INQUIRY INTO VICROADS MANAGEMENT OF COUNTRY ROADS

1. THE EFFECTIVENESS OF VICROADS IN MANAGING COUNTRY ROADS

Over the last 25 years, there has been a gradual deterioration in the condition of country roads generally, both arterial roads maintained by VicRoads and local roads maintained by Councils. During this period, economic pressure on both levels of Government has resulted in downsizing. Consequently there has been a reduction in skill levels to support the construction of new roads, and to manage/maintain existing roads. Gradually, due to cost pressures, experienced staff of both VicRoads and Councils have been replaced by less experienced “project managers” who are less knowledgeable about roads.

This downsizing has resulted in the outsourcing of both the construction and maintenance of roads to the private sector and in the case of VicRoads, bundling works up in both construction and maintenance areas into packages more suited to larger companies. These companies in turn typically employ young engineers to “project manage” such projects and rely on subcontractors to perform the work. These project managers could be sourced from any civil engineering sector and don’t necessarily have a background in road construction. Prior to this process commencing, Councils often maintained what are currently described as “main roads”, which are now outsourced by VicRoads to contractors. Councils, with their local knowledge of the network, arguably achieved better maintenance outcomes than the current arrangements.

This is exacerbated by VicRoads’ procurement process being based largely on achieving the lowest price. This reinforces the approach of contractors employing junior and less experienced staff at lower pay levels to manage projects. The combination of these factors is a poorly-informed purchaser having works delivered by in-experienced contractors, and the result is gradually declining quality in the work delivered.

The evidence of this process is in poorly constructed new works where defects often arise shortly after opening. There are examples of this in South Gippsland area including the Koo Wee Rup Bypass and sections of the Bass Highway. At a State level, there have been serious quality issues on the Western Highway and Princes Highway West. It appears there are quality issues with both the construction of pavements and also road surfacing, particularly sprayed seals which is the most commonly used treatment in rural areas. This contrasts starkly with works constructed by VicRoads more than 25 years ago, for example the Hume Freeway, where there are sections with minimal defects having occurred and only periodic reseals have been required on the State’s busiest rural freeway.

Local examples of poorly executed rehabilitation works are two sections of the South Gippsland Highway between Leongatha and Ruby. In both instances, significant remedial works were required after the initial works were completed. This rework resulted in additional inconvenience and cost to local producers who rely on this single highway running through South Gippsland.

Similarly, the quality of routine maintenance works has also deteriorated with potholes being repaired only to have these repair works failing shortly after they are completed. This is particularly evident in South Gippsland where the wetter climate exposes poor workmanship more quickly than in dryer areas of the State. The poor contract model historically used for VicRoads maintenance, where it was more financially rewarding for contractors to keep repairing potholes, has also been a
contributing factor. There does not appear to be a sound pavement renewal program where larger pavement areas are reconstructed rather than basic pothole repairs being undertaken.

An example of poor drainage maintenance at a cross culvert on Fish Creek-Foster Road resulted in the road being scoured out after a significant rain event (photo attached). The subsequent road closure for repair works over an extended period caused additional cost to local businesses due to the lengthy detour route.

Rural Councils such as South Gippsland Shire Council experience fall-out from complaints about the condition of the arterial road network. Road users and ratepayers typically do not distinguish between local roads managed by Council and arterial roads managed by VicRoads. This was borne out in a survey conducted by Council in 2014 where in the question asking what roads do you believe require the most urgent attention, 85% of responses related to VicRoads managed roads. As a consequence, Council staff spend considerable time and are subjected to complaints about assets not managed by Council.

It is however acknowledged that with the introduction of an alliance contract arrangement in Gippsland in the last 18 months, there appears to be a slightly more strategic approach to pavement maintenance.

2. THE EXISTING FUNDING MODEL AND ITS LACK OF EFFECTIVENESS FOR COUNTRY VICTORIA

South Gippsland Shire Council does not have access to the historic funding levels for VicRoads road maintenance activities but anecdotally it appears that there is less funding available now than in past years and there is clearly not enough funding to keep the rural road network in an acceptable condition.

With respect to road safety funding, South Gippsland Shire Council is extremely disappointed by the recent decision not to recognise Councils’ administration costs in managing road safety programs. This Council is aware of a number of nearby Councils that are withdrawing from such programs as a consequence of this decision. This is understandable in the current constrained, rate-capped environment.

In addition, South Gippsland Shire Council notes that no rural Councils received funding in the latest round of the Roads Safety Initiatives program. Funding has been allocated to 14 urban Councils. It seems illogical not to allocate such funding to rural areas where 51% of road fatalities occur.

3. THE LACK OF CONSULTATION WITH REGIONAL COMMUNITIES AND THEIR SUBSEQUENT LACK OF INPUT INTO PRIORITIZING WHICH ROADS ARE IN DIRE NEED OF REPAIR

South Gippsland Shire Council is not convinced that the condition of rural roads is due to lack of consultation on road maintenance activities. Sometimes consultation can result in the “squeaky wheel” outcome where funding is allocated to areas that complain the loudest. Allocation of funding for maintenance should be merit-based where the investment is determined objectively based on factors such as road condition and the importance/hierarchy of the road. To allocate funding on this basis, a well-developed asset management system is required to assist in making funding decisions and arguing the case with Governments. Such systems can predict the future road condition consequences of not investing adequate funding in road rehabilitation and maintenance.

South Gippsland Shire Council has noticed that the level of consultation by VicRoads with rural communities has increased over the past 12 months with the Country Roads program. VicRoads
senior management visited many rural communities to listen to their concerns. The effectiveness of this program is yet to be determined.

4. **THE OPTION OF DISMANTLING VICROADS AND CREATING A SPECIFIC COUNTRY ROADS ORGANISATION AND SEPARATE METROPOLITAN ROADS BODY**

South Gippsland Shire Council is not convinced that dismantling VicRoads and creating a specific country roads organisation would result in improved country roads. If however the State Government could guarantee a better outcome, it would be supported by this Council.

Creating another bureaucracy would result in increased costs and potentially result in two organisations competing for the same pool of funds. Country areas may lose out due to the greater lobbying power of the larger urban population.

An option might be to move some of VicRoads current functions (such as registration & licencing, and road safety) to another organisation to allow VicRoads to concentrate on its core functions of developing and managing/maintaining the road network.

Conversely, doing the opposite of breaking up VicRoads and amalgamating it with other transport bureaucracies may result in better, more strategic coordination of the different transport modes, including trains, trams, buses, ports and airports. It may also result in better outcomes in terms of the integration of transport planning with land-use planning.