

MEDIA RELEASE**9 October 2026****Road maintenance**

ACT Auditor-General, Mr Ajay Sharma PSM, today presented a report on **Road maintenance** to the Speaker for tabling in the ACT Legislative Assembly.

The audit considered the Territory's activities to plan for, and implement, programs for the maintenance of the ACT public road network surface.

A new resurfacing strategy, the *Strategic Road Maintenance and Renewal Program*, was publicly announced in February 2023. Central to the strategy is the Pavement Condition Index, which is used to assess the condition of the road network.

The Pavement Condition Index is affected by both changes in the condition of the road network and changes to system settings. Mr Sharma says, 'it is important that Roads ACT is transparent about the level of service road users can expect, and about any changes to system settings that may affect the Pavement Condition Index. Without this transparency, it is difficult for the community to assess whether the condition of the road network is improving or deteriorating. This limits effective public accountability'. The audit recommends that the City and Environment Directorate document its intended level of service for road pavements, explain what this means for the management of road resurfacing, and make this information publicly available.

The audit also found that for many years the performance of ACT roads (and road resurfacing specifically) was reported through a range of Strategic and Accountability Indicators presented in statements of performance and annual reports. From 2026-27, however, there is no Strategic Indicator or Accountability Indicator relevant to the condition and quality of roads in the ACT. This significantly weakens public accountability.

The report makes twelve recommendations for actions to be taken by the City and Environment Directorate (CED).

The summary of 'Road Maintenance' (Report No. 9 of 2026), with audit conclusions and key findings are attached to this media release.

Summary

Road maintenance involves a broad range of activities including:

- the maintenance of a road's surface;
- the maintenance of road signs, barriers and lights; and
- the maintenance of road markings.

The maintenance of the road surface, also referred to as the road's 'wearing course', is a very visible activity. Road maintenance activities such as pothole-filling, patching and resurfacing are undertaken to support a road to achieve its intended design life.

The objective of the audit was to assess whether the ACT public road network is being effectively maintained. The audit focused on the Territory's activities to maintain the road surface. The audit considered the activities of the City and Environment Directorate (formerly the Transport Canberra and City Services Directorate) to plan for, and implement, programs for the maintenance of the ACT public road network surface.



Conclusions

Strategic and operational planning

Between 2021 and 2022 the ACT Government contemplated a new strategic approach to road maintenance (the *Strategic Road Maintenance and Renewal Program*). The new resurfacing strategy was publicly announced in February 2023. The new resurfacing strategy sought to address the issue that the 'ACT's road surfaces and pavement structure is deteriorating at a faster rate than is offset by current maintenance and rehabilitation levels'. The new resurfacing strategy involves *inter alia* a 52 per cent increase in expenditure on road maintenance and overall growth of total resurfacing meterage from 1 million to 1.26 million sqm.

Central to the resurfacing strategy is the Pavement Condition Index. The Pavement Condition Index is a key feature of annual Pavement Management System reports which:

- specify road condition settings and provide a rationale for those settings;
- model hypotheses, e.g. by examining the effect of different assumptions based on either specified budgets or a predicted Pavement Condition Index range; and
- produce provisional line-by-line works programs for the next ten years, once a preferred hypothesis had been resolved.

The Pavement Condition Index produces a single score that reflects the condition of Territorial roads and some major Municipal collector roads (approximately 30 per cent of the total road

network) for the most recent year and a predicted score for future years based on different scenarios. The Pavement Condition Index is sensitive to Pavement Management System setting adjustments, including changes to weightings for the five condition parameters that comprise the score. It is possible to create a change in the Pavement Condition Index score by changing system settings rather than changes in the data that are reflective of physical changes to the road surface condition.

Because the Pavement Condition Index is a function of both changes in the condition of the road network and changes to system settings it is imperative that Roads ACT be publicly transparent and explicit with respect to:

- levels of service and experience that road users can expect; and
- any changes to system settings (including changes to weightings for the five condition parameters that comprise the score) that may affect the calculation of the Pavement Condition Index.

Road maintenance operations

The identification of Territorial and Municipal roads for resurfacing is based on automated collection of road condition data via a specialised road vehicle. One third of all Territorial and Municipal roads are surveyed each year. This results in the identification of roads that are prioritised for some form of treatment, which are then subject to a validation process by Roads ACT officials. Many of the roads initially prioritised for treatment are de-selected, while roads that were subject to treatment were not initially prioritised.

The development and delivery of the resurfacing program is hampered by a lack of documented policies or procedures for the specification of levels of service and how level of service changes are proposed and approved. The lack of procedural documentation means there is a high reliance on individual experience and professional judgement.

Much of Roads ACT's road maintenance activity is delivered through the contracting of road resurfacing suppliers. The current *Road and path maintenance panel* was established in November 2021. Under the new panel there are three suppliers, two of which have received contracts worth \$46.86 million and \$44.94 million, while a third has received contracts worth \$10.82 million. Panel suppliers are engaged through request for quotation (RFQ) processes for specific packages of work.

The new panel has created greater breadth in the local supplier base and all other things being equal the new panel has created more competitive tension between suppliers. This can be expected to provide the Territory with keener pricing and more resilience should one supplier be unable to respond to an RFQ. It is also apparent that Roads ACT officials effectively consider, and account for, value for money during the RFQ process.

Performance reporting

The former Transport Canberra and City Services Directorate has reported on the performance of roads (and road resurfacing specifically) through a range of Strategic and Accountability Indicators presented in statements of performance and annual reports. Publicly reported performance information about the condition of the road network in the period 2017 to 2022 provided an incomplete picture. While the Strategic Indicator target and actual percentage of ‘good or better’ Territorial roads (based on a road’s roughness) was reported as 87 or 90 per cent, a wider range of condition indicators that was only available to Roads ACT supported a different perspective; that of a ‘fair’ but gradually deteriorating network condition. While resurfacing program underperformance may have been a factor, internal reporting indicates this deterioration was primarily attributed to resurfacing budgets being insufficient to create a sustainable (i.e. stable) road condition.

From 2021-22 the quality and condition of the ACT road network was reported with reference to the *Pavement Condition Index score of Territorial roads* Strategic Indicator. A Pavement Condition Index score was not available for 2024-25. The Pavement Condition Index score was removed as a Strategic Indicator as part of the 2026-27 ACT Budget process. This means that there is no Strategic Indicator or Accountability Indicator relevant to the condition and quality of roads in the ACT.

The lack of a Pavement Condition Index score limits Roads ACT’s ability to provide assurance that its resurfacing strategy is delivering ‘a sustainable level of road maintenance and corrective works ... where the overall condition of the network remains static over the longer term’ and hampers public accountability.

The new resurfacing strategy seeks to increase the amount of asphalt resurfacing relative to bituminous reseal. Asphalt resurfacing is a more expensive treatment, but has greater longevity. The new resurfacing strategy also seeks to adjust the balance of asphalt relative to bituminous reseal at the sub-network level (i.e. between the Territorial and Municipal sub-networks). However, it is apparent that:

- the overall area of asphalt (relative to that of bituminous reseal) has not increased substantially in the first two full years of the new resurfacing strategy; and
- the ratio of asphalt to reseal has not improved towards the sub-network ratios identified in the November 2022 business case.

In the first two years of the new resurfacing strategy (2023-24 and 2024-25) there has been mixed success in the achievement of the strategy’s performance goals. There has been an overall increase in resurfacing and Territorial and Municipal sub-network resurfacing targets have been met. However, this has been achieved through bituminous reseal as opposed to asphalt. The continuing use of bituminous reseal may not have an immediate consequence for the Pavement Condition Index, but it is likely to have a longer-term consequence for the Pavement Condition Index and road network generally (and Municipal sub-network specifically).

Key findings



Strategic and operational planning

Paragraph

Strategic planning

The *Roads ACT Strategic Asset Management Plan* (2018) was developed to provide strategies for maintaining, rehabilitating, renewing and growing relevant assets and their components. The Plan was identified as a three-year plan (2018 to 2021) but has not been updated since it was first developed. Governance arrangements for the management of the Plan (and other strategic asset management plans) in the former Transport Canberra and City Services Directorate were ineffective. Annual reviews of the Plan did not occur and a biennial review of the *Strategic Asset Management Framework* in November 2022 by the former TCCS Executive Board was cursory. It was concerned with the existence of strategic asset management plans for major asset classes across the directorate, but not their effectiveness.

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Between 2021 and 2022 the ACT Government contemplated and resolved a new strategic approach to road maintenance; the *Strategic Road Maintenance and Renewal Program*. The new resurfacing strategy sought to address the issue that the 'ACT's road surfaces and pavement structure is deteriorating at a faster rate than is offset by current maintenance and rehabilitation levels'. The new resurfacing strategy was supported by increased funding through the 2022-23 mid-year budget review of \$39.5 million over the three years to June 2026 followed by ongoing annual funding.

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Strategic Road Maintenance and Renewal Program

The Minister for Transport and City Services provided a statement to the Assembly on the new resurfacing strategy on 8 February 2023 and through media releases on 7 December 2022 and 20 September 2023. Key elements of the new resurfacing strategy include *inter alia*:

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- a 52 per cent increase in expenditure on road maintenance;
- a continued primary focus on preventative bituminous resealing and a '150 per cent increase in asphaltting'; and
- overall growth of total resurfacing meterage, from 1 million to 1.26 million sqm.

The key elements of the *Strategic Road Maintenance and Renewal Program* were outlined in the Cabinet submissions relevant to road resurfacing between 2021 and 2022. These were consolidated into a 68-page strategy document that was finalised on 27 September 2024, the purpose of which was to assist future Roads ACT staff in understanding the rationale and evidence developed for the *Strategic Road Maintenance and Renewal Program*. Unlike other jurisdictions, the documented Program is not publicly available. Furthermore, there is not yet any progress within Roads ACT on a strategy or program to succeed the current *Strategic Road Maintenance and Renewal Program*.

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The Pavement Condition Index has been central to annual Pavement Management System reports produced by ARRB on behalf of Roads ACT since at least 2013. Annual ARRB Pavement Management System reports: 3.58

- specify road condition settings and provide a rationale for those settings;
- model hypotheses, e.g. by examining the effect of different assumptions based on either specified budgets or a predicted Pavement Condition Index range; and
- produce provisional line-by-line works programs for the next ten years, once a preferred hypothesis had been resolved.

In December 2020 Pavement Condition Index modelling was undertaken for 2020 to 2029 with reference to six different funding scenarios (budgets of \$7 million to \$40 million per annum). The December 2020 report identified that the Pavement Condition Index would deteriorate through to 2024, but that in all six scenarios the Pavement Condition Index would improve from 2024 (with greater improvements seen in the higher budget scenarios, specifically the \$12 million, \$20 million and \$40 million budget scenarios). Further analysis was conducted in September 2021 with reference to four different funding scenarios (a budget of \$10 million per annum through to an unlimited budget). In contrast to the 2020 report, condition deterioration was no longer 'locked in' over the next four years and a stable condition of 'fair' was modelled over ten years, with only an 'unlimited budget' yielding discernible improvement towards the 'good' band by 2028. 3.59

A review of the Pavement Condition Index methodology, as described in each year's ARRB report between 2018 and 2024, shows there were changes to the Pavement Management System settings over this period. It is likely that changes in the first half of 2021 that led to a re-basing of the Pavement Condition Index in the September and December 2021 ARRB reports were the result of technical and tactical decisions by engineers at ARRB and Roads ACT, which officials referred to as exercising 'engineering judgement'. 3.60

Roads ACT's changes to Pavement Management System settings introduced a higher level of service for the management of roads. Road condition parameters which were previously categorised as 'fair' were categorised as 'poor'. In addition, treatments would be earlier, with the treatment trigger being when the roughness indicator falls into the 'fair' band rather than waiting and falling into the 'poor' band. The change in settings amounts to an intention to achieve a higher level of service. 3.67

A review of the Pavement Management System settings in ARRB annual reports from 2018 to 2024 shows that: weightings (for the cracking and roughness indices) were changed between the 2018 and 2020 reports; and weightings (for cracking, skid, and roughness) were changed again in the 2021 report. Weightings have remained the same since the 2021 report and condition parameters and the trigger points for specific treatment interventions have remained the same since the January 2023 report. As a result, reported Pavement Condition Index results since February 2023 (2.34 being 'fair' in August 2023 and 2.43 being 'fair' in May 2024) are more likely to 3.73

reflect road surface conditions and less likely to be the result of Pavement Management System changes.

Prior to 2022-23, when the *Percentage of Territorial roads in good condition* Strategic and Accountability Indicator was measured with reference to roughness, Roads ACT was publicly explicit about what roughness meant: a 'good' road having a roughness score of less than 4.2 IRI. However, since 2022 there has been no public statement by Roads ACT as to: what 'fair' means for the five condition parameters comprising the Pavement Condition Index; and what the trigger points are for treatments. Victoria makes such level of service information public as it assists in enabling 'customers to assess the suitability, affordability and equity of the services offered'.

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Increasing use of asphalt

The new resurfacing strategy proposes an increase from 1 million to 1.268 million sqm of resurfacing a year. The strategy also seeks to:

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- achieve more reseal treatment (by sqm) for the Municipal sub-network and more asphalt (by sqm) for the Territorial sub-network compared to the previous approach; and
- increase the use of asphalt by 2.4 times (i.e. an increase of 140 per cent) while increasing the level of reseal (by 7 per cent) across the whole network, compared to the old approach.

In response to the draft proposed report Roads ACT advised that they are average figures over the ten-year period between 2022 and 2031 and that the level of increased focus on asphalt is based on a forecast ten-year average.

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Under the new resurfacing strategy Roads ACT continues to have the following two Accountability Indicators: *annual percentage of Territorial roads resurfaced (by sqm)*; and *annual percentage of Municipal roads resurfaced (by sqm)*. Agreed targets for the two Accountability Indicators are: Territorial sub-network (from six to seven per cent of the sub-network per year, i.e. a new frequency of once every 14.2 years on average); and Municipal sub-network (from three to four per cent of the sub-network per year, i.e. a frequency of once every 25 years on average). The new resurfacing Accountability Indicator targets are not explicit about the use of bituminous reseal versus asphalt, although in practice nearly all the area of resurfacing achieved historically relates to bituminous reseal and not asphalt. There is a risk that the Accountability Indicator targets may work against the goal of achieving more asphalt resurfacing.

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Roads ACT is now capitalising 39 per cent of its resurfacing activity and expensing the balance. As part of this approach Roads ACT:

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- has not satisfactorily documented the rationale for accounting for some of its resurfacing activity as capital expenditure and the balance through recurrent expenditure; and
- has not completed all the work originally envisaged as being necessary to efficiently and effectively capitalise the road *surface* asset, such as

the componentisation of the asset in Assetic. Componentisation would enable the differential useful life of the road surface and road base to be recognised. This remains 'work-in-progress'.

Operational planning

Roads ACT developed a *Roads ACT 2023-24 Business Plan* and a *Roads ACT 2024-25 Business Plan*. *Strategic Road Maintenance and Renewal Program* activities were reflected in both years' plans. Roads ACT officers advised that the business plan is not used to actively plan for, or monitor, the business unit's activities and it is a guiding document to revisit and reset competing priorities and to maintain visibility over longer term intentions and goals. A Roads ACT manager advised that the business plan might be looked at biannually, but that this was an 'informal' review without any form of rigor or record. Notwithstanding the limitations of the business plans Roads ACT officers effectively described, and provided suitable artefacts to demonstrate, how weekly, monthly and seasonal works programs are developed and delivered.

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Road maintenance operations

Roads ACT administrative arrangements

In recent years Roads ACT's resurfacing activities have been impacted by a series of external and internal challenges. External challenges have included three successive La Niña weather cycles and industry skills and experience shortages. Internal challenges have arisen from a protracted workforce planning process, which has resulted in organisational changes. The *Roads ACT Workforce Project* examined Roads ACT's current operating model and identified potential future operating models to be achieved through business transformation processes. The project evolved into a substantial redesign of teams, structures, functions and ways of working. A business-unit restructure commenced in 2022, which then went through a further iteration in 2023. According to Roads ACT it remained a 'work in progress' at the end of 2024.

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The Asphalt team in the Works Branch undertakes preparatory patching and asphalt resurfacing. These are all activities that may be, and have been in the past, undertaken by outsourced contractors. The Asphalt team is in the early stages of rebuilding its capacity and capability. Its business planning is embryonic and its scheduling is for the short-term only. It does not yet have an established track record of work across the full year. In 2024-25 it completed 4.3 per cent in value of the total resurfacing program.

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The relatively small Routine Maintenance team in the Works Branch undertakes cold mix pothole filling. During periods of peak activity the team's resources have been supplemented from other Works teams. A large number of potholes in ACT's roads were reported and fixed between October 2020 and May 2023, which spanned three successive La Niña years. Following Assembly attention to the matter in October 2022 Roads ACT responded with a pothole 'blitz'. By May 2023 the backlog had been addressed and a normal volume of potholes was being reported and responded to.

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The development and delivery of the resurfacing program is the responsibility of the Road and Path Network Branch. The branch does not have documented policies or procedures for the specification of levels of service and how level of service changes are proposed and approved. The lack of procedural documentation means there is a high reliance on individual experience and professional judgement. Such 'professional judgement' undermines quality control over the process and works against building interoperability within teams and individual members of the team.

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Data systems and standards

The Road and Path Network Branch and the in-house Works teams use a combination of proprietary systems and generic tools (e.g. spreadsheets) to manage their activities. Within the teams there is widespread use of spreadsheets for program management purposes. Spreadsheet tools require a lot of manual data entry, validating, cleaning and analysis to mitigate the risk of data loss and other errors. The teams are not yet fully exploiting the benefits of the asset management system Assetic, which was implemented in 2021.

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Development and delivery of the resurfacing program

The identification of Territorial sub-network roads for resurfacing is based on the output from the ARRB-administered dTIMS® Pavement Management System. In 2023-24 95 roads in the Territorial sub-network were prioritised for some form of treatment. A significant number of these roads (70) were not packaged and contracted. Nearly all of these roads were de-selected by the Road and Path Network Branch. Conversely, seven of the 31 roads whose treatment was completed were not prioritised via the Pavement Management System. While the Pavement Management System prioritisation process is a reasonable starting point, significant subsequent program development activities are undertaken and these produce a different program.

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The identification of Municipal sub-network roads for resurfacing follows a similar process to the Territorial sub-network, except that it is predicated on a manual analysis of available data (instead of data from the dTIMS® Pavement Management System). In 2023-24 initial prioritisation was the result of analysis of a third of the sub-network (an estimated 2,044 roads) that resulted in 214 roads being targeted for further investigation. A significant number of these roads (142) were not shortlisted for packaging and contracting following further validation activities. An additional 80 roads not identified through the manual data analysis process were also packaged, contracted and completed. While the data analysis process is a reasonable starting point, significant subsequent program development activities are undertaken and these produce a different program.

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Recording reasons for programming changes assists program evaluation and future programming. For 2023-24, the Road Resurfacing Program master spreadsheet, which was relevant to both Territorial and Municipal roads, identified that for 421 roads that were initially identified as a priority for resurfacing: 200 were completed; and 221 were 'deferred'. This means they were initially selected but not completed

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and possibly not packaged or contracted. For 95 of the 221 roads that were 'deferred' (43 per cent) there was no recorded reason for their deselection. For roads that were added to the program after the initial prioritisation process, and for which there was no commentary in the spreadsheet of the reason for their addition, Roads ACT Officials were able to identify reasons for the additional of Municipal roads, being:

- a carryover from the previous year;
- nearby roads that had not been resurfaced for a long time; and
- on bus routes that were showing distress, following a bus route inspection process.

Procurement of resurfacing suppliers

The current *Road and path maintenance panel* (Contract No. 31012-NCT-001) was established in November 2021. Under the new panel there are three suppliers, two of which have received contracts worth \$46.86 million and \$44.94 million, while a third has received contracts worth \$10.82 million. This contrasts with the former panel arrangement, under which one supplier received contracts worth \$53.84 million, while the only other supplier received contracts worth \$8.4 million. The new panel has created greater breadth in the local supplier base and all other things being equal (e.g. discounting price escalation or changes in demand) the new panel has created more competitive tension between suppliers. This can be expected to provide the Territory with keener pricing and more resilience should one supplier be unable to respond to an RFQ. 4.92

Deeds associated with the current *Road and path maintenance panel* (Contract No. 31012-NCT-001) were first executed in November 2021 and the two-year contracts with the three suppliers were extended in November 2023. The decision to extend the panel arrangement in November 2023 was time-constrained. Roads ACT assessed the performance of each of the three resurfacing contractors and discussed performance with the contractors after each year's resurfacing program. 4.100

Roads ACT officials effectively consider, and account for, VFM during the RFQ process. However, there are opportunities to improve with respect to approaching the market earlier to avoid time pressure to secure the delegate's approval and issue Work Orders. 4.108

Quality assurance

The Road and Path Network Branch is building team capability for surveillance and inspection of resurfacing work. Currently, there is no specific, documented standard operating procedure for quality assurance. In the absence of such a procedure there are a set of controls and 'hold points', from the resurfacing design through to construction and post-construction inspection. A review of documentary evidence of eight audit checks relevant to reseal resurfacing and five checks relevant to asphalt resurfacing for 16 selected roads showed that timely surveillance work had been undertaken at the various points between design submission and post 4.119

completion inspections. There is appropriate evidence of quality controls being applied, of these detecting errors and of errors being rectified.

Performance reporting

Reporting (2017 to 2022)

Through to 2021-22, the former Transport Canberra and City Services Directorate reported on the performance of roads (and road resurfacing specifically) through a range of Strategic and Accountability Indicators presented in statements of performance and annual reports. The reporting provides information on annual targets and results and, in certain circumstances, narrative to assist public interpretation of targets and results. Annual reports have also included commentary on *Annual resurfacing coverage across the sealed road network* (in sqm). 5.11

Roads ACT has internally reported on the performance of roads (and road resurfacing specifically) through various documents such as: the *Roads ACT Strategic Asset Management Plan* (2018); annual ARRB reports (2018 to 2024) on the operation of the Pavement Management System; and the *Strategic Road Maintenance and Renewal Program* strategy document (2024). While the *percentage of Territorial roads in good condition* Strategic and Accountability Indicator (based on a road's roughness) was reported as 87 or 90 per cent, a wider range of condition parameters suggested a different perspective; that of a 'fair' but gradually deteriorating network condition. While resurfacing program underperformance may have been a factor, internal reporting indicates this deterioration was primarily attributed to resurfacing budgets being insufficient to create a sustainable (i.e. stable) road condition. 5.32

Reporting (2022 to 2025)

The Transport Canberra and City Services Directorate's annual reporting against the Strategic and Accountability Indicators since 2022 provides a generally positive picture of performance since the introduction of the new resurfacing strategy in February 2023, although there are some exceptions. The *Pavement Condition Index score of Territorial roads* Strategic Indicator has remained better than the mid-point of 'fair' (2.5). 5.42

A Pavement Condition Index score is not available for 2024-25. Roads ACT has not obtained a report from ARRB with the Pavement Condition Index score for 2024-25, nor is there a contract in place (with ARRB or any other provider) for the provision of Pavement Management System reports (as at August 2025). The lack of a Pavement Condition Index score limits Roads ACT's ability to provide assurance that its resurfacing strategy is delivering 'a sustainable level of road maintenance and corrective works [...] where the overall condition of the network remains static over the longer term' and hampers public accountability. 5.43

The *Pavement Condition Index score of Territorial roads* has since been removed as a Strategic Indicator as part of the 2026-27 ACT Budget process. This means that 5.44

there is no Strategic Indicator (or Accountability Indicator) related to the condition of roads or the road network in the ACT.

The new resurfacing strategy seeks to increase the amount of asphalt resurfacing relative to bituminous reseal. The new resurfacing strategy also seeks to adjust the balance of asphalt relative to bituminous reseal at the sub-network level (i.e. between the Territorial and Municipal sub-networks). A review of the ratio of asphalt to bituminous reseal by area between 2020-21 and 2024-25 shows that the overall area of asphalt (relative to that of reseal) has not increased substantially in the first two full years of the new resurfacing strategy. The ratio of asphalt to reseal (by area) was 14:86 in 2023-24 and 17:83 in 2024-25 compared to 17:83, 22:78 and 7:93 in the preceding three years (an average 15:85).

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In response to the draft proposed report Roads ACT advised that the figures are an average over the ten-year period between 2022 and 2031 and that the level of increased focus on asphalt is based on a forecast ten-year average.

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Based on 2023-24 and 2024-25 data it is evident that the ratio of asphalt to reseal has not yet improved towards the sub-network ratios identified in the November 2022 business case. Territorial sub-network bituminous reseal resurfacing is still accounting for more of the total network area of resurfacing than expected.

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A review of expenditure associated with asphalt and reseal treatments in 2023-24 and 2024-25 shows expenditure on reseal treatment has been significantly higher (+34.9 per cent and +67.6 per cent respectively) than was intended based on business case assumptions associated with budget, unit cost and treatment ratios. Conversely expenditure on asphalt treatment has been significantly lower (-26.6 per cent and -43.5 per cent respectively). In response to the draft proposed report Roads ACT advised that the initial focus of the program has been on reseal treatment.

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In the first two years of the new resurfacing strategy (2023-24 and 2024-25) there has been mixed success in the achievement of the strategy's performance goals. There has been an overall increase in resurfacing and Territorial and Municipal sub-network resurfacing targets have been met. There has not yet been an overall increase in the use of asphalt, nor have expected reseal versus asphalt ratios been achieved yet for either the Territory or Municipal sub-network.

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Recommendations

Recommendation 1

Strategic Asset Management Plan (SAMP)

The City and Environment Directorate should develop and implement a Strategic Asset Management Plan that encompasses road surface asset maintenance. The Directorate should ensure the Plan is reviewed and updated in accordance with the requirements of the Strategic Asset Management Framework.

Recommendation 2 Road resurfacing strategy

The City and Environment Directorate should:

- a) review and update the road resurfacing strategy on a timely basis, in accordance with a current and agreed Strategic Asset Management Plan; and
- b) make the road resurfacing strategy publicly available.

Recommendation 3 Pavement Management System level of service

The City and Environment Directorate should:

- a) document its intended level of service for the road pavement and its consequence for the management of road resurfacing; and
- b) make the details of the level of service publicly available to the ACT community and interested stakeholders.

Recommendation 4 Territorial and Municipal road Accountability Indicators

The City and Environment Directorate should review the purpose and document the rationale for the continued use of the two indicators relating to the frequency of resurfacing of Municipal and Territorial roads.

Recommendation 5 Capitalisation or expensing of road resurfacing activity

The City and Environment Directorate should document the rationale for capitalising or expensing its road resurfacing activity and in doing so document how the road surface asset's useful life is calculated.

Recommendation 6 Roads ACT annual business plan

The City and Environment Directorate should implement annual business planning processes that include:

- a) development of annual business plans for business units in a timely manner; and
- b) ongoing and documented review of activities identified in business plans during the year.

Recommendation 7 Asphalt team

The City and Environment Directorate should prepare and document an annual *operating plan* for the Asphalt team in the Works Branch.

Recommendation 8 Business system and data quality plans

The City and Environment Directorate should develop and implement business system and data quality improvement plans for the systems used to manage its resurfacing activities.

Recommendation 9 Documentation of policy and practice

The City and Environment Directorate should review all aspects of its resurfacing strategy and its implementation for opportunities to improve the documentation of policy, procedure and practice. Prioritisation of areas for improvement should include:

- a) Municipal sub-network road selection;
- b) program validation activities prior to program finalisation; and
- c) reasons for the addition and removal of roads (or road sections) before and after program finalisation.

Recommendation 10 Panel planning

The City and Environment Directorate should review its *Road and Path Maintenance Panel* by:

- a) planning ahead for its panel procurement activities (i.e. more than 12 months ahead) of the shortest possible (contracted) panel duration; and
- b) considering and documenting the overall achievement of VFM with the panel.

Recommendation 11 Quality assurance procedures and practice

The City and Environment Directorate should document its procedures and learnings from its practices with respect to quality assurance over its road resurfacing activities.

Recommendation 12 Public reporting on the quality and condition of ACT roads

The City and Environment Directorate should publicly report on the condition of the road network in the ACT through relevant Strategic Indicators(s) and Accountability Indicator(s). Public reporting should be meaningful and informative to the ACT community and address both Territorial and Municipal roads.

Agency response

In accordance with subsection 18(2) of the *Auditor-General Act 1996*, the City and Environment Directorate was provided with a draft proposed report for comment. All comments in response to the draft proposed report were considered and changes were reflected in a final proposed report.

The City and Environment Directorate was provided with the final proposed report for comment. All comments in response to the final proposed report were considered and changes reflected in a final report.

As part of the final proposed report process, the City and Environment Directorate was invited to provide comments for inclusion in the Summary chapter of the final report. No comments were provided for inclusion in this Summary chapter.