

1 March 2005

ROAD MANAGEMENT ACT – MANAGEMENT OF ARTERIAL ROADS

Division Assets & Services

Presenter Gordon Duncan, Principal Engineer Infrastructure

Purpose

To advise the Committee regarding the changes to management and maintenance responsibilities for arterial roads declared under the provisions of the *Road Management Act 2004*, and to recommend that agreements be entered into with VicRoads regarding the retention by Council of some responsibilities within arterial roads.

Time Frame

There is an interim agreement in place with VicRoads regarding street cleaning which expires on 30 June 2005, and Council approval is required to enter agreements effective from 1 July 2005.

Finance

The arrangement in place, until 30 June 2005, is for the City of Melbourne to continue to provide street cleaning services on arterial roads owned and managed by VicRoads. VicRoads have agreed to pay the City of Melbourne the sum of \$12,000 per annum for this service. The notional cost of this service to the City of Melbourne is \$940,000 per annum. Council's Engineering Services Group is progressing negotiations with VicRoads in relation to an agreement, post 1 July 2005 where a more equitable arrangement will apply. The aim is to be reimbursed a reasonable amount of the cost of providing this service to VicRoads.

Prior to the Road Management Act the City of Melbourne also carried out the pavement works program, this was valued in excess of \$1,000,000 per annum. Council was reimbursed by VicRoads for the total cost of providing this work. This will no longer appear in Council's work program.

Legal

Legal advice has been and continues to be provided in relation to the proposed Agreements between VicRoads and Council.

The report accurately summarises the salient features of the *Road Management Act 2004* in particular the ability of VicRoads under Section 15 of the Act to transfer medians on arterial roads back to Council for its care and management.

Sustainability

The recommendation in this report will ensure that Council retains the high quality of streetscapes in arterial roads through maintenance of medians and trees to Council standards, and cleaning of arterial roadways to Council known standards.

Recommendation

That the Planning and Environment Committee recommend Council:

- endorse ‘in principle’ the entering of agreements with VicRoads, effective from 1 July 2005, regarding:
 - the undertaking of street cleaning functions on arterial roads; and
 - the transfer from VicRoads to Council of medians, roundabouts and traffic islands within arterial roads under the provisions of Section 15 of the *Road Management Act 2004*;
- by instrument of delegation sealed by the Council pursuant to Section 98(1) of the *Local Government Act 1989* and section 118(1) of the *Road Management Act 2004*, delegate to the Chief Executive, or the person from time to time acting in that position, its powers, duties and functions to negotiate and agree arrangements with VicRoads in accordance with paragraph 18.1 of this report, to enter into agreements with VicRoads regarding the undertaking of such works, and to do all things necessary and ancillary to the above, including executing all documents to give effect to the same;
- resolve that the instrument of delegation referred to in paragraph 25.2 of the this report will cease and be of no further effect upon the completion of all necessary steps and the execution of all necessary documents to enter into the agreements with VicRoads; and
- note that under the provisions of Section 15(2) of the *Road Management Act 2004*, Council’s register of public roads will be amended to include details of any agreement entered into between Council and VicRoads with respect to the transfer of road management functions for medians in arterial roads.

Attachment:

1. List of Arterial Roads in the Municipality

1 March 2005

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Purpose

1. To advise the Committee regarding the changes to management and maintenance responsibilities for arterial roads declared under the provisions of the *Road Management Act 2004*, and to recommend that agreements be entered into with VicRoads regarding the retention by Council of some responsibilities within arterial roads.

Background

2. The *Road Management Act 2004* (the “Act”) came into effect on 1 July 2004. The Act provides for a comprehensive reform of the road management system in Victoria with the aim of improved road management and providing more certainty for road authorities including local government.
3. Under the Act, a significant number of roads in the municipality were declared as arterial roads and became VicRoads assets and responsibility, whereas prior to 1 July 2004 these roads were managed by Council, with maintenance and permanent works being the responsibility of Council.
4. Council retains responsibility for municipal roads, and a Road Management Plan was adopted by Council on 26 August 2004 establishing a management system for the municipal road network.
5. Under the Act, arrangements can be entered into between VicRoads and Council regarding the undertaking of works on arterial roads.
6. Council, at its meeting on 26 August 2004, considered a report regarding the Act and, inter alia, resolved in principle that Council is prepared to continue to perform maintenance and permanent works after 31 December 2004, on arterial roads which were previously declared main roads, subject to negotiations of an agreement with VicRoads satisfactory to the Council, and also noted that a further report on the outcomes in respect to the VicRoads issues discussed in the report would be provided to the first appropriate Committee meeting and subsequent Council meeting in 2005.
7. Attachment 1 lists the roads in the municipality which are now arterial roads, including a number of roads which were previously declared as State Highways, for which VicRoads was always the responsible authority.

Issues

8. Prior to the 2004/05 financial year, Council was responsible for undertaking a range of maintenance and renewal works on roads in the municipality which were declared as main roads under the provisions of the *Transport Act 1994*, with costs incurred by Council being reimbursed by VicRoads.
9. Under the provisions of the Act, declared main roads are now classified as arterial roads, as are former State Highways, with VicRoads being the overall co-ordinating road authority as well as the responsible road authority for road carriageways, kerbs and channels, medians and traffic islands, but excluding footpaths for which Council remains the responsible road authority.
10. VicRoads in its role as responsible road authority may enter agreements with Council regarding maintenance arrangements for arterial roads.
11. VicRoads has offered Council a role with respect to the on-going delivery of routine maintenance of arterial roads, including pavement maintenance, median maintenance, street cleaning, drain clearing, tree maintenance, sign maintenance etc, under a contract arrangement in accordance with VicRoads terms, conditions and specifications. VicRoads did not offer Council an on-going role with respect to programmed maintenance or rehabilitation works on arterial roads.
12. On 1 July 2004 VicRoads and Council entered an interim agreement which provided for Council to continue to provide routine maintenance services for the period 1 July 2004 to 31 December 2004 under the terms and conditions which were applicable prior to 1 July 2004.
13. It was considered, however, that Council should not enter an agreement with VicRoads beyond 31 December 2004 for inspection, maintenance and repair of arterial roads, as the terms and conditions with respect to such agreement were considered unacceptable, particularly from a public liability perspective. Without such an agreement in place, the responsibility for undertaking routine maintenance reverted to VicRoads from 1 January 2005.
14. Unlike the inspection, maintenance and repair of roads, it is proposed that Council continue to provide a street cleaning service to arterial roads (excluding those which were formerly State Highways) as the VicRoads standard of street cleaning is considered unacceptable in comparison to the standard which Council applies to the roads under its control. Under agreement with VicRoads, Council can undertake this higher level of service, and Council will be covered by VicRoads public liability insurance. VicRoads will, however, only reimburse Council equivalent to the level of service which VicRoads would itself undertake.
15. Council incurs an annual cost of approx \$940,000 to clean arterial roads to the Melbourne Standard, as part of its municipal street cleaning contracts. Council has entered an interim agreement with VicRoads to continue this service for the period 1 January 2005 to 30 June 2005; under the terms of this agreement VicRoads will only contribute approximately \$12,000 per annum towards Council's costs of this service. If the Melbourne Standard is warranted, then a long term agreement will be entered into by Council and VicRoads from 1 July 2005; however, negotiations will be undertaken with VicRoads to achieve a more significant contribution towards the cost of this service.
16. If no agreement is reached with VicRoads regarding cleaning of arterial roads, Council may withdraw completely from providing this service. This will require the removal of this component of work from the street cleaning contracts, which may result in a cost saving through negotiation with the service providers. At this stage it is not possible to quantify likely cost savings under this scenario. It will also result in a significantly downgraded standard of cleanliness for the arterial roads, and is likely to result in ratepayer dissatisfaction.

17. The level of funding previously provided to Council for this and routine maintenance (for example filling potholes, grass cutting, tree maintenance) on arterial roads was \$293,000 per annum. The arrangements recommended in this report would result in a net loss of income to Council of \$281,000 per annum.
18. Another major concern of Council relates to the management of medians in arterial roads, particularly with respect to the care and management of trees, grass and irrigation systems in the medians. Normal VicRoads' standards for these items are again considered undesirable from a Capital City perspective, and there are particular concerns regarding tree management especially along major boulevards. VicRoads was prepared to permit Council to undertake care and management of trees and medians under a contractual agreement, but the terms of such agreement are considered unacceptable to Council. As such, responsibility for medians and the trees and grass in the medians has reverted to VicRoads from 1 January 2005.
19. VicRoads are prepared, in accordance with the provisions of Section 15 of the Act, to transfer medians on arterial roads back to Council so that they become Council assets under Council control. Care and management of the medians will revert to Council responsibility physically and financially. The transfer would include hard paved medians, traffic islands, roundabouts and the like within the arterial roads reserve. Responsibility for kerbs on medians and traffic islands would remain with VicRoads.
20. The transfer will require VicRoads and Council to enter an agreement to give effect to the transfer, and VicRoads are preparing documentation for Council consideration. It is considered appropriate for Council to enter an agreement subject to a negotiated outcome to Council's satisfaction.
21. Council's register of public roads (adopted by Council on 26 August 2004) will require amendment to include details of such an agreement.

Relation to Council Policy

22. The recommendations of this report are in accordance with Strategic Direction 3.6 of *City Plan 2010*, to enhance the quality of the existing public and private built form and further develop the City as an exemplary urban environment.

Consultation

23. Extensive discussions have been held with VicRoads regarding the matters discussed in this report.
24. Council's Legal & Governance Branch has reviewed the proposed agreements.

Government Relations

25. The introduction of the *Road Management Act 2004* has led to the changes in management arrangements for arterial roads.

Recommendation

26. That the Planning and Environment Committee recommend Council:
 - 26.1. endorse 'in principle' the entering of agreements with VicRoads, effective from 1 July 2005, regarding:
 - 26.1.1. the undertaking of street cleaning functions on arterial roads; and
 - 26.1.2. the transfer from VicRoads to Council of medians, roundabouts and traffic islands within arterial roads under the provisions of Section 15 of the *Road Management Act 2004*;
 - 26.2. by instrument of delegation sealed by the Council pursuant to Section 98(1) of the *Local Government Act 1989* and section 118(1) of the *Road Management Act 2004*, delegate to the Chief Executive Officer, or the person from time to time acting in that position, its powers, duties and functions to negotiate and agree arrangements with VicRoads in accordance with paragraph 18.1 of this report, to enter into agreements with VicRoads regarding the undertaking of such works, and to do all things necessary and ancillary to the above, including executing all documents to give effect to the same;
 - 26.3. resolve that the instrument of delegation referred to in paragraph 25.2 of this report will cease and be of no further effect upon the completion of all necessary steps and the execution of all necessary documents to enter into the agreements with VicRoads; and
 - 26.4. note that under the provisions of Section 15(2) of the *Road Management Act 2004*, Council's register of public roads will be amended to include details of any agreement entered into between Council and VicRoads with respect to the transfer of road management functions for medians in arterial roads.

Arterial Roads – City of Melbourne

ROAD	FROM	TO	Map Ref Start	Map Ref End
* Alexandra Avenue	Swan Street Bridge	St Kilda Road	M 44 A10	M 43 J10
* Batman Avenue	Swan Street Bridge	Southern Link Road	M 2G B9	M 2G B9
Brunton Avenue	Jolimont Road	Punt Road	M 44 A9	M 44 D10
Cemetery Road East	College Crescent	Lygon Street	M 43 H2	M 43 J2
Cemetery Road West	Royal Parade	College Crescent	M 43 G1	M 43 G2
* City Road	St Kilda Road	West Gate Freeway	M 2F G7	M 2F B11
Clarendon Street	Yarra River	West Gate Freeway	M 43 F10	M 43 G12
College Crescent	Cemetery Road West	Cemetery Road East	M 43 G2	M 43 H2
Commercial Road	St Kilda Road	Punt Road	M 58 A4	M 58 C5
Cook Street	Salmon Street	Todd Road	M 42 J12	M 56 F1
Curzon Street	Victoria Street	Haines Street	M 43 D6	M 43 D4
Dock Link Road	Docklands Hwy	Dynon Rd	M 42 G6	M 42 G5
Dryburgh Street	Spencer Street	Arden Street	M 43 C6	M 43 C4
Dudley Street	Adderley St	Peel Street	M 43 D7	M 43 F6
Dynon Road	Maribyrnong River	Dryburgh Street	M 42 F4	M 43 C6
Elizabeth Street (incl. service roads and outer separators)	Victoria Street	Grattan Street	M 43 G6	M 43 F4
Elliot Avenue	Flemington Road	Macarthur Road	M 43 C1	M 43 E1
Epsom Road (southern half of road)	Smithfield Road	Langs Road	M 42 K3	M 42 K3
Fisher Parade (eastern half of road)	Leonard Crescent	Maribyrnong River	M 28 E12	M 42 D1
Flemington Road (incl. service roads and outer separators)	Elizabeth Street	Melrose St	M 2B B8	M 2A F3
Flemington Rd (south bound c'way)	Moonee Ponds Creek	Melrose Street	M 2A D1	M 2A F3
* Footscray Road	Maribyrnong River	Moonee Ponds Creek	M 42 E6	M 43 A7
Harker Street	Haines Street	Flemington Road	M 43 D4	M 43 E3
High Street (northern half of road)	St Kilda Road	Punt Road	M 58 B6	M 58 B6

ROAD	FROM	TO	Map Ref Start	Map Ref End
* Hoddle Street (west side)	Wellington Parade	Victoria Parade	M 44 D9	M 44 D7
Jolimont Road	Wellington Parade	Brunton Ave	M 44 A8	M 44 A9
King Street	Victoria Street	Flinders Street	M 43 D6	M 43 F10
* Kingsway	Flinders Street	Westgate Freeway	M 43 F10	M 43 H12
* Kingsway (Southbound c'way)	Westgate Freeway	Dorcas Street	M 43 H12	M 57 J1
Langs Road (southern half of road)	Epsom Road	Leonard Crescent	M 28 F11	M 28 E11
Lansdowne Street	Wellington Parade	Victoria Parade	M 44 A8	M 44 A6
Lorimer Street	Todd Road	Montague Street	M 42 F10	M 43 D11
Macarthur Road	Elliot Avenue	Royal Parade	M 43 E1	M 43 G1
Macaulay Road	Arden Street	Boundary Road	M 43 C4	M 43 B3
Montague Street	Lorimer Street	Wurundjeri Way	M 2E H10	M 2E H8
Nicholson Street (west side)	Victoria Parade	Princes St	M 43 K6	M 43 K2
Normanby Road	West Gate Freeway	Clarendon Street	M 43 E12	M 43 F11
Peel Street	Dudley Street	Flemington Road	M 43 F6	M 43 F4
* Power Street	City Road	Westgate Freeway	M 2F E9	M 2F F10
Princes Street (west bound carriageway)	Nicholson Street	Lygon Street	M 2B K4	M 2B G4
* Punt Road (west side)	High Street	Wellington Parade	M 58 B6	M 44 D9
Royal Parade (incl. service roads and outer separators)	Park Street	Grattan Street	M 29 G10	M 43 F4

ROAD	FROM	TO	Map Ref Start	Map Ref End
* Smithfield Road	Maribyrnong River	Epsom Road	M 42 F3	M 42 J1
Spencer Street	Dryburgh Street	Yarra River	M 43 C6	M 43 F10
St Kilda Road (incl. service roads and outer separators)	Southbank Boulevard	Dorcas Street	M 2F H 9	M 2F J12
St Kilda Road (sth bound c'way incl. service road and outer separator)	Dorcas St	High Street	M 2F J12	M 2L C11
Sturt Street	City Road	Grant Street	M 2F G7	M 2F F10
Swan Street	Batman Ave	Punt Rd	M 44 A10	M 44 D11
Todd Road	Lorimer Street	West Gate Fwy ramp	M 42 F10	M 56 F1
Todd Road (western half of road)	West Gate Fwy exit ramp	Williamstown Road	M 56 F 1	M 56 G2
Toorak Road West	St Kilda Road	Punt Road	M 57 K2	M 58 C3
Victoria Parade (west bound carriageway)	Nicholson Street	Hoddle Street	M 2B K12	M 2G G1
Victoria Street	Peel Street	Nicholson Street	M 43 F6	M 43 K6
Victoria Street	Dryburgh Street	King Street	M 43 C5	M 43 D6
Wellington Parade	Lansdowne Street	Hoddle Street	M 44 A8	M 44 D9
Williamstown Road	Todd Rd	Webb Dock West	M 56 G2	M 56 D3

* Denotes a road which was formerly a State Highway under VicRoads responsibility

FINANCE ATTACHMENT

ROAD MANAGEMENT ACT – MANAGEMENT OF ARTERIAL ROADS

The proposed actions will result in a reduction in funding allocation from VicRoads for routine maintenance from \$293,000 per annum to \$12,000 per annum. In addition, programmed rehabilitation and pavement maintenance works will no longer be undertaken by Council on behalf of VicRoads; the 2004/05 budget includes a project allocation of \$1,086,000 of external funding for this work which is no longer applicable.

Overall there will be a net loss of income to Council of \$281,000 per annum if the proposed agreements are put in place. If no agreements are reached, Council will have a total income loss of \$293,000 per annum. It should be noted that this may be offset by savings from adjustments to street cleaning contracts if cleaning of arterial roads is removed from the scope.

Joe Groher
Manager Finance Services

LEGAL ATTACHMENT

ROAD MANAGEMENT ACT – MANAGEMENT OF ARTERIAL ROADS

The report accurately summarises the salient features of the *Road Management Act 2004* (“Act”) in particular the ability of VicRoads under Section 15 of the Act to transfer medians on arterial roads back to Council for its care and management.

Instrument of Delegation

On 16 December 2004 the Council resolved to delegate to the Planning and Environment Committee the power, duties and functions directly relating or ancillary to Transport planning, Traffic and Parking.

Alison Lyon
Manager Legal & Governance