10 January 2017

The Executive Officer
Law Reform, Road and Community Safety Committee
Parliament House
Spring Street
EAST MELBOURNE VIC 3002

To Whom It May Concern,

Re: Inquiry into VicRoads’ Management of Country Roads

I write with a submission to the Inquiry into VicRoads’ Management of Country Roads.

The key issues for Council in relation to the effectiveness of management by VicRoads and funding of the arterial road network are:

- Responsibility and Oversight
- Asset Management
- The condition of the roads
- Lack of funding for recurrent maintenance
- Provision of roads that are fit for purpose to support growing tourism and agricultural industry

Council has considered the Terms of Reference and hereby submits its response (enclosed) to the questions for consideration by the Law Reform, Road and Community Safety Committee. Additional supporting information is also provided including video footage of the impact of the arterial road network on industry productivity and tourism in Corangamite Shire and a one page document highlighting the demand for maintenance.

We would be prepared to appear at a hearing if required.

If you have any queries regarding our submission, please contact Brooke Love, Director Works and Services on [Redacted] or [Redacted].

Yours sincerely

Andrew Mason
Chief Executive Officer

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Introduction

Corangamite Shire Council is a large rural municipality located in south-west Victoria. The Shire covers approximately 4600 square kilometres extending from the Twelve Apostles coastline to the historic town of Skipton near Ballarat. The Shire’s eastern boundary is Lake Corangamite and it extends to the west of Terang. Our lush hinterland has fertile grasslands, internationally recognised wetlands, volcanic cones and rolling hills, which forms the basis of an important agricultural industry. Corangamite Shire is home to 16,133 residents.

The Shire economy is characterised by a significant agriculture and manufacturing sector, with the dairy industry at its core. The dairy sector includes businesses across agriculture (dairy farming) and manufacturing (butter and dairy product manufacturing and milk and cream processing), reflecting a strength of the region in food production and food processing.

Agriculture is the largest industry within the Corangamite Shire employing 2,023 people, representing 30% of employment in the Corangamite Shire, as well as contributing $397.1 million in economic output and $189.5 million in value added. Corangamite Shire provides 47% of the milk production in the region of which makes up 1/3 of Victoria’s milk supply and 1/4 of the Nation’s milk supply.

Tourism is another substantial industry in Corangamite which is growing significantly. More than 2.6 million visitors visit the region and this is expected to increase by 45% in the next twenty years.

The 603km of VicRoads arterial road network represents 22% of roads within Corangamite Shire.

Background

The Law Reform, Road and Community Safety Committee have provided notice of an Inquiry into VicRoads’ Management of Country Roads.

Submissions are invited in response to the following 4 topics:

1. The effectiveness of VicRoads in managing country roads;
2. The existing funding model and its lack of effectiveness for country Victoria;
3. The lack of consultation with regional communities and their subsequent lack of input into prioritising which roads are in dire need of repair; and
4. The option of dismantling VicRoads and creating a specific Country Roads organisation and separate Metropolitan Roads body.

Council welcomes the opportunity to provide input into this Inquiry and feedback to the Law Reform, Road and Community Safety Committee on the matter of VicRoads' Management of Country Roads.
Response

1. The effectiveness of VicRoads in managing country roads

The key issues for Council are:

(a) Community knowledge of VicRoads responsibility to maintain the arterial road network
A key issue is that there is a misconception within the community that Council is responsible for arterial roads within the Shire and that it is subsequently to blame for the poor condition of arterial roads within the municipality. There is a poor knowledge within the community of Vic Roads responsibility to maintain the arterial road network.

Examples of this are the results in recent years of the annual customer satisfaction surveys organised by Local Government Victoria to gauge the level of customer satisfaction with respect to Council’s provision of services. Repeatedly Council has rated lowly in relation to customer satisfaction with the condition of sealed roads in the shire. Follow up questions within the 2017 survey identified that the respondents were predominantly critical of the condition of the arterial roads in the Shire for which VicRoads is responsible.

Also, Council officers are regularly redirecting customer complaints on the poor condition of arterial roads to VicRoads when the public has inadvertently come to Council concerning issues associated with the arterial road network.

(b) Oversight of Work
A lot of maintenance work has been undertaken in the past 12-18 months only to see elements of these works fail soon after project completion. This can not only lead to credibility and reputational impact on VicRoads but more often than not on the relevant Council. Council believes these issues could be mitigated by:

- Preparation of detailed project specifications which is relevant and responds to site specific planning i.e. not off the shelf plans, and ensuring adequate investigation is undertaken
- Appropriate preparation for construction including tree works and drainage
- Adequate supervision of the contractors by VicRoads staff to check hold points and ensure the requirements of the specification are met
- Ensure sign off of the project at project completion before the contractors leave the site
- Ensure adequate post care of the site including signage and removal of speed restrictions as appropriate
- Extended warranty / defect liability periods

Whilst this most likely occurs there is evidence that such processes are not applied in all instances e.g. Timboon – Colac Road.

(c) Contractors being held to account
Where construction projects are completed by ‘others’ and a warranty / defect liability period is applicable (should be all cases) this requires adequate oversight and enforcement. Council, as a nominated subcontractor to the South West Alliance for routine maintenance on a portion of the arterial road network in Corangamite and Colac Otway Shires, has on numerous occasions attended to sites where there is a defect as a request for routine maintenance. VicRoads should be managing defects as part of the initial contract with an extended warranty/liability period with ‘others’ and not relying on its maintenance program to fund these works.

(d) Asset Management
The primary focus should be to maintain all assets in a manner that allows the State to effectively meet current and future demand for services in a financially sustainable manner.
There is an escalating maintenance backlog and deterioration in road condition. Use of the data collected over time (as well as future condition assessment measurements) is critical to understand what is required to renew arterial roads back to an acceptable standard, enable a program of works to be developed, quantify the funding required for renewal and ultimately to reduce the renewal gap or risk of renewal gap expanding.

(i) Maintenance

It is clear from the current condition of the roads that the arterial road asset is not being managed in accordance with an appropriate asset management model.

An appropriate asset management model would include:

- Regular condition assessments
- Setting of road rehabilitation priorities to reduce the asset renewal gap
- Reseals and reconstruction at appropriate intervals
- Shoulder maintenance
- Tree maintenance and
- Drainage maintenance

This would potentially eliminate the need for reduced speed limits on sections of roads that are in poor condition. In Corangamite Shire, 12% of arterial roads have reduced speed limits or are cautioned with advisory signs for rough surfaces, slips subsidence's or the like. 9.5% of these are signed for rough surface, traffic hazard or road hazard in response to the substandard condition of the road.

Roadside vegetation in our rural area is also a concern, with maintenance being reactive only, trees not trimmed to the extent of the road envelope meaning unsafe conditions for all roads users and damage incurred to vehicles. Vegetation in roadside drains should be proactively managed such as trimming of trees, spraying and weed control, to ensure safe road edges and better sight lines, and ensure adequate removal and redirection of surface water from the roads and roadsides.

It is clear that VicRoads is not adequately resourced to maintain and renew the State Government assets as required.

(ii) Roads that are fit for purpose

Corangamite Shire has significant and growing agricultural and tourism industries which means there is a myriad of vehicle types, vehicle sizes and driver ability, such as milk tankers, tractors, cattle trucks, grain and log trucks, harvesters, school buses and residents, local and international tourists in light vehicles and coaches all sharing the road. We need a road network that matches the technical capacity of the vehicles using it. In particular the network needs to cater for the current and future freight task and the future requirements for larger, heavier and more efficient Higher Productivity Freight Vehicles.

Corangamite Shire in conjunction with the State Government and with other shires in the Great South Coast are undertaking the Barwon South West Regional Dairy Supply Chain Mapping Study to identify the priorities in strategic road upgrades to cater for the transport industry requirements.

Tourism is a major economic driver for Corangamite, particularly along the southern coast and hinterland region, driven by iconic attractions along the Shipwreck Coast including the Twelve Apostles, Great Ocean Road and Port Campbell National Park. The Great Ocean Road and Twelve Apostles are of significance for the state of Victoria and Australia as a nation. A great proportion (68%) of the 2.6million visits per year are domestic daytrips, arriving via the Great Ocean Road by private vehicle or tour bus, spending time at the Apostles, and then departing back to Melbourne (Princes Highway) via north – south hinterland routes.
Recent federal and state government funding of $150 million has been allocated to improve the Great Ocean Road but no funding has been allocated to the Great Ocean Road North South Loop linkages or hinterland routes from the Great Ocean Road to the Princes Highway. Tourists in cars and tour buses totalling more than 740 vehicles per day are using arterial roads Cobden Port Campbell Road, Timboon Colac Road and Princetown Road as north south linkage routes from the Great Ocean Road to the Princes Highway to return to Melbourne.

The condition of these roads and the safety risks for those travelling them is a primary concern. The extent of poor road conditions such as edge breaks, push outs, pavement cracking, rutting and potholes, notwithstanding the topography of the routes, means motorists drive to avoid these defects resulting in near-miss or actual accident occurrences.

The tourists are navigating these roads in the 3rd most productive Local Government Area for dairy production in the nation, that is, with a high proportion of trucks, heavy and long vehicles, agricultural equipment and local motorists, cars, buses, motorbikes etc. Further investment is required from VicRoads to satisfactorily cater for the vehicles using these roads.

There are numerous examples of arterial roads within Corangamite Shire that are currently not fit for purpose to cater for the above transport and tourist industry demands (e.g. Foxhow Road, Ayresford Road, Cobden-Port Campbell Road, Lavers Hill - Cobden Road) due to deteriorated pavement condition and/or inadequate road seal width.

Appropriate fit for purpose standards would be:

- Minimum of two 3.1m traffic lanes to allow for two lane, two way
- Delineation by centre line marking, fog line and guide posts
- Design speed of 80-100km/hr, depending on terrain
- Roads maintained to meet design speeds.

2. The existing funding model and its lack of effectiveness for country Victoria

The current issues exist on the arterial network because there has been and continues to be a lack of adequate funding. Continual quick fixes cannot replace timely renewal.

Decreasing maintenance funds lowers the overall network condition and ultimately the service level standard consumers come to expect, but this will significantly increase the cost to repair the roads in the future.

The State Government currently permits investment in roads to be subject to political pressures arising from annual budget processes and election cycles. Funding asset renewal has not been a priority.

The Andrews Government says it has doubled the investment in roads in the South West. This may be the case for rehabilitation and renewing pavement but it’s not enough to support the maintenance demand. VicRoads have an escalating maintenance backlog and deterioration in road condition. What is most important is to measure the condition of the roads, in a consistent manner, over a period of time and use that data to inform funding and priority works.

The local and arterial road network underpins the operation and ultimate success of the region’s economy and our community’s liveability. People use our roads to transport goods, to access services, to connect with family, friends and other community members.

Corangamite Shire has 110km of distressed arterial road network (18.2%). This has increased by 10% in ten years, and if a long term, consistent approach to maintaining the arterial network with sufficient funding is not considered, this legacy will be 45% distressed network or more by 2040.
Funding to ease congestion in metro Melbourne and suburbs with more roads, tunnels and links does not address the safety of Corangamite and South West residents and the visitors, nor does it address the productivity loss from industry or response times for emergency vehicles.

The following approach to funding the arterial network should be considered:

- Budget allocations must be driven by an asset management plan based on real data
- Investment in ‘distressed roads’ first and foremost
- Allocation of sufficient recurrent funding for ongoing maintenance
- Continue allocation for improvements such as Narrow Road Widening Program

3. The lack of consultation with regional communities and their subsequent lack of input into prioritising which roads are in dire need of repair

Road maintenance and improvements should be based on road condition and principles such as traffic volumes, traffic type and strategic importance. Decisions regarding the management of the road network should be made by appropriate professionals with expertise and not left up to an advocacy competition between communities.

Corangamite Shire and VicRoads need to continue to work collaboratively. Both road authorities play an important role in the management of the road network with Council currently providing maintenance services under an alliance contract.

Council could assist with prioritisation of roads if consultation was improved through:
- Council’s qualified and expert staff members travelling, and maintaining a portion of, the roads regularly
- Responses to customer enquiries about VicRoads’ roads
- Community Satisfaction survey data
- Industry Heavy Vehicle permit requests
- Visitor journey tourist routes

Industry and regional bodies could also assist VicRoads in this regard.

If the roads were adequately funded, maintained and managed then there would be no need for consultation with the community as service levels would be meeting expectations.

4. The option of dismantling VicRoads and creating a specific Country Roads organisation and separate Metropolitan Roads body.

The model of how the roads are managed is realistically irrelevant. Roads should be managed and funded in accordance with asset management principles as discussed above whether they be located in the Metropolitan or Rural areas.

It is feared that if a Country Roads organisation was established it would then only be competing for funds with the Metropolitan Regions and could lose out further based on a population/voter basis.

Council does not have a position on the establishment of a new Country Roads Authority. The creation of a new Authority would allow greater focus on Country roads, on the other hand it would increase administrative costs.

If such a governance model were established, funding would need to be provided to either Body relative to basic asset renewal practice and principle, in consideration of the value of regional roads to the economy through inputs such as agriculture and tourism and would need to shift the focus from merely a population basis, relieving congestion and satisfying political pressure.
Council has previously indicated that it would be willing to take over certain roads subject to the State Government providing funding.