represents a cost escalation allowance of 27.5% of the original budget over the five years of the project and application of the principle that LGTAP will not meet the risk of cost overruns that have not been subject of revised funding applications which have not been submitted prior to the works being undertaken.

Northern Areas Council

The LGTAP agreed that consistent with previous consideration of independent advice from HDS Australia, regarding DC Orroroo Carrieton' that the amount of \$133,000 be recommended for funding the Northern Areas Council for completion of the final stage in 2008/09 of the Laura to Orroroo Road. This again represents application of the principle that

LGTAP will not meet the risk of cost overruns that have not been subject of revised funding applications which have not been submitted prior to the works being undertaken

2009/10 SLRP Applications

Further consideration was given to the 2009/10 SLRP applications. It was noted that 52 applications seeking funds of \$21million had been received. The amount of funding available for the 2009/10 SLRP is not yet known. It is anticipated funds available may be in the order of \$11.372 million.

The panel subsequently determined allocation of allocated of \$11.25 million to regional and metropolitan road priorities. In making the allocations variations were proposed to Tolner Road (Mt Gambier/Grant) and Cape Douglas Road (Grant) which resulted in increased funding allocation recommendations. The relevant Councils are to be contacted to confirm the acceptance or otherwise of the variations.

This left a remaining balance of approximately \$119,000 (subject to confirmation of the final amount available). The remaining" balance" would be allocated to an appropriate road priority subject to that Council being in agreement with receiving an amount that would not necessarily be the amount formally requested .

Action Items Meeting 13 May 2009	Status
<u>DC Orroroo Carrieton</u> Advise Council of LGTAP consideration of the application for additional funds	
<u>Northern Areas Council</u> Advise Council of LGTAP consideration of the application for additional funds	
Status reports, verification of project cost estimates and acquittal reports	Seek expressions of interest for development of documents
2009/10 SLRP Applications	Liaise with Jane Gascoigne on final LGTAP recommendation details