
Maintaining Local Roads

Tabled 17 March 2021



Introduction

This audit looked at whether Victorian local councils achieve value for money in maintaining their local roads.

What we looked at

We looked at whether councils use data about their roads when planning their road maintenance work. We also looked at whether councils deliver this maintenance in a cost efficient and timely manner.

We collected roads data for all of Victoria's 79 local councils and audited five councils that represent different council types and sizes.

Conclusion

We found that, despite road costs representing 10 per cent of council expenditure, councils cannot determine whether they are achieving value for money when maintaining their road network. This is because councils lack detailed cost data to analyse and benchmark their performance. In addition, some councils:

- have gaps in their road condition data
- do not effectively engage their communities to understand road users' needs.

Context

In Victoria, councils are responsible for maintaining over 132 thousand kilometres of local roads, which make up 87 per cent of the state's road network. Local roads are typically roads that are not freeways or arterial roads, which VicRoads manage, or toll roads, which private operators manage.

In 2018-19, councils spent \$870 million on their road networks. Councils mostly funded this with council rates. The Australian government contributed \$142.4 million in grants to councils for their road networks.

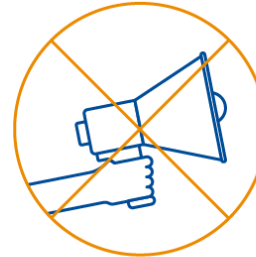
Conclusion



Lack detailed cost data



Have gaps in their road condition data



Do not effectively engage with local road users to understand their needs

Issue 1: Planning for road maintenance

The audited councils determine their planned road maintenance based on limited information, increasing the risk of waste, or not meeting desired service levels.

While all use asset data and budget information to plan for road maintenance, gaps in road condition and cost data reduce councils' evidence base for decision-making. For example, three audited councils rely on visual surveying. Although this provides useful information and can be less expensive, councils could gain more comprehensive information by supplementing it with modern surveying equipment.

Councils' planning is also hindered by an incomplete understanding of community expectations for road service levels. Councils do not provide communities with detailed information on their plans for road maintenance or educate them about expenditure trade-offs.

Issue 2: Achieving value for money

Councils lack the detailed cost data necessary to determine whether they are achieving value for money in delivering road maintenance.

Although there are multiple sector-wide datasets about roads, councils' reporting errors make them less reliable. For example, in 2018–19, four councils inaccurately reported to the Victorian Local Government Grants Commission (VLGGC) that they spent less than \$15 000 on road maintenance that year, significantly lower than the state median of \$9 million. Although VLGGC collects this data on behalf of a third party and does not use it to make recommendations for grant allocations, errors such as these reduce the usefulness of potentially rich sector-wide datasets.

Issue 3: Compliance with road management plans

All five audited councils have road management plans that outline how often they will inspect roads and how quickly they will respond to defects. Complying with these standards helps councils to defend civil cases brought against them for road defects.

Issue 2: Achieving value for money



However, none of the audited councils fully met their own timeframes for planned inspections between 2014–15 to 2018–19. Only one of the audited councils has complete compliance data and uses performance measures to track compliance. Without full compliance with their road management plans, councils risk not being able to use them to defend against civil claims.

Recommendations

We made 10 recommendations to all Victorian councils:

- five about improving the information used for road maintenance planning
- three about collecting and reporting accurate performance data
- two about using data to assess council performance on Road Management Plans.

We also made a recommendation to one audited council about documenting council decisions on road maintenance and one to another audited council about recording condition data for unsealed roads.

For further information, please see the full report of this audit on our website www.audit.vic.gov.au.

You can also visit our website to view our interactive data dashboard about local roads in Victoria.