



PARLIAMENT OF VICTORIA

**Law Reform, Road and Community Safety
Committee**

Inquiry into VicRoads' management of country roads

Interim report

Parliament of Victoria
Law Reform, Road and Community Safety Committee

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Committee functions

The Victorian Law Reform, Road and Community Safety Committee (the Committee) is established under the *Parliamentary Committees Act 2003* (the Act).

The Committee comprises seven members of Parliament: five from the Legislative Assembly and two from the Legislative Council.

Section 13 of the Act sets out the functions of the Committee:

1. The functions of the Law Reform, Road and Community Safety Committee are, if so required or permitted under this Act, to inquire into, consider and report to the Parliament on any proposal, matter or thing concerned with –
 - a. legal, constitutional or parliamentary reform;
 - b. the administration of justice;
 - c. law reform;
 - d. the use of drugs, including the manufacture, supply or distribution of drugs;
 - e. the level or causes of crime or violent behaviour
 - f. road trauma;
 - g. safety on roads and related matters
2. It is not a function of the Committee to inquire into, consider or report to the Parliament on any proposal, matter or thing concerned with:
 - a. the joint standing orders of the Parliament
 - b. the standing orders or rules of practice of the Council or the Assembly

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This report is available on the Committee's website.

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Terms of reference

Inquiry into VicRoads' management of country roads

That pursuant to section 33 of the *Parliamentary Committees Act 2003*, this house requires the Law Reform, Road and Community Safety Committee to inquire into, consider and report on, no later than 30 November 2017* —

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.

Received from the Legislative Council of the 58th Parliament, 23 November 2016

* The reporting date was later extended to 26 July 2018.

Chair's foreword

The effective management of roads is important in maintaining Victoria's economic and social infrastructure. Roads, particularly arterial roads and freeways, connect us and our towns and suburbs. They provide us with access to work, education, and health and social services. They play a critical role in the State's numerous industries, such as tourism and agriculture, and they facilitate the movement of freight and goods across Victoria and into surrounding states. When maintained well, roads contribute to enhanced accessibility and improved safety outcomes for all road users.

It is clear that across the community there are growing concerns about the quality of Victorian roads, particularly those in rural and regional parts of the State. The Committee understands that these issues are not specific to Victoria and exist throughout Australia. However, with the inquiry receiving over 330 submissions, this is clearly a topical issue for local communities, and individuals travelling in and around country Victoria.

A key purpose of the inquiry was to consider the effectiveness of VicRoads in maintaining country roads. This was a common theme in the majority of submissions. In recent times, VicRoads has implemented various policy initiatives and program changes in response to ongoing issues with its state-wide maintenance program, much of which was instigated following a 2017 report by the Victorian Auditor-General's Office. VicRoads' five year engagement strategy, released in 2016, has also resulted in enhanced community consultation efforts across the State, including in regional areas.

Due to time constraints, it was not possible for the Committee to conduct a wide-ranging inquiry before the completion of the 58th Parliament. However, the Committee recommends that the inquiry be referred to the appropriate committee in the next Parliament for full investigation. Importantly, this will enable a comprehensive public hearing schedule to provide the appropriate platform for individuals and organisations to speak directly to a parliamentary committee about the issues raised in the terms of reference. A full investigation will also allow adequate time to consider how recent reforms within VicRoads have improved its effectiveness in managing Victoria's country roads.

The key purpose of this interim report is therefore to provide a detailed account of the many submissions received, and to identify common themes and issues raised. On behalf of the Committee, I wish to thank the many individuals and groups who made submissions, and through their time and ideas, contributed greatly to the inquiry.

I would like to thank my fellow Committee Members for their thoughtful contributions, in addition to the secretariat for its hard work throughout the inquiry.



Mr Geoff Howard MP
Chair
July 2018

Acronyms

DEDJTR	Department of Economic Development, Jobs, Transport and Resources
DELWP	Department of Environment, Land, Water and Planning
GDP	Gross Domestic Product
LRRCSC	Law Reform, Road and Community Safety Committee
Nillumbik PALS	Nillumbik Pro Active Landowners
PAEC	Public Accounts and Estimates Committee
PMS	Pavement management system
RACV	Royal Automobile Club of Victoria
RMC	Road maintenance categories
RMP	Road Management Plan
RRV	Regional Roads Victoria
SSRIP	Safe System Road Infrastructure Program
TAC	Transport Accident Commission
TAP	Transport Analytic Platform
TfV	Transport for Victoria
ToR	Terms of Reference
VAGO	Victorian Auditor-General's Office

Recommendation

5 A future inquiry

RECOMMENDATION 1: The Victorian Government refer the *Inquiry into VicRoads' management of country roads* to the appropriate committee in the 59th Parliament of Victoria for consideration and report. 57

1

Introduction

On 23 November 2016, the Law Reform, Road and Community Safety Committee (LRRCS or the Committee) received Terms of Reference (ToR) to inquire into the effectiveness of VicRoads' management of country roads. The Committee was asked to examine the existing funding model and its lack of effectiveness for country Victoria, the lack of consultation with regional communities and their lack of input into prioritising which roads require repair, and the option of dismantling VicRoads and creating two specific bodies for country roads and metropolitan roads.

James Purcell MLC, the Member for Western Victoria, initiated the inquiry. When speaking to the motion in the Legislative Council, he referred to the following two key motives for the reference:

1. road safety
2. deteriorating conditions on roads in country Victoria.¹

Despite James Purcell moving that the Legislative Council note 'Victorian country roads are unsafe and the occurrence of injury and death is increasing', the issue of road safety was not specifically referred to in the inquiry's ToR. Consequently, as evident in chapter three of this report, it was not a major theme arising from submissions to the inquiry. However, as the Committee responsible for road safety in the 58th Parliament, it wishes to acknowledge that Victorian fatality rates are four times higher on rural roads compared to urban roads, and in particular on high speed rural roads. It is also clear that local residents die on rural roads, despite the perception that urban drivers are at a higher risk of crashing on such roads. The Committee understands that creating safer roads will improve safety outcomes for everyone, and that this is a key priority of the Victorian Government's *Towards Zero* road safety strategy.

As reflected in the ToR, the key focus of this inquiry is the role of VicRoads in maintaining country roads in Victoria, and its contribution (or not) to their deterioration over time.

Victoria's road network is approximately 200,000 kilometres long. On behalf of the Victorian Government, VicRoads is responsible for the planning, management and operation of 25,000 kilometres of the network's major roads and roadsides, including most freeways and arterial roads. Of VicRoads' 25,000 kilometres of roads, 19,000 kilometres are rural and regionally based.²

Arterial roads and freeways are what connect cities, towns and suburbs. They are a critical component to the State's economic and social infrastructure through enhancing connectivity and liveability; providing access to work, education, health care and social services; facilitating the transportation of freight and goods across Victoria; and supporting numerous industries, such as agriculture and tourism. As noted by VicRoads, 'much of the Victorian economy, including tourism, depends on the efficient and effective management of the roads'.³

1 Victoria, *Parliamentary Debates*, Legislative Council, 23 November 2016, p. 6228 (James Purcell MLC).

2 Department of Economic Development, Jobs, Transport and Resources, *Submission*, no. 322, 24 January 2018.

3 VicRoads, 'Road maintenance', viewed 20 April 2018, <<https://www.vicroads.vic.gov.au/traffic-and-road-use/road-network-and-performance/road-maintenance-works>>.

1.1 Current state of country roads

According to the Department of Economic Development, Jobs, Transport and Resources (DEDJTR), the last two decades have seen a 20 per cent increase in the number of people and freight travelling on Victoria's major country roads, which is expected to continue into the future. The growing freight task is also significant, increasing at a rate of 1.5 per cent a year. Prior to 1980, the largest vehicles on Victoria's roads were single semi-trailers carrying 40 tonnes, whereas today a common vehicle is a B-Double of up to 68.5 tonnes, which has the same impact on a pavement (road surface) as 10,000 cars. This creates significant and ongoing challenges on an ageing road base. The Department stated in its submission to the inquiry:

Much of the existing highway network in regional Victoria was built in the two decades after World War 2 to relieve local municipalities of providing for long distance 'through traffic'. The natural life of a road with regular maintenance is around 60 years. A decade-long drought in Victoria stretched the longevity of many roads, but when Victoria experienced once-in-100 year rainfall in the 2016 winter and spring, some roads failed significantly, including sections of the Great Ocean Road. Areas of high rainfall and high freight volumes were hardest hit.

The increased use of the road network, larger heavy vehicles together with the roads reaching the end of their designed life, has resulted in an increasing challenge for the maintenance of the regional road network.⁴

As discussed throughout the report, the Committee notes key findings in the Victorian Auditor-General's Office (VAGO) 2017 report, *Maintaining State-Controlled Roadways*, indicating a long-term deterioration in the condition of Victoria's road network.⁵ It is also important to acknowledge that deterioration of country roads is not specific to Victoria but is of concern across Australia. Similar to the VAGO report, some other state and territory auditors have reviewed maintenance of road networks in their respective jurisdictions and identified comparable issues. For example, the Western Australian Office of the Auditor General's report, *Maintaining the State Road Network – Follow on Audit* (2016), found that the condition of roads had deteriorated since Main Roads (the VicRoads equivalent) contracted out its maintenance function.⁶ It also found that Main Roads' approach to maintenance is reactive, focusing particularly on maintenance issues as they become critical.⁷ In the Australian Capital Territory, the Audit Office's report, *Maintenance of Selected Road Infrastructure Assets* (2017), identified that '[a]ging road assets and budget limitations have resulted in a backlog of road pavement repairs'.⁸

Further, in its 2017 report, *Reforming Remote and Regional Road Funding in Australia*, Austroads, the peak organisation for Australasian road and traffic agencies, noted that despite expenditure on maintaining, expanding and operating the road network steadily increasing in real terms each year, the following issues remain:

- parts of the road network are believed to be poorly maintained, particularly in remote and regional areas, creating a future road expenditure liability or risk of continuing deterioration in road performance;

4 Department of Economic Development, Jobs, Transport and Resources, *Submission*, no. 322 - Attachment 1, 24 January 2018.

5 Victorian Auditor-General's Office, *Maintaining State-Controlled Roadways*, Victorian Government, Melbourne, 2017, p. 21.

6 Western Australia Auditor General, *Maintaining the State Road Network – Follow on Audit* Perth, 2016, p. 5.

7 Western Australia Auditor General, *Maintaining the State Road Network – Follow on Audit* Perth, 2016, p. 6.

8 ACT Auditor General, *Maintenance of Selected Road Infrastructure Assets*, Canberra, 2017, p. 1.

- accessibility in remote and regional areas continues to be a concern, with some areas experiencing road closures on a routine basis;
- the road network continues to be congested with predictions that it will continue to worsen in the future; and
- heavy vehicle productivity growth has plateaued, impacting on freight transport costs and leading to an anticipated growth in the number of heavy vehicles...⁹

1.2 The inquiry process

The original reporting date for the inquiry was 30 November 2017, although the Committee sought an extension to this date as it was conducting the *Inquiry into drug law reform*, which was completed in late March 2018.

The Committee commenced its formal call for submissions in late November 2017 through an extensive campaign, which included advertising the ToR in the *Herald Sun* and *The Weekly Times*, in addition to the *Albury Border Mail*, *Ballarat Courier*, *Bendigo Advertiser*, *Geelong Advertiser*, *La Trobe Valley Express*, *Shepparton News*, *Sunraysia Daily* and the *Warrnambool Standard*. The inquiry was also promoted through Parliament of Victoria's social media and news platforms. The closing date for submissions was mid-January 2018, with the option of an extension to this date if requested by potential submitters.

The Committee received 335 submissions from a broad range of stakeholders, including individual members of the community, local councils, government agencies and departments, community representative groups, advocacy groups and other organisations. A list of stakeholders that made submissions is provided in Appendix One.

The Committee commenced work on this inquiry in April 2018 and soon identified challenges in conducting a comprehensive inquiry before the completion of the 58th Parliament in September 2018. In particular, there would be limited opportunity to undertake public hearings throughout regional and rural areas. The Committee is of the view that directly receiving evidence from people impacted by the issues raised in the ToR is essential to this inquiry. Accordingly, the Committee has prepared an interim report, rather than conduct an inquiry. As part of this interim report, the Committee believed it was important to provide a detailed account of the many submissions it received from a range of stakeholders, in order to acknowledge key themes and common issues that were raised. The Committee proposes that the ToR be referred to the appropriate committee in the 59th Parliament of Victoria for full investigation. This is discussed further in chapter five.

1.3 Outline of report

The report is divided into five chapters, namely:

- Chapter one outlines the inquiry context and the inquiry process.
- Chapter two explores current funding and management models for roads and maintenance at federal, state and local government levels, including current arrangements for VicRoads.

⁹ Kemp, A, et al., *Reforming Remote and Regional Road Funding in Australia*, Austroads, Sydney, 2016, p. i.

- Chapter three provides an overview of the key themes and common issues raised in submissions.
- Chapter four outlines recent reports and policy initiatives regarding VicRoads' management of the State's roads and how they relate to the inquiry's ToR.
- Chapter five discusses the Committee's proposal for re-referring the inquiry to an appropriate committee in the 59th Parliament, including identification of specific areas that could be examined as part of a full inquiry.

2

The current landscape

This chapter provides an overview of roads management in Victoria, particularly focusing on VicRoads' responsibilities for the maintenance of arterial roads. The Committee notes that it is not intended to be a comprehensive account of this complex area, but rather it provides basic information on VicRoads' current functions, funding and processes for the prioritisation of maintenance works. This contextualises the key issues raised in submissions, as discussed in chapter three, and also underpins some of the more recent reforms to VicRoads' practices and budget allocations in this area, as discussed in chapter four.

In general, the management of Victoria's road network is shared by VicRoads, local councils and other road authorities, with the responsible authority depending on the type of road. The Commonwealth Government also plays an important role by funding various road projects. The effectiveness of VicRoads in performing its road management functions as they relate to country Victoria, as well as funding arrangements, are key areas of the inquiry's terms of reference (ToR). These issues are also particularly pertinent given growing concerns about the deteriorating state of the road network more generally.

2.1 Roads management across Australia

Responsibility for road management issues is spread across all levels of government in Australia, but primarily lies with state and territory and local governments. Roads are generally categorised as arterial roads (managed by state and territory agencies) and local roads (managed by local governments):

Austroroads (2016) categorises road expenditure into two broad categories: that on arterial roads (which predominantly carry traffic from one region to another), and on local roads (which are primarily used for local traffic and access to properties). In general, State and Territory road agencies and local governments are responsible for the capital, operational, and maintenance expenditure on arterial and local roads, respectively. The Commonwealth does not have a direct constitutional responsibility for roads. Rather, its foundational involvement draws on its taxation powers and powers relating to interstate trade.¹⁰

Project management of such capital and maintenance expenditure is also managed by state and territory governments for arterial roads and local governments for local roads. The Commonwealth Government allocates funds to these governments through various grants and loans.¹¹ Typically, the Commonwealth Government provides grants to state and territory governments for major projects, 'largely on the basis of network deficiency and to deliver national economic objectives, to undertake maintenance and minor works (in this case, grants are usually untied); and to support specific policy aims such as freight productivity or road safety'.¹² For local

10 Productivity Commission, *Funding and Investment for Better Roads, Shifting the Dial: 5 Year Productivity Review, Supporting Paper No. 9*, Australian Government, Canberra, 2017, p. 7.

11 Productivity Commission, *Funding and Investment for Better Roads, Shifting the Dial: 5 Year Productivity Review, Supporting Paper No. 9*, Australian Government, Canberra, 2017, p. 7.

12 Productivity Commission, *Funding and Investment for Better Roads, Shifting the Dial: 5 Year Productivity Review, Supporting Paper No. 9*, Australian Government, Canberra, 2017, p. 8.

governments, the Commonwealth Government generally provides untied grants via state and territory governments. For example, a key Commonwealth program for local governments is the *Roads to Recovery* program, with funding allocated to specific local councils to enable them to maintain or replace road infrastructure. State and territory road agencies also fund local governments in some situations, for example to maintain council-managed arterial roads and to undertake contract work for state-managed roads.¹³

A related issue is the revenue measures employed by governments to collect road-related use fees and charges from motorists. A 2017 background paper by the Australian Productivity Commission, *Funding and Investment for Better Roads*, outlined these types of measures, noting that the funds raised are typically absorbed into consolidated revenue rather than directed into road-related expenditure:

Funding for investment and maintenance in roads comes largely from the consolidated (taxation) revenue of Federal, State, Territory and Local Governments. While there are road-related fees and charges paid by motorists, the vast majority of funds raised through these means are not hypothecated to road expenditure and instead directed to consolidated funds, from which governments allocate expenditure (across a range of areas). There are some exceptions to this in the case of the Federal Interstate Registration Scheme, which is owned by the Australian Government (and administered by the State and Territory Governments), some vehicle registration fees in jurisdictions, and some tolled public-private roads. However, these revenue sources make up a small fraction of overall funding.¹⁴

As funding for road maintenance and management is drawn from consolidated revenue, it typically competes with other government funding priorities. This is common across all state and territory governments. The table below shows the types of fees and charges collected by different levels of governments.

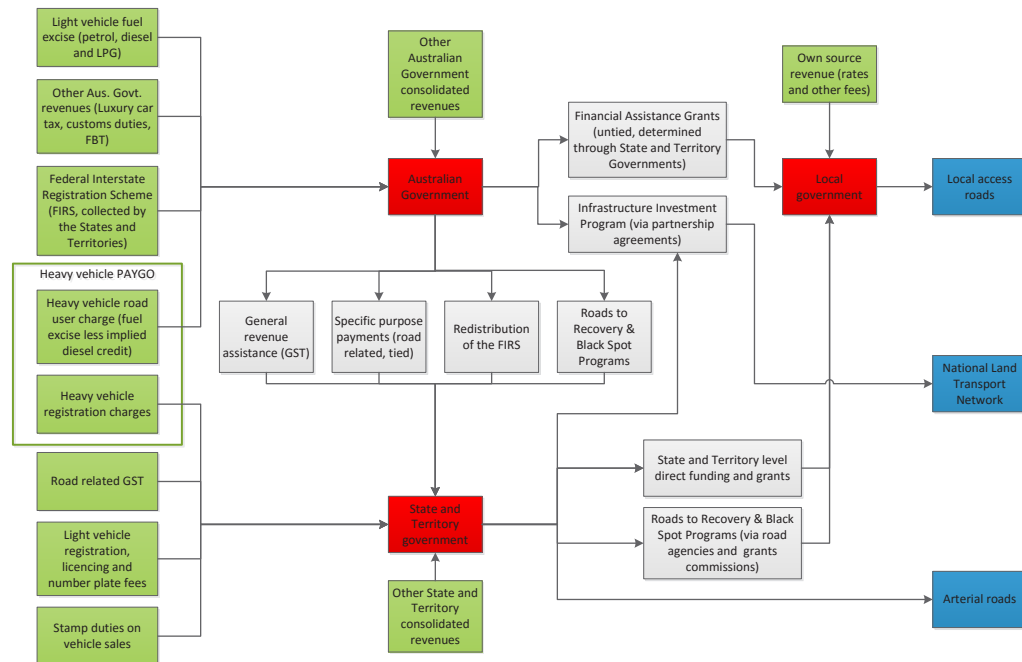
Table 2.1 Annual road fees and charges levied by governments (per vehicle, average annual estimates)

Charge type	Indicative cost (\$2015-16)
Fuel excise (Australian Government)	607
Registration fees (state and territory government)	270
License fees (state and territory government)	22
Stamp duty (state and territory government)	139
Other taxes (state and territory and Australian Government) ^(a)	296
Total fees and charges	1,334

(a) Includes Luxury Car Tax, Fringe Benefits Tax, and smaller discretionary items.
 Note: Excludes all personal costs of vehicle ownership, including fuel costs, depreciation and maintenance costs, non-compulsory insurance policies and other costs. Updated to \$2015-16 using the consumer price index.
 Sources: Productivity Commission, *Funding and Investment for Better Roads, Shifting the Dial: 5 Year Productivity Review, Supporting Paper No. 9*, Australian Government, Canberra, 2017, p. 4.

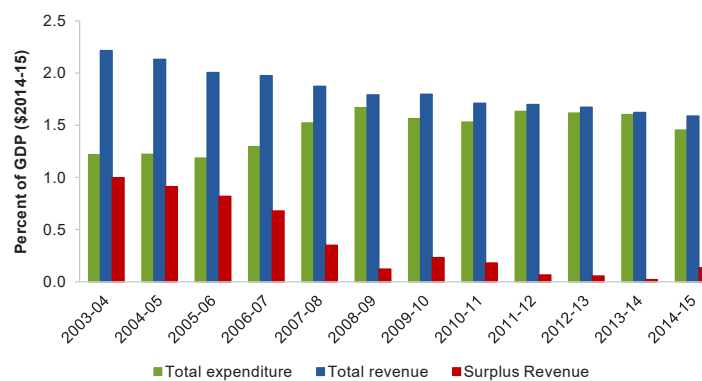
The following figure shows how all levels of government are involved in funding and investing in roads.

13 Productivity Commission, *Funding and Investment for Better Roads, Shifting the Dial: 5 Year Productivity Review, Supporting Paper No. 9*, Australian Government, Canberra, 2017, pp. 8-9.
 14 Productivity Commission, *Funding and Investment for Better Roads, Shifting the Dial: 5 Year Productivity Review, Supporting Paper No. 9*, Australian Government, Canberra, 2017, pp. 3-4.

Figure 2.1 Australia's current road funding and investment architecture

Source: Productivity Commission, *Funding and Investment for Better Roads, Shifting the Dial: 5 Year Productivity Review, Supporting Paper No. 9*, Australian Government, Canberra, 2017, p. 9.

The Productivity Commission warned that, over the past decade, road-related revenues have fallen in relation to gross domestic product (GDP), 'and are now broadly equivalent to the amount of funding allocated by governments to road expenditure through budget processes'.¹⁵ This is a result of various factors including improved car fuel efficiency, changing travel patterns, e-commerce and electric vehicles, which all contribute to reduced fuel taxes being collected. As shown in Figure 2.2 below, this structural decline indicates that in future, the fund base may not be adequate to support road-related expenditure needs.

Figure 2.2 Road-related revenues are in structural decline (real revenues and expenditures to GDP)

a Aggregated over all levels of government. **b** Includes work done for and by the public sector.

Source: Productivity Commission, *Funding and Investment for Better Roads, Shifting the Dial: 5 Year Productivity Review, Supporting Paper No. 9*, Australian Government, Canberra, 2017, p. 6.

¹⁵ Productivity Commission, *Funding and Investment for Better Roads, Shifting the Dial: 5 Year Productivity Review, Supporting Paper No. 9*, Australian Government, Canberra, 2017, p. 4.

Similarly, a 2016 research report by Austroads, *Reforming Remote and Regional Road Funding in Australia*, indicated that while expenditure on maintenance and operations steadily increased across Australia by approximately 4.5 per cent each year from 2006-07 to 2011-12, road-related revenue declined on average by one per cent per annum. Austroads also stated that this decline will likely continue in the future.¹⁶

The 2016 Austroads report further discussed specific funding factors for regional roads. It found that remote and regional roads receive less external funding (i.e. - Commonwealth funding) than urban roads, meaning that state and territory and local governments must largely cover the shortfalls to meet expenditure on these roads:

Our analysis demonstrates that remote and regional roads receive less external funding than urban roads on a per kilometre basis:

1. urban arterial roads receive approximately 14 times more external funding (excluding own-source revenue) than rural arterial roads; and
2. urban local roads receive approximately five times more external funding than rural local roads.¹⁷

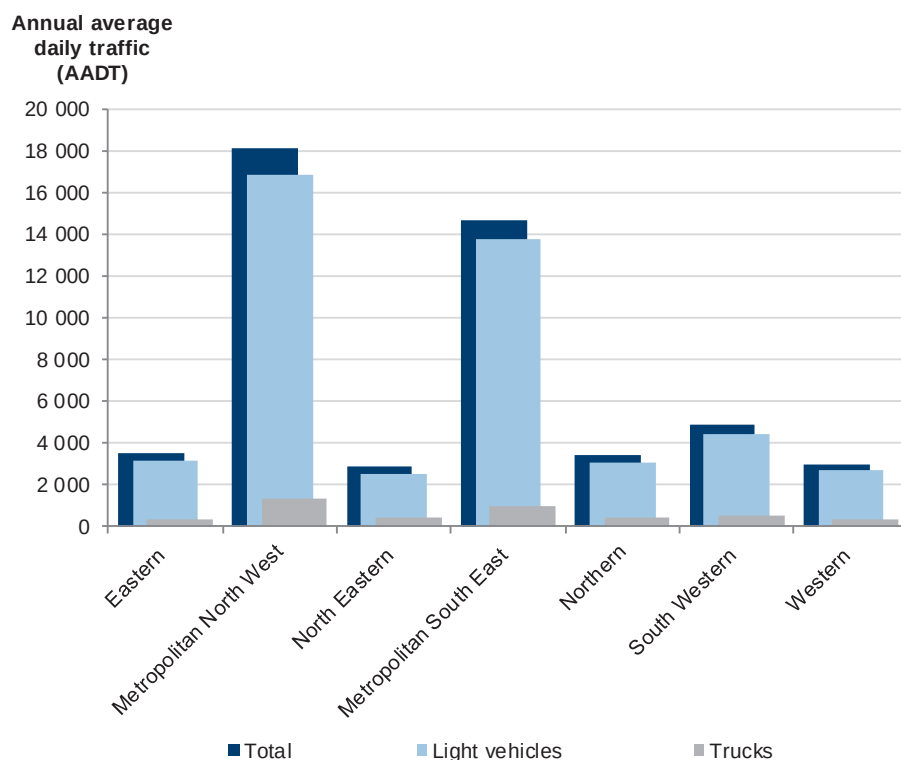
Austroads reported that greater funding for urban roads is due to more traffic volumes in urban areas, which raises additional revenue, and construction of urban roads being typically more expensive per lane kilometre. It further outlined that, as external funding does not generally meet expenditure, state and local governments must largely fund shortfalls from their own budget sources. Given there is lower population density in regional areas and a vast road network involved, '[t]he burden for funding remote and regional roads is significantly higher than for urban roads, when expressed in per capita terms'.¹⁸

The Victorian Auditor-General's Office (VAGO) 2017 report, *Maintaining State-Controlled Roadways* (the VAGO report), confirmed similar traffic patterns in Victoria. In particular, traffic volume increased by 9.4 per cent from 2007 to 2016. In 2016, the two metropolitan regions had the highest number of vehicles per day and the south western region had the highest volume in Victoria's regions (shown below).

¹⁶ Kemp, A, et al., *Reforming Remote and Regional Road Funding in Australia*, Austroads, Sydney, 2016, p. ii.

¹⁷ Kemp, A, et al., *Reforming Remote and Regional Road Funding in Australia*, Austroads, Sydney, 2016, p. iii.

¹⁸ Kemp, A, et al., *Reforming Remote and Regional Road Funding in Australia*, Austroads, Sydney, 2016, p. iii.

Figure 2.3 Traffic volume by region, 2016

Source: Victorian Auditor-General's Office, *Maintaining State-Controlled Roadways*, Victorian Government, Melbourne, 2017, p. 13.

2.2 Roads management within Victoria

VicRoads is a Victorian statutory authority established under the *Transport Act 1983*, and its operation was continued through the *Transport Integration Act 2010*. According to the *VicRoads Annual Report for 2016-2017*:

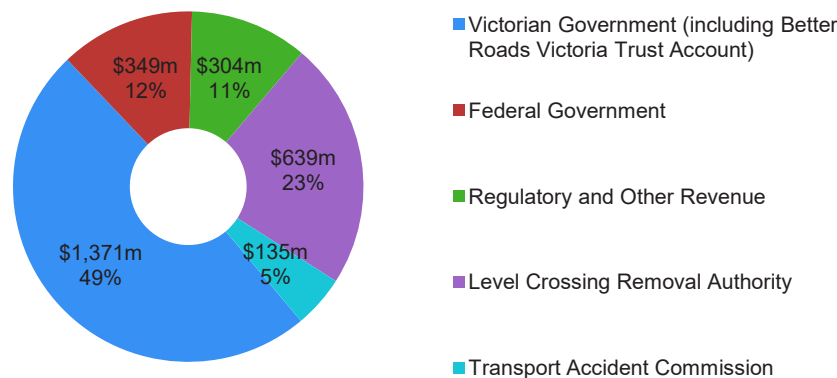
VicRoads' core services are to plan, develop and manage the arterial road network, deliver road safety initiatives, and provide customer-focused registration and licensing services.

In addition, VicRoads administers several acts and their related regulations, and develops policy relating to road management functions.¹⁹

The *VicRoads Annual Report 2016-2017* provided information on the mix of funding it received from various sources such as the Victorian Government annual budget, the Commonwealth Government, the Transport Accident Commission (TAC) and others. The following figures illustrate its funding sources and expenditure in 2016-2017, noting that these figures relate to VicRoads' comprehensive role rather than its specific discharging of maintenance functions for regional roads.

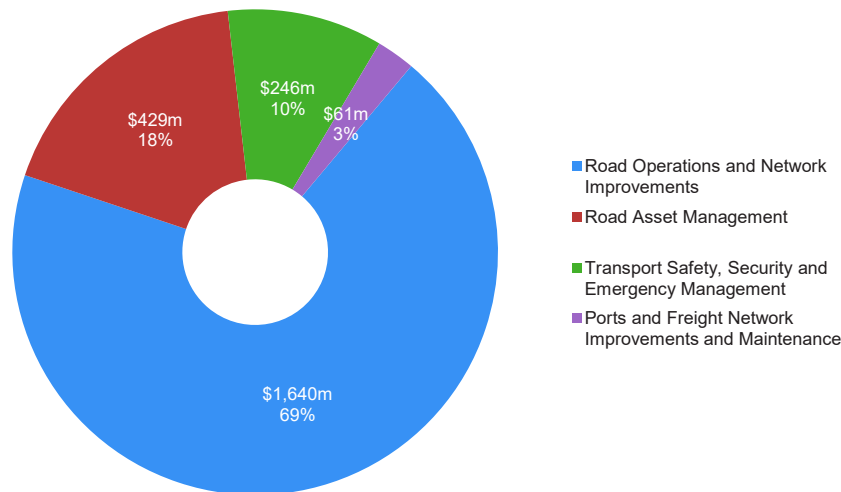
¹⁹ VicRoads and Transport for Victoria, *VicRoads Annual Report 2016-17*, State of Victoria, Kew, 2017, p. 5.

Figure 2.4 Funding sources 2016-2017



Source: VicRoads and Transport for Victoria, *VicRoads Annual Report 2016-17*, State of Victoria, Kew, 2017, p. 47.

Figure 2.5 Operating output expenditure 2016-17



Source: VicRoads and Transport for Victoria, *VicRoads Annual Report 2016-17*, State of Victoria, Kew, 2017, p. 47.

The *Road Management Act 2004* contains the statutory framework for the management of the road network.²⁰ As a road authority under the Act, VicRoads' general functions under section 34 include to provide and maintain roads for use by the community; to manage safe and efficient traffic on roads; and to design, construct, inspect, repair and maintain roads and infrastructure.²¹ The Act also outlines powers and duties of road authorities, including a statutory duty to inspect, maintain and repair public roads.²² According to the 2017 VAGO report:

For road maintenance, the Act:

- allocates responsibility for the maintenance of road infrastructure between VicRoads, local councils and other authorities
- helps establish efficient and effective decision-making processes for inspecting, maintaining and repairing infrastructure.²³

²⁰ *Road Management Act 2004* (Vic), s1

²¹ *Road Management Act 2004* (Vic), s34

²² *Road Management Act 2004* (Vic), s40

²³ Victorian Auditor-General's Office, *Maintaining State-Controlled Roadways*, Victorian Government, Melbourne, 2017, p. 3.

2.2.1 VicRoads and the road network

Victoria's road network is approximately 200,000 kilometres long. VicRoads is responsible for managing and maintaining 25,000 kilometres of the State's major roads and roadsides, including:

- freeways (excluding CityLink, EastLink and Peninsula Link)
- arterial roads (excluding service lanes, footpaths and roadside areas in urban areas)
- a limited number of non-arterial roads.²⁴

Arterial roads and freeways comprise 23,000 kilometres, and are valued at \$27 billion.²⁵ Arterial roads account for more than 90 percent of person trips and approximately 80 per cent of freight trips in Victoria.²⁶ Of the 25,000 kilometres of roads and roadsides managed by VicRoads, 19,000 kilometres are in rural or regional areas.²⁷ This demonstrates that, while VicRoads is responsible for a relatively small percentage of the full road network, ensuring that it effectively manages its roads is of substantial importance to enable the smooth functioning of daily lives and businesses across country Victoria.

As shown below, VicRoads divides the arterial road network it manages into five regional areas (Eastern, North Eastern, Northern, Western and South Western) and two metropolitan areas (Metropolitan South East and Metropolitan North West) for the purpose of roads management.

Figure 2.6 VicRoads' road management areas



Source: Victorian Auditor-General's Office, *Maintaining State-Controlled Roadways*, Victorian Government, Melbourne, 2017, p. 1.

²⁴ VicRoads, 'Road maintenance', viewed 20 April 2018, <<https://www.vicroads.vic.gov.au/traffic-and-road-use/road-network-and-performance/road-maintenance-works>>.

²⁵ VicRoads, 'Victoria's road network', viewed 30 May 2018, <<https://www.vicroads.vic.gov.au/traffic-and-road-use/road-network-and-performance/types-of-roads/victorias-road-network>>.

²⁶ Victorian Auditor-General's Office, *Maintaining State-Controlled Roadways*, Victorian Government, Melbourne, 2017, p. 1.

²⁷ Department of Economic Development, Jobs, Transport and Resources, *Submission*, no. 322, 24 January 2018.

Table 2.2 Road types and road authorities

Road type	Coordinating road authority	Responsible road authority
Freeway (except privately operated)	VicRoads	VicRoads
Freeway (privately operated)	Varies	Melbourne CityLink – Transurban Eastlink – ConnectEast Peninsula Link – Southern Way
Arterial (urban)	VicRoads	VicRoads (through traffic) Council (service roads, pathways, roadside)
Arterial (non-urban)	VicRoads	VicRoads Council (service roads, pathway)
Municipal	Council	Council
Non-arterial State	eg. DELWP, Parks Victoria (VicRoads for small number of these roads)	eg. DELWP, Parks Victoria (VicRoads for small number of these roads)

Source: VicRoads, 'Victoria's road network', viewed 30 May 2018, <<https://www.vicroads.vic.gov.au/traffic-and-road-use/road-network-and-performance/types-of-roads/victorias-road-network>>.

In accordance with section 19 of the *Road Management Act 2004*, VicRoads maintains a Register of Public Roads about the freeways, arterial roads and others that it manages. This provides information to assist the public identify which roads VicRoads is responsible for. Other road authorities, such as local councils, have their own registers that outline their road responsibilities.²⁸ On the VicRoads website, there is also an application entitled *Maps of Declared Roads* which identifies declared roads across Victoria and their classification as arterial or municipal. This application, however, is not part of the statutory Register and provides supporting information only.²⁹

2.2.2 VicRoads and road maintenance

In terms of maintenance expenditure, the 2017 VAGO report outlined that in 2015-16, VicRoads spent \$478.6 million on maintaining road assets. The report also provided the following table to demonstrate how such monies were spent on individual assets, with over half of expenditure directed to maintaining road pavements (road surfaces).

²⁸ VicRoads, 'Register of public roads', viewed 30 May 2018, <<https://www.vicroads.vic.gov.au/about-vicroads/acts-and-regulations/register-of-public-roads>>.

²⁹ VicRoads, 'Maps of declared roads', viewed 30 May 2018, <<https://www.vicroads.vic.gov.au/traffic-and-road-use/road-network-and-performance/maps-of-declared-roads>>.

Table 2.3 VicRoads maintenance expenditure by category, 2015-16

Asset type	2015-16 (\$'000)	Proportion of expenditure (per cent)
Pavements	266,814	56
Structure	51,944	11
Roadside	57,832	12
Off-network activities	18,953	4
Network recovery	5,250	1
Electrical and intelligent transport systems	68,895	14
Maintenance management	8,887	2
Total	478,575	100

Source: Victorian Auditor-General's Office, *Maintaining State-Controlled Roadways*, Victorian Government, Melbourne, 2017, p. 16.

Under section 49 of the *Road Management Act 2004*, VicRoads developed a *Road Management Plan* (RMP) to outline its standards and systems for roads management. The RMP divides VicRoads-managed roads into five road maintenance categories (RMCs) (recently broken down into seven categories) for determining its maintenance priorities. According to the VAGO report, metropolitan freeways are ranked as RMC 1 and have the highest priority. Roads with less traffic and strategic priority are ranked lower. The RMC ranking also determines issues such as frequency of routine road inspections, and time limits for responding to various types of hazards.³⁰ The VAGO report set out data in relation to the proportion of RMCs located in each region.

Table 2.4 Proportion of roads in each RMC by region

Region	RMC 1 (per cent)	RMC 2 (per cent)	RMC 3 (per cent)	RMC 4.1 (per cent)	RMC 4.2 (per cent)	RMC 5.1 (per cent)	RMC 5.2 (per cent)
Eastern	0	4	22	19	11	11	15
Western	0	4	10	17	21	40	40
North Eastern	0	16	4	22	22	9	5
Northern	-	12	9	18	21	21	20
South Western	13	3	14	23	24	18	20
Metropolitan South East	30	38	29	1	0.2	0.3	-
Metropolitan North West	57	23	13	0.2	1	-	-

Source: Victorian Auditor-General's Office, *Maintaining State-Controlled Roadways*, Victorian Government, Melbourne, 2017, p. 8.

VicRoads maintains roads through the development of an annual road pavement maintenance program, which comprises the following types of maintenance works:

1. routine maintenance: to address minor defects before they become significant problems, such as repairing potholes, cleaning gutters and drains, clearing litter and repairing damaged signs.

³⁰ Victorian Auditor-General's Office, *Maintaining State-Controlled Roadways*, Victorian Government, Melbourne, 2017, pp. 4-5.

2. periodic maintenance: cost-effective works to assist preserve the roads and avoid more expensive rehabilitation works. This includes road resurfacing and corrosion protection.
3. rehabilitation: extensive works to help restore a road back to its original standard. It involves replacing both the pavement and road surface levels.³¹

As part of yearly planning for the annual road maintenance program, VicRoads' head office prepares guidelines to assist the five regional offices and two metropolitan offices provide input into the program. Each office then prepares budget bids for the types of works required in their areas, which they prioritise according to urgency. This is described by VicRoads as a 'strategic prioritisation system' to identify the needs of each road based on the following:

- critical – works to restore a road's safety or productivity
- needed – proactive works to prevent a road's deterioration in the short-term (12-24 months)
- desirable – proactive works to assist limit premature road damage and minimise the lifetime costs of the road.³²

According to the VAGO report, this process is based on regional judgements rather than a data-driven, state-wide approach to pavement maintenance. It also noted that '[i]n practice, regional offices only prioritise work that is categorised as critical' and, as a result of limited funding, only critical works are carried out.³³ Following the submission of budget bids, the head office settles the program and allocation of funding. This appears to be based largely on the previous year's allocations:

The bids submitted to VicRoads asset services unit are used to develop each year's program for the network, and VicRoads allocates funding accordingly. It is not evident that VicRoads prioritises the program according to a clearly defined needs-based assessment. VicRoads advises that final recommended budget allocations are based largely on previous years' funding allocations, although projects identified under the program consider various criteria including road condition and strategic importance.³⁴

Delivery of the maintenance program is also devolved to the regions. The regions only report to VicRoads' head office on outputs for network areas that have been maintained.³⁵ Consequently, VAGO reported that VicRoads has 'limited central oversight' over the delivery of the program, resulting in reduced capacity for VicRoads to apply improvements to the program over time.³⁶

³¹ VicRoads, 'Road maintenance', viewed 20 April 2018, <<https://www.vicroads.vic.gov.au/traffic-and-road-use/road-network-and-performance/road-maintenance-works>>.

³² VicRoads, 'Road maintenance', viewed 20 April 2018, <<https://www.vicroads.vic.gov.au/traffic-and-road-use/road-network-and-performance/road-maintenance-works>>.

³³ Victorian Auditor-General's Office, *Maintaining State-Controlled Roadways*, Victorian Government, Melbourne, 2017, p. 22 and 33.

³⁴ Victorian Auditor-General's Office, *Maintaining State-Controlled Roadways*, Victorian Government, Melbourne, 2017, p. 33.

³⁵ Victorian Auditor-General's Office, *Maintaining State-Controlled Roadways*, Victorian Government, Melbourne, 2017, p. xi.

³⁶ Victorian Auditor-General's Office, *Maintaining State-Controlled Roadways*, Victorian Government, Melbourne, 2017, p. 41.

The VAGO report further advised that, despite additional funding provided in 2015, there were still increases in the proportion of ‘poor’ and ‘very poor’ roads in the Eastern and South Western regions from 2005-06 to 2015-16. This demonstrated that current programs ‘are not effective for sustaining, let alone improving, pavement condition[s] in the long term’.³⁷

While it remains to be seen whether more recent additional funding allocations by the Victorian Government will help to improve the road network, a more strategic approach may be required to respond to declines in the funding base more generally and the current rate of deteriorating road assets. It should be noted that VicRoads released a *Pavement Management Strategic Plan* following the VAGO report in September 2017 to provide a guiding strategy for pavement management in the future.³⁸ This and other new initiatives are discussed in chapter four.

³⁷ Victorian Auditor-General's Office, *Maintaining State-Controlled Roadways*, Victorian Government, Melbourne, 2017, p. 34.

³⁸ Dang, K, *Pavement Management Strategic Plan: Asset Services: Version 1.0*, VicRoads, Melbourne, 2017.

3

Key issues raised in submissions

3

Based on the number of submissions received during the inquiry, the management and maintenance of country roads is a topical issue for people living and working in rural and regional areas of Victoria. Overall, the Committee received 335 submissions from a broad range of stakeholders, within the following general categories:

- individual community members
- local councils, local council representative groups or groups of councils
- community representative and advocacy groups
- industry and professional organisations
- state government agencies, namely the Victorian Auditor-General's Office (VAGO), the Department of Environment, Land, Water and Planning (DELWP), the Department of Economic Development, Jobs, Transport and Resources (DEDJTR) (including its agencies Transport for Victoria and VicRoads), and the Transport Accident Commission (TAC).

This chapter provides an overview of the responses provided in submissions, grouped according to the inquiry's term of reference (ToR). Where relevant, the overview also provides a summary of views presented by different stakeholder categories such as local councils, individual submitters and Victorian Government agencies.

It should be noted that there were a range of diverse views on each ToR, making it difficult to identify any clear consensus on reform steps or actions to rectify identified issues. There were, however, some broad themes outlined in submissions, including:

- the poor quality of roads in regional areas
- the lack of funding for VicRoads and councils to adequately maintain regional roads
- the importance of meaningful consultation by VicRoads with community members, local governments, and other key stakeholders
- the need for recommendations made by VAGO in its road network reports to be implemented, particularly in its most recent report, *Maintaining State-Controlled Roadways*, issued in June 2017. This report is discussed in detail in chapter four.

While the Committee does not comment on ways to address these issues, it wishes to acknowledge the concerns raised by submitters. Given the nature of an interim report, it is not the Committee's role to offer analysis or commentary on the accuracy of the issues raised. Rather, the matters detailed in this chapter should continue to be reviewed and evaluated in due course.

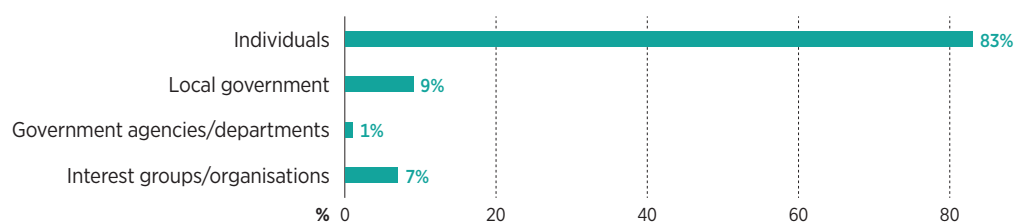
3.1 Submissions received

In all, there were 278 submissions from individual community members and 57 from organisations (see Table 3.1 for a list of organisations). Figures 3.1 and 3.2 and Tables 3.2 and 3.3 provide some information regarding the general stakeholder categories and geographical spread of the submissions received.

It is clear there was strong interest in this inquiry from the south western region of Victoria. The majority of individual submitters were from areas in this region, as well as a range of organisations. There was also strong interest from south west local councils, although it is worth noting that the Committee also received a significant number of council submissions from other areas of Victoria.

Table 3.1 List of submissions from organisations

No.	Name of organisation	No.	Name of organisation	No.	Name of organisation
8	Bus Association Victoria Inc.	202	Confidential	274	Murray River Group of Councils
10	Victorian Auditor-General's Office	220	Yanakie Hall and Recreation Reserve Community of Management	287	Peri Urban Group of Rural Councils
40	Moyne Shire Focus Group and the Macarthur-Myamyn Road User Group	223	Victorian Motorcycle Council	289	Strategic Directions Group
69	Confidential	231	Victorian Association of Forest Industries	291	Livestock and Rural Transporters Association of Victoria Inc.
75	Warrnambool City Council	236	Colac Otway Shire	303	Municipal Association of Victoria
83	Southern Grampians Shire Council	239	South Gippsland Shire Council	306	Mibus Bros
86	Victorian Transport Association	243	Darlington and surrounds community	314	Department of Environment, Land, Water and Planning
117	Moyne Shire Council	245	Shire of Campaspe	316	Victorian Farmers Federation
134	Corangamite Shire Council	247	Yarra Ranges Council	317	Parklands Albury Wodonga
136	National Timber Councils Association	250	Mitchell Shire Council	318	Great South Coast Regional Partnership
137	Pyrenees Shire Council	252	Regional Development Australia Barwon South West	319	Murrindindi Shire Council
138	The Great South Coast Regional Roads Group	254	Independent Riders Group	321	City of Ballarat
143	Wyndham Shire Council	255	Towong Shire Council	322	Department of Economic Development, Jobs, Transport and Resources
148	Wimmera Southern Mallee Regional Transport Group	256	Yanakie Progress Association	325	Central Goldfields Shire
151	Buloke Shire Council	257	Royal Automobile Club of Victoria (RACV)	327	Mornington Peninsula Shire (Officers Submission)
159	Northern Grampians Shire Council	259	Indigo Shire Council	329	Regional Cities Victoria
174	Macedon Ranges Shire Council	261	Institute of Public Works Engineering Australia	332	Healesville Action Group
175	Victorian Civil Construction Industry Alliance	267	Nillumbik Pro Active Landowners	333	Mornington Peninsula Shire (Council Submission)
190	Environment East Gippsland	268	Maurice Blackburn Lawyers	334	Transport Accident Commission

Figure 3.1 Breakdown of submission types**Table 3.2** Number of individual submissions received by top ten Councils

Council	Number of submissions
Glenelg Shire	47
Warrnambool City Council	21
Moyne Shire	17
Greater Geelong City Council	10
Southern Grampians Shire	15
Corangamite Shire	9
Greater Bendigo City Council	9
Colac Otway Shire	8
South Gippsland Shire	7
Campaspe Shire	6

Table 3.3 Key local government groups

Great South Coast Regional Partnership	The Great South Coast Regional Roads Group
Peri Urban Group of Rural Councils	Murray River Group of Councils
Wimmera Southern Mallee Regional Transport Group	Regional Development Australia Barwon South West

20



3.2 The effectiveness of VicRoads in managing country roads (ToR 1)

Various concerns emerged relating to the role of VicRoads in managing country roads, ranging from specific examples of deteriorating road conditions, the role of VicRoads in overseeing contractors, and a lack of asset management measures adopted by VicRoads. These are discussed below.

3.2.1 Poor road quality

All submissions to some extent discussed the poor quality of roads within regional and rural settings, highlighting particular roads or areas that have deteriorated over a period of time.

Submissions from individual community members

Individual submitters identified a range of specific concerns with the quality of roads and expressed high levels of frustration with the current situation, with many claiming that the deterioration of roads results in safety concerns. Key concerns related to the number, size and depth of potholes; lack of drainage and other issues affecting the sides of roads; the narrowness of roads; damage caused to private vehicles; overgrown roadside vegetation; and the use of wire rope barriers (discussed further in section 3.2.3). For example, Lindsay Griffin of Bairnsdale stated:

Country motorists deserve and have a right to safe and well-maintained roads, as do metropolitan motorists. The difference is that there are many alternate routes for metropolitan motorists; we usually have only one road to use.

I have observed the decline in road maintenance and the general standard of road surfaces that VicRoads expects us to accept as normal.

Our roads are extremely rough and tiring to drive on, the edges are broken and many have potholes and / or a drop from the bitumen to the gravel surface.³⁹

Chris Jansen of Hamilton also advised in his submission that:

The vast majority of major and minor VicRoads managed highways and roads have at least the following problems:

- Extensive pot-holing (and I mean extensive)
- Crumbling road surfaces in almost all stretches of road
- Edges that are non-existent or in very dangerous condition
- ‘Repaired or resurfaced’ road surfaces collapsing into the prior state of disrepair within 6 months. No-one seems held to account for poor repair work
- Numerous signs warning of poor quality road surfaces
- Permanent ‘temporary’ signs of lowered road speeds.⁴⁰

³⁹ Lindsay Griffin, *Submission*, no. 214, 14 January 2018, p. 1.

⁴⁰ Chris Jansen, *Submission*, no. 88, 6 January 2018.

Submissions often identified the increased use of roads by heavy trucks as a key cause for the worsening condition of country roads, particularly in the south west region of Victoria where a range of industries operate. David Rowbottom of St Helens told the Committee:

Most of our country roads were constructed in the days when most trucks were 5 Ton Bedford's and a semi-trailer would be around 11 Tons. The roads stood up to the traffic considerably well. In recent years the advent of the B Double now has these same roads being traversed by massive trucks carrying up to 70 Tonnes. The same roads constructed during the 5 Ton Bedford era have never been improved, to carry the tonnage they are subjected to today.

Trucks have been allowed to become bigger and bigger, no thought has been put into the impact they are having on roads never constructed to carry their tonnage.

The drainage alongside many of these roads has never been properly maintained, water seepage into the foundations (if you can call them foundations) doesn't help the situation.⁴¹

Similar comments were made regarding roads in other parts of the state. Alan Gardiner of Rochester stated:

...the state of the roads in this district are as poor as I have seen them since the 1960's, but the types of vehicles utilising the roads are also quite different. For example, milk tankers used to be single axle prime movers with single axle trailers, now they are all dual axle prime movers and tri-axle trailers. Nearly all farm utes (and for that matter passenger vehicles) are large four wheel drives and there are a large number of B Double transports using the road network. While the vehicle fleet has altered significantly, the road network, to a greater extent has stayed the same.⁴²

Another reason for poor road conditions identified in some submissions was the amount of rain and changing weather patterns. Robert Nichol of Warrnambool advised:

Because of the wet winters the drains at the sides of our roads and highways must be maintained on a regular basis to allow the rain water to get away quickly and not undermine our already shocking roads.⁴³

Related to changing weather patterns is the issue of drainage. Mary Brown of Camperdown considered that a lack of guttering means there is no proper water drainage, 'hence the rain water comes back under the bitumen and then sides break down with the traffic'.⁴⁴

Management of roadside vegetation and fauna also featured in some submissions. For example, Sue McKinnon of Cottles Bridge stated:

Ecological degradation is occurring under VicRoads through the removal of old and very old trees. In most cases in the country, this removal causes devastation of landscape, and death of animals reliant on these trees.

Such removals cannot be replaced by planting. Old trees provide vast quantities of nectar and pollen for nectar feeding birds, mammals and insects.⁴⁵

⁴¹ David Rowbottom, *Submission*, no. 234, 15 January 2018.

⁴² Alan Gardiner, *Submission*, no. 106, 8 January 2018.

⁴³ Robert Nichol, *Submission*, no. 91, 6 January 2018.

⁴⁴ Mary Brown, *Submission*, no. 4, 28 November 2017.

⁴⁵ Sue McKinnon, *Submission*, no. 273, 15 January 2018.

Some submissions discussed the need to eradicate overgrown roadside vegetation. For example, Denette Lomas of Nelson stated:

Also the amount of encroaching coast wattle that is on this road that needs to be cleaned up. The traffic is always side swiping these coast wattle. With native wildlife always on this road it is a constant danger, also for fire protection as this district is one of the most dangerous fire areas in Victoria.⁴⁶

The majority of individual submitters raised the issue of VicRoads reducing speed limits on poorly maintained roads, rather than allocating appropriate funding to improve them. For example, Tracey Potatau-Wright suggested:

Over the past few years the response to poor road conditions, both by VicRoads and local councils is to simply change the legal speed for the section in poor repair. A perfect example of this is the Pyrenees Highway (Glenthompson–Maroon Rd). In the 25 years I have lived in the district there has only been a handful of serious accidents between Glenthompson and Ararat. Recently there were 2 accidents within a couple of weeks and rather than do roadworks, the speed limit was dropped by 20kms over an area of a few kilometres either side of both accident sites.⁴⁷

Similarly, Barry Wilson of Warrnambool considered that reducing speed limits ‘is short sighted as many heavy vehicle drivers ignore the speed reduction and the problem of bad sections of roads adds significantly to the cost of maintenance of heavy vehicles’.⁴⁸

It was clear from the number of submissions received and the high levels of dissatisfaction expressed that the poor quality of regional roads impacts on communities’ sense of safety and pride in their local environment.

Submissions from local councils and council representative groups

Local councils all provided general and specific information about the quality of roads in their areas. The Murray River Group of Councils, comprising the councils of Mildura, Swan Hill, Gannawarra, Loddon Shire, Campaspe and Moira stated:

The condition of our regional State road network is inadequate and deteriorating. State managed roads in the Murray River Group of Councils LGAs [local government areas] 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%.⁴⁹

The Central Goldfields Shire similarly stated in its submission:

What appears to be missing are programs to upgrade and improving (modernise) A but particularly B and C road classes to accommodate the ever growing needs of larger trucks, more trucks and more cars. While roads have a life and wear out, the change in use and vehicles necessitate the need to upgrade the infrastructure over time.

⁴⁶ Denette Lomas, *Submission*, no. 126, 10 January 2018, p. 2.

⁴⁷ Tracey Potatau-Wright, *Submission*, no. 219, 14 January 2018.

⁴⁸ Barry M Wilson, *Submission*, no. 251, 15 January 2018.

⁴⁹ Murray River Group of Councils, *Submission*, no. 274, 15 January 2018, p. 2.

Examples of outdated structures are narrow bridges, narrow sealed roads, narrow shoulders, lack of turning lanes. There appears to be no programs to address these issues.⁵⁰

There were a number of submissions from councils and other bodies located in the western and south western regions of Victoria that highlighted particularly poor road conditions requiring redress due to limited maintenance, poor construction work, potholes, and lack of reseal work. For example, the Southern Grampians Shire Council stated:

VicRoads have implemented an Alliance model in the South West Region. This model has been in place for two years now and Council's view, based on our observations is that this model has failed our communities in the South West of Victoria.

Council has observed poor workmanship resulting in large quantities of rework being undertaken and at times new works failing within days of construction or above the routine maintenance defect invention levels after construction.

...

Council has no doubt that VicRoads is underfunded. Council can only conclude from the VAGO Report 2017, this is caused by a failing of VicRoads long term asset planning and significant underfunding from past and present State Governments.⁵¹

Offering a different perspective, the Wimmera Southern Mallee Regional Transport Group, comprising the councils of Buloke, Hindmarsh, Horsham, Northern Grampians, Yarriambiack and West Wimmera, noted the need for quality roads to support and improve tourism, and that poor roads 'present a bad image for tourism'.⁵²

Submissions from other organisations

Some submissions highlighted the impact that poor quality of roads has on industries such as freight, transport and tourism. For example, the Victorian Association of Forrest Industries, representing the forest, fibre and wood industry, noted:

Overall, the widespread occurrence of inadequate roads in the regional network impedes the all-weather, all-hours transport of logs and often creates inefficiencies in management and suboptimal usage of truck types. Upgrading regional roads across the network would allow a greater use of longer trucks, which would assist in increasing safety and efficiency by reducing the overall number of vehicles on the road and the number of truck movements.⁵³

The Victorian Transport Association, representing the commercial transport industry, advised:

The transport industry demands that roads are maintained and improved and not neglected as slowly decaying infrastructure. Specific demands are placed on certain roads depending upon the local commercial opportunities and geographic assets. An example of this is in the south west of Victoria with the Export timber and woodchip industry. This area is a prized export region that has a dependence upon the efficiency of the road infrastructure to be able to meet overseas customers'

50 Central Goldfields Shire, *Submission*, no. 325, 29 January 2018.

51 Southern Grampians Shire Council, *Submission*, no. 83, 4 January 2018, p. 2.

52 Wimmera Southern Mallee Regional Transport Group, *Submission*, no. 148, 12 January 2018.

53 Victorian Association of Forest Industries Inc, *Submission*, no. 231, 15 January 2018.

demands. This region has been neglected by successive governments and VicRoads administration for many years in terms of road repair and development and bridge upgrades.⁵⁴

Regional Cities Victoria, a regional leadership group comprising the Mayors and CEOs of Victoria's ten largest regional cities, emphasised the contribution of regional Victoria to the economy, and the need for investments in road infrastructure to support this contribution:

Regional Victorian businesses generate a \$72 billion regional economy that contributes almost 20 per cent of the state's overall economy and is responsible for a third of Victoria's total exports produces. It is therefore critical that Government facilitates the development of, and equitable investment in, road infrastructure that will help support the growth and competitiveness of regional industries, and their access to markets.⁵⁵

The Victorian Farmers Federation identified the need for roads to be fit for purpose:

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.⁵⁶

Environment East Gippsland focused on the removal of roadside trees during VicRoads' operations, noting a lack of consultation with communities and consideration of alternatives to such operations.⁵⁷ In another example, the Strategic Directions Group, formed as a community-based response to issues in the Wimmera region, considered that VicRoads' role has been 'unacceptable':

Road pavement is falling apart while "safety" is pushed as the mantra. Small fractures in the pavement of all highways categories, but in particular those with increasing volumes of heavy transport use, soon develop into holes and thence quickly into the necessity for either a major repair or re-build over hundreds of meters and kilometres. What is initially a small issue and relative cost to repair, soon escalates in dimension to a major cost.⁵⁸

Victorian Government agencies

Submissions from Victorian Government agencies emphasised the steps being taken to address road maintenance and improve the condition of regional roads. The Department of Economic Development, Jobs, Transport and Resources highlighted a number of investments being made including budgetary measures for road repairs, improved public information on the state of the Victorian roads network, and strategies for asset and pavement (road surface) management.⁵⁹ These issues are discussed in chapter four.

⁵⁴ Victorian Transport Association, *Submission*, no. 86, 5 January 2018.

⁵⁵ Regional Cities Victoria, *Submission*, no. 329, 6 February 2018.

⁵⁶ Victorian Farmers Federation, *Submission*, no. 316, 18 January 2018.

⁵⁷ Environment East Gippsland Inc, *Submission*, no. 190, 13 January 2018.

⁵⁸ Strategic Directions Group, *Submission*, no. 289, 15 January 2018.

⁵⁹ Department of Economic Development, Jobs, Transport and Resources, *Submission*, no. 322 - Attachment 1, 24 January 2018, p. 5.

The Department of Environment, Land, Water and Planning highlighted the need for clearer understanding of different road responsibilities between state and local government agencies (outlined below in section 3.2.4), and advised that it works closely with VicRoads to manage country roads, although such collaboration could be strengthened to improve the overall situation:

As [the] responsible entity for co-ordination and management of certain country roads under the *Road Management Act 2004*, DELWP staff often seek out input and advice from VicRoads policy and technical staff on how to best manage those country roads in accordance with the required standards. DELWP believes that any increase in the priority and focus afforded to managing country roads should also provide increased opportunity to share expertise across the relevant agencies and to undertake joint research and development into the operation and management of country roads.

The resulting increase in capability across entities with responsibility for country roads, which includes local government, will help to prioritise and address any perceived or actual deficiencies in the management of country roads which may currently be of concern.⁶⁰

The Transport Accident Commission focused on improving the safety of country roads, particularly through the Victorian Government's *Towards Zero 2016-2020 Road Safety Strategy*. It noted that '[a] disproportionate number of people are killed on country roads in Victoria; at a rate of about four times the rate of deaths on city roads':

With country roads accounting for such a high proportion of the Victorian trauma picture, improving safety on these roads is a priority for the TAC and a fundamental part of the Towards Zero strategy and action plan. Safe road infrastructure treatments and safer travelling speeds have the potential to greatly improve safety on country roads.⁶¹

The submission also noted that there is currently a review of the *Towards Zero* strategy, led by the TAC, which will focus on analysing governance and implementation of critical initiatives. It advised that the TAC report will be considered by the Victorian Government in 2018.⁶²

In its submission, VAGO discussed its June 2017 report (discussed in chapter four) and reiterated that a strategic approach to road pavement maintenance is important to improve road conditions.⁶³

3.2.2 Outsourcing of road maintenance work

There were numerous comments on the poor quality of maintenance work, and the competency of contractors hired by VicRoads to carry out such works. A number of local councils also raised similar issues in their submissions.⁶⁴ South Gippsland Shire Council considered that there are a range of factors contributing to the situation including downsizing, contracting of construction and maintenance work and VicRoads' procurement processes, resulting in 'a poorly-informed purchaser having

⁶⁰ Department of Environment, Land, Water and Planning, *Submission*, no. 314, 18 January 2018, p. 1.

⁶¹ Transport Accident Commission, *Submission*, no. 334, 16 March 2018, p. 11.

⁶² Transport Accident Commission, *Submission*, no. 334, 16 March 2018, p. 6.

⁶³ Victorian Auditor-General's Office, *Submission*, no. 10, 4 December 2017, p. 1.

⁶⁴ Corangamite Shire Council, *Submission*, no. 134, 11 January 2018; Mornington Peninsula Shire - Officers, *Submission*, no. 327, 30 January 2018, pp. 1-2; Mornington Peninsula Shire Council, *Submission*, no. 333, 28 February 2018, pp. 2-3; Southern Grampians Shire Council, *Submission*, no. 83, 4 January 2018, p. 2.

works delivered by in-experienced contractors, and the result is gradually declining quality in the work delivered'.⁶⁵ It also suggested issues with routine maintenance work, echoing comments made by numerous individual submitters:

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.⁶⁶

In response to such issues, the Northern Grampians Shire Council advocated for a return to in-house maintenance crews:

Seriously consider the re-establishment of using VicRoads own in-house maintenance crews for at least the basic maintenance operations, including inspections, patrol crews, minor patching, accident repairs to road furniture etc. This should allow at least earlier intervention in the smaller tasks and provide better coverage of the network. The current contract patrol crews have enormous areas to cover and do it poorly. The total contracting out experience as implemented by VicRoads in the past 20 years could not be considered a success in anyone's view and has been a costly experience at the expense of short term financial expediency. Unfortunately this exercise will be difficult, if not impossible to change as the VicRoads depots, staff and equipment were mostly sold off, leaving the VicRoads program delivery entirely at the mercy of the bigger contractors.⁶⁷

It also stated that contracting processes should be generally reviewed, noting there have been poor outcomes, for example through construction work failing and poor supervision and oversight over such contracts.⁶⁸ Corangamite Shire Council similarly considered that there needs to be improved oversight by VicRoads including:

- preparation of detailed and tailored project specifications
- ensure preparation works are undertaken
- adequately supervise the contractors
- ensure there is an appropriate sign off before contractors leave the project when completed
- undertake follow up activities including to remove signage or speed restrictions
- establish extended warranty/liability periods.⁶⁹

It also suggested that contractors be held to account for defects:

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.⁷⁰

⁶⁵ South Gippsland Shire Council, *Submission*, no. 239, 15 January 2018.

⁶⁶ South Gippsland Shire Council, *Submission*, no. 239, 15 January 2018.

⁶⁷ Northern Grampians Shire Council, *Submission*, no. 159, 12 January 2018, p. 2.

⁶⁸ Northern Grampians Shire Council, *Submission*, no. 159, 12 January 2018, p. 2.

⁶⁹ Corangamite Shire Council, *Submission*, no. 134, 11 January 2018.

⁷⁰ Corangamite Shire Council, *Submission*, no. 134, 11 January 2018.

While discussed more broadly in chapter four, it is worth noting here that the 2017 VAGO report contained a recommendation for improved performance measurement of contractors' service delivery. In response, VicRoads stated that it had developed 'a more centralised asset management' function over maintenance issues through a new Regional Services team and an Asset Services team.⁷¹

3.2.3 Use of wire rope barriers

An issue raised by motorcycle advocacy groups and others is the use of wire rope barriers on regional roads as a safety measure. As outlined in the DEDJTR's submission, the Victorian Government's *Towards Zero 2016-2020 Road Safety Strategy* and *Safer Roads Infrastructure Program* (SSRIP) involves the installation of wire rope safety barriers to help reduce the road toll and serious injuries by 20 per cent by 2020:

More than \$800 million is being invested in improving regional roads, including extensive safety barriers and rumble strips that have been shown to save lives. Evaluations of the flexible wire rope safety barriers being installed across Victoria's top 20 most dangerous regional roads indicate a 30 percent reduction in deaths and serious injuries.

The \$340 million Safer Road Infrastructure Program involves installing more wire safety barriers to save lives on country roads. Wire safety barriers can prevent the worst from happening in the event of a blown tire or a loss of control. Built to withstand the weight of a truck travelling at full speed, they have been shown to reduce run-off road and head-on crashes by up to 85 percent. On every major regional road into Melbourne, VicRoads is installing 1700 kilometres of wire safety. With 17 people killed or seriously injured each year for every 100km of our busy, high-speed roads, these barriers are an essential investment to save lives in regional Victoria.⁷²

The Victorian Motorcycle Council claimed there is limited evidence to support the use of wire rope barriers, and that these barriers pose an increased hazard for motorcycles (while acknowledging they improve road safety for vehicles). It also suggested that the use of 'motorcycle friendly' additions, such as stack cushions, have not resulted in improved outcomes regarding motorcycle crash testing data.⁷³

The Victorian Motorcycle Council recommended the use of alternatives to such barriers, as well as ensuring that the *Making Roads Motorcycle Friendly Guide*, issued by VicRoads in 2014, is applied consistently by VicRoads and contractors.⁷⁴ The Independent Riders Group, in providing anecdotal evidence of harms caused by wire rope barriers to riders, proposed that further installation of these barriers should cease; dangerous points should be removed; and an audit should be conducted of various road barrier options.⁷⁵

71 Victorian Auditor-General's Office, *Maintaining State-Controlled Roadways*, Victorian Government, Melbourne, 2017, pp. 56-57.

72 Department of Economic Development, Jobs, Transport and Resources, *Submission*, no. 322 - Attachment 1, 24 January 2018, p. 2.

73 Victorian Motorcycle Council, *Submission*, no. 223, 15 January 2018, p. 5.

74 Victorian Motorcycle Council, *Submission*, no. 223, 15 January 2018, pp. 4-6.

75 Independent Riders Group, *Submission*, no. 254, 15 January 2018, p. 8.

Fifty three individual submitters also commented on this issue, with some disputing evidence on their effectiveness, and others indicating that resources spent on wire rope barriers would be better allocated to road works or other protective measures.⁷⁶

The Transport Accident Commission outlined in its submission that, under the SSRIP, 75 per cent of funding has been directed to country roads to reflect the fact that these roads account for approximately 55 per cent of fatalities and 35 per cent of combined fatalities and serious injuries. The range of programs implemented include upgrading intersections, signage and line marking improvements, continuous barriers on highways, centre line wire rope barriers and wide centre line treatments on high risk roads, improved pedestrian safety, and lower speed limits on high risk roads.⁷⁷ It highlighted that barriers are one of the key measures under the SSRIP:

Safety on rural roads should be of highest priority when making decisions about investment in roads infrastructure. High speed undivided roads are a key risk to safety. There is clear evidence that median and roadside barriers, and speed management offers great potential for improvement in country Victoria. Indeed these form key elements of the SSRIP approach.⁷⁸

The Transport Accident Commission also advised that it conducts research into community attitudes, and indicated there is strong support among the community for various infrastructure safety measures, including barriers.⁷⁹

Road safety and road maintenance

A closely related issue to the use of wire rope barriers is the extent to which addressing road maintenance enhances road safety. As demonstrated above, many submitters considered that it would be more effective to focus resources on maintenance activities, rather than safety measures such as wire rope barriers or reducing speed

76 Wallace Hill, *Submission*, no. 100 - Attachment 1, 8 January 2018; Vic Lidstone, *Submission*, no. 210, 14 January 2018; Trevor Phillips, *Submission*, no. 158, 12 January 2018; Tom Maher, *Submission*, no. 278, 15 January 2018; Toby Campbell, *Submission*, no. 53, 21 December 2017; Stuart Willis, *Submission*, no. 290, 15 January 2018; Simon Varley, *Submission*, no. 178, 12 January 2018; Sharon and Noel Wohlers, *Submission*, no. 113, 8 January 2018; Russell Lovell, *Submission*, no. 101, 8 January 2018; Ross Lees, *Submission*, no. 139, 11 January 2018; Rodney O'Connell, *Submission*, no. 284, 15 January 2018; Rob Brislin, *Submission*, no. 121, 9 January 2018; PR and JJ Crosswhite, *Submission*, no. 12, 4 December 2017; Peter Mosse, *Submission*, no. 82, 4 January 2018; Paul Gray, *Submission*, no. 197, 14 January 2018; Paul Deakin, *Submission*, no. 107, 8 January 2018; Owen William Shannon, *Submission*, no. 326, 29 January 2018, p. 2; Noreen Jennings, *Submission*, no. 228, 15 January 2018; Nathan Johnston, *Submission*, no. 216, 14 January 2018; Naomi Davis, *Submission*, no. 184, 13 January 2018; Maurie Killeen, *Submission*, no. 164, 12 January 2018, pp. 2-3; Matthew Waite, *Submission*, no. 114, 8 January 2018; Mary and Peter Hornibrook, *Submission*, no. 307, 15 January 2018; Mark Petersen, *Submission*, no. 167, 12 January 2018; Maree Maher, *Submission*, no. 282, 15 January 2018; Lynene Duncan, *Submission*, no. 335, 21 March 2018; Lindsay Griffin, *Submission*, no. 214, 14 January 2018, p. 1; Lewis LLewelyn, *Submission*, no. 320, 22 January 2018, pp. 1-2; Laurie Park, *Submission*, no. 155, 12 January 2018, pp. 1-2; Lal Whyte, *Submission*, no. 111, 8 January 2018; Kim Parry, *Submission*, no. 98, 8 January 2018; Julie Allen, *Submission*, no. 298, 15 January 2018; John Nelson, *Submission*, no. 302, 15 January 2018; John Lyons, *Submission*, no. 293, 15 January 2018; John Klein, *Submission*, no. 235, 15 January 2018; John Ferguson, *Submission*, no. 133, 11 January 2018; John Bolitho, *Submission*, no. 258, 15 January 2018, pp. 7-9; Jane Hildebrandt, *Submission*, no. 152, 12 January 2018, pp. 3-10; Gregory Van Scoy, *Submission*, no. 200, 14 January 2018; Dr Owen Rye, *Submission*, no. 331, 9 February 2018; Darryl Minns, *Submission*, no. 128, 10 January 2018; Dale Hatton, *Submission*, no. 110, 8 January 2018; Carol Joyce, *Submission*, no. 85, 4 January 2018; Bryce Letcher, *Submission*, no. 230, 15 January 2018; Brian Patten, *Submission*, no. 125, 10 January 2018, pp. 4-5, 7-8, 11-12; Brad Jackson, *Submission*, no. 279, 15 January 2018; Bernie Bicierton, *Submission*, no. 188, 13 January 2018; Annette Hayes, *Submission*, no. 283, 15 January 2018; Allen Fairweather, *Submission*, no. 203, 14 January 2018; Allan Thompson, *Submission*, no. 38, 14 December 2017, p. 2; Mr Graeme Alexander, *Submission*, no. 97, 8 January 2018; Alan Keith Porter, *Submission*, no. 194, 14 January 2018; Alan Gardiner, *Submission*, no. 106, 8 January 2018.

77 Transport Accident Commission, *Submission*, no. 334, 16 March 2018, p. 7.

78 Transport Accident Commission, *Submission*, no. 334, 16 March 2018, p. 14.

79 Transport Accident Commission, *Submission*, no. 334, 16 March 2018, p. 12.

limits. While the TAC was not able to conduct a literature review on these issues, it advised that there is currently limited evidence on the relationship between improved road pavement surfaces and road safety, and further research is needed:

...experts consulted indicated there is limited evidence on the relationship of pavement condition to safety; more research is needed to establish how pavement condition contributes to Safe System objectives and how different conditions (e.g. rutting, roughness, etc.) influence safety. Accurate data about road condition is vital to understand its contribution to safety.

Experts at ARRB [Australian Road Research Board] provided to the TAC indicative estimates on the possible effect of pavement improvements on safety. The estimates were calculated using the methods adopted in two papers on this topic (Anastasopoulos & Mannering, 2009; Cairney & Bennet, 2009); the calculations showed reasonably consistent results and indicated that:

- Improving rough pavement on road sections could be associated [with] a reduction in injury crashes of approximately 30% *on those specific sections*.
- Improving rough pavement on major rural highways/freeways could be associated with a 2-8% reduction in injury crashes *along the route*.⁸⁰

The Transport Accident Commission's view on whether there needs to be an enhanced focus on road maintenance was that, while road maintenance is important, a greater focus should be on investments that reduce injuries:

The TAC acknowledges that road maintenance is important, however under Safe System principles, investment in road safety must be directed to the initiatives which have been demonstrated to have significant effects of the greatest magnitude. Typically, this approach favours initiatives that address injury outcomes rather than initiatives that address crash risk.⁸¹

The Committee considers that detailed analysis of current research on the relationship between road maintenance and road safety is a key issue that requires full exploration, and will importantly provide a basis for future research to inform further policy development. This is discussed in chapter five.

A few other submissions specifically addressed the issue of road safety in the context of VicRoads' management of country roads. The Mornington Peninsula Shire Council suggested that not enough focus is placed on proactive safety measures. It also recommended the development of regional safety plans by VicRoads, Victoria Police, local government and other authorities.⁸²

The Pyrenees Shire Council commended recent efforts and investments to reduce the road toll, however, it also noted the importance of rehabilitation funding:

Evidence suggests that treatments such as wire rope installations are effective in reducing road fatalities on rural and regional roads. There is a perception however that there has been a declining level of funding in real terms allocated to the preservation and renewal of the road asset; in particular more timely and cost effective pavement rehabilitation and reseal treatments are badly needed. This long term investment in the road asset is critical, and failure to do so will see an ever increasing level of pavement failures. This in turn will increase road maintenance costs, and adversely impact on service standards.⁸³

⁸⁰ Transport Accident Commission, *Submission*, no. 334, 16 March 2018, p. 8.

⁸¹ Transport Accident Commission, *Submission*, no. 334, 16 March 2018, p. 3.

⁸² Mornington Peninsula Shire Council, *Submission*, no. 333, 28 February 2018, pp. 3-4.

⁸³ Pyrenees Shire Council, *Submission*, no. 137, 11 January 2018, p. 2.

Similarly, the Macedon Ranges Shire Council noted that, while VicRoads directs road safety funding based on crash data and usage, '[t]his does not however account for other important aspects which the community values e.g. Preventative works, amenity, signage and general maintenance'.⁸⁴

3.2.4 Responsibility for roads between various agencies

The Committee is aware that there are a range of federal, state and local government agencies involved in the management of country roads, as discussed in chapter two. Given this situation, the Committee heard from some individual submitters that there is confusion regarding who is responsible for addressing issues on different roads. Peter McClurg of Yackandandah discussed being 'unsure' of whether to contact the Indigo Council or VicRoads to deal with a roads problem, and suggested there needs to be public information on who is responsible for major and minor roads, accompanied with relevant contact information.⁸⁵

Similar views were also shared by a number of organisations. The Department of Environment, Land, Water and Planning indicated that there are some occasions where there is a lack of clarity between VicRoads, councils, the DELWP and other Crown land managers about who is responsible for managing and coordinating 'orphaned' country roads:

This may lead to confusion or uncertainty amongst entities as to who is responsible for maintaining the road in a safe and serviceable condition which, in addition to adversely affecting road users, may in turn expose those entities to unnecessary financial or legal risk.

This may be an area where VicRoads, which is the agency responsible for administering the *Road Management Act 2004*, could lead improved collaboration with other entities to more quickly resolve questions relating to responsibility for 'orphaned' country roads.⁸⁶

South Gippsland Shire Council (and other local councils⁸⁷) indicated that it often deals with complaints relating to state-managed roads because of limited community understanding on these issues:

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.⁸⁸

The Institute of Public Works Engineering Australasia, representing approximately 350 civil and environmental engineers in the Victorian division mostly working in local government, advised that 'the community doesn't generally distinguish between

⁸⁴ Macedon Ranges Shire Council, *Submission*, no. 174, 12 January 2018.

⁸⁵ Peter McClurg, *Submission*, no. 11, 4 December 2017, p. 1.

⁸⁶ Department of Environment, Land, Water and Planning, *Submission*, no. 314, 18 January 2018, p. 1.

⁸⁷ Corangamite Shire Council, *Submission*, no. 134, 11 January 2018; Mornington Peninsula Shire - Officers, *Submission*, no. 327, 30 January 2018, p. 3; Mornington Peninsula Shire Council, *Submission*, no. 333, 28 February 2018, p. 3; South Gippsland Shire Council, *Submission*, no. 239, 15 January 2018.

⁸⁸ South Gippsland Shire Council, *Submission*, no. 239, 15 January 2018.

the 15% of Victoria's road network managed by VicRoads and the 85% managed by municipal Councils' and suggested that there should be improved coordination between local government and state agencies.⁸⁹ The Victorian Farmers Federation suggested that a review be undertaken of council/state road responsibilities to ensure there is fair distribution, noting current pressures on councils to maintain roads that are increasingly used for arterial functions.⁹⁰

3.2.5 Use of data in decision-making

A few submissions highlighted that VicRoads does not effectively use its data to inform decision-making processes. The Victorian Transport Association considered that:

...the volume and type of vehicle using a road is vital data required before any roadwork is carried out. VicRoads as a road agency struggles to collect this type of data as a basic requirement of project development and then communicate and pass on this data to other agencies and reports that can then be publicised.⁹¹

Similarly, the Southern Grampians Shire Council stated:

After meetings with VicRoads/South West Alliance they are unable or unwilling to provide any data or information to Council or the community indicating the trends on the condition of the network or any long term future planning to manage the network. VicRoads are currently operating with no transparency or accountability for its asset management to the Victorian Community.⁹²

The RACV also discussed lack of data, however, it advised the Committee of recent changes by VicRoads to enhance data as recommended in the VAGO report:

It was only in December 2017 that the State Government announced that VicRoads would start publishing a 'dashboard' to improve transparency in this area. The adoption of a public dashboard, with useful and transparent indicators, will substantially improve transparency into how VicRoads is managing its network. Determining if VicRoads' management is effective will require the analysis of the 'dashboard' indicators in conjunction with other data relating to passenger and freight road use trends, weather, available funds and other factors that influence road network planning and maintenance.⁹³

3.2.6 Asset management approach

A number of submissions discussed the benefits of an asset management approach to road maintenance, which was a key recommendation in the 2017 VAGO report.⁹⁴ Moyne Shire Council noted that an appropriate asset management model for road

⁸⁹ Institute of Public Works Engineering Australasia, *Submission*, no. 261, 15 January 2018.

⁹⁰ Victorian Farmers Federation, *Submission*, no. 316, 18 January 2018.

⁹¹ Victorian Transport Association, *Submission*, no. 86, 5 January 2018.

⁹² Southern Grampians Shire Council, *Submission*, no. 83, 4 January 2018, p. 2.

⁹³ RACV, *Submission*, no. 257, 15 January 2018, p. 7.

⁹⁴ City of Ballarat, *Submission*, no. 321, 22 January 2018, p. 1; Corangamite Shire Council, *Submission*, no. 134, 11 January 2018; Great South Coast Regional Roads Group, *Submission*, no. 138, 11 January 2018, p. 1; Moyne Shire Council, *Submission*, no. 117, 9 January 2018; Murray River Group of Councils, *Submission*, no. 274, 15 January 2018, p. 3; Victorian Farmers Federation, *Submission*, no. 316, 18 January 2018.

maintenance should include regular assessments of road conditions; established road rehabilitation priorities to reduce the asset renewal gap; reseals at appropriate intervals; and shoulder, tree and drainage maintenance.⁹⁵

The Great South Coast Regional Partnership, one of nine such groups established across the State by the Victorian Government, proposed an asset management system for Victoria with the following features:

- State-wide scope;
- Encompassing all roads regardless of their present status as State managed or Local Government managed etc;
- The asset management process to begin with an audit of existing road conditions and whether each road is fit for purpose. Local Government will be ideally placed to provide feedback on the condition of the roads;
- Prioritised planning of repair or reconstruction of all roads over an extended timeline – immediate, short term, medium term, long term.⁹⁶

The Institute of Public Works Engineering Australasia highlighted that strategic asset management is helpful for establishing work priorities and can also identify the difference between funds needed for maintenance and the amount available, which ‘enables informed long-term financial planning’:

It is a ‘bottom-up’ approach to community service that – in conjunction with asset management software systems – is being widely embraced by local and state governments around Australia and internationally to more efficiently and effectively manage community assets over time.

We recommend that agreed service levels, objective road asset condition reports and an independent assessment of the current renewal gap should inform Victoria’s road network maintenance budget, rather than state budget decisions constraining the road asset maintenance and rehabilitation effort.⁹⁷

The Municipal Association of Victoria noted recent attempts by VicRoads to address these issues including introducing a long term procurement strategy and a pavement management system, public reporting on the state of the road network and developing service level standards.⁹⁸

In its submission, the DEDJTR noted ‘significant progress’ in the implementation of VAGO’s recommendations including the development of an Asset Transformation Project and improved data analysis capability. It also noted that the *Pavement Management Strategic Plan* was released in September 2017 to provide ‘clear objectives, outcomes and measures that define both technical and road-user levels of service for each road maintenance category’ and will be reported against annually.⁹⁹

⁹⁵ Moyne Shire Council, *Submission*, no. 117, 9 January 2018.

⁹⁶ Great South Coast Regional Partnership, *Submission*, no. 318, 19 January 2018.

⁹⁷ Institute of Public Works Engineering Australasia, *Submission*, no. 261, 15 January 2018.

⁹⁸ Municipal Association of Victoria, *Submission*, no. 303, 16 January 2018.

⁹⁹ Department of Economic Development, Jobs, Transport and Resources, *Submission*, no. 322 - Attachment 1, 24 January 2018, p. 4.

3.3 The existing funding model and its lack of effectiveness for country Victoria (ToR 2)

3.3.1 The need for increased funding

The need for increased funding for country roads maintenance was a central issue raised by various submitters. Essentially all organisations, including local councils, community organisations and industry associations, also discussed the general lack of funding available for maintenance of regional roads. For example, Central Goldfields Shire Council stated:

VicRoads in dealing with serious underfunding has quite rightly prioritised their expenditure based on the number of fatalities and higher traffic volume roads. This has unfortunately been the norm for such a long period of time that the “B” and “C” roads have received very limited maintenance renewal essentially other than keeping them operational. As a result in Central Goldfields Shire there are many narrow roads and bridges (listed in Response 1) suited to the traffic of the 1950’s. Traffic volumes and truck transport has grown significantly over the last 50 years and so has the size of trucks. There does not appear to be sufficient funds to undertake network modernisation and development.¹⁰⁰

Regional Development Australia Barwon South West stated in its submission:

The existing funding model for country roads does not adequately maintain roads to a reasonable standard and this is demonstrated by the deteriorating and distressed state of a large proportion of the arterial network, particularly in the South West of the region.¹⁰¹

The Wimmera Southern Mallee Regional Transport Group advised that the increase in maintenance funding from \$100 million a year to \$260 million falls short of the \$500 million which the VicRoads CEO estimated was required.¹⁰² The Murray River Group of Councils stated that ‘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’.¹⁰³ Buloke Shire Council indicated there is a need to establish a consistent level of funding to VicRoads over four years to ensure ‘more certainty to plan works and therefore confidently communicate a forward works plan with the community’.¹⁰⁴

Some submissions also highlighted the lack of funding for councils to carry out their roles in relation to road maintenance, which is exacerbated by rate capping. Murrindindi Shire Council advised that councils, particularly rural ones, are inadequately funded for maintenance and renewal works.¹⁰⁵

The Peri Urban Group of Rural Councils, representing the Bass Coast, Baw Baw, Golden Plains, Macedon Ranges, Moorabool, Murrindindi and Surf Coast, noted that consistent funding is required for both VicRoads and local governments.¹⁰⁶ Further,

¹⁰⁰ Central Goldfields Shire, *Submission*, no. 325, 29 January 2018.

¹⁰¹ Regional Development Australia Barwon South West, *Submission*, no. 252, 15 January 2018.

¹⁰² Wimmera Southern Mallee Regional Transport Group, *Submission*, no. 148, 12 January 2018.

¹⁰³ Murray River Group of Councils, *Submission*, no. 274, 15 January 2018, p. 3.

¹⁰⁴ Buloke Shire Council, *Submission*, no. 151, 12 January 2018.

¹⁰⁵ Murrindindi Shire Council, *Submission*, no. 319, 22 January 2018, p. 2.

¹⁰⁶ Peri Urban Group of Rural Councils, *Submission*, no. 287, 15 January 2018, pp. 2-3.

a petition signed by 106 people from Darlington and surrounding areas considered that sufficient funding is needed directly for local councils 'to maintain lower traffic-volume roads without having to apply through VicRoads'.¹⁰⁷

The Committee also heard from individuals who proposed that local councils be supported to increase their role in road maintenance over VicRoads, although this was not a universal view. For example, a submission by the Moyne Shire Road Focus Group and Macarthur-Myamyn Road Users Group and an accompanying petition signed by 24 people considered that VicRoads should be replaced with a council system, where local governments are appropriately funded for road maintenance and reconstruction works.¹⁰⁸ Similarly, Judy Hill from Hamilton suggested that responsibility for country roads be transferred from VicRoads to local councils to improve efficiency, reduce costs and to decentralise.¹⁰⁹ On the other hand, some submitters opposed the idea of transferring further responsibilities to local councils in this particular area. For example, Tom and Barbara Phillip from Hamilton stated that they:

[d]o not agree that a council-run system would be an improvement to the status quo. Council is already floundering under the pressure of keeping the grass cut within the town boundaries and in satellite towns (just to name one task) - there's no way this massive new responsibility could be given the attention required.¹¹⁰

In another example, Brian Patten of Upper Plenty also opposed providing additional road maintenance or planning issues to local councils, and suggested that current responsibilities should be removed.¹¹¹

3.3.2 The funding model

In terms of the funding model (rather than the broader level of funding itself), some submissions supported the current model used by VicRoads which decentralises decisions on funding allocations to the regions, rather than a state wide approach. As explained by the Municipal Association of Victoria:

VicRoads currently operates by allocating funding to its regional offices, which have the autonomy to allocate funding based on the priorities within the region.

There is predominant support for the current regional funding allocation model, and concern that if a state-wide prioritisation model was to be used, more remote areas of the state may be disadvantaged.

What is most important is the provision of adequate funding for maintenance and that any distribution model is underpinned by a robust methodology, which considers the specific needs and characteristics of each region, for example, climactic variation or differences in available quarry materials.¹¹²

The City of Ballarat supported the current regional allocation model as the regional office has local knowledge of the road network, and it also facilitates direct communication between the council and the regional office.¹¹³ Similarly, the Pyrenees Shire Council stated that the VicRoads Western region 'has done a reasonable job in

¹⁰⁷ Darlington and surrounds community, *Submission*, no. 243, 15 January 2018.

¹⁰⁸ Moyne Shire Road Focus Group and Macarthur-Myamyn Road Users Group, *Submission*, no. 40, 14 December 2017.

¹⁰⁹ Judith Hill, *Submission*, no. 73, 2 January 2018.

¹¹⁰ Tom and Barbara Phillip, *Submission*, no. 103, 8 January 2018.

¹¹¹ Brian Patten, *Submission*, no. 125, 10 January 2018, p. 8.

¹¹² Municipal Association of Victoria, *Submission*, no. 303, 16 January 2018.

¹¹³ City of Ballarat, *Submission*, no. 321, 22 January 2018, p. 2.

allocating funding to the highest need areas, with a fair distribution across the region', however, it also noted the lack of overall funding available.¹¹⁴ On the other hand, Mitchell Shire Council supported a new state wide assessment and prioritisation framework for the funding of road maintenance on arterial roads.¹¹⁵

Other submissions proposed alternative funding models that could be implemented, including:

- the creation of a separate rural Victoria fund to allow projects to be measured through a rural lens (Campaspe Shire Council)¹¹⁶
- VicRoads be funded to establish a mandatory 10 year asset plan on issues such as maintenance, renewal and expansion, similar to a proposed requirement in the exposure draft of a *Local Government Bill* for councils (Yarra Ranges Council)¹¹⁷
- the development of regional road management plans in consultation with the community and industry stakeholders, as well as increased funding (RACV)¹¹⁸
- more autonomy to the regions with oversight from an independent organisation, and an oversight role for councils in assessing VicRoads' performance (Independent Riders Group)¹¹⁹
- improved flexibility for unexpected or unplanned regional situations, for example high rainfall necessitating increased funds for maintenance work (Towong Shire Council)¹²⁰
- ensure the funding model addresses climate effects on roads and the availability of quality material, including funding for regions to account for this (Colac Otway Shire Council)¹²¹
- ensure the funding model is based on genuine need, shown by onsite conditions, and that the amount of work dictates the funding allocated rather than a computer generated solution (Nillumbik Pro Active Landowners)¹²²
- develop a minimum standard for equitable roads and funding investment across all regions, and critically assess the funding model against international and Australian best practice models (Regional Development Australia Barwon South West).¹²³

The Transport Accident Commission, in reference to best practice infrastructure management in Europe, suggested the following activities be undertaken, with road safety as a key component:

- Benchmarking against high performing jurisdictions
- Conducting evaluations and monitoring of safety performance
- Ensuring investment in and capacity of road authorities is adequate
- Safety being embedded in the life cycle of the road infrastructure management including in maintenance and renewal stages.¹²⁴

¹¹⁴ Pyrenees Shire Council, *Submission*, no. 137, 11 January 2018, p. 2.

¹¹⁵ Mitchell Shire Council, *Submission*, no. 250, 15 January 2018, p. 2.

¹¹⁶ Campaspe Shire Council, *Submission*, no. 245, 15 January 2018, p. 2.

¹¹⁷ Yarra Ranges Council, *Submission*, no. 247, 15 January 2018, p. 3.

¹¹⁸ RACV, *Submission*, no. 257, 15 January 2018, p. 13.

¹¹⁹ Independent Riders Group, *Submission*, no. 254, 15 January 2018, p. 8.

¹²⁰ Towong Shire Council, *Submission*, no. 255, 15 January 2018.

¹²¹ Colac Otway Shire Council, *Submission*, no. 236, 15 January 2018.

¹²² Nillumbik Pro Active Landowners, *Submission*, no. 267, 15 January 2018, p. 8.

¹²³ Regional Development Australia Barwon South West, *Submission*, no. 252, 15 January 2018.

¹²⁴ Transport Accident Commission, *Submission*, no. 334, 16 March 2018, pp. 2, 9.

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

The extent and effectiveness of VicRoads' consultation efforts featured heavily in many submissions.

3.4.1 Consultation with communities

This issue was discussed among 32 individual submitters, who broadly considered that VicRoads fails to conduct genuine and effective consultation with their communities. There was support for communities to be involved as early as possible in developing projects within their areas and VicRoads providing detailed information about implementation.¹²⁵

However, in terms of communities' input into the prioritisation of roads in need of repair, some organisations highlighted that this process should be evidence-based rather than subject to community preference. Warrnambool City Council stated:

Warrnambool City Council believes that it is inappropriate for communities to prioritise roads that are 'in dire need of repair'; rather VicRoads and the State Government should be compelled to meet a minimum level of service with regard to the condition, safety and operation of their roads.

It is not reasonable for communities to trade off the condition of key network linkages and for them to prioritise which roads should meet a serviceable standard. It is more reasonable for these communities to prioritise which of the regions roads should be upgrade[d] to standards higher than the agreed minimum level of service.¹²⁶

Moyne Shire Council noted that such decisions should be based on issues such as traffic numbers, traffic types and strategic value and be made by appropriate experts, rather than being 'left up to an advocacy competition between communities'.¹²⁷ Similar comments were also made in other submissions.¹²⁸

¹²⁵ Sue McKinnon, *Submission*, no. 273, 15 January 2018; Sophie Simson, *Submission*, no. 201, 14 January 2018; Rodney O'Connell, *Submission*, no. 284, 15 January 2018; Robin Barber, *Submission*, no. 160, 12 January 2018; Raylee Flynn, *Submission*, no. 207, 14 January 2018; PR and JJ Crosswhite, *Submission*, no. 12, 4 December 2017; Peter Mosse, *Submission*, no. 82, 4 January 2018; Paul Hickey, *Submission*, no. 225, 15 January 2018; Patrick Hockey, *Submission*, no. 60, 27 December 2017; Maurie Killeen, *Submission*, no. 164, 12 January 2018, p. 4; Mark Petersen, *Submission*, no. 167, 12 January 2018; Liz Burns, *Submission*, no. 301, 15 January 2018; Lindsay Griffin, *Submission*, no. 214, 14 January 2018, pp. 2-3; Lesley Dalziel OAM, *Submission*, no. 304, 16 January 2018; Leigh Coggins, *Submission*, no. 286, 15 January 2018; Laurie Park, *Submission*, no. 155, 12 January 2018, p. 2; Juliet Beatty, *Submission*, no. 119, 9 January 2018; John Bolitho, *Submission*, no. 258, 15 January 2018, p. 2; Janet Blake, *Submission*, no. 14, 5 December 2017; Jane Hildebrandt, *Submission*, no. 152, 12 January 2018, p. 6; James Purcell, *Submission*, no. 266, 15 January 2018; Elizabeth Ryan, *Submission*, no. 246, 15 January 2018; Elaine Brown, *Submission*, no. 177, 12 January 2018; Dr Owen Rye, *Submission*, no. 331, 9 February 2018; Dr Geoffrey L Coggins, *Submission*, no. 285, 15 January 2018; Des Trotter, *Submission*, no. 150, 12 January 2018; Cr Katrina Rainsford, *Submission*, no. 294, 15 January 2018; Cr Geoff Curnow, *Submission*, no. 249, 15 January 2018; Chet Cline, *Submission*, no. 16, 7 December 2017; Brian Patten, *Submission*, no. 125, 10 January 2018, pp. 7-8; Brad Jackson, *Submission*, no. 279, 15 January 2018; Barbie Sawyer, *Submission*, no. 330, 8 February 2018.

¹²⁶ Warrnambool City Council, *Submission*, no. 75, 2 January 2018.

¹²⁷ Moyne Shire Council, *Submission*, no. 117, 9 January 2018.

¹²⁸ Corangamite Shire Council, *Submission*, no. 134, 11 January 2018; Great South Coast Regional Roads Group, *Submission*, no. 138, 11 January 2018, p. 2; South Gippsland Shire Council, *Submission*, no. 239, 15 January 2018; Southern Grampians Shire Council, *Submission*, no. 83, 4 January 2018, p. 3; Warrnambool City Council, *Submission*, no. 75, 2 January 2018.

Some submissions highlighted that, where community consultations are undertaken, they can appear tokenistic and not include a feedback loop once decisions are made.¹²⁹ Bus Association Victoria stated:

[t]he lack of feedback from VicRoads following community consultation, the lack of engagement leading up to undertaking maintenance on the road network and the lack of reporting back to the community post works to understand the effectiveness of any maintenance and garnering feedback of the impact of the works on the local community is frustrating and leaves the community powerless to influence their own backyard.¹³⁰

The Murrindindi Shire Council suggested that VicRoads should implement a best practice approach that includes feedback loops, greater priority to community consultation, and review of the engagement and information provided by VicRoads' contractors.¹³¹ The RACV considered that VicRoads should engage with communities in each region as part of developing regional road management plans, and that such processes should be overseen by an independent body to improve public confidence.¹³² Central Goldfields Shire Council suggested that a formal and structured approach would 'enable communities to receive timely relevant information, and, to provide local inputs into the decision process'.¹³³

Noting that the recent exposure draft of the *Local Government Bill 2018* included a requirement for councils to adopt a community engagement policy, the Victorian Civil Construction Industry Alliance proposed that the state body should equally be required to undertake mandatory consultation with communities in relation to road repair prioritisation.¹³⁴ Regional Development Australia Barwon South West suggested that community consultation be co-designed with bodies such as local governments, to ensure targeted activities and avoid consultation fatigue.¹³⁵

In response to concerns about ineffective and poor community consultation, the DEDJTR advised the Committee of a number of recent initiatives to improve VicRoads' regional community consultation:

- VicRoads' five year engagement strategy, *Engage VicRoads*, issued in November 2016
- VicRoads conducted its biggest ever engagement in 2017, where the executive leadership team met face-to-face with more than 700 stakeholders in every region, and more than 10,000 Victorians in regional areas engaged in an online consultation portal
- a community feedback report, *Country Roads: Your insights, our actions*, was issued in December 2017 detailing next steps following the 2017 state-wide consultation efforts
- the 2018 engagement program which will comprise local consultations, being present at community events and regional roundtable discussions.¹³⁶

¹²⁹ Macedon Ranges Shire Council, *Submission*, no. 174, 12 January 2018; Nillumbik Pro Active Landowners, *Submission*, no. 267, 15 January 2018, p. 9; Strategic Directions Group, *Submission*, no. 289, 15 January 2018.

¹³⁰ Bus Association Victoria, *Submission*, no. 8, 1 December 2017, p. 7.

¹³¹ Murrindindi Shire Council, *Submission*, no. 319, 22 January 2018, p. 3.

¹³² RACV, *Submission*, no. 257, 15 January 2018, p. 15.

¹³³ Central Goldfields Shire, *Submission*, no. 325, 29 January 2018.

¹³⁴ Victorian Civil Construction Industry Alliance, *Submission*, no. 175, 12 January 2018.

¹³⁵ Regional Development Australia Barwon South West, *Submission*, no. 252, 15 January 2018.

¹³⁶ Department of Economic Development, Jobs, Transport and Resources, *Submission*, no. 322 - Attachment 1, 24 January 2018, pp. 5-6.

In its submission, the DELWP advised that it established communications and engagement teams in its major regional offices to assist engage local communities on projects such as hazardous tree removals. It advised that it would be happy to work with VicRoads ‘to find ways of jointly improving our collaborative expertise in communicating and engaging with regional communities about the management of country roads’.¹³⁷

3.4.2 Consultation with local councils

There was support from some councils for current VicRoads’ engagement, particularly the 2017 consultation initiative which was conducted in all Victorian regions.¹³⁸ For example, the Wimmera Southern Mallee Regional Transport Group highlighted regular consultation activities including participation and presentations by VicRoads at their two monthly meetings; representation by the Regional Director and Project Director (Western Highway) at two monthly meetings of the Western Highway Action Committee; annual meetings with each council; and the 2017 stakeholder and community meetings conducted by the senior leadership group, which it suggested should be a regular occurrence.¹³⁹ Indigo Shire Council noted ‘significant and noticeable improvement’ in the North East region’s consultation over the last 2-3 years.¹⁴⁰ Further, the Municipal Association of Victoria advised:

In feedback from councils regarding regional VicRoads consultation on the prioritisation of maintenance and upgrade of roads within their local government area, it appears there is regular consultation with local government, although approaches vary slightly between regions.

A number of rural councils specifically stated that consultation occurs regularly between VicRoads and council at an executive level. Where this approach is followed, councils seem satisfied with the process. We would encourage VicRoads to continue to adopt a consultative approach across all regions.¹⁴¹

However, some submissions highlighted a lack of coordination with councils on maintenance plans and a need for improved consultation.¹⁴² Yarra Ranges Council discussed a noticeable reduction in consultation between council senior staff and VicRoads, whereas in the past there had been annual meetings with CEOs/directors. It recommended that VicRoads re-establish engagement at senior levels. Further, Yarra Ranges Council advised that a previous formal VicRoads process where it called for regular submissions from councils on arterial road improvement projects had ceased and ‘it is now left to councils to individually advocate for attention generally via state and federal members rather than through a formal process led by VicRoads’. It proposed re-establishing the submission process for local governments to suggest

¹³⁷ Department of Environment, Land, Water and Planning, *Submission*, no. 314, 18 January 2018, p. 2.

¹³⁸ Buloke Shire Council, *Submission*, no. 151, 12 January 2018; Campaspe Shire Council, *Submission*, no. 245, 15 January 2018, pp. 2-3; City of Ballarat, *Submission*, no. 321, 22 January 2018, p. 2; Murray River Group of Councils, *Submission*, no. 274, 15 January 2018, p. 4; Pyrenees Shire Council, *Submission*, no. 137, 11 January 2018, p. 2; Towong Shire Council, *Submission*, no. 255, 15 January 2018; Victorian Motorcycle Council, *Submission*, no. 223, 15 January 2018, p. 7; Wyndham City Council, *Submission*, no. 143, 11 January 2018, p. 1.

¹³⁹ Wimmera Southern Mallee Regional Transport Group, *Submission*, no. 148, 12 January 2018.

¹⁴⁰ Indigo Shire Council, *Submission*, no. 259, 15 January 2018.

¹⁴¹ Municipal Association of Victoria, *Submission*, no. 303, 16 January 2018.

¹⁴² Colac Otway Shire Council, *Submission*, no. 236, 15 January 2018; Institute of Public Works Engineering Australasia, *Submission*, no. 261, 15 January 2018; Mitchell Shire Council, *Submission*, no. 250, 15 January 2018, p. 2; Mornington Peninsula Shire - Officers, *Submission*, no. 327, 30 January 2018, p. 3; Mornington Peninsula Shire Council, *Submission*, no. 333, 28 February 2018, p. 3; Murrindindi Shire Council, *Submission*, no. 319, 22 January 2018, p. 3; Regional Cities Victoria, *Submission*, no. 329, 6 February 2018.

arterial road improvements.¹⁴³ Mitchell Shire Council advised that it is not consulted on issues such as prioritising road maintenance or upgrade projects, or roadside vegetation management:

Council sees this both as a current weakness and as a significant area for improvement that would not only improve road maintenance and road upgrade investment decisions in our region but significantly strengthen the relationship between VicRoads, Council and the local community. Council can provide case studies where planned road maintenance/upgrade by VicRoads would have benefitted with the input from local government.

The local knowledge of arterial roads in our region that exists not just within our community, but within our organisation is a significant resource that continues to remain untapped. Council officers could effectively become a second set of eyes and ears across the region to help inform road maintenance and upgrade investment decisions, rural roadside vegetation management and to help manage community expectations.¹⁴⁴

The Macedon Ranges Shire Council suggested ways to achieve such collaboration including communication with councils on upcoming works and investments; developing regional roads group partnerships with all councils in each region, which is a mechanism used in New South Wales and Queensland; community communication regarding VicRoads activities in council areas; and service agreements with regions and sub-regions.¹⁴⁵ The Institute of Public Works Engineering Australasia also considered that there could be obligations placed on VicRoads for mandated consultation with regional councils and communities.¹⁴⁶

In relation to efforts to improve coordination with councils, the DEDJTR advised that:

An area of future work is developing partnerships with local governments on innovative approaches to improve maintenance of less strategic arterial roads given finite road maintenance budgets. In the current budget, investment in road maintenance has been separated from capital investment improvements, to be transparent about the needs for maintenance and improvement.¹⁴⁷

¹⁴³ Yarra Ranges Council, *Submission*, no. 247, 15 January 2018, p. 2.

¹⁴⁴ Mitchell Shire Council, *Submission*, no. 250, 15 January 2018, p. 2.

¹⁴⁵ Macedon Ranges Shire Council, *Submission*, no. 174 - Attachment 1, 12 January 2018.

¹⁴⁶ Institute of Public Works Engineering Australasia, *Submission*, no. 261, 15 January 2018.

¹⁴⁷ Department of Economic Development, Jobs, Transport and Resources, *Submission*, no. 322 - Attachment 1, 24 January 2018, p. 5.

3.5 The option of dismantling VicRoads and creating a specific country roads organisation and separate metropolitan roads body (ToR 4)

The last ToR garnered varied views on whether this option is a feasible or desirable outcome.

3.5.1 Submissions from individual community members

Forty two individual submitters were in favour of a specific country roads body separate to a metropolitan roads body,¹⁴⁸ and 11 were opposed¹⁴⁹ (with the remainder of the submissions not commenting on this ToR). Mark Petersen of Leongatha North noted his recollection of the operation of the Victorian Country Roads Board:

...I am old enough to remember the Victoria Country Roads Board, under this organisation our roads were maintained to a high standard, surfaces were regularly re-sealed, there were crews that patrolled our highways daily repairing holes in the surfaces until a proper repair could be effected, this is what we need now.¹⁵⁰

Peter Mosse of Churchill stated in his submission:

There may indeed be merit in setting up two separate entities, one with country road responsibilities and able to respond more quickly and appropriately to deteriorating road surfaces and other safety issues in country Victoria.¹⁵¹

¹⁴⁸ Wendy James, *Submission*, no. 263, 15 January 2018; Vic Lidstone, *Submission*, no. 210, 14 January 2018; Tom Maher, *Submission*, no. 278, 15 January 2018; Tom and Barbara Phillip, *Submission*, no. 103, 8 January 2018; Terence Bird, *Submission*, no. 140, 11 January 2018; Susan Finnigan, *Submission*, no. 22, 9 December 2017; Stephen Deutscher, *Submission*, no. 182, 13 January 2018; Sophie Simson, *Submission*, no. 201, 14 January 2018; Simon Varley, *Submission*, no. 178, 12 January 2018; Sharon and Noel Wohlers, *Submission*, no. 113, 8 January 2018; Rodney O'Connell, *Submission*, no. 284, 15 January 2018; Robyn Hollis, *Submission*, no. 46, 20 December 2017; Peter Mosse, *Submission*, no. 82, 4 January 2018; Paul Hickey, *Submission*, no. 225, 15 January 2018; Paul Hanlon, *Submission*, no. 33, 12 December 2017; Owen and Janette O'Keefe, *Submission*, no. 186, 13 January 2018; Nasser Kotb, *Submission*, no. 94, 7 January 2018; Michael Higgs, *Submission*, no. 296, 15 January 2018; Maurie Killeen, *Submission*, no. 164, 12 January 2018, p. 5; Mark Petersen, *Submission*, no. 167, 12 January 2018; Lois Roberts, *Submission*, no. 52, 21 December 2017; Lindsay Griffin, *Submission*, no. 214, 14 January 2018, p. 3; Laurie Park, *Submission*, no. 155, 12 January 2018, p. 3; Kevin Cooper, *Submission*, no. 168, 12 January 2018, p. 1; Katherine Cain, *Submission*, no. 217, 14 January 2018; Juliet Beatty, *Submission*, no. 119, 9 January 2018; John Ferguson, *Submission*, no. 133, 11 January 2018; John Brondsema, *Submission*, no. 19, 8 December 2017; John Bolitho, *Submission*, no. 258, 15 January 2018, p. 9; Janet Blake, *Submission*, no. 14, 5 December 2017; Jane Hildebrandt, *Submission*, no. 152, 12 January 2018, p. 7; James Quinn, *Submission*, no. 29, 11 December 2017, p. 2; James Purcell, *Submission*, no. 266, 15 January 2018; Evelyn Jack, *Submission*, no. 96, 7 January 2018; Des Trotter, *Submission*, no. 150, 12 January 2018; Cr Geoff Curnow, *Submission*, no. 249, 15 January 2018; Chet Cline, *Submission*, no. 16, 7 December 2017; Brendan Finnigan, *Submission*, no. 23, 9 December 2017; Bob Madell, *Submission*, no. 95, 7 January 2018; Bishop Curnow, *Submission*, no. 115, 9 January 2018; Betty Hollis, *Submission*, no. 79, 3 January 2018; Barbie Sawyer, *Submission*, no. 330, 8 February 2018.

¹⁴⁹ William Hicks, *Submission*, no. 145, 11 January 2018; Phil Wright, *Submission*, no. 276, 15 January 2018; Lesley Dalziel OAM, *Submission*, no. 304, 16 January 2018; Leigh Coggins, *Submission*, no. 286, 15 January 2018; Kel York, *Submission*, no. 213, 14 January 2018; Jo Pocklington, *Submission*, no. 122, 10 January 2018; Fraser Ramsay, *Submission*, no. 187, 13 January 2018; Dr Geoffrey L Coggins, *Submission*, no. 285, 15 January 2018; David Fenton, *Submission*, no. 300, 15 January 2018; Caroline Coggins, *Submission*, no. 299, 15 January 2018; Brian Patten, *Submission*, no. 125, 10 January 2018, pp. 8-9.

¹⁵⁰ Mark Petersen, *Submission*, no. 167, 12 January 2018.

¹⁵¹ Peter Mosse, *Submission*, no. 82, 4 January 2018.

Des Trotter similarly considered that:

Spending limited resources wisely has never been more important. Setting up a specific Country Roads Organization in regional Victoria where the money is to be spent makes a lot of sense. Decisions have to be effective not short term quick fixes that just waste money and frustrate the travelling community.¹⁵²

Of the 42 submissions that were in favour of a country roads body, 13 submissions also noted that an increase in funding must accompany any establishment of a separate country roads authority.¹⁵³ John Bolitho of Inverleigh supported the proposal 'provided adequate budgetary allocation is made available' and that without this, 'the current malaise can only get worse'.¹⁵⁴ Similarly, Sophie Simson of Warrock stated:

I believe that dismantling VicRoads and creating a specific Country Roads organisation separate to the Metropolitan roads body is a good idea. But to make this idea effective, funding must be looked at as well.

Our roads need to be fixed properly. Wasting time, money and resources is not an option.¹⁵⁵

On the other hand, there were some individuals who disagreed with the proposal, largely considering that this would increase costs rather than focus funding on roadworks. A petition signed by 106 people from Darlington and surrounding areas asserted that funding should 'not be wasted on establishing a new Country Roads organisation; rather VicRoads be appropriately organised to properly maintain Country Roads as a stand-alone priority'.¹⁵⁶ While noting that current funding is typically allocated to Melbourne issues, Dr Geoffrey L Coggins of Byaduk North stated:

A separate specific Country Roads organisation will not fix the roads unless properly funded & the funds are not soaked up by a new level of bureaucracy. One body with appropriate funding, evenly distributed for the whole of Victoria, would be the better option.¹⁵⁷

¹⁵² Des Trotter, *Submission*, no. 150, 12 January 2018.

¹⁵³ Susan Finnigan, *Submission*, no. 22, 9 December 2017; Sophie Simson, *Submission*, no. 201, 14 January 2018; Simon Varley, *Submission*, no. 178, 12 January 2018; Owen and Janette O'Keefe, *Submission*, no. 186, 13 January 2018; Mark Petersen, *Submission*, no. 167, 12 January 2018; Lindsay Griffin, *Submission*, no. 214, 14 January 2018, p. 3; John Ferguson, *Submission*, no. 133, 11 January 2018; John Bolitho, *Submission*, no. 258, 15 January 2018, p. 9; Janet Blake, *Submission*, no. 14, 5 December 2017; Evelyn Jack, *Submission*, no. 96, 7 January 2018; Chet Cline, *Submission*, no. 16, 7 December 2017; Brendan Finnigan, *Submission*, no. 23, 9 December 2017; Bob Madell, *Submission*, no. 95, 7 January 2018.

¹⁵⁴ John Bolitho, *Submission*, no. 258, 15 January 2018, p. 9.

¹⁵⁵ Sophie Simson, *Submission*, no. 201, 14 January 2018.

¹⁵⁶ Jo Pocklington, *Submission*, no. 122, 10 January 2018.

¹⁵⁷ Dr Geoffrey L Coggins, *Submission*, no. 285, 15 January 2018.

3.5.2 Submissions from councils, and community and industry organisations

There was clear support from five organisations regarding the option to create a specific country roads body separate to a metropolitan roads body,¹⁵⁸ and 26 organisations that expressed concern with the proposal.¹⁵⁹ Twelve organisations did not provide a clear position on this issue,¹⁶⁰ and ten organisations did not address this ToR.¹⁶¹ Among those that agreed, Nillumbik Pro Active Land Owners (PALs) stated:

PALs submit, on balance, there is a strong case for the creation of a separate Country Roads organisation to focus on country and rural roads. The process to develop and assess a business case in relation to separate country roads and metropolitan roads organisations is worth pursuing.¹⁶²

The Strategic Directions Group and Healesville Action Group also supported the creation of two bodies for country and metropolitan roads.¹⁶³ The Campaspe Shire Council supported the proposal but noted the need for funding:

If the outcome is to improve the ability of rural areas to access state support for projects, improve the delivery of maintenance and the overall level of service of state roads in rural areas, then council supports the proposal. However without appropriate funding any model will fail.

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- ¹⁵⁸ Strategic Directions Group, *Submission*, no. 289, 15 January 2018; Nillumbik Pro Active Landowners, *Submission*, no. 267, 15 January 2018, p. 14; Indigo Shire Council, *Submission*, no. 259, 15 January 2018, pp. 1-2; Healesville Action Group, *Submission*, no. 332, 9 February 2018; Campaspe Shire Council, *Submission*, no. 245, 15 January 2018, p. 3.
- ¹⁵⁹ Yarra Ranges Council, *Submission*, no. 247, 15 January 2018, p. 5; Wyndham City Council, *Submission*, no. 143, 11 January 2018, pp. 1-2; Wimmera Southern Mallee Regional Transport Group, *Submission*, no. 148, 12 January 2018; Warrnambool City Council, *Submission*, no. 75, 2 January 2018; Victorian Transport Association, *Submission*, no. 86, 5 January 2018; Victorian Farmers Federation, *Submission*, no. 316, 18 January 2018; Victorian Civil Construction Industry Alliance, *Submission*, no. 175, 12 January 2018; Victorian Association of Forest Industries Inc, *Submission*, no. 231, 15 January 2018; Transport Accident Commission, *Submission*, no. 334, 16 March 2018, p. 14; Towong Shire Council, *Submission*, no. 255, 15 January 2018; Southern Grampians Shire Council, *Submission*, no. 83, 4 January 2018, p. 4; Pyrenees Shire Council, *Submission*, no. 137, 11 January 2018, p. 2; Parklands Albury Wodonga, *Submission*, no. 317, 19 January 2018; Northern Grampians Shire Council, *Submission*, no. 159, 12 January 2018, pp. 11-12; National Timber Councils Association, *Submission*, no. 136, 11 January 2018; Murray River Group of Councils, *Submission*, no. 274, 15 January 2018, p. 4; Municipal Association of Victoria, *Submission*, no. 303, 16 January 2018; Moyne Shire Council, *Submission*, no. 117, 9 January 2018; Mitchell Shire Council, *Submission*, no. 250, 15 January 2018, p. 3; Institute of Public Works Engineering Australasia, *Submission*, no. 261, 15 January 2018; Great South Coast Regional Roads Group, *Submission*, no. 138, 11 January 2018, pp. 2-3; Environment East Gippsland Inc, *Submission*, no. 190, 13 January 2018; Colac Otway Shire Council, *Submission*, no. 236, 15 January 2018; City of Ballarat, *Submission*, no. 321, 22 January 2018, p. 2; Central Goldfields Shire, *Submission*, no. 325, 29 January 2018; Bus Association Victoria, *Submission*, no. 8, 1 December 2017, p. 7.
- ¹⁶⁰ Victorian Motorcycle Council, *Submission*, no. 223, 15 January 2018, p. 7; South Gippsland Shire Council, *Submission*, no. 239, 15 January 2018; Regional Development Australia Barwon South West, *Submission*, no. 252, 15 January 2018; RACV, *Submission*, no. 257, 15 January 2018, p. 17; Peri Urban Group of Rural Councils, *Submission*, no. 287, 15 January 2018, p. 6; Murrindindi Shire Council, *Submission*, no. 319, 22 January 2018, p. 4; Mornington Peninsula Shire Council, *Submission*, no. 333, 28 February 2018; MIBUS BROS, *Submission*, no. 306, 17 January 2018, p. 4; Department of Environment, Land, Water and Planning, *Submission*, no. 314, 18 January 2018, p. 2; Department of Economic Development, Jobs, Transport and Resources, *Submission*, no. 322, 24 January 2018; Corangamite Shire Council, *Submission*, no. 134, 11 January 2018; Buloke Shire Council, *Submission*, no. 151, 12 January 2018.
- ¹⁶¹ Yanakie Progress Association, *Submission*, no. 256, 15 January 2018; Yanakie Hall & Recreation Reserve Community of Management, *Submission*, no. 220, 14 January 2018; Victorian Auditor-General's Office, *Submission*, no. 10, 4 December 2017; Regional Cities Victoria, *Submission*, no. 329, 6 February 2018; Mornington Peninsula Shire - Officers, *Submission*, no. 327, 30 January 2018; Maurice Blackburn Lawyers, *Submission*, no. 268, 15 January 2018; Macedon Ranges Shire Council, *Submission*, no. 174, 12 January 2018; Livestock & Rural Transporters Association of Victoria Inc., *Submission*, no. 291, 15 January 2018; Independent Riders Group, *Submission*, no. 254, 15 January 2018; Great South Coast Regional Partnership, *Submission*, no. 318, 19 January 2018.
- ¹⁶² Nillumbik Pro Active Landowners, *Submission*, no. 267, 15 January 2018, p. 14.
- ¹⁶³ Healesville Action Group, *Submission*, no. 332, 9 February 2018; Strategic Directions Group, *Submission*, no. 289, 15 January 2018.

VicRoads Northern Region have an excellent knowledge of the road network and condition and operate a professional organisation that council believes delivers a net benefit to the community. The submission we have written is aimed at improving the value proposition to rural areas and the state as a whole.¹⁶⁴

The Indigo Shire Council considered that a separate country roads body may result in improved outcomes, although it advised that it is difficult to provide meaningful comment without details of the proposed organisation. It also advised that two organisations could create significant administrative and operational costs and be more inefficient, and the more important issue is increased funding for country roads.¹⁶⁵

The RACV, which conducted market research with 750 people living in country Victoria and 150 in metropolitan areas who drive on country roads, noted that many respondents were 'somewhat supportive' of a country roads organisation. In light of this, the RACV recommended an independent, public review of management options for Victoria's road network to ascertain if a separate organisation would achieve better outcomes or if there are others ways to achieve this.¹⁶⁶

Among organisations that did not support the proposal, a number suggested that the key reason for VicRoads' inefficiencies is inadequate funding rather than its management structure.¹⁶⁷ The Municipal Association of Victoria stated:

The MAV does not see a compelling case to dismantle VicRoads in favour of the creation of two separate bodies, however a number of issues raised in the recent VAGO 2017 report need to be addressed.

Primarily, dismantling VicRoads and creating a specific country roads organisation will not address the lack of funding currently being invested in arterial roads in Victoria by the State Government. VicRoads operates in a financially constrained environment which is largely outside of their control.¹⁶⁸

The Pyrenees Shire Council highlighted concerns that it would create further competition:

The concern with a separation of state road authorities into metro and regional is that it would create a further competition between these areas for the same pool of roads funding. The state road network needs to link both regional and metro areas with a singular approach to road management.¹⁶⁹

The Wimmera Southern Mallee Regional Transport Group considered that an integrated approach continues to be appropriate:

¹⁶⁴ Campaspe Shire Council, *Submission*, no. 245, 15 January 2018, p. 3.

¹⁶⁵ Indigo Shire Council, *Submission*, no. 259, 15 January 2018, pp. 1-2.

¹⁶⁶ RACV, *Submission*, no. 257, 15 January 2018, p. 3.

¹⁶⁷ Bus Association Victoria, *Submission*, no. 8, 1 December 2017, p. 7; Central Goldfields Shire, *Submission*, no. 325, 29 January 2018; City of Ballarat, *Submission*, no. 321, 22 January 2018, p. 2; Colac Otway Shire Council, *Submission*, no. 236, 15 January 2018; Great South Coast Regional Roads Group, *Submission*, no. 138, 11 January 2018, pp. 2-3; Institute of Public Works Engineering Australasia, *Submission*, no. 261, 15 January 2018; Moyne Shire Council, *Submission*, no. 117, 9 January 2018; Murray River Group of Councils, *Submission*, no. 274, 15 January 2018, p. 4; Northern Grampians Shire Council, *Submission*, no. 159, 12 January 2018, pp. 11-12; Southern Grampians Shire Council, *Submission*, no. 83, 4 January 2018, p. 4; Towong Shire Council, *Submission*, no. 255, 15 January 2018; Victorian Civil Construction Industry Alliance, *Submission*, no. 175, 12 January 2018; Victorian Farmers Federation, *Submission*, no. 316, 18 January 2018; Wyndham City Council, *Submission*, no. 143, 11 January 2018, pp. 1-2.

¹⁶⁸ Municipal Association of Victoria, *Submission*, no. 303, 16 January 2018.

¹⁶⁹ Pyrenees Shire Council, *Submission*, no. 137, 11 January 2018, p. 2.

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!¹⁷⁰

Some submissions proposed other changes, in particular to strengthen VicRoads' structure itself to emphasise regional issues. The Institute of Public Works Engineering Australasia proposed two VicRoads Strategic Advisory Boards on regional and metropolitan road networks:

We recognise the key differences between Victoria's regional and metropolitan road networks and recommend the establishment of two Strategic Advisory Boards to help VicRoads meet the challenge of competing community service level expectations.

The Boards would report to the Minister for Transport with one focused on Urban and Interface areas and the other focused on Regional and Rural Areas. Each Board would comprise representatives from peak technical and user groups with a mandate to provide independent advice to the Minister in relation to network service level requirements and project priorities as a basis for establishing and enabling the necessary agency funding.¹⁷¹

Parklands Albury Wodonga suggested that the establishment of separate units within VicRoads focusing on metropolitan and country road issues would be a more effective use of funds.¹⁷² Similarly, the Nillumbik PALS suggested that four VicRoads internal departments could be created on major projects (freeways), major arterials, rural roads and registration.¹⁷³ The Victorian Transport Association also recommended realigning and simplifying the VicRoads structure to address overlaps in responsibilities and confusing geographical issues.¹⁷⁴

Integrating VicRoads with broader transport issues and relevant agencies was viewed as a solution by some submitters. The Department of Economic Development, Jobs, Transport and Resources highlighted the importance of integration through Transport for Victoria:

Transport for Victoria has been established to bring together the planning, coordination and operation of Victoria's transport system and its agencies, including VicRoads and Public Transport Victoria. Its task is to integrate the transport network for simpler, quicker and safer journeys that connect places and support Victoria's prosperity and liveability. Transport for Victoria will bolster the state's capacity to plan and coordinate the diverse needs of metropolitan and regional transport while increasing interconnectedness.¹⁷⁵

In considering this issue through a road safety lens, the TAC advised that a centralised management system is beneficial in a number of ways:

Compared to an approach where administration and implementation is fragmented across two roads authorities, centralised management of infrastructure is likely to:

¹⁷⁰ Wimmera Southern Mallee Regional Transport Group, *Submission*, no. 148, 12 January 2018.

¹⁷¹ Institute of Public Works Engineering Australasia, *Submission*, no. 261, 15 January 2018.

¹⁷² Parklands Albury Wodonga, *Submission*, no. 317, 19 January 2018.

¹⁷³ Nillumbik Pro Active Landowners, *Submission*, no. 267, 15 January 2018, p. 7.

¹⁷⁴ Victorian Transport Association, *Submission*, no. 86, 5 January 2018.

¹⁷⁵ Department of Economic Development, Jobs, Transport and Resources, *Submission*, no. 322 - Attachment 1, 24 January 2018, p. 2.

- deliver economies of scale
- deliver more cost-effective provision of services with centralised procurement
- foster the development of expertise across the range of safety problems
- accelerate the adoption of the Safe System approach across State road authorities
- foster systematic delivery and implementation.¹⁷⁶

It also suggested that the ‘current level of investment and expertise may not stretch to support the establishment of two roads administration bodies’:

Safety problems on Victorian roads are not neatly divided into the country versus Melbourne categories. Having a central roads authority means that the appropriate skill and knowledge could be applied to the problem regardless of where it exists.¹⁷⁷

While not advocating for change, the DELWP submission stated that:

...the option of possibly dismantling (or disaggregating) VicRoads into two separate entities could be aligned with the State Planning Policy Framework where there are the designated areas of Metropolitan Melbourne and eight Regional areas - Central Highlands; Geelong; Gippsland; Great South Coast; Hume; Loddon Mallee North; Loddon Mallee South; and Wimmera and South Mallee.¹⁷⁸

¹⁷⁶ Transport Accident Commission, *Submission*, no. 334, 16 March 2018, p. 8.

¹⁷⁷ Transport Accident Commission, *Submission*, no. 334, 16 March 2018, p. 14.

¹⁷⁸ Department of Environment, Land, Water and Planning, *Submission*, no. 314, 18 January 2018, p. 2.

4 Recent reforms and projects

Since the referral of the inquiry to the Committee in November 2016, a number of key reports and projects have been completed which specifically relate to the effectiveness of VicRoads' management of country roads. The most relevant is a report by the Victorian Auditor-General's Office (VAGO), *Maintaining State-Controlled Roadways*, which was released in June 2017 and covered similar issues to the inquiry's terms of reference (ToR). A number of activities are underway within VicRoads in response, including pavement (road surface) and asset management strategies, changes to improve public information on the state of the roads, and increased budgetary allocations towards maintaining regional roads. Other important initiatives include VicRoads' engagement and consultation in the regions, and the establishment of a new division within VicRoads called Regional Roads Victoria (RRV). These reforms and activities are outlined below.

Given that most of these have only been implemented recently or are currently ongoing, a sufficient amount of time has not yet lapsed to enable detailed exploration of their outcomes. However, these reforms will remain central for a further inquiry to ascertain the effectiveness of VicRoads in managing country roads in the next term of Parliament. This will be the subject of a recommendation in chapter five of this report.

4.1 VAGO's *Maintaining State-Controlled Roadways* report

The VAGO report focused specifically on the maintenance of arterial road pavements, which is VicRoads' largest road asset by value (48 per cent of written down value) and maintenance expenditure (56 per cent) as at June 2016.¹⁷⁹

The report found there is increasing traffic and heavier vehicles on arterial roads, and there has also been 'a long-term deterioration in the condition of the network', with the proportion of roads as 'poor' or 'very poor' increasing by eight per cent since 2005-06 in two VicRoads regions (the South Western and Metropolitan South East regions). Roads in 'very poor' condition increased in all regions, including marked deterioration in the two metropolitan regions:

The proportion of roads in 'very poor' condition is increasing in all regions. In some regions, the proportion of road pavements in 'poor' condition has also increased. The two metropolitan regions have had a considerable decline in road pavement conditions since 2015.¹⁸⁰

The report also outlined changes to road conditions in each region from 2005-06 to 2015-16, with key findings including: pavement cracking increased in all regions; pavement roughness increased in all regions except for Metropolitan South East;

¹⁷⁹ Victorian Auditor-General's Office, *Maintaining State-Controlled Roadways*, Victorian Government, Melbourne, 2017, p. vii.

¹⁸⁰ Victorian Auditor-General's Office, *Maintaining State-Controlled Roadways*, Victorian Government, Melbourne, 2017, p. viii.

and pavement rutting (deformation) increased 25 per cent across the State, although it decreased in three particular regions (Eastern, Metropolitan North West and Metropolitan South East).¹⁸¹

As well as poor road conditions, VAGO found that total real funding for VicRoads has decreased since 2010-11, including a 60 per cent decrease in maintenance funding.¹⁸² It noted concerns with this decrease in funding:

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.

The proportion of the network requiring rehabilitation has increased. As a result, less money has been available for works that slow the rate of road pavement deterioration.¹⁸³

According to VAGO, VicRoads' approach to maintenance is reactive due to constrained funding, meaning that it only manages roads in poor condition but does not undertake preservation across all roads, including good roads, which would achieve efficiencies in the long-term:

In practice, VicRoads' maintenance approach is reactive. It prioritises roads in poor condition and has insufficient resources to consider the preservation of other roads. Without a strategy that also focuses on preserving good roads, the proportion of roads in poor and very poor condition will continue to increase.¹⁸⁴

It also found that VicRoads does not have a state-wide pavement management strategy across the network, nor does it provide guidance to its regional offices on maintenance, resulting in a lack of focus on the state's whole network:

VicRoads' statewide maintenance program for its arterial roads is not effective because of gaps in its strategic framework, disparate practices for developing regional programs, issues with data integration, and an absence of technical analysis to identify all of the factors that affect pavement condition. As a result, maintenance funding is allocated to the priorities determined regionally, rather than being directed to network-wide needs.

Coupled with this inefficient and ineffective maintenance program, a constrained budget for pavement maintenance is increasing whole-of-life costs for VicRoads' road network.¹⁸⁵

It made two key recommendations in this area, namely for VicRoads to develop a road maintenance strategy, and to revise guidelines with information on determining the priorities for maintenance works, including to detail both state-wide and regional condition targets:

¹⁸¹ Victorian Auditor-General's Office, *Maintaining State-Controlled Roadways*, Victorian Government, Melbourne, 2017, p. 23.

¹⁸² Victorian Auditor-General's Office, *Maintaining State-Controlled Roadways*, Victorian Government, Melbourne, 2017, p. viii.

¹⁸³ Victorian Auditor-General's Office, *Maintaining State-Controlled Roadways*, Victorian Government, Melbourne, 2017, p. 15.

¹⁸⁴ Victorian Auditor-General's Office, *Maintaining State-Controlled Roadways*, Victorian Government, Melbourne, 2017, p. 26.

¹⁸⁵ Victorian Auditor-General's Office, *Maintaining State-Controlled Roadways*, Victorian Government, Melbourne, 2017, p. 25.

1. develop a road maintenance strategy with clear objectives, outcomes and measures that define both technical and road-user levels of service for each road maintenance category.
2. revise its roads program guidelines so that they clearly describe how pavement condition data is to be used to prioritise pavement maintenance programs, including specifying criteria for both statewide and regional condition targets for each road maintenance category.¹⁸⁶

The report also stated that VicRoads does not utilise available data effectively to guide decision-making, and that its various data systems are disparate and unconnected. It recommended revising data requirements and protocols and developing processes on data management, noting that similar recommendations made by VAGO in 2008 were not fully implemented.¹⁸⁷ The recommendation stated that VicRoads should:

3. revise road inventory and pavement condition data requirements and document data management protocols, and develop appropriate processes for data validation, storage and dissemination based on sound data collection requirements for recording road inventory and pavement condition.¹⁸⁸

VicRoads largely outsources the delivery of maintenance activities, however, VAGO found that insufficient indicators are in place to monitor and assess contractors' performance in improving the road network. Current indicators focus on timeliness and quantity, but do not measure cost-effectiveness or quality of work. It recommended state-wide key contract outcomes and indicators to consistently assess performance across all regions:

4. develop statewide key contract outcomes and relevant and appropriate indicators so that it can consistently measure how contractor performance across the regions contributes to overall network condition.¹⁸⁹

The final area for recommended change was for VicRoads to improve public information on road conditions through enhanced performance measures and reporting:

5. meaningfully report on road condition and performance against established levels of service so that the public and government are fully informed of the outcomes of the road pavement maintenance program.¹⁹⁰

Overall, the report concluded that the deteriorating condition of the road network presents a public safety risk and increases costs. It recognised that '[n]ot enough funding is allocated to road maintenance to sustain the road network' but also indicated that VicRoads cannot currently demonstrate it is cost-effective with such resources.¹⁹¹

¹⁸⁶ Victorian Auditor-General's Office, *Maintaining State-Controlled Roadways*, Victorian Government, Melbourne, 2017, p. xii.

¹⁸⁷ Victorian Auditor-General's Office, *Maintaining State-Controlled Roadways*, Victorian Government, Melbourne, 2017, p. 38.

¹⁸⁸ Victorian Auditor-General's Office, *Maintaining State-Controlled Roadways*, Victorian Government, Melbourne, 2017, p. xii.

¹⁸⁹ Victorian Auditor-General's Office, *Maintaining State-Controlled Roadways*, Victorian Government, Melbourne, 2017, p. xii.

¹⁹⁰ Victorian Auditor-General's Office, *Maintaining State-Controlled Roadways*, Victorian Government, Melbourne, 2017, p. xii.

¹⁹¹ Victorian Auditor-General's Office, *Maintaining State-Controlled Roadways*, Victorian Government, Melbourne, 2017, p. vii.

4.1.1 VAGO's *Maintaining the State's Regional Arterial Road Network* report

It is also useful to note that in 2008, VAGO published a similar report on VicRoads management of Victoria's arterial road infrastructure. The findings were more positive towards VicRoads than those identified in the 2017 report, noting that its regional road maintenance program had generally been adequately planned, delivered as intended and regularly evaluated. However, VAGO also found that the infrastructure was increasingly under stress due to the maintenance expenditure failing to keep pace with inflation, the expansion and ageing of the asset base, and higher traffic levels. Interestingly, VAGO reported that without further action, the condition and performance of the arterial road infrastructure would deteriorate to a point where the impacts will become increasingly evident to the broader community.¹⁹² The recommendations focused in part on similar issues to the 2017 report, including to improve performance indicators to reflect the condition of the roads, improve the roadside asset strategy to ensure consistency across the regions, and improve maintenance contracts and performance.¹⁹³

4.2 VicRoads' asset and pavement management approaches

VicRoads accepted the five recommendations of the 2017 VAGO report but also expressed disappointment that the report 'does not fully acknowledge the significant work undertaken over the past 2 years to develop a new approach to pavement management...'¹⁹⁴ In its response to the VAGO report, VicRoads highlighted a range of programs and measures it is implementing that relate to the recommendations. Regarding VAGO's recommendation for a road maintenance strategy, VicRoads outlined the following three key actions:

- the release of the *Pavement Management Strategic Plan* to guide VicRoads' strategy on maintenance investment decisions and prioritisation of resources
- the use of pavement modelling for maintenance and rehabilitation requirements
- an Asset Transformation Project to reform VicRoads' asset management approach.¹⁹⁵

VicRoads also indicated that, in response to the VAGO recommendation on contractor performance, new asset management functions are being implemented:

VicRoads undertook an organisational restructure in April 2016 to bring together a more centralised asset management functionality as part of an overall approach under TFV [Transport for Victoria]. This includes a formation of a new Regional Services team and an Asset Services team to better plan, prioritise, measure

¹⁹² Victorian Auditor-General's Office, *Maintaining the State's Regional Arterial Road Network*, Victorian Government, Melbourne, 2008, p. 2.

¹⁹³ Victorian Auditor-General's Office, *Maintaining the State's Regional Arterial Road Network*, Victorian Government, Melbourne, 2008, p. 3.

¹⁹⁴ Victorian Auditor-General's Office, *Maintaining State-Controlled Roadways*, Victorian Government, Melbourne, 2017, pp. 53-54.

¹⁹⁵ Victorian Auditor-General's Office, *Maintaining State-Controlled Roadways*, Victorian Government, Melbourne, 2017, p. 55.

performance, and deliver improved maintenance outcomes across Victoria. VicRoads will continue to review asset management functionality as part of the Asset Transformation Project.¹⁹⁶

The *Pavement Management Strategic Plan* was released in September 2017, as advised in the submission of the Department of Economic Development, Jobs, Transport and Resources (DEDJTR):

- The Pavement Management Strategic Plan is a road maintenance strategy with clear objectives, outcomes and measures that define both technical and road-user levels of service for each road maintenance category. It is available on the VicRoads' website and will be reported against annually.
- The Pavement Management Strategic Plan has expanded the focus from planning and measuring the work VicRoads does to focus more on community outcomes that contribute to the Victorian economy, safety, wellbeing and journey experience.¹⁹⁷

The *Pavement Management Strategic Plan* further states:

This Pavement Management Strategic Plan has been prepared to detail VicRoads guidance for the development of pavement preservation programs, which balance cost, risk and levels of service. These pavement preservation programs cover maintenance and renewal requirements, where renewal includes both periodic resurfacing and pavement rehabilitation. Targeted scenario modelling to inform investment needs is a key element of this strategic plan.

The Pavement Management Strategic Plan has been developed based on best practice and guidance from ISO 55000, including:

- Taking an integrated systems approach to Asset Management;
- Taking a strategic direction for the management of the pavement assets;
- Taking a Full Life Cycle View (whole of life); and
- Understanding the interdependency of cost, level of service and risk.¹⁹⁸

In terms of asset management, the DEDJTR's submission advised the Committee on the asset transformation project, which commenced in 2016:

- The Asset Transformation Project – a three-year plan to ensure VicRoads has the right capability, systems, business and financial models to support more efficient asset management. The project includes Statewide Asset Management Plans for all road based assets to define levels of service, quality standards and life-cycle management along with the data requirements to be able to monitor network performance.¹⁹⁹

The Committee acknowledges that the *Pavement Management Strategic Plan* and asset management initiatives were central to VicRoads' response to the VAGO report, particularly in relation to recommendations to establish a road maintenance strategy, improve the use of data, and improve monitoring of maintenance works. In light of

¹⁹⁶ Victorian Auditor-General's Office, *Maintaining State-Controlled Roadways*, Victorian Government, Melbourne, 2017, pp. 56-57.

¹⁹⁷ Department of Economic Development, Jobs, Transport and Resources, *Submission*, no. 322 - Attachment 1, 24 January 2018, p. 4.

¹⁹⁸ Dang, K, *Pavement Management Strategic Plan: Asset Services: Version 1.0*, VicRoads, Melbourne, 2017, pp. 1, 4.

¹⁹⁹ Department of Economic Development, Jobs, Transport and Resources, *Submission*, no. 322 - Attachment 1, 24 January 2018, pp. 3-4.

this, the progress of these initiatives will be important to ascertain in the longer term, with a clear focus on determining whether there have been improved outcomes across the road network arising from these changes.

It is useful to note that VAGO recommendations about VicRoads' lack of meaningful public reporting on road conditions and performance was recently considered by the Victorian Parliamentary Public Accounts and Estimates Committee (PAEC) in its *Report on the 2017-2018 Budget Estimates* (PAEC report) tabled in October 2017. It found that, while some changes have been made to performance indicators following the VAGO report, some deficiencies remain:

There are still no measures giving the public an understanding of the whole proportion of the road network that needs repair and whether this is growing or decreasing. Also, in line with the VAGO report assessment of existing performance measures for road safety, there are no measures that link the outcomes of maintenance to road safety.²⁰⁰

The PAEC report recommended that further road maintenance performance measures be developed in line with the VAGO report. The Victorian Government's response to the PAEC report, tabled in April 2018, indicated that this recommendation is currently 'under review'. By citing the *Pavement Management Strategic Plan*, a data analytics platform and the asset transformation project, the Victorian Government suggested that VicRoads' asset management reforms 'will fully respond to the Victorian Auditor-General's Office's recommendations'.²⁰¹

For the purposes of this inquiry, it will be important to monitor the outcomes of VicRoads' commitments in these areas as they relate to VicRoads' effectiveness in managing country roads (ToR 1) and the existing funding model (ToR 2). These initiatives should be fully implemented and publicly reported on in order for comprehensive analysis to occur.

4.3 Community consultation and public information

In relation to VicRoads' consultation with regional communities on maintenance priorities (ToR 3), the Committee is aware that there have been some recent consultation efforts by VicRoads in regional Victoria. In 2016, VicRoads released its five year engagement strategy *Engage VicRoads*, which detailed its vision to drive an internal culture of engagement that aims to increase community participation in decisions that impact on the liveability and connectedness of Victoria, and involve communities and stakeholders early to define problems and create options together.²⁰²

The first key demonstration of this approach was a year-long regional community engagement project in 2017 conducted by the VicRoads senior leadership team. Between February and August, VicRoads connected with more than 11,000 country Victorians, met with 30 councils and spoke with more than 700 people. This included freight operators, the transport industry, businesses, tourism operators, environmental and wildlife groups, cycling enthusiasts, motorcycle groups,

²⁰⁰ Public Accounts and Estimates Committee, *Report on the 2017-18 Budget Estimates*, Parliament of Victoria, Melbourne, 2017, pp. 158-159.

²⁰¹ Victorian Government, *Government Responses to the Recommendations of Public Accounts and Estimate Committee's Report on the 2017-18 Budget Estimates*, Parliament of Victoria, Melbourne, 2018, p. 7.

²⁰² Department of Economic Development, Jobs, Transport and Resources, *Submission*, no. 322 - Attachment 1, 24 January 2018, p. 5.

government agencies, the Victorian Farmer's Federation, RACV and Regional Development Victoria. As part of the engagement process, it gathered community input and ideas on how to better plan, build, manage and maintain country arterial roads in Victoria.²⁰³

The outcome of this project was an independent report into stakeholder feedback and key messages from the community, as well as VicRoads' response through the *Country Roads: your insights, our actions* report. These reports include further commitments to public transparency and will inform development of the Victorian Government's integrated regional roads strategy. The *Country Roads: your insights, our actions* report in particular set out future actions in relation to issues raised by communities, including:

- road safety - trial a New Zealand approach in three north-eastern Victorian locations to reduce collisions in merging traffic between rural highways and country roads through electronic speed zones, develop a Star Rating System to inform the public on road safety treatments, make intersections safer, and improve motorcycle rider safety at touring routes.²⁰⁴
- freight access – develop a regional freight strategy and regional roads strategy with Transport for Victoria.²⁰⁵
- enhance regional Victoria – improve the country road network with Transport for Victoria and work with Visit Victoria to enhance tourism.²⁰⁶
- road maintenance – increased budget investments (discussed below in section 4.4), release an annual *State of the Road Network* report, develop new road performance indicators on the VicRoads website, improve road construction quality by contractors, and meet regularly with relevant stakeholders.²⁰⁷

The Department of Economic Development, Jobs, Transport and Resources submission also highlighted that the 2018 state-wide consultation efforts would include local sessions, a presence at community events and regional roundtable forums. It also noted plans for a survey to obtain Victorians' feedback on the prioritisation of works:

VicRoads is now designing a state-wide survey on community road maintenance priorities and a platform to ensure greater community and stakeholder involvement in maintenance programs. This will ensure an increased focus on customer experiences and priorities of industries and to better align future efforts.²⁰⁸

The Committee was also advised that the foreshadowed annual *State of the Road Network* report 'will make it much easier for the public to see road condition trends in their region and improve the transparency and accountability around the available public resources for road maintenance and improvements'.²⁰⁹ At the time of writing, this report was not yet available, despite the DEDJTR stating it would be released in

²⁰³ VicRoads, *Country Roads: Your insights, our actions*, Melbourne, 2017, pp. 1-3.

²⁰⁴ VicRoads, *Country Roads: Your insights, our actions*, Melbourne, 2017, p. 19.

²⁰⁵ VicRoads, *Country Roads: Your insights, our actions*, Melbourne, 2017, p. 24.

²⁰⁶ VicRoads, *Country Roads: Your insights, our actions*, Melbourne, 2017, p. 26.

²⁰⁷ VicRoads, *Country Roads: Your insights, our actions*, Melbourne, 2017, p. 30.

²⁰⁸ Department of Economic Development, Jobs, Transport and Resources, *Submission*, no. 322 - Attachment 1, 24 January 2018, p. 6.

²⁰⁹ Department of Economic Development, Jobs, Transport and Resources, *Submission*, no. 322 - Attachment 1, 24 January 2018, p. 5.

the first quarter of 2018.²¹⁰ The Committee considers it imperative that the report be issued as soon as possible to demonstrate VicRoads' commitment to transparency and provide important information to the public.

Community engagement and consultation will continue to be a key issue that requires ongoing and effective VicRoads strategies. It will also be worthwhile to monitor the actions taken by VicRoads in response to such consultations, for example, through monitoring progress on the steps identified in the *Country Roads: your insights, our actions* report. Further, continuing recent engagement efforts would be a welcome step.

4.4 Budget investments

According to the DEDJTR, VicRoads is continuing to build its regional capacity to engage with communities to help design transport solutions together. Further, a 'generational uplift of the regional road network is now well underway'.²¹¹ In the 2017/2018 financial year, this included:

- allocation of \$556 million to double road maintenance investment, upgrading new bridges and constructing new bypasses
- investment of \$800 million to enhance safety of regional roads, and increased focus on pavement rehabilitation (specifically \$420 million)
- allocation of \$49 million for upgrades to 23 major country roads, including the Calder, Bass, Sunraysia and Princes Highways, and \$40 million for upgrades to 17 bridges
- \$25 million to develop business cases for 43 regional and rural road projects.²¹²

On 26 April 2018, the Victorian Government announced further investment of \$941 million to enhance regional roads as part of the 2018/19 budget, including:

- establishment of Regional Roads Victoria (RRV), a new division of VicRoads based in Ballarat, with staff in regional centres across the state
- RRV to oversee a \$333 million boost to road maintenance, with more than 1,000 kilometres of roads to be repaired, resurfaced or rebuilt across Victoria
- establishment of a \$100 million Fixing Country Roads fund to provide grants to rural and regional councils to fix local roads
- allocation of \$229 million to address Victoria's most high-risk roads through the *Towards Zero Road Safety Action Plan*, with more new overtaking lanes, rumble strips and intersection upgrades
- allocation of \$98 million for planning and pre-construction of new bypasses on the Western Highway at Beaufort and Ararat, as well as \$40 million to upgrade the Princes Highway West between Colac and the South Australian border.²¹³

²¹⁰ Department of Economic Development, Jobs, Transport and Resources, *Submission*, no. 322 - Attachment 1, 24 January 2018, p. 5.

²¹¹ Department of Economic Development, Jobs, Transport and Resources, *Submission*, no. 322, 24 January 2018.

²¹² VicRoads, *Country Roads: Your insights, our actions*, Melbourne, 2017, p. 30.

²¹³ Premier of Victoria, *Record Investment in Safer Regional Roads*, Media release, State Government of Victoria, Melbourne, 26 April 2018.

4.5 Structural change within VicRoads

The Committee notes that the announcement of the new RRV division in VicRoads is an important development, signifying a structural change within VicRoads to place greater emphasis on country roads as part of its overall approach. As stated in the Budget Papers, \$17.4 million has been allocated towards RRV:

Regional Roads Victoria will be established within VicRoads to better plan, maintain and advocate for the regional road network in both the short and long term with a focus on safety, maintenance, freight, tourism and economic prosperity. Led by the Chief Regional Roads Officer, it will deliver Victorian Government investment in road maintenance and road safety to ensure regional Victoria is prosperous, connected and liveable.²¹⁴

A news item on the VicRoads website also advised that '[t]he existing 5 regional VicRoads offices will remain in situ, to come under the collective focus of a newly appointed Chief Regional Roads Officer of RRV' and that the establishment of 'an entity solely focused on the regional road network will result in an increase in capability, performance and real-time monitoring of regional roads...'.²¹⁵ At the time of writing this report, the timeline for the implementation of the RRV was unclear, and no further details were available.

²¹⁴ Department of Treasury and Finance, *Victorian Budget 18/19: Getting Things Done: Service Delivery: Budget Paper No. 3*, Victorian Government, Melbourne, 2018, p. 24.

²¹⁵ VicRoads, *Regional Roads Victoria division for VicRoads announced*, Media release, Melbourne, 26 April 2018.

5 A future inquiry

As discussed in chapter one, the Committee commenced work on this inquiry in April 2018 and soon identified challenges in conducting a full inquiry before the completion of the 58th Parliament in September 2018. In particular, the Committee was concerned there would be limited opportunity to undertake public hearings throughout regional and rural areas, as expected under the inquiry's Terms of Reference (ToR). With the inquiry receiving over 330 submissions, the management and maintenance of country roads is clearly a topical issue for individuals residing and working in rural and regional areas. The Committee is of the view that directly receiving evidence from these people and others impacted by the issues raised in the ToR is essential for this inquiry to be completed in a considered way. Accordingly, the Committee agreed to prepare an interim report, with the intention for a full inquiry to be conducted in the next parliamentary term.

Interestingly, a number of recent policy changes and initiatives are occurring within VicRoads that relate specifically to the ToR, many of which were initiated following James Purcell's call for this inquiry in 2016. Most importantly, the Victorian Auditor-General Office (VAGO) released its report in 2017, *Maintaining State-Controlled Roadways*.²¹⁶ Many of the issues raised in submissions by key stakeholder groups were identified in the VAGO report, with many submitters also referring to the report and calling for VicRoads to implement the five VAGO recommendations. As noted throughout this report, VicRoads accepted these recommendations and is in the process of implementing various programs and measures.

Further, in 2016 VicRoads released its five year engagement strategy and in the last 12 months conducted extensive consultations throughout regional Victoria. The Victorian Government also recently announced as part of the 2018/19 budget, its intention to establish Regional Roads Victoria (RRV) to oversee road maintenance throughout the regions.²¹⁷ The Committee believes that monitoring the impact of these changes on VicRoads' practices is key to determining its effectiveness in managing country roads.

Consequently, the Committee is of the view that a full inquiry should be conducted into this topic in the 59th Victorian Parliament. This would allow adequate time to consider the various issues raised in submissions, and through regional public hearings provide the appropriate platform for issues to be directly raised by stakeholders with a Parliamentary Committee. It would also enable exploration of the above recent reforms.

RECOMMENDATION 1: The Victorian Government refer the *Inquiry into VicRoads' management of country roads* to the appropriate committee in the 59th Parliament of Victoria for consideration and report.

²¹⁶ Victorian Auditor-General's Office, *Maintaining State-Controlled Roadways*, Victorian Government, Melbourne, 2017.

²¹⁷ Premier of Victoria, *Record Investment in Safer Regional Roads*, Media release, State Government of Victoria, Melbourne, 26 April 2018.

5.1 Key areas for further exploration

The Committee has identified numerous areas that could be investigated in a full inquiry. These are outlined below according to the current inquiry's ToR.

5.1.1 ToR 1: The effectiveness of VicRoads in managing country roads and 2: The existing funding model and its lack of effectiveness for country roads

Chapter four of this report outlined recent reforms and projects relating to VicRoads' management of country roads. A majority of these reforms arose from the VAGO report and the five recommendations to VicRoads in order to enhance its strategic approach to maintain the road network. In its submission to the inquiry, VAGO advised:

VicRoads is aware that it needs a more strategic approach and is working towards improving its road pavement asset maintenance practices. It recognises that it needs greater clarity in its classification of roads and is examining how its procurement framework and performance reporting can be improved.

Without a strategic approach to road pavement maintenance, road conditions will continue to deteriorate and VicRoads will find it increasingly harder to maintain the entire network in a functional condition.²¹⁸

It suggested that the inquiry explore VicRoads' progress in addressing the audit recommendations.²¹⁹ Given the relevance of the VAGO recommendations to the inquiry, the Committee agrees with this suggestion. Table 5.1 offers further insight into VicRoads' responses to the VAGO recommendations, and further matters to be investigated as part of a full inquiry. Further, in exploring the effectiveness of the funding model for country roads, a future inquiry could investigate the difference in VicRoads' funding distribution between metropolitan and rural/regional areas and road deterioration across Victoria.

²¹⁸ Victorian Auditor-General's Office, *Submission*, no. 10, 4 December 2017.

²¹⁹ Victorian Auditor-General's Office, *Submission*, no. 10, 4 December 2017.

Table 5.1 VicRoads' responses to VAGO recommendations

Inquiry ToR	Summary of VAGO recommendation	VicRoads' key responses	Areas for further exploration
ToR 1 – the effectiveness of VicRoads in managing country roads	1. Develop a road maintenance strategy with clear objectives, outcomes and measures	- Released the <i>Pavement Management Strategic Plan</i> in September 2017 - Ongoing implementation of the three year Asset Transformation Project to support more efficient asset management, which includes State-wide Asset Management Plans^(a)	- Key areas of the <i>Pavement Management Strategic Plan</i> - Intended reporting against the <i>Pavement Management Strategic Plan</i> - Progress and outcomes of the Asset Transformation Project
	2. Revise annual program guidelines for the regions to include criteria for prioritising pavement maintenance projects, including state-wide and regional condition targets	- Improve the pavement management system (PMS) - The DEDJTR submission to the inquiry stated: <i>Maintenance and renewal investment is being prioritised based on the road classification and the type of work that is required...</i>^(b)	Follow up on whether annual program guidelines are revised to include prioritisation criteria and state and regional targets, as outlined in the VAGO recommendation
	3. Revise and improve data requirements and data management protocols and processes	- Improve data on the PMS - Develop a Transport Analytic Platform (TAP) to improve data-based decision making - Establish a national asset data standard through Austroads^(c) 2017 digital dashboard website with information on pothole repairs, the busiest truck routes, truck volumes, and road safety data in each local government area^(d)	- Progress on national data standard through Austroads - Digital dashboard promotion and uptake - Other information to be included on the digital dashboard in the future
ToR 2 – the existing funding model and its lack of effectiveness for country Victoria	4. Develop state-wide key contract outcomes and indicators to measure contractor performance across the regions	- Organisational changes for a more centralised approach – establishment of Regional Services and Asset Services teams^(e) - The DEDJTR submission to the inquiry stated: <i>In April 2016, VicRoads restructured to form a more cohesive Regional Services Division, to better plan, prioritise and deliver the maintenance program across Victoria.</i>^(f)	Follow up on whether contract terms are changing and if improved performance indicators are being implemented, as outlined in the VAGO recommendation

Inquiry ToR	Summary of VAGO recommendation	VicRoads' key responses	Areas for further exploration
ToR 3 – the lack of consultation with regional communities and their subsequent lack of input into prioritising which roads are in dire need of repair	5. Meaningfully report on road condition and performance to inform the public and government of maintenance outcomes	• Publish the TAP for users • Publish the <i>State of the Road Network</i> report • 2017 consultation with 700 stakeholders across every region • <i>Country roads: your insights, our actions</i> report issued in December 2017 • Continued engagement in 2018^(g)	• Track progress on VicRoads' commitments from the <i>Country Roads: your insights, our actions</i> report • Identify improvements for consultation approaches e.g.- ensure it is not tokenistic

(a) Department of Economic Development, Jobs, Transport and Resources, *Submission*, no. 322 - Attachment 1, 24 January 2018, pp. 3-4.

(b) Department of Economic Development, Jobs, Transport and Resources, *Submission*, no. 322 - Attachment 1, 24 January 2018, p. 4.

(c) Victorian Auditor-General's Office, *Maintaining State-Controlled Roadways*, Victorian Government, Melbourne, 2017, p. 56.

(d) Department of Economic Development, Jobs, Transport and Resources, *Submission*, no. 322 - Attachment 1, 24 January 2018, p. 3.

(e) Victorian Auditor-General's Office, *Maintaining State-Controlled Roadways*, Victorian Government, Melbourne, 2017, pp. 56-57.

(f) Department of Economic Development, Jobs, Transport and Resources, *Submission*, no. 322 - Attachment 1, 24 January 2018, p. 8.

(g) Department of Economic Development, Jobs, Transport and Resources, *Submission*, no. 322, 24 January 2018.

5.1.2 ToR 3: Lack of consultation with regional communities and their subsequent lack of input into prioritising which roads are in dire need of repair

It is clear that VicRoads is making a concerted effort to better engage with communities on issues relating to local roads. It conducted extensive consultations throughout 2017 in regional Victoria and has committed to implementing initiatives to address issues raised in these consultations. According to the submission of the Department of Economic Development, Jobs, Transport and Resources (DEDJTR), VicRoads will continue to conduct state-wide consultation activities throughout 2018.²²⁰

In a future inquiry, it will be worthwhile to monitor VicRoads' continued consultation with local communities, the actions implemented as a result of consultations, and the overall impact on the regional roads network. Further, as discussed in chapter four, VicRoads is yet to publish the *State of the Road Network* report, which upon release will aim to enhance VicRoads' transparency and public reporting of funding and road maintenance activities.²²¹ This could make an important contribution to VicRoads' consultation efforts and should also be explored in a future inquiry.

²²⁰ Department of Economic Development, Jobs, Transport and Resources, *Submission*, no. 322 - Attachment 1, 24 January 2018, p. 6.

²²¹ Department of Economic Development, Jobs, Transport and Resources, *Submission*, no. 322 - Attachment 1, 24 January 2018, p.5.

5.1.3 **ToR 4: Dismantling VicRoads and creating a specific country roads organisation and separate metropolitan roads body**

As discussed, the Victorian Government recently announced it will establish RRV, a country focussed division in VicRoads that will champion the needs of the regional road network.²²²

Detailed analysis of the implementation of RRV, and the outcomes for country roads, will be required in the future. Given that the inquiry's final ToR relates to the establishment of a separate country roads authority, the Committee notes that a future inquiry may wish to consider these matters closely once there has been sufficient time for RRV to operate. This will also require VicRoads to provide comprehensive public information on RRV's work, achievements, challenges and deficiencies.

5.1.4 **Other possible areas for exploration**

Aside from these specific initiatives, a number of issues were raised in submissions that while not relating specifically to the inquiry's ToR, are relevant to the community's understanding of the management and maintenance of Victoria's road network. The Committee identified two in particular that should be considered in a future inquiry.

Firstly, a common issue discussed in submissions from some individuals and local councils was a limited understanding in the broader community about the difference in responsibilities for roads between councils and VicRoads. Individuals reported being unsure about who to contact about a roads issue and local councils indicated that they often receive complaints about VicRoads managed roads. It was also unclear in some submissions that raised an issue with a specific road whether it was a local road and therefore the responsibility of a local council, rather than VicRoads.

Secondly, numerous submissions identified the impact of poor quality roads on road safety and potential risks to road users. As advised by the Transport Accident Commission in its submission, there is limited evidence on the link between improved road pavement surfaces and road safety. This is a matter worth exploring, along with the evidence versus community perception about the effectiveness of related road safety measures, such as wire rope barriers and lowering speed limits on country roads.

²²² Premier of Victoria, *Record Investment in Safer Regional Roads*, Media release, State Government of Victoria, Melbourne, 26 April 2018.

Appendix 1

Submissions

Submission no.	Name of individual or organisation
1	Greg Webster
2	Christine Hughes
3	Jarrold Chatfield
4	Mary Brown
5	Lisa Brown
6	Frank Martin
7	Jane Clifford
8	Bus Association Victoria Inc.
9	Carl Robertson
10	Victorian Auditor-General's Office
11	Peter McClurg
12	PR and JJ Crosswhite
13	W & S Graham
14	Janet (Jenny) Blake
15	Dominique Fowler
16	Chet Cline
17	Shaunie O'Connor
18	Confidential
19	John Brondsema
20	Peter Mckenzie
21	Robert Lewis
22	Susan Finnigan
23	Brendan Finnigan
24	Rodney Ryan
25	Mark Holman
26	Wayne Rice
27	Russell Goodear
28	Lewis Officer
29	James Quinn
30	Richard Dahl
31	Amber Keane
32	Paul Priems
33	Paul Hanlon
34	Ian Jeffries
35	Greg Anders
36	Stuart Ferrier
37	Ida Tevelein
38	Allan Thomson

Submission no.	Name of individual or organisation
39	Phillip Ruge
40	Moyne Shire Focus Group and the Macarthur-Myamyn Road User Group
41	Confidential
42	Ken Hollis
43	Margaret Lang
44	Douglas Gardner
45	Peter Doyle
46	Robyn Hollis
47	Tony Cornell
48	Colin Fehsler
49	George Campbell
50	Helen Powell
51	John Crane
52	Lois Roberts
53	Tobias Campbell
54	Christopher Huculak
55	David Webb
56	Gerald Sidebottom
57	Andrea Metcalf
58	Lesley Fisher
59	Andrew Carter
60	Patrick Hockey
61	Marilyn Davis
62	John Fraser
63	Confidential
64	Jason Pink
65	Leila Huebner
66	Graeme Lawrence
67	Melanie Walden
68	Adele Gulliver
69	Confidential
70	Barrington Brown
71	Charles Valladares
72	Jennifer King
73	Judith Hill
74	Michael Rentoul
75	Warrnambool City Council
76	Margery Wilson
77	Chris Woodall
78	Rupert Bacher
79	Betty Hollis
80	Des Joyce
81	Michele Grundmann
82	Peter Mosse

Submission no.	Name of individual or organisation
83	Southern Grampians Shire Council
84	Werner Grundmann
85	Carol Joyce
86	Victorian Transport Association
87	Phillip Anstis
88	Chris Jansen
89	Jayne Neal
90	Llewellyn Green
91	Robert Nichol
92	Samantha Cervinski
93	Alan Gray
94	Nasser Kotb
95	Robert Madell
96	Evelyn Jack
97	Graeme Alexander
98	Kim Parry
99	Stephen Whitehead
100	Wallace Hill
101	Russell Love
102	Mark Craven
103	Tom and Barbara Phillip
104	Confidential
105	Adam Mather
106	Alan Gardiner
107	Paul Deakin
108	Geoff McLeod
109	Grant Alexander
110	Dale Hatton
111	Lal Whyte
112	Rodney Hayes
113	Sharon Wohlers
114	Matthew Waite
115	Bishop Curnow
116	Greg Moulden
117	Moyne Shire Council
118	Graham Dawson
119	Juliet Beatty
120	Jim McWilliam
121	Rob Brislin
122	Jo Pocklington
123	Bruce Frost
124	Maureen Drennan
125	Brian Patten
126	Denette Lomas

Submission no.	Name of individual or organisation
127	Wal Ladlow
128	Darryl Minns
129	Deb Foskey
130	Mary Dyer
131	Confidential
132	Cameron Reid
133	John Ferguson
134	Corangamite Shire Council
135	Elizabeth Cameron
136	National Timber Councils Association
137	Pyrenees Shire Council
138	The Great South Coast Regional Roads Group
139	Ross Lees
140	Terence Bird
141	Lena J
142	Wilhelmus Van Lammeren
143	Wyndham City Council
144	Kevin Cherry
145	William Hicks
146	Andrew and Doreen Douglas
147	Colin McKenzie
148	Wimmera Southern Mallee Regional Transport Group
149	Chris Drury
150	Des Trotter
151	Buloke Shire Council
152	Jane Hildebrant
153	Barrie Tyson
154	Lyn Russell
155	Laurie Park
156	Hedley Mann
157	Robert and Audrey Mancor
158	Trevor Phillips
159	Northern Grampians Shire Council
160	Robin Barber
161	Kevin Lee
162	Alan Hamill
163	Ross and Leanne Stewart
164	Maurie Killeen
165	Michael Byrne
166	Confidential
167	Mark Petersen
168	Kevin Cooper
169	Angie Howson
170	Jacqueline Bagnall

Submission no.	Name of individual or organisation
171	Confidential
172	Graham Otte
173	Joey Yeo
174	Macedon Ranges Shire Council
175	Victorian Civil Construction Industry Alliance
176	Bryce Dunn
177	Elaine Brown
178	Simon Varley
179	Brendan Vella
180	Stuart Hall
181	Noel Daly
182	Stephen Deutscher
183	Chris Lewis
184	Naomi Davis
185	Gillian Senior
186	Owen and Janet O'Keefe
187	Fraser Ramsay
188	Bernie Bicjerton
189	Alison Caluzzi
190	Environment East Gippsland
191	Confidential
192	Nathan Taylor
193	Mitchul Hope
194	Alan Porter
195	Patrick Menon
196	Emmanuel Timmers
197	Paul Gray
198	Lyn Welsh
199	Glenda White
200	Gregory Van Scoy
201	Sophie Simson
202	Confidential
203	Allen Fairweather
204	Maurice Squirrell
205	Brian O'Donnel
206	John Bridge
207	Raylee Flynn
208	Chris and Heather Howell
209	John Dunn
210	Vic Lidstone
211	John Parnell
212	Geordie Simson
213	Kel York
214	Lindsay Griffin

Submission no.	Name of individual or organisation
215	Confidential
216	Nathan Johnston
217	Katherine Cain
218	Colin Stephens
219	Tracey Potatau-Wright
220	Yanakie Hall and Recreation Reserve Community of Management
221	Tricia Moon
222	Sarah McInnes
223	Victorian Motorcycle Council
224	Kate Fanning
225	Paul Hickey
226	Warren Foss
227	Paul Harrison
228	Noreen Jennings
229	Confidential
230	Bryce Letcher
231	Victorian Association of Forest Industries
232	Brigitte Lambert
233	Ann Murray
234	David Rowbottom
235	John Klein
236	Colac Otway Shire
237	Daniel McLaughlan
238	Shaun Dunford
239	South Gippsland Shire Council
240	Albert and Beth Gubby
241	Confidential
242	Alan Heywood
243	Darlington and surrounds community
244	Brian Kuster
245	Shire of Campaspe
246	Elizabeth Ryan
247	Yarra Ranges Council
248	Susan Hennig
249	Geoff Curnow
250	Mitchell Shire Council
251	Barry Wilson
252	Regional Development Australia Barwon South West (RDA BSW)
253	Confidential
254	Independent Riders' Group
255	Towong Shire Council
256	Yanakie Progress Association
257	Royal Automobile Club of Victoria (RACV)
258	John Bolitho

Submission no.	Name of individual or organisation
259	Indigo Shire Council
260	Norman Roberts
261	Institute of Public Works Engineering Australasia
262	Angela O'Neil
263	Wendy James
264	Confidential
265	Trena and Allan Mullen
266	James Purcell MLC
267	Nillumbik Pro Active Landowners (PALS)
268	Maurice Blackburn Lawyers
269	Timothy Fraser
270	Phillip Taylor
271	Mia Pithie
272	Confidential
273	Sue McKinnon
274	Murray River Goup of Councils
275	Yvonne Burgess
276	Phil Wright
277	Natasha Frankensteiner
278	Tom Maher
279	Brad Jackson
280	Ben Simpfendorfer
281	John Simpfendorfer
282	Maree Maher
283	Annette Hayes
284	Rodney O'Connell
285	Dr Geoffrey Coggins
286	Leigh Coggins
287	Peri Urban Group of Rural Councils
288	Raymond Rowe
289	Strategic Directions Group
290	Stuart Willis
291	Livestock and Rural Transporters Association of Victoria Inc.
292	Phil Adams
293	John Lyons
294	Cr Katrina Rainsford
295	Ron Day
296	Michael Higgs
297	Adrian Schonfelder
298	Julie Allen
299	Caroline Coggins
300	David Fenton
301	Liz Burns
302	John Nelson

Submission no.	Name of individual or organisation
303	Municipal Association of Victoria
304	Lesley Dalziel
305	Barry Smith
306	Mibus Bros
307	Mary and Peter Hornibrook
308	Andrew Hossack
309	B.H. Gunton
310	Lynton Grayson
311	Jeffrey Sambell
312	Leonie McDonald
313	Iona Mackenzie
314	Department of Environment, Land, Water and Planning
315	Stephen Kirkpatrick
316	Victorian Farmers Federation
317	Parklands Albury Wodonga
318	Great South Coast Regional Partnership
319	Murrindindi Shire Council
320	Lewis Llewelyn
321	City of Ballarat
322	Department of Economic Development, Jobs, Transport and Resources
323	Bill McAuliffe
324	Dr Greta Prozesky
325	Central Goldfields Shire
326	Owen William Shannon
327	Mornington Peninsula Shire (Officers Submission)
328	Confidential
329	Regional Cities Victoria
330	Barbie Sawyer
331	Dr Owen Rye
332	Healesville Action Group (HAG)
333	Mornington Peninsula Shire (Council Submission)
334	Transport Accident Commission
335	Lynene Duncan