Murray River Group of Councils

SUBMISSION
15 January 2018

Victorian Parliamentary Inquiry into VicRoads' Management of Country Roads

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

Introduction

The Murray River Group of Councils (MRGC) welcomes the opportunity to make a submission to the Law Reform, Road and Community Safety Committee’s Inquiry into VicRoads’ Management of Country Roads (the Inquiry).

MRGC comprises Mildura Rural City Council, Swan Hill Rural City Council, Gannawarra Shire, Loddon Shire, Shire of Campaspe and Moira Shire.

The MRGC Region is vast in size, covering an area of 47,193 km² or some 21% of Victoria, yet it is relatively sparsely populated, being home to some 157,000 people.

Our key regional economic drivers include agriculture and manufacturing, with tourism also playing an important role. Road freight transport and the safe and efficient movement of commodities and people are essential to the region’s prosperity. With limited rail public transport, our communities depend on the road network for access to services.

As road authorities, MRGC member councils collectively manage some 24,000 kms of sealed and unsealed roads across our region. Effective communication and a constructive working relationship between road authorities is key to effective management of the regional road network. MRGC works closely with the VicRoads Regional offices in the northern and north-eastern VicRoads regions.

Response

The inquiry is seeking input on the four areas of:

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.
1. **The effectiveness of VicRoads in managing country roads**

The condition of our regional State road network is inadequate and deteriorating. State managed roads in the Murray River Group of Councils LGAs are covered by the VicRoads Northern Region and part of the North-East Region. The percentage of Northern Region roads in Very Poor condition has increased from 8% to 11% in ten years to 2015 and in the North East Region from 7% to 9%.  

As a specific example, there have been no reseals on VicRoads roads within Loddon Shire apart from the highways for the past 5 years. This is set to continue under current funding levels. This situation will lead to the further deterioration of the sealed surface to the point that it will be more cost effective to return the road to a gravel surface with the associated safety and efficiency issues that brings.

The road network is critical to our region’s prosperity. Poor road condition means inefficient freight transport which adds costs through the system to freight, manufacturers, farmers and ultimately to all Victorian consumers.

Much of the regional declared road network has a 100kph speed limit essential to the efficient movement of freight and people. The higher speeds travelled on these roads means that good quality road condition is particularly important for road safety. The current condition of the roads in regional Victoria is militating against VicRoads “Towards Zero” campaign.

In order to achieve a safer and more efficient network, more frequent and more effective maintenance must be undertaken on our State managed road network.

This is the finding of the Victorian Auditor General’s (VAGO) June 2017 report “Maintaining State-Controlled Roadways” and it is a view shared by MRGC:

> Reduced funding in real terms, and deficiencies in developing the maintenance program, have led to maintenance practices that are not adequate to sustain the functional condition of VicRoads' road network at an acceptable standard. (VAGO June 2017).

MRGC strongly recommends that the funding levels for road maintenance in regional Victoria are permanently increased. While there are some areas for improvement in the strategic and local management of the network, these will not fix the problem without long term, secure, increased funding for VicRoads’ maintenance budget.

The VAGO report identifies some structural issues with VicRoads management of the road network and MRGC understands that VicRoads is seeking to address these. It is important that this strategic work is completed and that it is properly resourced.

In the current situation, local roads are being maintained to a higher standard than State managed roads. It would appear that this is largely due to availability of funding for maintenance activities.

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The short fall in maintenance means that VicRoads is currently unable to maintain its regional network to its intervention levels as set out in its Road Management Plan. Instead it has no choice but to reduce speed limits on sections of road that it can no longer afford to maintain. This is an unacceptable arrangement.

Since 2004, Victorian Councils have developed Road Management Plans and Asset Management plans which identify appropriate levels of service with the financial constraints imposed upon them.

MRGC is of the view that Vic Roads needs to revisit its Road Management and Asset Management Plans to properly develop appropriate levels of service for the various classes of roads for which they are responsible and compare these to up to date asset condition data.

MRGC also recommends Vic Roads review its procurement processes and compare costs with other road managers such as the LGA’s. There is scope for improvement in this area to achieve efficiency and improved value for money for example in the way in which works could be packaged relevant to local government areas to enable smaller contractors as well as the larger contractors to bid for works.

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

The current funding model provides for regional focus and local prioritisation by allowing Regional Offices to invest in regional priorities. However, the current model makes it difficult for projects in rural and regional Victoria to compete with metropolitan projects due to traffic volumes.

Unfortunately the current funding levels are wholly inadequate, particularly in the face of the existing maintenance backlog.

In percentage terms, the level of funding for both the Northern and North Eastern region have not changed materially for years. Unsurprisingly this has meant that the condition of our roads has not improved and has in fact deteriorated.

As highlighted above, it is primarily the overall funding envelope that must be increased if regional roads are to be made safer and enable efficient access to market for our produce.

Currently it appears the state road network is being maintained from a dollars available principle rather than the condition of the asset and the needs of the user basis.

Any revised model must be based on a true understanding of the state of the asset, the required level of service and the true cost to repair and maintain a safe network for all, regardless of where they live.
What is required is a model of funding and strategic planning that is more responsive to the needs of rural and regional Victoria and engages closely with other road managers in the region effectively.

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

MRGC enjoys a constructive relationship with the Regional VicRoads offices. As road authorities this is essential to the effective and efficient running of the network.

Consultation with communities is vital to ensure that local knowledge and priorities are considered by VicRoads in funding bids.

While there are good relationships between regional VicRoads offices and MRGC member councils, the lack of service and the degrading state of the VicRoads regional assets as a consequence of inadequate funding indicates a lack of understanding of the needs of our communities.

For example, in recent storm events on the Kerang - Quambatook Rd it took over four weeks to repair a 300mm drop off on the edge of the seal. This is totally inadequate, dangerous and would not be tolerated on the local Council’s road network.

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

MRGC does not support the creation of a specific Country Roads organisation. The costs of splitting bureaucracy and duplicating back office functions would inevitably involve significant cost, draining further resources from investment in road construction and maintenance.

As discussed above, it is the view of the MRGC that significant and ongoing base budget increases for both capital projects and ongoing maintenance and upgrade works are required.

MRGC and the communities of northern Victoria are more interested in improved road outcomes than in changing the internal organisation of VicRoads.

The Group supports VicRoads improving its management of country roads through reviewing and reforming its strategic planning and asset management and through the State Government permanently increasing the budget allocation for the improvement and maintenance of the country network.