INQUIRY INTO VICROADS' MANAGEMENT OF COUNTRY ROADS

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Inquiry into VicRoads’ Management of Country Roads

Victorian Farmers Federation Submission
The Victorian Farmers Federation

The Victorian Farmers Federation (VFF) is the only recognised consistent voice on issues affecting rural Victoria and we welcome the opportunity to comment on VicRoads management of country roads.

Victoria is home to 25 per cent of the nation’s farms. They attract neither government export subsidies nor tariff support. Despite farming on only three per cent of Australia’s available agricultural land, Victorians produce 30 per cent of the nation’s agricultural product. The VFF represents the interests of our state’s dairy, livestock, grains, horticulture, flowers, chicken meat, pigs and egg producers.

The VFF consists of a nine person Board of Directors, with seven elected members and two appointed directors, a member representative General Council to set policy and eight commodity groups representing dairy, grains, livestock, horticulture, chicken meat, pigs, flowers and egg industries.

Farmers are elected by their peers to direct each of the commodity groups and are supported by Melbourne-based and regionally located staff.

Each VFF member is represented locally by one of the 200 VFF branches across the state and through their commodity representatives at local, district, state and national levels. The VFF also represents farmers’ views on hundreds of industry and government forums.

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Executive Summary:
The Victorian Farmers Federation welcomes the opportunity to participate in the ‘Inquiry into VicRoads’ Management of Country Roads’.

As the Victorian state road manager, VicRoads is responsible for managing approximately 23,000 kilometres of arterial road network which is made up of state highways, freeways and main roads that play an important role in linking regional towns and centres.

An audit of state-controlled roadways conducted by the Victorian Auditor General Office last year concluded that “the increasing proportion of the state road network in very poor condition presents a growing risk to public safety and increases road user costs” (Victorian Auditor-General’s Office, 2017, p. ix)

This poses significant implications for both Victorian farmers and the broader agriculture industry, which rely on the arterial network to transport $13.16 billion worth of food and fibre to market each year. Efficient supply chains are critical in ensuring Victorian produce remains globally competitive.

Additionally, the condition of roads impact farmers who, as residents of regional Victoria, rely on the arterial road network to safely access vital services. Regional Victorians continue to be disproportionately represented amongst the Victorian road toll. Even as the overall road toll decreased in 2017, the percentage of road fatalities increased in regional Victoria. Improving the quality of state roads can play a vital part in reducing the number of crashes, fatalities and near misses.

Whilst the VFF conditionally supports the retention of VicRoads as the sole state road manager, this is subject to significant changes being made to the way Victoria’s country roads are managed.

It is clear that increased funding is critical to ensure Victoria has a country road network which is fit for purpose, safe and supports the productivity and profitability of Victoria as a whole. It is critical that one of Victoria’s major infrastructure agencies has a clear plan for augmenting the state controlled road network to ensure that it is meeting current and future requirements.
Victorian Farmers Federation recommendations:

Recommendation 1: VicRoads retains the management of Victoria’s state-controlled roadways subject to meeting recommendations 2-7.

Recommendation 2: VicRoads has a legislated requirement to create and report annually against a state-controlled roads asset management strategy to ensure fit for purpose roads.

Recommendation 3: VicRoads adopt a new state-wide road pavement maintenance and augmentation strategy.

Recommendation 4: The Victorian Government must increase the overall level of funds allocated to country roads to ensure a fit for purpose road network.

Recommendation 5: The Victorian Government must ensure sufficient budget revenue is made available to meet maintenance requirements for fit for purpose roads.

Recommendation 6: VicRoads must ensure all arterial roads and bridges can support HPFVs.

Recommendation 7: The Victorian Government conduct a review of responsibility for roads between state and local governments to ensure the responsibility of road management is fairly distributed.
Introduction:
The Victorian Farmers Federation welcomes the opportunity to participate in the ‘Inquiry into VicRoads’ Management of Country Roads’.

As the Victorian state road manager, VicRoads is responsible for managing approximately 23,000 kilometres of arterial road network which is made up of state highways, freeways and main roads that play an important role in linking regional towns and centres.

An audit of state-controlled roadways conducted by the Victorian Auditor General Office last year concluded that “the increasing proportion of the state road network in very poor condition presents a growing risk to public safety and increases road user costs” (Victorian Auditor-General's Office, 2017)

This poses significant implications for both Victorian farmers and the broader agriculture industry, which rely on the arterial network to transport the majority of the $13.16 billion worth of food and fibre produce in Victoria market each year. Efficient supply chains are critical in ensuring Victorian produce remains globally competitive.

Additionally, as residents of regional Victoria, the poor standard of roads poses a significant safety issue. Regional Victorians often have to travel significant distances to access basic education and health services and are disproportionately represented amongst the Victorian road toll. Even as the overall road toll decreased in 2017, the overall percentage of road fatalities increased in regional Victoria. It is clear that improving road surface standards above ‘poor’ is critical to reducing the number of crashes and fatalities.

VicRoads’ management of country roads:

Victorian roads were once the envy of Australia. Over the past decade the standards of our roads has significantly declined and the failure of VicRoads to have a clear strategy to clearly articulate to government the funding required to meet the maintenance and augmentation program has led to a sharp decline in road standards and a steep increase in maintenance costs.

An audit of state-controlled roadways conducted by the Victorian Auditor General Office last year concluded that “the increasing proportion of the state road network in very poor condition presents a growing risk to public safety and increases road user costs” (Victorian Auditor-General's Office, 2017, p. ix)
Indeed, country roads were consistently voted one of the primary concerns of VFF members at VFF Farmer Forums across the state in 2017.

As the below chart indicates, issues of cracking, roughness and rutting have significantly increased in nearly every region since 2005-06 (see below chart).

This impacts the ability of road users to safely utilise arterial roads. One VFF member reported that the condition of the Boort-Kerang Rd near Normanville in Northern Victoria was so poor, that he struggles to transport his header even at low speeds. He recently was involved in an accident after getting the header stuck in a pot hole, which resulted in him injuring himself and losing his back wheel.

Indeed, since 2005-06 the proportion of roads rated ‘very poor’ has increased in nearly all regions. (Victorian Auditor-General’s Office, 2017, p. x)

This has a significant impact on productivity. Many VFF members have reported that the standard of their arterial roads are so poor, that the speed limits have had to be reduced to ensure road users’ safety.
VicRoads must address the cause of the risk by fixing the underlying fault rather than endeavouring to manage the existing risk by reducing speed limits.

Reducing speed limits is just a band-aid for the poor quality roads and has systemic ‘travel time’ impacts – increasing transport costs; increased time spent ‘in transit’ to school or work, and increased emergency response times.

**Retention of VicRoads:**

The VFF conditionally supports the retention of VicRoads as Victoria’s road manager.

The Auditor General’s report acknowledged that VicRoads already devolves significant autonomy to its regions [see map below] to manage their own networks.

![VicRoads Regions](image)


Funding is allocated to each region, which then determines its own priorities. (Victorian Auditor-General’s Office, 2017)

Formally dividing the arterial network in two would only increase the complexity of Victoria’s road management system, which already includes individual local councils, VicRoads and the federal government at times.

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**Recommendation 1:** VicRoads retains the management of Victoria’s state-controlled roadways subject to meeting recommendations 2-7.

**Recommendation 2:** VicRoads has a legislated requirement to create and report annually against a state-controlled roads asset management strategy to ensure fit for purpose roads.

**Key Areas of VicRoads’ management of country roads that must be improved:**

**Funding:**

VicRoads’ requires increased funding to improve the quality of state-controlled country roads.

As the below chart indicates, VicRoads’ real funding levels have significantly decreased since 2010-11.
Whilst limited funding is common across many government agencies, its impact is particularly felt in an asset-intensive organisation such as VicRoads which require a consistent maintenance program.

The VFF are concerned that at both a federal and state level there is an emphasis on building new roads rather than adequately maintaining those that have already been created. Whilst Australia’s total investment in infrastructure is one of the highest amongst OECD countries, maintenance levels remain amongst the lowest. (Terrell, 2016) Australia only spent 15% of transport infrastructure funds on maintenance in 2013 compared to 25% in the decade prior. (Terrell, 2016)

Similarly, as a result of significant cuts to funding allocated towards maintenance, VicRoads has had to adopt a reactive approach to maintenance, abandoning its previous pavement maintenance program ‘A Stitch in Time’ and only acting on road sections in greatest need of repair. (Victorian Auditor-General's Office, 2017)

By the time the roads are in dire need of repair, it is significantly more expensive to repair [see below chart].

**Different types of maintenance activities and unit costs**

<table>
<thead>
<tr>
<th>Type</th>
<th>Purpose</th>
<th>Average typical unit cost (per square metre)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Routine</td>
<td>Reactive maintenance and inspections to address minor defects before significant deterioration occurs, and to ensure the safety of road users. Typically, this involves repairing potholes, cleaning culverts and drains, and repairing damaged signs and clearing litter.</td>
<td>$0.3</td>
</tr>
<tr>
<td>Periodic</td>
<td>More substantial work designed to prevent deterioration of infrastructure at minimum cost. Typical examples include resurfacing the pavement to prevent water infiltrating the pavement structure which would damage the pavement, to address some aspects of surface roughness and to improve the texture of the pavement surface.</td>
<td>$7 to $50</td>
</tr>
<tr>
<td>Rehabilitation</td>
<td>Significant treatment to improve the structural condition of the pavement and bring the surface profile (roughness and rutting) and texture of the surface back to an acceptable level.</td>
<td>$70 to $175</td>
</tr>
</tbody>
</table>

Source: VAGO, based on information provided by VicRoads.

A consistent approach to routine and periodic maintenance is required to prevent roads from needing more costly and extensive rehabilitation and extending the lifespan of the roads.
As noted in the Grattan Institute’s report *Roads to Riches* maintenance “can often be deferred for a time without immediately visible effects. But neglecting maintenance not only reduces the effectiveness of the infrastructure to users, but can also lead to extra expense on remedial work and premature replacement.” (Terrell, 2016, p. 8)

Recommendation 3: VicRoads adopt a new state-wide road pavement maintenance and augmentation strategy.

Recommendation 4: The Victorian Government must increase the overall level of funds allocated to country roads to ensure a fit for purpose road network.

Recommendation 5: The Victorian Government must ensure sufficient budget revenue is made available to meet maintenance requirements for fit for purpose roads.

**Creating fit for purpose roads:**

It is critical VicRoads focuses on creating fit-for-purpose country roads.

Much of Victoria’s country road network was established more than a century ago. Whilst the industries and transport operating in regional Victoria have significantly evolved over time, the state’s roads and bridges have not kept pace.

This is particularly evident in regards to High Productivity Freight Vehicles (HPFVs).

HPFVs are the new generation of freight vehicles which, due to their increased dimensions, have the ability to shift increased freight with greater environmental and safety performance. (State of Victoria, 2009)

The declaration of a more extensive Mass Freight Network, however, continues to be constrained by key bridges and pavements which are unable to support the increased loads of HPFVs. This forces HPFVs to take less direct routes to transport their goods to market. The cost of this inefficiency is either directly or indirectly borne by the farmer.

Similarly, many VFF members have complained about VicRoads’ decision to construct a roundabout on the Calder Freeway at Ravenswood during the key grains transportation period.

The temporary closure of both Sea Lake and Manangatang rail lines will mean there are approximately 240 additional b-double trucks traveling on this route each week to transport grain to port. Construction works on the intersection will significantly impact the efficiency of these trips, which will negatively impact farmer returns.

To increase the efficient movement of produce to market, it is critical roads and bridges (especially on key agricultural freight routes) can support High Productivity Freight Vehicles.

Indeed, because of changes to population growth and the use of land, there are instances of what was once minor road with a local transport function, but now provides an arterial function still being under local government management. Similarly, the development of new industries such as the growth of timber, grain and dairy industries in South West Victoria has increased significantly increased the volume and frequency of heavy vehicle movements in many regions. (State of Victoria, 2009)
These factors put considerable strain on regional councils to maintain such roads.

A state wide review of the responsibility of regional roads would ensure the responsibility of road management was fairly distributed and road funds were appropriately targeted.

| Recommendation 6: VicRoads must ensure all arterial roads and bridges can support HPFVs. |
| Recommendation 7: The Victorian Government conduct a review of responsibility for roads between state and local governments to ensure the responsibility of road management is fairly distributed. |
Bibliography


