

LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

**REVIEW OF
AUDITOR-GENERAL'S REPORT
NUMBER 2, 1997**

Road and Streetlight Maintenance

STANDING COMMITTEE ON PUBLIC ACCOUNTS
Report Number 29

September 1997

RESOLUTION OF APPOINTMENT

The Standing Committee on Public Accounts was appointed by the Legislative Assembly on 9 March 1995 with the following terms of reference:

- (a) examine:
 - (i) the accounts of the receipts and expenditure of the Australian Capital Territory;
 - (ii) the financial affairs of authorities of the Australian Capital Territory; and
 - (iii) all reports of the Auditor-General which have been laid before the Assembly;
- (b) report to the Assembly, with such comments as it thinks fit, any items or matters in those accounts, statements and reports, or any circumstances connected with them, to which the Committee is of the opinion that the attention of the Assembly should be directed;
- (c) inquire into any question in connection with the public accounts which is referred to it by the Assembly and to report to the Assembly on that question; and
- (d) inquire into and report on the implementation of the *Public Sector Management Act 1994* with particular reference to:
 - (i) the public interest; and
 - (ii) any other related matter.

MEMBERSHIP OF THE COMMITTEE

Mr Andrew Whitecross MLA (From 18 February 1997. Elected Committee Chair 19 February 1997)

Ms Louise Littlewood MLA (From 18 February 1997. Elected Deputy Committee Chair 19 February 1997)

Ms Lucy Horodny MLA

Mr Bill Wood MLA (From 26 March 1996 to 18 February 1997. Former Committee Chair)

Mr Trevor Kaine MLA (To 18 February 1997. Former Deputy Committee Chair)

Ms Rosemary Follett MLA (To 26 March 1996. Former Committee Chair)

Secretary: Bill Symington

1. INTRODUCTION

1.1. Auditor-General's Report No 2, 1997 was presented to the Assembly on 27 February 1997.

1.2. The objectives of the audit were to assess whether:

- (a) funding for maintenance of the assets has been at an appropriate level to maximise their useful lives on a cost effective basis; and
- (b) actual maintenance work has been done efficiently and economically.

1.3. The audit also reviewed certain safety aspects of roads and bridges.

1.4. A number of audit opinions were expressed, viz:¹

Roads

- (i) there has been inadequate maintenance funding for several years with funding shortfalls between \$24m and \$36m
- (ii) action has been taken to allocate increasing levels of available funding to cost effective programmed work
- (iii) maintenance efficiency has increased significantly since 1992 but further improvements in the elimination of overheads and restrictive employment arrangements would produce an annual cost saving of around \$300,000
- (iv) contracted maintenance has been economic
- (v) road surfaces are of a safe standard

Streetlights

- (vi) streetlights are not managed to cost effectively maximise their useful lives
- (vii) maintenance has not been managed to achieve economy and potential savings from competitive tendering would be some \$400,000

Other Issues

- (viii) bridge guard rails are not being upgraded to contemporary Australian safety standards
- (ix) administrative costs which absorb 24% of annual asset maintenance funding is excessive

¹ Audit report, p4

1.5. The committee sought comment from the Minister for Urban Services on these findings and the Minister's responses are detailed in the next section of this report.

2. AUDIT FINDINGS AND COMMITTEE APPROACH

2.1. The Minister for Urban Services provided the committee with an Action Plan on the audit findings which included strategies to address the audit findings.²

2.2. With regard to asset management, the Action Plan noted that the Department of Urban Services (DUS) manages Territory assets valued at \$3,600m including \$1,600m of road infrastructure, \$1,300m stormwater and \$400m bridges.

2.3. The Minister advised that the Government has recently released an Asset Management Strategy which sets the principles and objectives for more effective management of assets and establishes the framework and guidelines for the appropriate management of the Territory assets.

2.4. The Minister noted that the Asset Management Strategy identifies a number of key issues in respect of roads and that these include:

- the status and maintenance standards of the existing road network, establishing a rolling program of condition audits
- the status of asset information and information systems
- the development of key performance measures and other management information
- new works requirements.

2.5. Given the significance of the Territory's road asset base and the on-going effort which will be required to properly maintain those assets, the Minister advised that an Asset Management Plan for roads will be developed for Government consideration during 1997-98.

2.6. A Draft Asset Management Strategy and Framework and Guidelines for Asset Management was presented to the Assembly on 27 February 1997 by the Chief Minister who advised that the document was developed as a basis for consultation and community input. The Draft Strategy was referred to this committee for inquiry and the committee's report No 27, which followed discussions with the Office of Financial Management and public hearings involving departments and private sector organisations, was presented to the Assembly on 28 August 1997.

2.7. The committee's report on the Draft Asset Management Strategy makes recommendations intended to give greater recognition to the potential benefits and

² Minister for Urban Services, letter to the committee dated 10 July 1997

opportunities associated with public ownership of assets. The report also recommends that the effectiveness of the strategy be closely monitored as to its usefulness and practicability in the form in which it has been presented.

2.8. In a number of its findings, the audit referred to ACT benchmarking performance compared with those of other jurisdictions. In relation to this matter the Minister advised that DUS is already developing appropriate benchmarks for infrastructure management and will have the results available by the end of 1997.

2.9. The Minister further advised that the benchmarking exercise in City Services will be identifying the key performance indicators for roads and introduce appropriate reporting arrangements against these measures for Government.

2.10. With regard to maintenance services, the Minister advised that in 1991 DUS separated itself as the purchaser from the internal infrastructure service provider of road maintenance and that since the implementation of the findings of a major 1992 Road Maintenance Evaluation Study significant improvements have been realised in this area.

2.11. The Minister advised that efficiencies such as a 60% reduction in the cost of pot-hole repairs have been achieved and that efficiencies have also been achieved by focusing on planned road maintenance, the bulk of which is competitively tendered, enabling a reduction in routine maintenance to just 30% of the total program.

2.12. The Minister further advised that from 1 July 1998 road maintenance services will be purchased in a competitive environment and that this is expected to realise increased efficiencies.

2.13. With regard to Commonwealth Funding, the Minister advised that recognition of the higher cost structures associated with roads in the Territory, due to Canberra's position as the National Capital, is being vigorously pursued by the Government with the Commonwealth Grants Commission and the House of Representatives Standing Committee on Communications, Transport and Microeconomic Reform inquiry into Streetlighting Road Funding.

2.14. The Minister advised that the Government is seeking assistance with maintaining the ACT road infrastructure as well as ensuring an appropriate regional focus for the ACT.

2.15. With regard to Review of Infrastructure Management the Minister advised that DUS has recently undertaken a comprehensive review of the infrastructure management services it provides and that the recommendations from this review are consistent with the Asset Management Strategy and the thrust of the Auditor General's report.

2.16. The Minister further advised that work to be undertaken in 1997-98 associated with issues raised by the audit will be managed in close co-operation with the Auditor General's office.

Best Practice Roads and Bridge Asset Management and Funding

2.17. The audit found that:³

- (i) on average, road pavement has a useful life expectancy of 20-25 years but that this expectancy can be greatly increased at relatively low cost by maintenance intervention at critical points in time. Provided that sufficient funding is available to perform this maintenance intervention, the audit found that total funding to maintain the asset over the whole of its life would be reduced**
- (ii) the 1992 Road Maintenance Evaluation Study recommended that to maintain the ACT road asset on the most economical basis (which includes minimising user costs) \$18m per annum would need to be spent on road maintenance**
- (iii) a community survey in 1992 showed that the \$18m option was the preferred public funding option**
- (iv) the estimated expenditure on pavement maintenance ranged between \$9.2m and \$10.3m in real terms for the years 1993-94 and 1995-96. This was broadly half of the \$18m annual road pavement maintenance funding level recommended as being consistent with minimising total road transport costs to the community**
- (v) the uniformity of funding between 1993 and 1996 has assisted Departmental management in planning to maintain the road asset.**

2.18. The audit noted that maintaining road assets to an economical standard implies that total road transport costs are equal to the costs of providing and maintaining the road system plus costs incurred by road users, but estimated that the costs of maintaining the roads network was less than 10% of total road transport costs. The audit went on to state that poorer quality roads increase user costs through increased wear and tear on vehicles and tyres.⁴

2.19. The Minister advised that major infrastructure requires increasingly sophisticated measures to ensure maintenance levels are sufficient to optimise the life and use of the assets and to ensure cost effectiveness. Maintenance levels should be sufficient to optimise the useful life of the networks, without placing the Territory at risk of unmanageable replacement or maintenance burdens in future years.

2.20. The committee was advised that implementation of the Asset Management Strategy will provide the Government with information and a long term strategic plan to make appropriate decisions regarding the level of road maintenance funding. In particular, the committee was advised that maintenance benchmark standards have

³ Audit report, pp24/25

⁴ *ibid*, pp27/28

been set to treat municipal roads every 15 years, or 7% of the network each year. Similarly, the treatment benchmark for the territorial network is every 10-12 years, or 8% to 10% of territorial roads each year.

2.21. The Minister advised that the Territory inherited from the Commonwealth a significant road network which was constructed to standards applied twenty years previously and that while those standards may have been appropriate for the circumstances at the time, i.e. rapid expansion of the ACT, those same standards are less than optimal for maintenance. As a result, a large part of the sizeable ACT road network is reaching the need for maintenance at the same time and deterioration is now reflecting those earlier construction standards.

2.22. The Minister advised that action is being taken to seek greater assistance through the Commonwealth Government's Inquiry into Commonwealth Road Funding and through the Commonwealth Grants Commission. The ACT Government's submission highlights that the assessment of road maintenance expenditure by the Commission in the past has seriously underestimated the ACT's needs, and that diseconomies of scale are also underestimated. The Minister further advised that competitive tendering arrangements will also be implemented to achieve greater efficiencies from the allocated funding to ensure the continuation of current efforts for cost effective maintenance.

Allocation of Funds between Programmed and Non-programmed Road Work

2.23. The audit analysed trends in management's allocation of maintenance funding between routine and periodic maintenance. The audit found that management had been placing an increasing (and appropriate) emphasis on directing funds to periodic (programmed) maintenance.⁵

2.24. The Minister advised that DUS has progressively moved in the direction noted by the audit, embracing the recommendations of the 1992 Roads Maintenance Study, and will continue to do so. The committee was also advised that in line with the Asset Management Strategy further systems and data base development will enable an increase in the level, and the efficiency, of programmed works, allowing timely maintenance interventions before the occurrence of major damage. This will further reduce the level of less efficient unplanned maintenance.

⁵ ibid, p33

Road Maintenance Economy

2.25. The audit found that⁶:

- (i) day labour costs in the ACT are between 20% and 33% higher than the average of benchmark partners
- (ii) cuts in overheads could reduce the day labour charge-out rate and produce an annual saving of \$250,000 on road maintenance
- (iii) internal plant hire for 8 tonne trucks and backhoes in the ACT compare favourably with other organisations but when internal labour rates are added to internal plant hire costs, external plant hire costs (which include labour) are cheaper for trucks and backhoes
- (iv) compared with benchmark partners, external plant hire rates are higher in the ACT for backhoes but lower for trucks
- (v) the cost of asphalt in the ACT is significantly lower than that reported by benchmarking participants, emulsion costs in the ACT are comparable to the partners, sand and aggregate in the ACT are considerably higher but that consideration needs to be given to the geographical location of Canberra when interpreting this result
- (vi) a review of tender evaluations conducted by DUS of the spray resealing program showed that overall contracts have been awarded to the lowest cost tender.

2.26. The Minister advised that a competitive arrangement for the supply and laying of asphalt had lowered the price of asphalt in the ACT with corresponding savings for road maintenance and new works and that spray sealing contracts will continue to be awarded to the lowest conforming tender. The Minister further advised that cost savings will continue to be pursued by more broadly based adoption of competitive tendering principles and that a full review of overhead costs is also proposed.

Road Maintenance Efficiency

2.27. The audit found that⁷:

- (i) The cost of filling potholes (which represents 8% of the cost of work performed by the Road Maintenance Operators Group within DUS) is approximately 1.5 times that of benchmarking partners

⁶ *ibid*, pp36,37

⁷ *ibid*, p45

(ii) crack sealing is favourably priced when compared with the benchmarking partners.

(iii) unit cost prices for single coat, double coat and double coat rubber seal/reseal for the period 1995/96 were closely aligned with those of the benchmarking partners.

2.28. The audit concluded that internally sourced labour is uneconomic and externally sourced unit cost prices compare favourably with other jurisdictions.⁸

2.29. In response to these findings, the Minister advised that the cost of filling potholes has been reduced by over 60% in the last five years, and is expected to be further reduced in a competitive environment to match benchmarking partners. The Minister further advised that open tenders will continue to be called for crack sealing contracts and for periodic maintenance.

Information Systems for Road Asset Management

2.30. The audit found that⁹:

(i) While the Department of Urban Services has had a Pavement Management System (PMS) for some years, it has never been calibrated for Canberra environmental and traffic conditions

(ii) sunk costs on the PMS are approximately \$500,000 and annual expenditure of \$60,000 is being incurred but the PMS is not fully utilised

(iii) full use is not made of the PMS for planning and control

(iv) almost all the organisations responding to the audit's benchmarking survey have a PMS.

2.31. The audit considered that DUS should ensure the PMS is either made fully operational and effective or the resources presently used to maintain the PMS are reallocated.¹⁰

2.32. In response, the Minister advised that the development and maintenance of information systems is fundamental to the Asset Management Strategy and the effective management of roads. In this regard the importance of an up to date and calibrated PMS to analyse and model pavement performance over time and so determine programming strategies and funding scenarios is recognised.

⁸ ibid

⁹ ibid, p49

¹⁰ ibid, p51

2.33. The Minister advised that while DUS has very good condition data, it will engage expertise to modify the system by calibrating, for Canberra, environmental and traffic conditions during 1997-98 and that priority will be given to data collection and systems development to enhance accountability and transparency of information.

Road Safety Standards

2.34. The audit found that¹¹:

- (i) serious casualty crashes, road fatalities and persons hospitalised (per 100,000 population) in the ACT are lower than all other States and Territories on all indicators
- (ii) a report by an expert consultant, and DUS test results, disclosed that the crack sealing program could be continued if the consultant's recommendations were followed.

2.35. The audit noted that the ACT is maintaining roads to a comparatively safe standard. Crack sealing was found to be about 5% of overall expenditure and designed to prepare roads for resealing during the summer by waterproofing the pavement. It was noted that following testing, DUS had reduced the time between crack sealing and resealing and had limited crack sealing to the larger longitudinal and traverse cracking.¹²

2.36. The Minister confirmed that the consultant's recommendations are being implemented and were successfully used in the later part of the 1996/97 program. The Minister further advised that crack sealing utilising revised arrangements will continue to form part of the Government's response to maintenance needs.

Condition Monitoring

2.37. The audit found that¹³:

- (i) ACT roads are at an acceptable standard of roughness when compared to other jurisdictions
- (ii) about 88% of ACT national roads meet DUS standards while 95% of arterial and 86% of local roads meet the standard. DUS standards are comparable to those accepted within the industry
- (iii) monitoring of road cracking is less frequent and less comprehensive than in other jurisdictions

¹¹ *ibid*, p57

¹² *ibid*, p60

¹³ *ibid*, p62

(iv) monitoring of roughness and rutting is less frequent but as comprehensive as in other jurisdictions

(v) deflection and curvature monitoring is more frequent and more comprehensive than in other jurisdictions.

2.38. The audit concluded that management needed to further evaluate the inconsistencies between ACT road condition monitoring practices and those of benchmarking partners. The audit further concluded that there needs to be greater emphasis placed on crack monitoring because cracking has been cited by management as the main problem for ACT roads.¹⁴

2.39. The Minister advised that the Government agreed with the audit findings and conclusions. The Minister further advised that the Asset Management Strategy indicated that a major priority is to establish five year rolling programs of condition audits of the entire network and that this work will commence during 1997-98 and will address the audit comments.

Bridge Safety

2.40. The audit found that¹⁵:

- (i) bridge vehicle and pedestrian barriers generally are not being upgraded to contemporary safety standards**
- (ii) approximately 200 bridges need to be upgraded, at an approximate cost of \$2m, to bring them into line with contemporary standards**
- (iii) of a total 211 bridges on arterial Roads, 43 have not been assessed to determine whether they comply with present load capacity standards**
- (iv) in an attempt to address a deficiency in compliance with safety standards, bridges are inspected using a risk based approach which concentrates inspection efforts on heavily trafficked roads.**

2.41. The audit noted that while bridges in other jurisdictions are also below standard this did not remove the potential liability for the ACT arising from accidents due to below standard bridge pedestrian barriers.¹⁶

2.42. In response the Minister advised that public safety is a priority and deficiencies will continue to be addressed on a needs basis, noting that deficient barriers on 13 bridges on major roads and six pedestrian bridges had been addressed and that the program for this work would continue.

¹⁴ *ibid*, p69

¹⁵ *ibid*, p71

¹⁶ *ibid*, p74

2.43. The Minister further advised that DUS risk based practice is in accordance with other road authority practices and that since the Auditor General's report the number of bridges not assessed against present current load capacity standards had been reduced from 43 to 26. The Minister advised that the National Road Transport Commission is currently working with the States and Territories on a range of initiatives including the impact of heavier trucks on road infrastructure, and particularly bridges.

Funding for Bridge Maintenance

2.44. The audit found that underspent bridge funding was applied to road maintenance overruns in 1994 and 1996. The significance of this was that the bridge maintenance program was having difficulty in finding funds to analyse whether 43 bridges complied with present load capacity standards.¹⁷

2.45. The Minister advised that the Asset Management Strategy recognised that expenditure on and maintenance levels need to be cost effective and appropriate to service requirements. The Minister further advised that enhanced condition monitoring will assist in effective programming of bridge maintenance based on maintenance priorities and that load capacity assessment is a priority and a major task.

Management of Streetlighting

2.46. The audit found that¹⁸:

- (i) DUS does not have appropriately qualified staff to monitor, develop and approve the streetlighting program which involves annual operating expenditure of approximately \$5.8m
- (ii) DUS has no whole of life management strategy for streetlighting. The need for planned management is highlighted by the fact that within 2-6 years 56% of total streetlighting assets will be fully depreciated and have a replacement cost of \$115m
- (iii) DUS contracts the maintenance of streetlighting to ACTEW. The contract for \$5.8m is not open to competition
- (iv) ACTEW provides power supply and maintenance to DUS on a cost plus basis which guarantees ACTEW a profit margin. The costs of the contract are not tested by the pressure of competitive tendering
- (v) ACTEW labour costs are 13% higher than those of similar utilities in electricity distribution

¹⁷ *ibid*, p76

¹⁸ *ibid*, p80

(vi) comparative analysis shows energy and maintenance costs of a neighbouring utility to be 7.5% below those of ACTEW. This translates to an annual saving of \$400,000 in the contract for streetlighting

(vii) the contract between DUS and ACTEW passes only 1% of any labour efficiency gains to the Department over the duration of the contract.

2.47. Responding to these findings the Minister advised that the current Memorandum of Understanding between DUS and ACTEW for ACTEW to provide energy and maintenance services for streetlighting was developed some time ago and was appropriate as ACTEW was the only available supplier of electricity to the Territory at that time.

2.48. However, the Minister advised that the Government is looking at the feasibility of selling its streetlights, noting that in some other jurisdictions ownership of these assets rests with the electricity distributors, rather than government. These models are being examined as examples to improve the efficiency and reduce the costs of streetlighting, particularly in light of the comments made in the Auditor General's report.

2.49. The committee notes that provision has, in fact, been made in the forward estimates for ACTEW to purchase the streetlights during 1998-99.¹⁹ The committee notes also that ACTEW may be required to fund the purchase from reserves, by borrowing (an amount of up to \$100m) or by a combination of these capital sources.²⁰

2.50. The Minister advised that the introduction of the National Competition Policy principles into the electricity industry will facilitate the implementation of more accountable arrangements between the purchaser and the provider of these services when new contract arrangements for the supply of streetlighting to the ACT is being negotiated. The Minister further advised that the implementation of the findings of the review of infrastructure management services (paragraph 2.15 above) will address the development of the streetlighting program and the development of a whole of life management strategy for this asset.

Levels of Administrative Expenditure

2.51. The audit found that a comparison of management reports, budget information and accounting data showed that 24% of budget funding directed towards the maintenance of roads, bridges and footpaths is spent on administration and overheads.²¹

¹⁹ Budget Paper No 4 1997-98, p669

²⁰ Select Committee on Estimates 1997-98, p16 and transcript, pp212/214

²¹ Audit report, p90

2.52. Of the total expenditure on administration and overheads, the audit noted that 72% related to government service providers.²²

2.53. Responding to this finding, the Minister advised that DUS will continue to review its administration and overheads expenditure allocations and will continue to develop more efficient internal processes. The Minister advised that the level of administrative expenditure within the Infrastructure Management Unit was covered in a recent review and, arising from that review, contractual service arrangements will be tendered from 1 July 1998.

2.54. With regard to administration expenditures, the Minister advised that these related to service provision by Totalcare and that further efficiencies are expected under the new arrangements leading to cost competitive service provision in a competitive environment from 1 July 1998.

Work Arrangements for Road, Bridge, Footpath and Streetlighting Asset Management and Maintenance

2.55. The main audit findings were²³:

- (i) the Road and Bridge Management Group within DUS applies only half of its time directly to the management of assets**
- (ii) One fifth of Group's time is taken up by dealing with complaints from the community and providing ministerial advice**
- (iii) virtually no time has been spent in the past on managing the streetlighting asset**
- (iv) at the time of audit one in five of the employees of the Road Maintenance Operators Group was a re-deployee, compensation claimant or long time absentee. This number of non essential staff is a hindrance to efficient operation and while the number of re-deployees in the Group has been reduced in the move to Totalcare the balance remain with DUS. Improvements in these arrangements could bring annual savings of around \$50,000**
- (v) the service agreement for plant hire restricted the flexibility of the Group to acquire the lowest cost plant hire available and tied it to inflexible hire arrangements. However, the audit noted that within Totalcare Limited, plant will in future be hired in the most economical manner.**

2.56. In response the Minister advised that DUS will continue to meet the objective of customer service excellence and will do this in the context of the review of provision of infrastructure management services and the Asset Management Strategy. The Minister further advised that the audit finding regarding the cost inefficiencies of

²² ibid, p92

²³ ibid, pp94-96

employing non essential staff would be addressed in the new competitive environment to apply from 1 July 1998.

Achievement of Performance Targets

2.57. The audit found that DUS had not met a number of objectives identified in the relevant business plan. The most significant was that road condition evaluation was not completed in 1995/96 and asset inventories had not been updated.²⁴

2.58. The Minister advised that the Asset Management Strategy provides the framework which will ensure a systematic evaluation of road condition through a rolling program of condition audits over a period of five years and implementation of a detailed asset register. The Minister advised that the asset management plan is part of the ownership agreement and will be incorporated into the DUS business plan.

2.59. The Minister further advised that road maintenance work practices and priorities will be reviewed on a regular basis against performance targets and will be addressed as part of the asset management plan and that key road performance measures will be developed during 1997-98.

Implementation of 1992 Operational recommendations

2.60. A consultant's report in 1992 recommended organisational, management and operational changes. These recommendations and the degree of implementation are given in the audit report.²⁵

2.61. The audit findings included that²⁶:

(i) the Road Maintenance Operators Group continued to hire plant from ACT Fleet because of work agreement between the two parties and the Group was restricted in obtaining more competitively priced plant hire

(ii) all management procedural recommendations had been wholly or partly implemented with a reduction of approximately 90 staff and supervisory positions

(iii) DUS had not established a technology office.

2.62. The Minister advised that the continued hire of plant from ACT Fleet would be addressed in the environment of competitive tendering arrangements to operate from 1 July 1998.

²⁴ *ibid*, p105

²⁵ *ibid*, p110

²⁶ *ibid*, p107

Community Focus

2.63. The audit findings included that²⁷:

- (i) about half the more than 400 complaints received annually relate to footpaths and that few complaints were received about streetlighting, bridges and road pavement**
- (ii) an undertaking to perform urgent road works within an hour of receiving a complaint compares favourably with other jurisdictions.**

2.64. In response the Minister advised that DUS will continue to meet the objective of customer service excellence and that the Department is examining the road maintenance complaints handling arrangements with a view to streamlining complaints processing and ensuring adequate consultation and excellent customer service.

3. COMMITTEE COMMENT

3.1. The committee considers the audit has been timely in that it has focussed upon some management and work practices within the Department of Urban Services which appear to have been less than effective in achieving optimum value for ACT ratepayers.

3.2. The committee notes the Minister's statements that certain of these shortcomings have been, are being, or will be, addressed. The committee notes in particular the Minister's comments with regard to benchmarking for infrastructure management, a comprehensive review by DUS of infrastructure management services and the asset management plan for roads.

3.3. The committee trusts that the Asset Management Plan for roads which the Minister advised is to be developed for consideration by the Government during the current financial year will be consistent with the Draft Asset Management Strategy and Framework and Guidelines for Asset Management which has been reviewed separately by this committee in its report no 27 of 28 August 1997.

4. RECOMMENDATIONS

4.1. The committee recommends that in its response to this report the Government advise the Assembly:

- (i) of the benchmarking details for infrastructure management being undertaken by the Department of Urban Services;**

²⁷ *ibid*, p115

- (ii) on the outcome of, or progress in relation to, the Government's representations to**

 - (a) the Commonwealth Grants Commission in relation to road funding; and**
 - (b) the House of Representatives Standing Committee on Communications, Transport and Microeconomic Reform inquiry into Streetlighting Road Funding;**
- (iii) of the details and recommendations of the comprehensive review of infrastructure management services undertaken by the Department of Urban Services;**
- (iv) on the outcome, or progress with, the proposed full review of overhead costs of road maintenance economy;**
- (v) of details of the enhanced bridge condition monitoring and the date this program came into effect;**
- (vi) the measures to be considered in addressing the cost inefficiencies arising from the employment of non essential staff;**
- (vii) when a technology office is to be established in the Department of Urban Services as recommended by the 1992 operational consultancy and, if the office is not to be established, the reasons for not establishing it; and**
- (viii) when the Pavement Management System (PMS) is to be made fully operational, and the reasons for any further delay in it becoming fully operational.**



Andrew Whitecross MLA
Chair

