



Tasmanian
Audit Office

Management of the State road network

Report of the Auditor-General
No.6 of 2020-21

Welcome and introductions



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Objective


Objective: The objective of this audit was to assess whether the Tasmanian road network (Network) was being managed and maintained effectively and efficiently.



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Scope

Scope: The audit examined and analysed information relating to the performance of the State Roads Division (State Roads) within the Transport Services Group (TSG) of the Department of State Growth and specifically the maintenance and management of the Network.




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Scope

The audit scope did not include:


- management of bridges
- management of heavy vehicle access
- management of traffic operations and signals
- roads managed by other State entities
- services and uses of the Network, or broader integrated transport strategies of which roads may form a part.



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Conclusion

The management of the State road network, including planning for the management of the network and management of risks and stakeholder expectations, as measured against the audit criteria was, in all material respects, performed efficiently and effectively.



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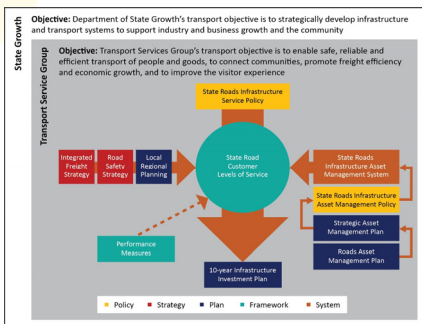
Audit criteria

1. Was planning for management of the Network effective?
2. Was the Network managed effectively and efficiently?
3. Were risks impacting the Network and stakeholder expectations managed effectively?

Was planning for management of the Network effective?

- State Roads had clear objectives, key performance measures, policies and strategies for the management of the Network
- Policies and strategies for the management of the Network were not subject to periodic review
- State Roads undertook detailed and appropriate demand analysis of the Network to support its planning
- State Roads took a lifecycle approach to develop cost-effective management strategies to maintain the Network
- State Roads had a long-term financial strategy that supported the delivery of defined Levels of Service from available funding

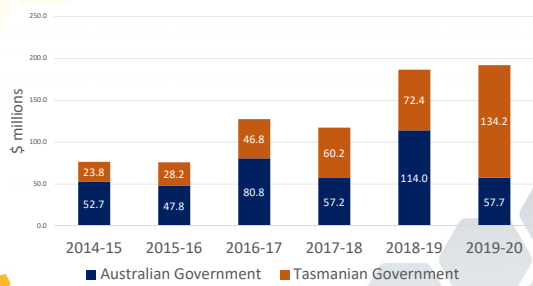
State Roads Planning framework



Was the Network managed effectively and efficiently?

- State Roads used robust information to inform its understanding of the condition of the Network
- A formalised approach for investment in Network maintenance may improve value for money
- Integration of information on prioritisation of maintenance and the upgrade of road assets was not strong
- Long-term plans were in place to optimally renew the Network
- Measures were being implemented to mitigate a shortfall in funding maintenance and renewal of the Network

Upgrade and new road expenditure 2014-15 to 2019-20



Was the Network managed effectively and efficiently?

- Project management was strong for the program of works
- More consistent reporting of completed projects was needed
- State Roads had implemented new contract models to drive value for money
- Value for money was embedded in tendering processes
- Contracts were managed in accordance with construction industry norms
- Corrective maintenance was actively managed
- Management of asset information was not fully integrated

Were risks impacting the Network managed effectively?

- State Roads risk management processes required better integration
- Asset specific risks were identified and monitored but the evaluation of risks and frequency of review could be improved
- Contract risks were managed effectively by State Roads
- State roads actively managed project risks, but could strengthen its risk review across the portfolio of projects

Were stakeholder expectations managed effectively?

- State Roads monitored performance of the Network, however the measures used did not adequately link to Levels of Service
- State Roads was improving its understanding of Levels of Service
- State Roads adequately engaged with stakeholders

Recommendations


We have made five recommendations to assist the Department in further integrating its performance and risk information and to further enhance the quality of information used for prioritisation and investment decision making.

The recommendations will also ensure State Roads policies and strategies remain current, and that it implements mitigating actions and strategies to reduce the impact of a shortfall in its maintenance and renewal works program.

Recommendations

Department of State Growth:

1. Implement strategies and actions to reduce maintenance and renewal shortfall, including the improvement of the integration and quality of information used to prioritise investment in maintenance.
2. Review and update policies, plans and strategies that are out of date.
3. Integrate road asset performance, degradation factors and network performance management systems to better use and enhance the quality of information used for decision making.



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Recommendations

Department of State Growth:

4. Link level of service frameworks for customer and technical levels of service and performance measures to further improve the approach to performance management.
5. Integrate risk management systems and information to manage risks and focus resources more effectively.




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Management response

Minister for Infrastructure and Transport

- Accepted the findings and recommendations of the audit
- Acknowledged the Department of State Growth will continue to focus on improvements in line with its asset management framework
- Noted the recommendations highlighted a number of key areas for the Department of State Growth to focus its efforts on.



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Management response

Secretary for the Department of State Growth

- Accepted the findings and recommendations of the audit
- Outlined strategies and actions currently in place or to be developed to address the recommendations.

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Management response

DM Roads

- Supported many of our findings in relation to the stewardship contractor model
- Did not agree with our assessment that the incumbent contractor has an unfair advantage when retendering the North West Tasmania Maintenance Contract.

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Thank You

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