Dear Sir / Madam

INQUIRY INTO VICROADS’ MANAGEMENT OF COUNTRY ROADS

The Wimmera Southern Mallee Regional Transport Group comprises the following member Councils:

- Buloke Shire Council
- Hindmarsh Shire Council
- Horsham Rural City Council
- Northern Grampians Shire Council
- Yarriambiack Shire Council
- West Wimmera Shire Council.

At its latest meeting on 1 December 2017, the Committee discussed several aspects relating to the terms of reference of the Inquiry into VicRoads’ management of country roads, and resolved to provide this submission. Comments are made in relation to each of the points of the terms of reference, which provide the headings to the following sections of this letter.

1. The effectiveness of VicRoads in managing country roads.

Our Group is familiar with the 2017 VAGO Audit, “Maintaining State Controlled Roadways”. The Audit Overview section of that report provides some useful context in relation to this current Inquiry. Relevant statements from the VAGO report are shown as bullet points below, with comments from this group following each point.

- Not enough funding is allocated to road maintenance to sustain the road network (p vii)

This appears to be the critical factor in relation to the condition of country roads. Of relevance is the further statement on p viii of the VAGO report “Total real funding to VicRoads has been decreasing since 2010–11, including a reduction in maintenance funding of about 60 per cent.”

- … but VicRoads also cannot demonstrate clearly that it is making the best use of its existing maintenance funds. (p vii)

This should be an area the current Inquiry focusses on. The VAGO report provides a broad range of points relating to systems and data management, and how better use could be made of existing funds.
• **Its approach to road pavement maintenance is reactive, with maintenance generally being carried out only when it becomes critical. Targeted early intervention to prevent roads from needing more costly and extensive maintenance has been limited. This approach has not kept up with the rate of deterioration of road pavements across the network. (p vii)**

This is problematic. A boost to funding is required so that VicRoads can catch up with an existing maintenance backlog. With limited funds it must focus on areas requiring critical attention. Our Group’s understanding is that there has been an increase in the annual level of reseals from in the order of 4% of road network per year about 4-5 years ago, to closer to 7% more recently. A well sealed road surface is fundamental to a preventative maintenance program, yet even at 7%, the resell program is not keeping up with the deterioration of surface seals.

• **Arterial roads are having to cope with more traffic and heavier vehicles (p viii)**

Roads designed for loads that are lower than modern heavy vehicles will inevitably fail, with an increased maintenance burden until a re-construction is carried out. The increase in numbers of heavier trucks is having an effect on the ability of VicRoads to maintain roads to the desired standard. This is reflected in the further statements on p viii of the VAGO report:

> VicRoads’ pavement condition data shows a long-term deterioration in the condition of the network. Since 2005–06 the proportion of roads rated as ‘poor’ and ‘very poor’ has increased by 8 per cent in two of VicRoads’ seven regions.

> The proportion of roads in ‘very poor’ condition is increasing in all regions.

Section 1.3.1 of the VAGO reports discusses the VicRoads Road Management Plan (RMP). A concern of our Group is that the standards for maintenance outlined in the VicRoads RMP have declined in recent years – reflecting a systemic lack of funding. These standards, and their acceptability to the community, are also key aspects that the Inquiry should review.

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

Our Group’s understanding is that, while there has been an increase in the VicRoads allocation for maintenance, from around $100 M to $260 M this financial year, this is well short of the $500 M identified by the VicRoads CEO as being required to maintain roads to the standard desired. Hence, the level of funding is clearly well short of the target.

Our Group is aware of the investigation into a National Heavy Vehicle Charging Scheme. While a link between charging for heavy vehicle road use and the allocation of funds has theoretical merit, a risk for rural roads, which tend to have lower traffic counts than some major interstate and metropolitan routes, is that they might be under-funded under a pure application of this model.

Every road in the agricultural areas of the Wimmera-Southern Mallee provides a vital link in the supply chain servicing this extensive grain factory. Any review of funding models needs to ensure that an appropriate minimum level of funding remains available for even the lowest class of roads in these areas – virtually all of which are required to be serviceable for B-double trucks. It should also be understood that Councils already face a significant gap in the investment into renewal of roads – as a result Council roads are also gradually deteriorating. A new funding model is needed for
VicRoads’ roads and Council roads in rural and regional areas! Without this, there is a significant concern that the deterioration of Council roads will continue.

Many rural roads are also vital for servicing tourism, with many of Victoria’s natural attractions being in rural areas. Poorly maintained roads present a bad image for tourism, and can contribute to a reduction in demand for these services. Well maintained rural roads are an essential ingredient in a vibrant tourism industry.

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

Our Group considers that VicRoads provides effective consultation in this region. It is difficult to consult with every individual in a community, hence the VicRoads approach of targeting key stakeholders, of which our Group is one, leads to effective, representative engagement with relevant parts of the community.

This consultation is achieved by VicRoads in the following ways:

- Participation at each of the two-monthly meetings of our Wimmera Southern Mallee Regional Transport Group, including presentation of a detailed written report and addressing all questions raised by members. Note that our Group includes a range of industry representatives, in addition to Council members.
- Representation by the Regional Director and Project Director (Western Highway) at two-monthly meetings of the Western Highway Action Committee.
- Annual municipal liaison meetings with each Council.
- In 2017, a series of stakeholder and community meetings was conducted by the VicRoads senior leadership team across the region. These meetings were effective and should continue as a regular occurrence.

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

The problems identified in the VAGO report do not suggest organisation structural issues, instead, funding and asset management practices are the underlying problems that need to be focussed on. This is reflected in the recommendations of the VAGO report.

Our Group is also concerned by the prospect of formation of a solely regional roads authority. Where would the interface be between regional and metropolitan areas? As Melbourne expands, would the authorities’ boundaries be changed to reflect this?

Retention of VicRoads as a single roads organisation is the right model to pursue to ensure an integrated approach to roads management, including a key issue of this Inquiry - ensuring that the available funds are effectively spent. Further, the creation of and transition to a duplicated management structure would incur additional overhead costs – taking vital funds away from where they are needed – on the roads!

A related concern of this Group is that, should the structure be changed, the assignment of roads to local government might be reviewed. As indicated earlier, Councils are already under-resourced to
manage the roads currently in their care. The prospect of further roads being managed by Councils would be unsustainable.

I would be available as required to discuss any aspects of this submission.

Yours sincerely,

John Martin
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Wimmera Southern Mallee Regional Transport Group
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