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

**Inquiry into VicRoads' Management of Country Roads**

The Municipal Association of Victoria (MAV) welcomes the opportunity to provide input to the Law Reform, Road and Community Safety Committee’s *Inquiry into VicRoads' Management of Country Roads* (the Inquiry). The MAV is the statutory peak body for local government in Victoria.

The Inquiry is required to report on the four points below by 30 June 2018:

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.

This submission has been informed by consistent feedback from our members relating to arterial road management and funding, including through MAV State Council resolutions, as well as council feedback on our draft submission.

VicRoads and Victorian councils, both road authorities, play important roles in the management of the road network in across the state. The MAV and many councils enjoy a collaborative relationship with VicRoads.

While this submission aims to broadly reflect the views of local government in Victoria, it does not purport to reflect the view of every individual council. Councils have been encouraged to make their own submissions to the Inquiry.

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

The Victorian Auditor-General (VAGO) published its report into *Maintaining State Controlled Roadways* in June 2017. The report concluded that an increasing proportion of the state road network is in very poor condition, which is creating a growing risk to public safety and increases road user costs. It also concluded that not enough funding is allocated to road maintenance to sustain the road network, but that VicRoads cannot demonstrate clearly that it is making the best use of its existing maintenance funds.

The MAV agrees that efficient and effective management of the arterial road network is essential, as is transparency regarding funding decisions.

The report’s five recommendations predominately focussed on asset management practices and the importance of having a road maintenance strategy. The MAV recognises that VicRoads is currently undertaking work on a number of measures to implement the VAGO report’s recommendations. This work includes a range of asset maintenance reform measures:

* introducing a long-term procurement strategy,
* introducing a pavement management system for pavement modelling,
* developing measures to more transparently show the state of the road network, and
* working out what levels of service are appropriate to different road maintenance categories.

It is critical that VicRoads has the funding needed to continue this reform work and implement changes to the delivery of its road maintenance program, as well as building the evidence base for investment decisions.

VicRoads has begun to address several of the issues raised in the VAGO report through their work on the *Country Roads – Your insights, our actions* project.

In 2015, VicRoads released the *Managing Pavements in Poor Condition Policy* which guides actions to be undertaken by VicRoads when the road is unable to be maintained. When pavements are in poor condition, the treatments include road closure or diversion, speed reduction, and warnings for drivers. Councils have voiced their concerns with this practice as it impacts on the efficiency of movement by the community and industry, however recognise the requirement for the policy in lieu of adequate funding.

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

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

In early 2015, VicRoads worked with the MAV to undertake a strategic investigation into the prioritisation of maintenance of arterial roads with councils. This was initiated by VicRoads, to make better and consistent use of available maintenance funds, and in recognition of local government’s status as a key stakeholder in the maintenance of arterial roads and freeways and as elected representatives of the community.

As part of this project, a workshop sought feedback from councils on two questions:

* What drivers are most important in determining *where* we do maintenance?
* What drivers are most important in determining *why* we do maintenance?

The workshop participants then provided input into a VicRoads-designed framework to prioritise road maintenance work, taking into consideration a number of weightings and road values. This project is a good example of the VicRoads/ council partnership.

More recently, VicRoads has undertaken an extensive consultation process through the *Country Roads – Your insights, our actions* project. Thirty councils were consulted during this process. Priority stakeholder issues included:

* improved road maintenance
* increased road safety
* better connections to jobs, services and between regions
* investments that support tourism, freight and regional economies.
* greater transparency.

VicRoads has committed to addressing these requests through a range of actions in the project report, and has committed to regular meetings with Regional Cities Victoria, Regional Assemblies and other council and industry stakeholders to align road and maintenance programs with regional priorities.

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.

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

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. The 2017 VAGO report states that total real funding to VicRoads has decreased since 2010-11, including a reduction of maintenance funding of approximately 60 per cent.

**Conclusion**

While the MAV is generally supportive of recommendations from various VAGO reports into VicRoads relating to asset improvement and maintenance, we also recognise that VicRoads has been proactively addressing many of the issues raised. Adequate funding is required to implement these recommendations in addition to a significant increase in funding for road maintenance.

We appreciate the opportunity the register the MAV response to Law Reform, Road and Community Safety Committee’s *Inquiry into VicRoads' Management of Country Roads*.

For any enquiries, please contact Kevin Peachey, MAV Transport Policy Advisor on kpeachey@mav.asn.au or (03) 9667 5529.