



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Mrs Elizabeth Kikkert MLA (Chair), Mr Michael Pettersson MLA (Deputy Chair),
Mr Andrew Braddock MLA

Submission Cover Sheet

Inquiry into Responses to Auditor-
General recommendations for reports
5/2017, 7/2019 and 6/2020

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Member for Murrumbidgee

Mrs Elizabeth Kikkert MLA

Chair

Standing Committee on Public Accounts

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Dear Mrs Kikkert

Government Submission - Inquiry into Auditor-General recommendations for Report 5/2017 – Maintenance of selected road infrastructure assets (Audit Report)

Thank you for the opportunity to make a submission to the Standing Committee on Public Accounts Inquiry to Auditor-General's Report 5/2017 – Maintenance of selected road infrastructure assets.

I am pleased to provide you with the latest update associated with the ACT Government's responses to the Audit Report and the Government's implementation of the Audit Report recommendations. The table at Attachment A sets out the ongoing actions being taken against each recommendation.

Robust corporate governance arrangements are in place within Transport Canberra and City Services (TCCS) to ensure audit recommendations are monitored and implemented effectively. This process is overseen by the TCCS internal audit team.

Governance

In 2017 the Audit Report highlighted that *"overall sound governance arrangements are in place to support road infrastructure asset maintenance activities"* and this continues to be the case. The annual Roads ACT Business Plan and associated Risk Plan continues to be regularly updated and is clearly aligned to key ACT Government Priorities and the TCCS Strategic Plan.

During 2021-22 TCCS Strategic and Accountability indicators were reviewed, with changes reflected in the 2022-23 ACT Budget Statement H – TCCS. A summary of new indicators includes:

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- The existing Strategic Indicator relating to road condition was updated to incorporate an overall Pavement Condition Index score;
- The annual resurfacing accountability indicator target for territorial roads was increased from 5% to 6%;
- A new accountability indicator target was included for annual resurfacing coverage across the sealed road network (Target: >1,000,000m²); and
- A new Accountability Indicator target was included for the percentage of customers satisfied with the maintenance of community paths.

Strategic asset maintenance planning

The Roads ACT Strategic Asset Management Plan was updated in 2018 and the TCCS Strategic Asset Management Framework was comprehensively reviewed during 2021-22. TCCS has also rolled-out a new Asset Information Management System that provides additional functionality and replaced the existing Integrated Asset Management System (IAMS). In addition, TCCS Municipal Infrastructure Standards, Specifications and Standard Drawings have been updated for pavement design, public lighting, active travel facilities design and traffic control devices during 2021-22.

Road pavement

The ACT Government recognises that a good road network is fundamental to the connectivity and liveability of the ACT. The ACT community and broader region rely on a good quality and safe road network for the movement of goods and the provision of services, including for freight transportation, public transit (e.g., buses) and private transit (e.g., cars, bikes).

Preventative maintenance to keep roads in good condition is less expensive over the long term than rehabilitation of roads in poor condition. The ACT Government has recently completed a comprehensive review with the Australian Road Research Board, which supports significant improvements to our long-term strategic road maintenance and renewal program. This includes optimising the intervention timing and treatment selection to improve road condition, safety and ride quality. The ACT Government recognises well maintained roads are key to support road safety, improve ride quality, reduce road user vehicle operational and maintenance costs and maintain community wellbeing and satisfaction.

Community paths

Community path maintenance is important to ensure that walking and cycling around our suburbs is both easy and safe. During July 2022, the ACT commenced community consultation on the Draft Active Travel Plan. The draft Plan includes a key action regarding the use of condition data to inform a new strategic asset renewal program. In addition, Roads ACT has recently updated the Community Paths Operational Plan, which guides the works programs.

During 2021-22, TCCS completed a comprehensive assessment of all community paths and paved areas across the ACT. Information from this audit, along with community identified requests, are prioritised based on risk as outlined in the Operational Plan and inform annual defect rectification (e.g., grinding trip hazards) and renewal works (replacing end of life paths) programs.

Traffic signals

There's a well-established integrated program in place to annually upgrade traffic signals, which includes upgrades to controllers, LED lights and improved network resilience. Improved network resilience includes providing uninterrupted power supply to key traffic signals to allow their function to continue in the event of a power outage, upgrades the TCCS Traffic Management Centre, providing additional Bluetooth detectors and CCTV cameras to optimise traffic signal timing and progressively upgrading priority traffic signals to have fibre optic network connection.

Streetlights

In April 2018, the Territory entered into an Energy Performance Contract for the operation, maintenance and upgrade of the streetlight network over a seven year period ending April 2025. Outages in streetlights are generally rectified through the contract arrangements within two to five days except for where complex repairs are required and are reported monthly.

The Energy Performance Contract also includes an LED upgrade program, which will see over 50,000 streetlights replaced with new LED luminaires. At the end of June 2022, the total number of LED luminaire replacements was 44,515. The LED upgrade program has resulted in a 50 per cent reduction in streetlight electricity consumption.

The ACT Government has improved the management of our road infrastructure assets in line with the audit recommendations and will continue to maintain our assets to a high standard in future.

Yours sincerely



Chris Steel MLA
Minister for Transport and City Services

8 December 2022

RECOMMENDATION NUMBER	RECOMMENDATION	MANAGEMENT COMMENT	UPDATE
Recommendation 1	ROADS ACT'S BUSINESS PLAN Roads ACT's Roads and Infrastructure Business Plan should specify Roads ACT's contribution to key ACT Government priorities, business objectives that link to the Transport Canberra and City Services Directorate's Corporate Plan and include relevant performance targets that relate directly to the performance of road infrastructure assets (such as accountability indicators and key service level targets).	This recommendation is agreed. The recommendation will be incorporated into the Roads ACT Business Plan for 2017-18. In addition, Transport Canberra and City Services is currently reviewing the Accountability Indicators to ensure they are clear, concise and relevant to the service being provided. This review includes the consideration of the indicators suggested in Recommendation 2. Any changes arising from the review will be implemented by July 2018, and will be included in future Business Plans.	This recommendation has been embedded into business-as-usual. As such the Annual Roads ACT Business Plan is clearly aligned to key ACT Government Priorities and the TCCS Strategic Plan. Further information regarding the review of Accountability Indicators has been provided against Recommendation 2 (below).
Recommendation 2	ACCOUNTABILITY INDICATORS FOR ROADS AND PATHS MAINTENANCE Roads ACT should develop accountability indicators with related targets for the percentage of distressed roads; distressed paths; percentage of road pavement that exceeds its optimal age; percentage of paths that exceeds their optimal age; and the timeliness of road maintenance activities.	This recommendation is agreed. This recommendation will be developed in the forthcoming year, to be implemented and incorporated into the SAMP in 2018/19.	Strategic and Accountability Indicators for Roads ACT were subsequently reviewed during 2021-22 across TCCS. Changes are reflected in the 2022-23 ACT Budget Statement H – TCCS. Summary of new indicators: - the existing Strategic Indicator relating to road condition was updated to incorporate an overall Pavement Condition Index score. - The annual resurfacing accountability indicator target for territorial roads was increased from 5% to 6%.

			- A new accountability indicator target was included for annual resurfacing coverage across the sealed road network (Target: >1,000,000m2) - A new accountability indicator target was included for the percentage of customers satisfied with the maintenance of community paths
Recommendation 3	RISK MANAGEMENT Roads ACT should: a) undertake a detailed analysis of risk treatments before including specific actions (to reduce the risks relevant to the maintenance of infrastructure) in its Risk Register; and b) amend the Risk Management Framework to require information on risks to be reported to the Transport Canberra and City Services Division Head Executives, Executive team and nominated Risk Manager every six months.	This recommendation is agreed. a) The Roads ACT Risk Register is reviewed six-monthly to identify and address any new risks to the Organisation; and b) The TCCS Risk Management Framework will be amended to require information on risks to be reported to the TCCS Division Head Executives, Executive Team and nominated Risk Manager every six months.	The Roads ACT Risk Register continues to be reviewed and updated six-monthly.
Recommendation 4	REPORTING TO THE EXECUTIVE LEADERSHIP TEAM Roads ACT should improve its reporting to the Executive Leadership Team by developing a report that includes information relating to Directorate priorities; human resource management; operations; financial management;	This recommendation is agreed. This recommendation will be developed across TCCS in the forthcoming year, based on an existing reporting framework, to be implemented in 2018/19.	Subsequent updates to the Roads ACT Business Plan since 2019-20 incorporate this recommendation.

	progress reporting against planned levels of performance; and key risks relating to Roads ACT.		
Recommendation 5	ENVIRONMENTAL MANAGEMENT PLANS Roads ACT should: a) require environmental management plans be prepared for both contracted and in-house maintenance work; and b) include environmental management plans, in their maintenance contracts, which address the adverse environmental impacts of the work on community paths and specify how these impacts will be addressed.	This recommendation is agreed. An Environmental Management Plan will be created to cover all road and road related assets, which can then be referred to within existing and new Contracts, Operational Plans and the Roads ACT Strategic Asset Management Plan as appropriate.	Environmental plans continue to be included in all future procurements.
Recommendation 6	OPERATIONAL PLANS Roads ACT should: a) have up-to-date, comprehensive operational plans for all road infrastructure asset classes; b) develop an operational plan for road pavement; c) update its Asset Management Operational Plan for Community Paths in the ACT to include information on the staff, resources and estimated costs to maintain community paths and the	This recommendation is agreed. Roads ACT is in the process of updating its Operational Plans, as outlined below: a) All key asset classes, including those identified through the Audit, are covered by Operational Plans: Roads, Community Paths, Streetlights, Driveways, Barriers, Signs and Lines, Traffic Signals and Bridges;	During 2022-23 Roads ACT updated the Community paths Operational Plan.

	environmental impacts of maintenance work; and d) develop a new operational plan for streetlights that reflects the new arrangements resulting from the Energy Performance Contract.	b) An Operational Plan for Road Pavements is being drafted; c) Operational Plans are being updated; and d) There is an existing Operational Plan for Streetlights, which will be updated once the new arrangements from the Energy Performance Contract are in place.	
Recommendation 7	TIMELY DATA ON ASSET CONDITION Roads ACT should: a) update the condition of all road infrastructure assets into IAMS (or its equivalent) within set timeframes; b) continue to work on a means of capturing asset condition reports directly from the field; and c) provide training and guidance to staff on the use of IAMS (or its equivalent).	This recommendation is agreed. The following actions will be taken: a) TCCS is procuring a new Asset Management System (AMS) which is being delivered through a large-scale change management program. Through this program, TCCS will review its Strategic Asset Management Framework to ensure a whole asset lifecycle management approach is incorporated into each Strategic Asset Management Plan. For Roads ACT, this will mean addressing the whole of life road asset management including the	Roads ACT utilises the new Asset Management System as part of business-as-usual to manage its works program and maintain an accurate register of the public assets being owned and managed. During 2021 a comprehensive audit was undertaken for a variety of public asset classes across the ACT, including community paths, guide signs and park furniture. Following staff training, condition data was captured remotely in the field using mobile devices. Comprehensive condition audits are annually undertaken for select assets such as roads, bridges, dams, etc through external contract arrangements. This information forms a key part of preventative maintenance and renewal works programs.

		requirement for condition management. b) TCCS is also considering the need for introducing mobile field capture capability across a range of services and asset types. This will provide the opportunity to use field capture devices to capture condition data and link directly with the AMS. Work in this area is continuing, as per the recommendation. c) As part of the roll-out of the new AMS, appropriate training will be provided to all relevant staff. The procurement of the new AMS is underway. The process involves several complex phases, including: procurement, discovery, design and migration phases. The current program identifies that the system should be operational in early 2020, and will apply a phased asset migration approach.	
Recommendation 8	CUSTOMER FEEDBACK Roads ACT should develop a process for providing timely feedback to customers when work	This recommendation is agreed. Access Canberra and TCCS are working closely to develop solutions in respect of ensuring	The new Asset Management System continues to support the progress and completing of customer queries and feedback.

	has been undertaken as a result of a customer query or complaint.	customer feedback and responses form a key part of the current and future AMS solutions. The proposed new AMS within TCCS will incorporate an improved ability to capture condition data, improved works ordering system, and an integrated and improved customer response system. The AMS Program will identify the requirements for integrating data on customer queries, complaints and work requests with the customer management system. The procurement of the new AMS is underway, with a view to being operational by 2020 (see Response 7.3 for further detail).	
Recommendation 9	RECORDS MANAGEMENT Roads ACT should: a) document its reasons as to why a road resurfacing project is deleted or rolled-over from one year to the next; and b) maintain contract management records on asphalt contracts to demonstrate achievement of the required quality of asphalt compaction.	This recommendation is agreed. The following actions will be taken: a) The reasons for deleting or rolling over resurfacing sites will be documented from 2017-18. b) Roads ACT is currently in the process of procuring asphalt patching and overlay services through a contract that will	Roads ACT continues to work closely with the Australian Road Research Board to develop and optimise the annual works program. A new Pavement Maintenance Panel has been established. Compaction test reports/certificates are required as supporting evidence with an invoice in order for the contractor to receive payment.

		include the requirement for compaction testing where practical.	
Recommendation 10	REPORTING ON ROAD RESURFACING Roads ACT should: a) improve the monthly productivity reports to include the unit cost for in-house asphalt work; and b) amend the annual key performance indicator report on road resurfacing (prepared for the Director of Roads ACT) to include the Program item number and the planned quantity against each road section.	This recommendation is agreed. The following actions will be taken: a) Reporting to compare the indirect costs associated with asphalt works, delivered either by in-house crews or externally contracted works will be developed and implemented in 2018/19 and then reviewed annually. b) This recommendation will be implemented for the next Accountability Report, which is due at the end of December 2017.	An update on the sites included in the annual resurfacing program is also published on the City Services website at Road resurfacing - City Services (act.gov.au)
Recommendation 11	ADDRESSING THE BACKLOG Roads ACT should develop a long-term strategy for reducing the road maintenance backlog	This recommendation is agreed in principle. The backlog referred to in the Auditors Report, refers to the gap between the resurfacing targets and amount of resurfacing achieved. This gap does not result in a list of roads being rolled over waiting to be resurfaced. Each year, the entire road network is re-evaluated and a new program	Since 2015-16 Roads ACT has consistently achieved its annual road resurfacing targets. The only exception was during 2021-22 where the municipal resurfacing target was not met – however, this was due to prioritising additional resurfacing works on ACT's territorial roads (arterial roads) to minimise risk. Roads ACT exceeded the 5% annual resurfacing target for territorial roads during both 2020-21 (i.e., 6% achieved) and 2021-22 (6.4% achieved).

		of work is developed to optimise the effect of the planned expenditure on the network as a whole, based on the most up-to-date condition data. Since 2015-16, the resurfacing targets have been achieved. Outcomes will continue to be reviewed annually. Roads ACT sets out a long-term strategy to enable a sustainable road maintenance program, which is based on technical analysis of the road network. This strategy is contained within the Roads ACT Strategic Asset Management Plan (SAMP). The strategy is used as a baseline and performance against the strategy is reviewed annually. In addition to new technologies, Roads ACT is investigating innovative delivery models for best practice road pavement management. Roads ACT will soon commence a process to identify the best-fit procurement models for the ACT's road pavement maintenance program, seeking to replace existing contracts, using an innovative delivery model, by July 2021. Roads ACT will continue to implement the above processes,	
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		in order to continually monitor progress on the resurfacing programme and advise the ACT Government to allow informed decisions to be made. These decisions will be subject to usual government funding processes through the annual Budget cycle	
Recommendation 12	MAINTAINING COMMUNITY PATHS Roads ACT should develop and implement a: a) renewal program for the timely repair of defects across the Territory; and b) planned program of inspections of the condition and safety of community paths that are not in high priority locations. The frequency of inspections should be sufficient to reliably determine whether maintenance of paths is needed	This recommendation is agreed in principle. The following actions will be taken: a) Roads ACT is currently reviewing the path inspection and maintenance strategy and will adopt different approaches for the asphalt and the concrete path networks. The asphalt path network will be inspected more frequently and an enhanced preventative maintenance program will be put in place. For the concrete path network, where preventative maintenance is not practical, the network inspection program will be expanded. Identified defects are risk assessed and hazards are addressed according to the timeframes specified in the	The Community Paths Operational plan outlines the management approach for community paths. Defects continue to be managed through the TCCS Asset Management System and are prioritised based on risk. As mentioned against Recommendation 7, a comprehensive audit of all community paths was undertaken during 2021.

		Operational Plan. Other repairs are bundled into packages of work for financial and resource efficiency. The details will be outlined in a revised operational plan and implemented in 2018-19. b) See recommendation 12.1.	
Recommendation 13	HIGH PRIORITY OF LOCATIONS OF COMMUNITY PATHS Roads ACT should review the list of high priority locations of community paths, and their priority rating, on a biennial basis and update the Asset Management Operational Plan for Community Paths and Strategic Asset Management Plan' for the results of these reviews.	This recommendation is agreed and already implemented. The list of priority suburbs and their inspection frequency was reviewed early in 2017. The number of priority suburbs was increased from 26 to 32. This is now reflected within the draft Roads ACT Strategic Asset Management Plan and the draft Operational Plan. These will be monitored and further updated as per the Recommendation.	As described for Recommendation 6, during 2022-23 Roads ACT updated the Community paths Operational Plan. This plan lists priority locations.
Recommendation 14	QUALITY CONTROL Roads ACT should implement a system of verifying that concrete used by contractors to maintain community paths comply with ACT Government design standards.	This recommendation is agreed and already implemented. A system for verification has been developed and communicated to the relevant Contractors. The concrete strength test will be undertaken randomly for every	Roads ACT continues to monitor the quality of works undertaken by contractors. Roads ACT is also trialling the use of sustainable materials in concrete paths (e.g. e-mesh)

		Contractor from the current financial year 2017-18.	
Recommendation 15	COST OF MAINTAINING AND UPGRADING COMMUNITY PATHS Assessments of the future costs of maintaining and upgrading community paths and the related funding requirements should be updated and included the Transport Canberra and City Services Strategic Asset Management Plan.	This recommendation is agreed and already implemented. The requirement to provide adequate, annual community path maintenance and upgrade programs is already identified through the Roads ACT Strategic Asset Management Plan (SAMP). The SAMP explains and identifies appropriate levels of community path maintenance and provides future financial forecasts.	Roads ACT has updated the Community Paths Asset Management Plan during 2021-22.
Recommendation 16	SERVICE LEVEL TARGETS Roads ACT should maintain records of the timeliness of the replacement of paving or concrete in general and for shopping areas and monitor whether replacements are made within target timeframes.	This recommendation is agreed. Roads ACT currently maintain the records for community path replacement works, however recordkeeping for the shopping centre areas will be improved and implemented from January 2018.	Roads ACT continues to maintain records for the replacement of paving or concrete.
Recommendation 17	TRAFFIC SIGNAL REPLACEMENT SCHEDULE Roads ACT should develop a comprehensive traffic signal component replacement schedule.	This recommendation is agreed. Roads ACT already delivers an annual program of traffic signal component replacement / upgrades funded through the Better Infrastructure Fund (and previously the Capital Upgrades	Roads ACT continue to work with Infrastructure Delivery to annually deliver the traffic signal component replacement program. This program is continues to be funded annually through the Better Infrastructure Fund.

		Program). Currently, the replacement program is developed each year and targets the oldest components first. Roads ACT will develop and enhance this process further to achieve the recommendation.	
Recommendation 18	CONTRACT MANAGEMENT FOR TRAFFIC SIGNAL MAINTENANCE Roads ACT's contract management for traffic signal maintenance should: a) include a review of the monthly progress report; b) require that the number of critical or major traffic signal faults be reported by the contractor on a monthly basis; and c) undertake an annual reconciliation to ensure all planned maintenance has been completed.	This recommendation is agreed. This recommendation is agreed, however it will need to be negotiated through the existing Contract. Subject to the flexibility of the existing Contract and / or any associated costs to change the existing Contract being acceptable, the following actions will be implemented: a) Negotiate with the Contractor to develop the existing reporting requirements into a Monthly Progress Report; b) Negotiate with the Contractor, to include the number of critical or major traffic signal faults within the revised Monthly Progress Report; and c) Roads ACT will undertake an annual reconciliation to check whether all planned maintenance is complete.	This recommendation continues to be implemented as part of business-as-usual. In May 2022, a replacement Traffic Signals and Intelligent Transport Systems (ITS) maintenance contract was established, formalising ITS device maintenance and providing additional facilities such as fixed price asset renewal works.

Recommendation 19	MONITORING TRAFFIC SIGNAL MAINTENANCE PERFORMANCE Roads ACT should, on a monthly basis, monitor maintenance undertaken against the agreed preventative maintenance program and service level targets for traffic signal maintenance.	This recommendation is agreed. This recommendation is agreed, however it will need to be negotiated through an existing Contract. Subject to the flexibility of the existing Contract and / or any associated costs to change the existing Contract being acceptable, the following actions will be implemented: Roads ACT will endeavour to include within a revised monthly report: 1. Response times - Planned & Unplanned Maintenance; and 2. Number of major faults per Year.	This recommendation continues to be implemented as part of business-as-usual.
Recommendation 20	IMPROVING TRAFFIC SIGNAL PERFORMANCE REPORTING Roads ACT should require the contractor responsible for traffic signal maintenance to report on the: a) number of major faults reported to be less than one per traffic signal per year in the monthly report; and	This recommendation is agreed. Please refer to the response provided in Recommendation 19. NOTE: In relation to Item b above, response times will be monitored between the time the Contractor is advised of the fault and the inspection / identification of the fault only (as the repair can be	This recommendation continues to be implemented as part of business-as-usual.

	b) elapsed time between being advised of the fault and the completion of the repair in the monthly report.	outside the control of the Contractor – i.e. power outages from electricity suppliers, etc)	
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