

PERFORMANCE AUDIT IN BRIEF

Condition of State Roads NSW Roads and Traffic Authority



THE AUDIT OFFICE
OF NEW SOUTH WALES

About the audit

Highways and major arterial roads (State Roads) are NSW's biggest asset with a replacement value of around \$69 billion. Something so important and valuable must be managed well. Road users and taxpayers need assurance that roads are kept in an appropriate condition at the lowest possible lifetime cost.

The Roads and Traffic Authority (RTA) is responsible for the State Road network. This audit examines the condition of these roads and how well the RTA is maintaining them.

Audit opinion

The RTA has improved the overall surface condition of State Roads in the last decade. Country road surfaces are now generally much better. Ride quality has improved and cracking has been reduced. The RTA has also achieved a substantial reduction in the number of structurally deficient bridges over this period.

Ride quality on Sydney roads, however, has been falling and is worse than it was ten years ago. And about 15 per cent of the network is very rough or very cracked, although the RTA advises that no State Road is closed or subject to load or speed restrictions due to condition.

While the RTA has standards for road maintenance, it has not specified appropriate condition standards. In the absence of these, it is difficult for the Government, Parliament and public to judge how well the RTA is maintaining road assets.

Despite a significant increase in the State's contribution to maintenance since 1999-2000, the RTA has deferred road rebuilding projects. The RTA is rebuilding at less than half its long term target, and has not met this target at any time this decade.

As a consequence, the structural condition and service life of State Roads is declining. This presents a risk that roads may become unsafe or unreliable, and is likely to lead to higher repair costs. While the RTA says it has deferred rebuilding to manage more immediate risks to safety, it acknowledges the current rate of rebuilding is not sustainable in the long term and needs to increase.

The RTA has not identified how it will address deferred rebuilding, although it advises it is developing a new road network management plan which will address this.

We recognise that tension exists between the need to develop new roads while maintaining the existing network. Yet the Government's priority is maintenance, including rebuilding.

Despite the need to rebuild more existing roads, the RTA has been increasing its spending on new work. While it advises that Commonwealth funding arrangements reduce its capacity to redirect funds to rebuilding, it needs to do so. Otherwise it will continue to push the problem onto future generations.



IN BRIEF



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Internet site: www.audit.nsw.gov.au

Other findings

What is the condition of State Roads?

The RTA uses leading technology to collect road surface condition data and has done well to improve progressively its methods to assess the structural condition of roads.

About 16 per cent of the network has reached its expected life, and its future performance is unpredictable.

What condition should State Roads be in?

The RTA ranks State Roads according to function and use, and aims to keep the more important in better condition.

The RTA has yet to develop appropriate condition standards. It has started work on this. It needs such standards to judge if a gap exists between actual and appropriate condition.

What is the RTA doing to address any gap?

The RTA allocates its maintenance money on the basis of risk, giving priority to safety and availability. Its approach balances head office control and local decision making, but its regions need to adopt a consistent risk assessment method.

The RTA's 2003-08 Infrastructure Maintenance Plan acknowledges it is not doing enough rebuilding to ensure the long-term viability of the network, thereby presenting a risk to safety and reliability, and of higher repair costs.

The RTA needs to examine and model the relationship between spending, safety and condition so that it can give its Minister and Treasury more detailed

advice on the implications of funding decisions. The RTA also needs to report publicly on its progress in addressing deferred rebuilding.

Total maintenance spending has grown by 20 per cent in real terms since 1995-96, but spending on developing the network has grown by more than 50 per cent.

During this period, NSW's contributions to maintenance and to development have each grown by about a third. The Commonwealth's contribution to development more than doubled whereas its contribution to maintenance fell by a fifth.

Summary of recommendations

We made a series of recommendations to the RTA about:

- establishing for State Roads appropriate condition standards, and determining any gap between these and actual condition
- addressing deferred road rebuilding and clarifying its consequences
- developing better methods to assess structural condition, identify optimal treatments and establish priorities, and assess the implications of funding decisions
- improving its advice and reporting to Government, Parliament and the public.