

VACC Submission

Inquiry into VicRoads' Management of Country Roads

26 July 2018



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About VACC

The Victorian Automobile Chamber of Commerce (VACC) is Victoria's peak automotive industry association, representing the interests of more than 5,000 members in over 20 retail automotive sectors that employ over 50,000 Victorians.

VACC members range from new and used vehicle dealers (passenger, truck, commercial, motorcycles, recreational and farm machinery), repairers (mechanical, electrical, body and repair specialists, i.e. radiators and engines), vehicle servicing (service stations, vehicle washing, rental, windscreens), parts and component wholesale/retail and distribution and aftermarket manufacture (i.e. specialist vehicle, parts or component modification and/or manufacture), and automotive dismantlers and recyclers.

In addition to VACC, its sister organisations – the Motor Trade Associations, represent the automotive industry for their respective states.

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Terms of Reference

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, 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

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1. The effectiveness of VicRoads in managing country roads

In regard to management of country roads by VicRoads, VACC has sought feedback from its regional and rural based members across Victoria, through a member survey conducted in December 2017.

The survey results show 91 per cent of respondents believe that VicRoads is not managing country roads effectively across Victoria.

Respondents have cited numerous examples of mismanagement and a neglect for motorist safety on the part of VicRoads, particularly in regard to the condition and maintenance of roads in country Victoria. These examples include:

- Consistent reports of dangerous potholes, rough, cracked and distressed road surfaces across the state, with large delays to scheduled road repairs. Repairs to country roads are also reported to be of a sub-standard nature, as they often fail to remedy the underlying problems. This failure is witnessed through the re-emergence of potholes and other imperfections very shortly after the completion of repair work
- A lack of proper edge maintenance on country roads, with serious crumbling of edges prevalent, particularly in Northern and South-West Victoria. The quality of edge maintenance is also observed to be sub-standard, with edge crumbling also reappearing shortly after the completion of repair work
- The degradation of country roads is often managed by the erection of permanent roadside warning signs and reduced speed limits rather than the effective repair of damaged sections. This is prevalent particularly on the Midland Highway, between Geelong and Ballarat
- VACC member businesses report observing vehicles with increased damage to wheels, tyres and vehicle suspensions as a result of the poor condition of roads across country Victoria. This represents a serious danger to motorists, cyclists and other road users.

The VACC survey results overall indicate a very poor business and community perception of the management of country roads, by VicRoads. Country roads represent a lifeline as well as strategic asset affecting the economic and social well-being of many regional and rural communities. As such, VACC believes there is an added responsibility that is inherent on VicRoads, in maintaining the quality of the country road network that VicRoads is not meeting.

VACC notes that in real terms, there has been a 40 per cent reduction in funding of road maintenance over the past decade or more, and this has been acknowledged by the Victorian Auditor-General. VACC believes however, that this in no way absolves VicRoads from the effective management of its resources and especially its responsibility towards maintaining the quality of Victoria's country roads. If VicRoads does not prioritise or take this responsibility more seriously, then there is the potential for long-term detriment towards the economic productivity and wellbeing of Victoria's regional communities.

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

VACC believes that the current funding model for Victorian roads is inadequate in meeting the needs for country Victoria, with clear evidence showing that it favours urban roads at the expense of country roads.

Data from the Austroads' *'Reforming Remote and Regional Road Funding in Australia'* report shows that on average, from 2006-07 to 2012-13, capital and operational expenditure for urban arterial roads in Victoria were \$1048 million and \$271 million respectively.¹ In contrast, capital and operational expenditure for rural arterial roads were \$305 million and \$107 million respectively.² The significant disparity in capital expenditure between urban and rural arterial roads illustrates that country roads are heavily under-prioritised in VicRoads' approach to road funding.

It is also apparent that maintenance expenditure is being used more on rural arterial roads in comparison to urban arterial roads. This further illustrates that capital expenditure towards country roads is being heavily under-prioritised, with higher maintenance expenditure required to compensate for this.

Considering that regional and rural roads represent 79 per cent of Victoria's road network, country Victoria remains an indispensable part of the Victorian economy. As such, this requires the adoption of a new funding model that effectively meets the need for quality investment in country road infrastructure and also fairly balances the needs of both rural and urban road users.

3. The lack of consultation with Regional communities and their subsequent lack of input into prioritising which roads are in dire need of repair

Feedback provided to VACC from its regional membership base across Victoria indicates that VicRoads mostly never or very rarely consults with regional communities regarding which roads should be prioritised for repairs.

Typical comments from regional VACC members include:

"I don't remember the last time when there was a community consultation meeting."

"I have never seen a questionnaire or been notified of community consultation."

"We are the local RACV Roadside and also local tow truck, we see the bad and dangerous areas and not once have we been asked an opinion."

"They 'consult' but it's only so they can say they 'consulted the community.'" In fact, as happened recently, the 'consultation' took place only after the contracts were let and work was about to begin."

"Every time we ask about roads to our local shire, we are told that they are managed by VicRoads and nothing is ever done."

VACC views these member reports as a matter of real concern. VACC suggests that a new and improved engagement strategy is necessary on the part of VicRoads that puts consultation with regional communities at the centre of prioritising which roads are in need of urgent repair.

¹ Austroads 2016, 'Reforming Remote and Regional Road Funding in Australia', p. 17, 21

² Ibid, p. 18, 21

4. The option of dismantling VicRoads and creating a specific country roads organisation and separate metropolitan roads body

VACC congratulates VicRoads in regard to the creation of the new **Regional Roads Victoria** and a subsequent separation of its metropolitan roads body. The new division will ensure greater focus is placed towards improving the quality of country roads, as well as facilitating opportunities for more consultation with regional communities on the management of country roads.

VACC members overwhelmingly support the establishment of a separate country roads body for managing Victoria's country roads, as indicated by some of the feedback received below:

“City roads and country roads require a very different management system.”

“Something needs to change so that Country Victoria, particularly East Gippsland gets more road funding for dual highway to the border and not these band-aid solutions which are only going to result in more lives lost because of inadequate transport links.”

“They are totally different types of roads and traffic. They need to be considered differently. Someone in metro would not have much of an idea how, why or what country roads need and require.”

“The old country road board worked. Roads were examined regularly, and fixed quickly. Preventative maintenance was done.”