

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.

Workers Information Summary

Changes to Main Roads Contract Delivery Model

Main Roads has completed a review of our maintenance delivery model.

The review was limited to the Term Maintenance Contracts and other contracts such as the AMSS, that supply labour to Main Roads regional operations including maintenance.

The Government has approved the following changes to Main Roads contract delivery model:

- Bring maintenance and some regional construction back to Main Roads day labour.
- A staged transition of workers associated with the maintenance and construction function under other labour contracts to direct employment.
- Delivery of Minor Capital Works (MCWs) through Main Roads resources supported by local contractors and Local Government where possible.

Existing Maintenance Contracts are starting to reach their endpoint this year, with most ending by February 2024. The Kimberley contract is due to end in 2026.

Those term contracts impacted are:

- | | |
|--|----------|
| • Wheatbelt Rural Network Contract (RNC) | Oct 2022 |
| • Mid West-Gascoyne Rural Network Contract (RNC) | Nov 2022 |
| • Goldfields-Esperance Rural Network Contract (RNC) | Oct 2023 |
| • Pilbara Rural Network Contract (RNC) | Oct 2023 |
| • Metropolitan Network Contract (MNC) | Oct 2023 |
| • Southern Network Contract (SNC) | Dec 2023 |
| • GFF Tunnel and Incident Response Services (IRS) Contract | Feb 2024 |
| • Kimberley Resources Contract (KRC) | Jan 2026 |

660 new or transitioned jobs will come to Main Roads by the end of the transition period (January 2026).

Transition– Maintenance Contracts

Maintenance crews will transition to Main Roads depending on the expiry/end date of the existing Maintenance Contracts. Main Roads does not intend to end any of these contracts early.

Three months prior to the expiry of the term contracts Main Roads will commence the formal transition process for maintenance crews.

All maintenance crews will be eligible for the Transitional Arrangements referred below.

Transition – AMSS and other positions

The transition team will work with relevant RMs and others to identify priority positions to be filled with direct employment.

Priority positions will be determined using one or more of the following criteria:

- To support the implementation of day labour to replace the Network contracts.
- Current operational need to deliver projects within Regions.
- To improve capability of development employees in the Regions.

Recruitment to these positions will be a staged approach over the next three years.

The AMSS contract and other labour contracts, will continue to remain in place during this period due to the staged approach and will continue to be used to address peak workloads into the future

Employees currently engaged under the AMSS and other labour contracts will be eligible for the Transitional Arrangements below.

Transitional Arrangements

Main Roads will advise workers of the opportunity to transition to Main Roads.

Workers will apply via an Expression of Interest but will not have to compete with external applicants for their job.

Subject to relevant police, health checks, etc an offer of employment will be made to workers under the relevant Main Roads Enterprise Bargaining Agreements (EBAs).

Prior service with a contractor will be recognised for:

- Long Service Leave and Parental Leave. Main Roads will credit leave for transferring workers based on their previous entitlement with the contractor.
- Salary/Wage –Main Roads will recognise prior service/experience within their classification level under the Main Roads EBAs.

These arrangements will be contained within a Commissioner's Instruction from the Public Sector Commission.

The Outcomes

This change will drive additional growth in the regions through 490 new or transitioned jobs across the State to come to Main Roads. In addition, 170 maintenance, delivery and Incidence Response Service (IRS) workers will transition across to day labour in the Metro region.

This will:

- Drive jobs and economic growth in the Regions;
- Deliver permanent employment for maintenance and construction workers;
- Ensure ongoing sustainability in the Regions;
- Enhance Aboriginal engagement outcomes;
- Provide for increased skills delivery into Main Roads;
- Deliver a more effective response to natural disasters and other emergency scenarios.

The Future

Main Roads will not be able to deliver all the MCWs with day labour.

The remainder of project work will be made available to contractors by panels or tenders. Capital works will continue to be provided under existing arrangements.

No decision has been made on other Main Roads services contracts that were outside the scope of the review.

Main Roads will continue review other contracts with the aim of delivering the best quality and value for money results for the State.

Further Information

For further information concerning Human Resources or Employee Relations issues please contact Hayden Falconer, 9323 6451 or hayden.falconer@mainroads.wa.gov.au

Subcontractor Information Summary

Changes to Main Roads Road Maintenance and Minor Capital Works Contract Delivery Model

Background

Main Roads has completed a review of its maintenance and minor capital works (MCWs) delivery model. The review was limited to the Network Contracts (typically for road maintenance work and MCWs) and other contracts supporting this function provided by the AMSS (Asset Management Support Services) and other labour supply contracts.

The following changes to the delivery model have been approved, and are being implemented:

- Routine road maintenance crews currently operated directly by the Network Contractors will be converted to Main Roads day labour (using Main Roads employees).
- Incident Response Services (IRS) will also be converted to Main Roads day labour.
- A staged transition of other contract labour associated with the management of the maintenance and MCWs will also be made to use direct Main Roads employees.
- Delivery of a portion of MCWs directly through additional Main Roads resources, with the remainder delivered by contractors (and potentially Local Government where possible).

Existing Network Contracts are starting to reach their endpoint this year (see dates below), with most ending by February 2024.

Those term contracts impacted are:

- | | |
|--|----------|
| • Wheatbelt Rural Network Contract (RNC) | Oct 2022 |
| • Mid West-Gascoyne Rural Network Contract (RNC) | Nov 2022 |
| • Goldfields-Esperance Rural Network Contract (RNC) | Oct 2023 |
| • Pilbara Rural Network Contract (RNC) | Oct 2023 |
| • Metropolitan Network Contract (MNC) | Oct 2023 |
| • Southern Network Contract (SNC covering South West and Great Southern Regions) | Dec 2023 |
| • GFF Tunnel and Incident Response Services (IRS) Contract | Feb 2024 |
| • Kimberley Resources Contract (KRC) | Jan 2026 |

Main Roads does not intend to end any of these contracts early.

The Future

Routine maintenance around the state and IRS crews (which operate within the Perth Metropolitan Area) will generally transition to Main Roads around the expiry/end date of the existing contracts.

Typically, routine maintenance accounts for a relatively minor proportion of regional expenditures.

Main Roads expects that the road maintenance and construction industry will see an increase in the value of work available to compete for via panel contracts or public tender. Network Contracts will not be renewed upon expiry, and this will release a significant proportion of planned maintenance and MCWs that is currently delivered through those Network Contracts. In many cases, associated subcontractors will work more directly for Main Roads.

State-wide panel contracts will be implemented for substantial work. These contracts will operate for a period specific to each contract. They will/have been publicly tendered and will be renewed on a periodic basis. Work will either be issued under these contracts (where rates are provided under the contract) or will otherwise be priced during the contract amongst the panel members. Work will be issued progressively as the work is identified, and programmed, and issued using Work Orders.

Regional panel and other contracts will also be established for other significant work.

Appendix 1 details the contracts.

Further Information

For further information please contact Domenic Palumbo, 9323 4316 or domenic.palumbo@mainroads.wa.gov.au

Appendix 1: Statewide & Regional Contracts

Activity #3	Statewide #1 / Regional #2 Arrangement	Contract of other procurement form
Traffic Management Services	Statewide	Panel Contract being tendered
Supply of maintenance trucks and associated baseload construction plant/trailers	Statewide	Bespoke Leasing Panel Contract being tendered.
Additional plant for construction work to support inhouse work	Regional	Purchase order for typically for a Wet Hire arrangement
Pavement repairs and stabilisation work	Statewide	Panel Contract tendered and closed
Slashing / mowing	Regional	Regional contract which may include a panel arrangement
Lateral and overhead vegetation clearing	Regional	Regional contract which may include a panel arrangement
Sign supply	Statewide	Panel Supply Contract to be tendered
Road safety barrier (supply and / or install)	Statewide	Panel Contract being tendered
Herbicide treatment	Regional	Regional contract which may include a panel arrangement
Asphalt maintenance work and cold mix supply	Statewide	Panel Contract being tendered
Resealing and Micro-surfacing	Statewide	State-wide Resealing Panel Contract
Roadmarking	Statewide	State-wide Road Marking Panel Contract
Capital road and bridge projects	Statewide or project specific	Statewide Road Construction Panel Contract or individually tendered project work
Structural/bridge maintenance and related minor capital projects	Statewide	Statewide Structures Panel Contract
Supply of guideposts, culverts, road building materials, etc	Regional	Purchase Order or minor supply contracts as required
Maintenance grading of unsealed roads, road edge-breaks, grid repairs, blackwater removal, construction water, etc	Regional	Purchase Order or minor contracts as required

#1 All tenders for formal contracts are tendered on the government's website, Tenders WA. Contractors will need to register for access, upon which tender documents can be downloaded and tenders can be uploaded. Some formal contracts will be re-tendered periodically for the associated service, and during the contract period Main Roads will work with the appointed contractors.

#2 Contact the local Main Roads regional office to provide information to staff about suitable contractors who can be engaged for the associated work where a regional purchase order or other minor procurement method is used.

#3 Some activities will have prequalification and other mandatory requirements which are explained in the tender documents.

Frequently Asked Questions

Main Roads in-house delivery of road maintenance and some minor capital works

Commencing October 2022, Main Roads will shift from contracting out road maintenance, to in-house delivery. Main Roads will also directly manage and deliver some of its Minor Capital Works program. This shift will see a total of 660 contractor employee's transition to Main Roads.

Main Roads has finalised new organisational structures for the Mid-West Gascoyne (MWG) and Wheatbelt Regions as these are the first two regions that will transition to direct labour.

Our goal is to provide as many opportunities for workers to transfer to direct employment as possible, where those positions exist in the new organisational structure.

How do I transfer to a position with Main Roads?

If you are employed by any one of our contractors in Mid-West Gascoyne and Wheatbelt Regions, including the AMSS, labour hire and contractors under Network Contracts, you will be asked to register your interest in transferring to Main Roads.

The registration process will require you to provide some personal information along with relevant information about your current job. Based on the information provided, and where a position exists in the new organisational structure, Main Roads can make a direct offer of employment to you.

You will not need to go through a standard public sector recruitment process such as addressing selection criteria however, prior to making an offer, Main Roads may request further information from you.

When will Main Roads start making offers to employees?

Main Roads has commenced the recruitment process for these two regions. Recruitment will depend on a number of factors including the expiry date of the contract employees are currently working under, and completion of the registration process.

Contractors under the AMSS or other labour hire contracts, which are not time bound will be made offers prior to the end of the Network Contracts.

Maintenance workers under Network Contracts will begin transferring over at the end of the Network Contract period.

Main Roads' Human Resources Team will soon be visiting the Wheatbelt and Mid-West Gascoyne Regions to explain this process.

Will I need to undertake a fitness for work assessment prior to being offered?

As part of the registration process, you will be asked to provide relevant health information.

Although this may require necessary modification to how work is performed, this information will not prevent us making an offer of employment to you.

Will I need a "clean" police record or a National Police Clearance (NPC) to transfer to Main Roads?

You do not need a "clean" police record to register your interest to transfer, as not all Main Roads positions require this. Where a position requires a NPC you will be informed when we make an offer of employment.

Prior convictions will not prevent you from transferring to Main Roads unless the nature of the conviction(s) is/are directly related to the work you will be

undertaking. For example, recent financial convictions would be relevant to positions that are required to undertake financial or accounting work.

What conditions will I transfer to under Main Roads?

Workers will transfer to Main Roads to an equivalent position under our existing Enterprise Bargaining Agreements (EBAs). Employment will be offered based on the employee's current position and Main Roads' operational needs.

Previous service will be recognised for the purposes of Long Service Leave (LSL) and Parental Leave. Under Main Roads EBAs, employees are entitled to 13 weeks of LSL after seven years of service. Your entitlements will be credited to you when you transfer to Main Roads, based on your service with your previous employer.

What are the salaries/wages at Main Roads?

Salary and wage pay scales is available within the document titled '*Salary and Wages Summary*'. Hours of work for salaried officers are 37.5 or 40 hours per week. Hours of work for wages employees are 38 or 40 hours per week (9-day fortnight).

Under Main Roads EBAs, classification levels have annual increments. Main Roads will consider prior service and experience when determining your starting salary/ wage.

For example, if you have had three years relevant experience, you can be offered the third increment within the classification level.

When are the Enterprise Bargaining Agreements (EBAs) negotiated?

Main Roads is currently negotiating with Unions for replacement EBAs. Information and contact details for unions are listed at the end of this document.

In accordance with the WA Government Wages Policy, annual salaries and wages will be increased by a minimum of 2.5 per cent and either a one-off \$1,000 sign-on payment or an additional 0.25 per cent per annum wage increase in return for industrially based reform measures. Subject to negotiations continuing in good faith, the pay increase will be backdated from 1 February 2022.

Will my annual and sick leave transfer to Main Roads?

Annual leave and sick leave will **not** transfer to Main Roads. However, transferring employees will be entitled to Personal Leave credits (which includes sick leave and carers leave) from the date of their transfer, as follows:

	Personal leave cumulative	
	37.5 or 38-hour week	40-hour week
On day of transfer to Main Roads	6.5 days	6.5 days
On completion of 6 months continuous service	6.5 days	6.5 days

	Personal leave non-cumulative	
	37.5 or 38-hour week	40-hour week
On day of transfer to Main Roads	2 days	2 days
On completion of 6 months continuous service	Not applicable	Not applicable

Part time employees receive pro rata leave based on the number of hours worked.

What additional benefits do regional employees get?

Full-time regional employees have the option to receive an annual commuted allowance for working additional hours per week:

Region	Additional hours worked per week	Annual per cent in lieu
Kimberley and Pilbara.	5	18%
Mid-West Gascoyne (Carnarvon) and Goldfields-Esperance	3 hours 45 minutes	13.5%
Mid-West Gascoyne (Geraldton), Wheatbelt, South West and Great Southern	2 hours 30 minutes	9%

Regional employees are also entitled to a range of regional benefits that includes District Allowance (double if you have a dependant), power and water subsidies and North West leave. Further information on these allowances is available in the document titled 'Regional Benefits Summary'.

Will part-time/job share arrangements be available?

These will be considered on a case-by-case basis depending on existing arrangements and operational requirements.

Do employees get a Rostered Day Off (RDO)?

Workers covered by the Main Roads AWU EBA are entitled to a nine-day fortnight. Where operational need requires employees to work on their scheduled RDO, the employee will be paid overtime rates for the day.

White collar/salaried positions are not entitled to RDOs but have access to Flexible Working Hours.

What are the regional travel requirements/roster arrangements?

Roster and working arrangements will mirror existing arrangements as much as possible, including travel and working away from your base location.

What white collar roles will be available?

Further information on white collar positions will be made available when the new organisational structures are released.

If we were to transfer to Main Roads where would we be based? Will I be expected to work in other regions? Can I be made to work in other regions?

The intent is for employees to be offered a job with Main Roads based on their existing work location.

If issued with a vehicle for my role, will I be allowed to take the vehicle home?

Vehicle access will be subject to further discussion.

Will the employment transfer be a fixed term contract?

Positions will be permanent unless the worker cannot be offered a permanent contract (ie if they are on a temporary visa or due to other external factors).

How will road workers be better off overall compared to existing working arrangements?

The table below outlines how workers under the Main Roads AWU EBA will be better off under the new arrangements:

Under the Main Roads AWU EBA road workers will be eligible for the following annual wages (as at 1 February 2022)	Year/ Increment	Annual (38hr)	Hourly (38hr)	Annual (40hr)	Hourly (40hr)
Classification					
Crew Member (Level 3/4 AWU EBA)	1	\$65,218	\$32.90	\$69,301	\$33.21
	2	\$66,840	\$33.72	\$71,030	\$34.04
	3	\$68,543	\$34.58	\$72,849	\$34.91
	4	\$70,345	\$35.49	\$74,771	\$35.83
	5	\$72,230	\$36.44	\$76,781	\$36.80
Crew Leader (Level 5 AWU EBA)	1	\$74,820	\$37.74	\$79,544	\$38.12
	2	<u>\$76,838</u>	\$38.76	<u>\$81,696</u>	\$39.15
	3	<u>\$78,918</u>	\$39.81	<u>\$83,914</u>	\$40.21
	4	<u>\$81,057</u>	\$40.89	<u>\$86,199</u>	\$41.31

All AWU EBA covered employees are also paid a weekly Industry Allowance of \$32.60 (approximately \$1700 per year).

What leave do all staff have per year and can you take the leave when you want? What will be the improved entitlements stated in the Minister's statement against our current Roads EBA?

Full-time employees are entitled to the following (pro-rata for part time):

- Four (4) weeks annual leave
- 15 days personal leave (sick leave, carers leave etc) of which 13 days can accumulate each year
- Three (3) Public Service Holidays (additional days of leave)
- One-week additional annual leave for North West employees, and additional travel days for regional employees; and
- 13 weeks Long Service Leave (LSL) after seven (7) years of service. Existing LSL entitlements will be recognised by Main Roads.

Although some regions may have mandatory leave periods around Christmas and cyclone season, all leave requests require discussion between yourself and your manager.

What training is offered to Main Roads' employees to enable them to gain a higher grade in their EBA?

Subject to good performance, employees will automatically move up an increment within their salary/wage level each year.

Employees participate in annual [Career Conversations](#) with their Manager to enable discussions around their work and further development priorities for the year ahead.

Of the 170 maintenance delivery and incident response service workers who will transition across in the Metro Region how will these roles be divided between blue and white collar?

These are currently under review noting the expiry date of the MNC and Incident Response Services contract.

Will Main Roads provide me with all my Personal Protective Equipment (PPE) or do I have to buy it?

All PPE will be supplied free of charge by Main Roads.

If I transfer to Main Roads, will I be on probation?

All employees who transfer will be on six months' probation.

Will there be opportunities for trainees to transfer to Main Roads from operational teams, and will Main Roads continue to pay for Traineeship Modules (Certificate III)?

Yes, there will be opportunities for trainees to transfer and complete their traineeship. When you register your interest please include your training/traineeship information.

Where can I get further information?

Main Roads:

Hayden Falconer

Principal Industrial Relations Consultant
Human Resources Directorate

E: hayden.falconer@mainroads.wa.gov.au

p: 08 9323 6415 m: 0438 626 873

Danneil Ludlow

Human Resource Business Partner
Main Roads Western Australia

E: danneil.ludlow@mainroads.wa.gov.au

p: 08 9323 4397 m: 0418 735 134

Unions:

AWU Andy Hacking

M: 042982-0125

E: andy.hacking@awuwa.asn.au

APEA (Engineers) – Tamarah Rowlands

M: 0416 219 373

E: trowlands@professionalsaustralia.org.au

TWU (IRS Officers) – Charlie Nichols

M: 0422 838 475

E: Charlie.nichols@twuwa.org.au

CPSU/CSA Unionlink

T: 08 9323 3800

E: unionlink@cpsucsa.org