



Parliamentary Budget Office

Victorian road network maintenance and repair

Expenditure on state- and local council-
managed road assets

OFFICIAL

Parliamentary Budget Office

We provide independent fiscal, economic and financial advice to all members of the Parliament of Victoria. Our objective is to inform policy development and public debate in parliament and the community.

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In brief

Victoria's road network is composed of several asset types, including road surfaces and pavements, bridges, and traffic control systems. As the condition of road assets inevitably declines due to use and exposure to the elements, maintenance and repair activities are critical to the safe and effective operation of the network.

We estimate that there are around 222,000 kilometres of roads in Victoria, with the Victorian Government and local councils responsible for different parts of the road network.

Figure 1 – Victorian road network responsibilities

Length (kilometres)	Department of Transport and Planning	Department of Energy, Environment and Climate Action	Local councils	Total
Eastern Victoria	3,400	19,600	12,800	35,800
Northern Victoria	8,300	26,300	47,200	81,800
Western Victoria	8,200	13,900	48,800	70,900
Total regional Victoria	19,900	59,800	108,900	188,600
Total metropolitan Melbourne	4,600	3,400	25,400	33,400
Total Victoria	24,500	63,300	134,200	222,000

Notes: Values have been rounded to the nearest hundred and may not sum due to this rounding. Department of Energy, Environment and Climate Action values include Parks Victoria assets.

Source: Parliamentary Budget Office.

Almost 85% of Victoria's road network (by length) is in regional Victoria. The Department of Transport and Planning has primary responsibility for around 11% of the network. These roads are mostly freeways and arterials that carry most of Victoria's road traffic.

The Department of Energy, Environment and Climate Action and Parks Victoria are responsible for another 28% of the Victoria's road network. These are mostly minor roads and tracks through state parks and forests that are not accessible to the public.

Local councils manage around 60% of the network, mostly local (or municipal) roads that distribute traffic and provide access to properties or public land.

Victorian Government expenditure

We assessed Department of Transport and Planning expenditure on road asset management activities, based on information in annual reports, submissions to Public Accounts and Estimates Committee inquiries, and the Victorian Budget. We only consider Department of Transport and Planning expenditure as there is limited publicly available information on Department of Energy, Environment and Climate Action and Parks Victoria expenditure on road asset maintenance and repair.

Figure 2 – Department of Transport and Planning road asset management expenditure

(\$ million)	2020–21	2021–22	2022–23	2023–24
Regional Victoria	459.8	393.0	461.6	282.7
Metropolitan Melbourne	338.2	239.7	294.7	265.6
Statewide	160.5	97.9	181.4	314.9
Total	958.4	730.6	937.7	863.2

Note: 'Statewide' includes expenditure that we could not allocate to either regional Victoria or metropolitan Melbourne.

Source: Parliamentary Budget Office.

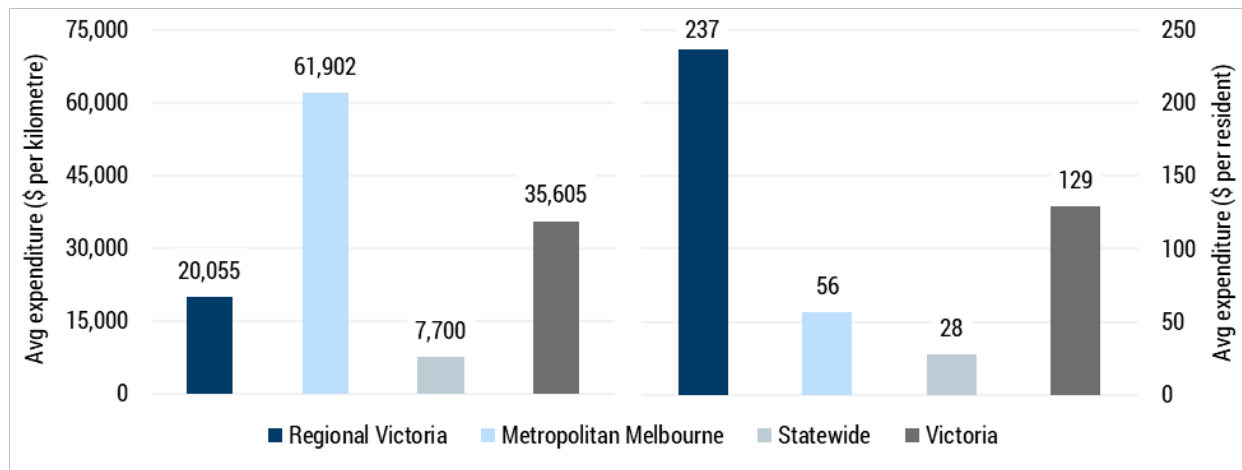
From 2020–21 to 2023–24, we estimate that the Department of Transport and Planning spent an average of:

- \$399.3 million per year on road asset management activities in regional Victoria, or 46% of total expenditure
- \$284.5 million per year on road asset management activities in metropolitan Melbourne, or 33% of total expenditure
- \$188.7 million per year on statewide road asset management activities.

Expenditure per kilometre and per person

We considered total Department of Transport and Planning road asset management expenditure on per kilometre of managed road and per resident bases.

Figure 3 – Average annual Department of Transport and Planning road asset management expenditure, 2020–21 to 2023–24



Note: 'Statewide' includes expenditure that we could not allocate to either regional Victoria or metropolitan Melbourne.

Source: Parliamentary Budget Office.

Between 2020–21 and 2023–24, we estimate the Department of Transport and Planning spent an annual average of:

Victorian road network maintenance and repair

- \$35,605 per kilometre on road asset management activities in Victoria, with expenditure per kilometre on metropolitan Melbourne roads being more than 3 times the expenditure per kilometre on regional Victorian roads
- \$129 per Victorian resident on road asset management activities, with expenditure on regional Victorian roads per regional Victoria resident being more than 4 times the expenditure on metropolitan Melbourne roads per metropolitan Melbourne resident.

Local council expenditure

We assessed local council expenditure on road asset maintenance and repair, based on Victorian Local Government Grants Commission data.

Figure 4 – Local council road asset maintenance and repair expenditure

(\$ million)	2020–21	2021–22	2022–23	2023–24
Eastern Victoria	77.5	90.7	106.7	119.9
Northern Victoria	149.3	151.4	135.7	189.8
Western Victoria	191.1	181.3	179.7	217.5
Total regional Victoria	418.0	423.4	422.1	527.2
Total metropolitan Melbourne	277.0	279.4	307.7	348.4
Total Victoria	695.0	702.8	729.8	875.6

Source: Parliamentary Budget Office.

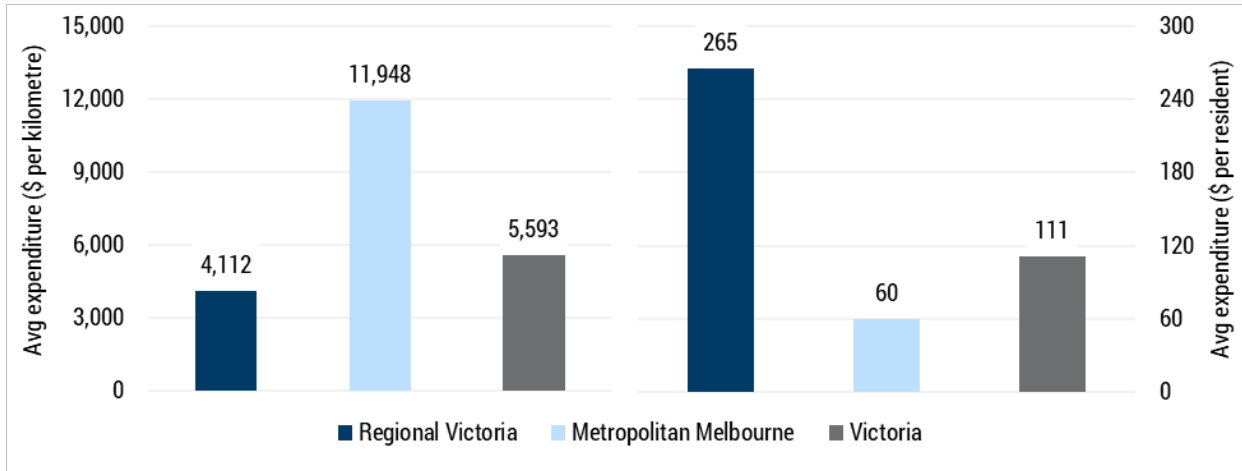
From 2020–21 to 2023–24, we estimate that Victorian local councils spent an annual average of:

- \$447.7 million on road asset maintenance and repair in regional Victoria, composed of:
 - \$98.7 million expenditure in Eastern Victoria
 - \$156.6 million expenditure in Northern Victoria
 - \$192.4 million expenditure in Western Victoria
- \$303.1 million on road asset maintenance and repair in metropolitan Melbourne, which was 40% of the total Victorian local council spend on road asset maintenance and repair over the period.

Expenditure per kilometre and per person

We considered total local council road asset maintenance and repair expenditure on per kilometre of managed road and per resident bases.

Figure 5 – Average annual local council road asset maintenance and repair expenditure, 2020–21 to 2023–24



Source: Parliamentary Budget Office.

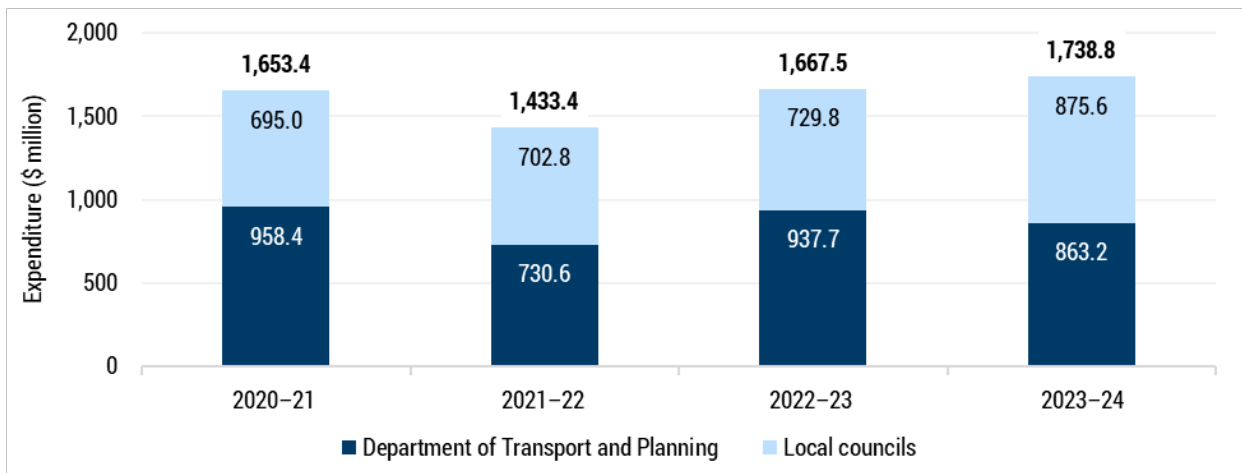
Between 2020–21 and 2023–24, we estimate that Victorian local councils spent an annual average of:

- \$5,593 per kilometre on road asset maintenance and repair activities in Victoria, with metropolitan Melbourne councils’ expenditure per kilometre on metropolitan Melbourne roads being almost 3 times regional Victorian councils’ expenditure per kilometre on regional Victorian roads
- \$111 per Victoria resident on road asset maintenance and repair activities, with regional Victorian councils’ expenditure per resident on regional Victorian roads being more than 4 times metropolitan Melbourne councils’ expenditure per resident on metropolitan Melbourne roads.

Total government expenditure

We assessed total government road asset maintenance and repair expenditure on a per level of government basis.

Figure 6 – Victorian road asset maintenance and repair expenditure



Source: Parliamentary Budget Office.

Victorian road network maintenance and repair

From 2020–21 to 2023–24, we estimate that annual expenditure on Victorian road asset maintenance and repair averaged \$1,623.3 million per year. This was composed of:

- \$872.5 million per year by the Department of Transport and Planning
- \$750.8 million per year by Victorian local councils.

About this request

Request

On 23 March 2023, Mrs Rikkie-Lee Tyrrell MP, Member for Northern Victoria, asked the Parliamentary Budget Officer to provide independent advice about spending on the maintenance and repair of Victoria's roads.

This advice should assess spending on state-managed and council-managed roads, spending on metropolitan and regional roads, and, where possible, spending on roads in Northern, Eastern and Western Victoria. This advice should consider total spending, spend per kilometre and spend per capita. The advice should also include a summary of public assessments of Victorian roads' repair and maintenance needs.

Scope

In this advice we consider government expenditure on the maintenance and repair of Victoria's road network. We assess:

- the Victorian road network, including its size, its maintenance and repair requirements, and the responsible entities
- road asset management performance measures and progress against them
- Victorian Government expenditure
- Victorian local council expenditure.

We break down expenditure by type (i.e. output or asset for government expenditure, and maintenance or capital renewal for council expenditure).

Where possible, we also break down expenditure by location:

1. Regional Victoria:
 - a. Eastern Victoria
 - b. Northern Victoria
 - c. Western Victoria
2. Metropolitan Melbourne.

In addition to the total amount of expenditure, we also consider expenditure per kilometre and expenditure per resident.

Limitations

This advice refers to Victorian local council-managed road assets and Victorian Government-managed road assets. Victorian Government-managed road assets include assets managed by the Department of Transport and Planning, the Department of Energy, Environment and Climate Action, and Parks Victoria. However, our advice only considers Department of Transport and Planning expenditure as there is limited publicly available information on Department of Energy, Environment and Climate Action and Parks Victoria expenditure on road asset maintenance and repair.

To prepare the advice, we sought information on road maintenance and repair expenditure from the Department of Transport and Planning, but the response was marked as confidential. As a result, we have relied on publicly available information to derive estimates of Department of Transport and Planning expenditure. We were only partially successful in using this information to break down Department of Transport and Planning expenditure into regional and metropolitan expenditure, and were unable to break down regional expenditure into expenditure for Eastern, Northern and Western Victoria.

Further, our Department of Transport and Planning estimates are based on analysis of the department's road asset management output. We do not assess expenditure on other departmental outputs, including road operations, which includes funding to improve road safety and network performance.

Our estimates of Department of Transport and Planning expenditure are sensitive to:

- changes in road maintenance and rehabilitation unit costs and cost escalation rates
- the types of maintenance and repair activities undertaken by the Victorian Government and local councils
- the type and length of road maintained and repaired.

Where possible, this advice breaks down expenditure by location. Our definitions of these locations are based on local government area (LGA) and state electoral region boundaries:

- For metropolitan Melbourne, we used the Victorian Government's definition of this area, which specifies 31 LGAs. This aligns with the Department of Transport and Planning's Inner Metropolitan and Greater Metropolitan road maintenance regions. Consequently, the Cardinia, Mornington Peninsula and Yarra Ranges LGAs are included in metropolitan Melbourne, even though they are predominantly located in the Eastern Victoria electoral region. Excluding these 3 LGAs from our Eastern Victoria calculations significantly reduces the size of its road network, resident population, and road asset maintenance and repair expenditure.
- For regional Victoria, we classified the remaining LGAs by state electoral region. Where a LGA is served by more than one electoral region, we chose the region where we estimated the majority of the LGA's population is located.

Attachment B provides a list of all 79 Victorian LGAs and the location in which we have classified them.

Local council expenditure on road asset maintenance and repair is partially funded by Australian Government and Victorian Government grants. We have not subtracted the value of relevant Victorian Government grants to local councils from total council expenditure on road asset maintenance and repair. We have instead detailed the value of these grants to Victorian local councils in this advice.

Our analysis of local council-managed road assets, expenditure and grants received relies on publicly available data from the Victorian Local Government Grants Commission. However, the Victorian Local Government Grants Commission collects this data from each local council annually and does not guarantee that it is free from error. Some of the data appears to be incomplete. For example, the Victorian Local Government Grants Commission data for 2023–24 does not include any road asset maintenance expenditure for Colac Otway, Melton, Wangaratta and Wyndham LGAs.

Further, some of the Victorian Local Government Grants Commission data can appear to be inconsistent. For example, in 2022–23, the commission’s data indicates that Victorian local councils reported a total of \$247,290,113 in Australian Government Financial Assistance Grant – Local Roads funding. However, the commission also reports that Australian Government Financial Assistance Grant – Local Roads Grants allocations to Victorian local councils in 2023–24 totalled \$187,001,183. This difference could be due to local councils attributing to Local Roads funding:

- other Australian Government grants
- Victorian Government grants
- other revenue sources.

Figure 7 details the difference between council-reported Local Roads Grants and actual Local Roads Grants funding.

Figure 7 – Victorian local councils’ local roads grants

(\$ million)	2020–21	2021–22	2022–23	2023–24
Local Roads Grants allocated to councils	164.7	173.8	187.0	197.8
Local Roads Funding reported by councils	162.3	220.7	247.3	26.5
Difference	2.4	-46.9	-60.3	171.3

Sources: Victorian Local Government Grants Commission and Parliamentary Budget Office.

Road asset maintenance and repair activities and expenditure are a function of many variables, including the age, usage and location of the road assets. For example, new assets are likely to incur low maintenance and repair costs while older assets, especially those that have surpassed their effective useful life, are likely to incur higher maintenance and repair costs. Assets that cater for low levels of traffic are likely to require less frequent maintenance and repair activities than assets that cater for high levels of traffic. Maintenance and repair of assets in remote and regional locations is likely to be more expensive and difficult to coordinate than the maintenance and repair of assets in metropolitan areas. Further, adverse weather events, such as floods, can be a significant cause of emergency maintenance and repair works.

Finally, expenditure per kilometre can be a misleading measure as road length is not necessarily a good measure of size or importance. For example, one kilometre road in Victoria could refer to a segment of local road in regional Victoria or to a segment of 4-lane freeway in metropolitan Melbourne. These road assets have significantly different maintenance and repair requirements, which have corresponding costs. Consequently, road asset management costs are generally expressed in per square metre or per lane kilometre terms.

We prepared this advice on 5 August 2025.

Victoria's road network

In this section

This section provides an overview of Victoria's road network, including:

- a description of its road assets
- which entities are responsible for different aspects of the network
- its size, by road length and number of bridges
- its maintenance and repair requirements.

Road assets

Victoria's road network is composed of several asset types, including:

- surfaces – the top layer on which road traffic travels, which can be either:
 - sealed, e.g. asphalt, concrete, tarmac, chipseal or sprayed seal surfaces
 - unsealed, e.g. rock or gravel surfaces
 - natural, i.e. consisting of locally available earth material
- pavements – the structural layers of crushed rock, gravel and other materials on which road surfaces lie
- formations – the finished earthworks on which road pavements lie
- bridges and culverts – which separate road traffic from water courses and facilitate drainage
- sound barriers – which attempt to redirect sound that is emanating from road traffic
- traffic control systems – which includes passive elements such as road signs, markings and safety barriers, and active elements such as traffic lights.

The Victorian Auditor General's *Maintaining State-Controlled Roadways* report, published in 2017, stated that road pavements (and surfaces) represented:

- 48% of the value of VicRoads' road assets
- 56% of VicRoads' road maintenance expenditure.

Responsibilities

The Victorian Government, particularly the Department of Transport and Planning, shares responsibility for management and operation of the Victorian road network with local councils. Responsibility for each public road asset is generally based on the road type and location.

Victorian Government

The Department of Transport and Planning states that they are responsible for the management of over 23,000 kilometres of public roads in Victoria. These declared roads are composed of:

- freeways
- arterial roads
- a small number of non-arterial roads, such as the Sneydes Road overpass in East Werribee.

There are some exceptions to this:

- concession holders are responsible for privately operated freeways, such as CityLink, EastLink and Peninsula Link
- local councils are responsible for service roads and pathways along all arterial roads
- local councils are additionally responsible for the roadsides of arterial roads in urban areas.

The Department of Energy, Environment and Climate Action and Parks Victoria are also responsible for the management of significant road assets, including over 50,000 kilometres of minor roads and tracks through state parks and forests. While most of these government-managed roads have unsealed or natural surfaces and restricted access, approximately 2,500 kilometres of these roads are regarded as public roads.

Victorian local councils

Apart from maintaining service roads and pathways for arterial roads, and the roadside for urban arterial roads, each local council in Victoria is also responsible for managing local (or municipal) roads located within their LGAs. Local roads are composed of:

- sub-arterial roads – which link arterial roads to local areas
- collector roads – which distribute traffic to local street systems
- access roads – which provide direct access to properties or public land.

Local roads include roads with sealed surfaces, and roads with unsealed and natural surfaces. The Victorian-Auditor General's Report, *Maintaining Local Roads*, published in 2021, found that 53% of local roads were unsealed, and that roads account for 10% of total local council expenditure.

Road length

We estimate that there are around 222,000 kilometres of roads in Victoria, excluding privately operated roads. Approximately 85% of this road length serves regional Victoria – the Northern and Western Victorian road networks each make up around a third of the entire network length.

Figure 8 – Victorian road network responsibilities

Length (kilometres)	Department of Transport and Planning	Department of Energy, Environment and Climate Action	Local councils	Total
Eastern Victoria	3,400	19,600	12,800	35,800
Northern Victoria	8,300	26,300	47,200	81,800
Western Victoria	8,200	13,900	48,800	70,900
Total regional Victoria	19,900	59,800	108,900	188,600
Total metropolitan Melbourne	4,600	3,400	25,400	33,400
Total Victoria	24,500	63,300	134,200	222,000

Notes: Values have been rounded to the nearest hundred and may not sum due to this rounding. Department of Energy, Environment and Climate Action values include Parks Victoria assets.

Source: Parliamentary Budget Office.

We estimate the Victorian Government, through the Department of Transport and Planning, has primary responsibility for around 24,500 kilometres of mostly freeways and arterial roads. These declared roads represent around 11% of Victoria's road network by length but carry most of Victoria's road traffic. Over 81% of this Department of Transport and Planning-managed road length is located in regional Victoria.

Through the Department of Energy, Environment and Climate Action and Parks Victoria, the Victorian Government is responsible for an estimated 63,300 kilometres of mostly minor roads and tracks. These roads represent around 28% of Victoria's road network by length, with almost 95% of this road length located in regional Victoria.

We estimate that Victorian local councils have primary responsibility for around 134,200 kilometres of Victorian roads, which represents around 60% of Victoria's road network by length. Over 81% of this local council-managed road length is located in regional Victoria.

Bridges

We estimate that the Victorian road network incorporates over 13,000 bridges. More than 81% of these bridges are located in regional Victoria.

Figure 9 – Responsibilities for Victorian road network bridges

(bridges)	Department of Transport and Planning	Department of Energy, Environment and Climate Action	Local councils	Total
Eastern Victoria	na	na	1,268	na
Northern Victoria	na	na	2,449	na
Western Victoria	na	na	3,352	na
Total regional Victoria	2,231	1,334	7,069	10,634
Total metropolitan Melbourne	983	93	1,343	2,419
Total Victoria	3,214	1,427	8,412	13,053

Notes: 'na' values are currently not publicly available. Department of Energy, Environment and Climate Action values include Parks Victoria assets.

Source: Parliamentary Budget Office.

The 2025–26 budget indicates that the Department of Transport and Planning has primary responsibility for 3,214 road network bridges in Victoria. We estimate that these bridges represent around 25% of the bridges serving Victoria's road network, with over 69% of these located in regional Victoria.

We estimate the Department of Energy, Environment and Climate Action and Parks Victoria are responsible for a further 1,427 bridges, which represent around 11% of the bridges serving Victoria's road network. More than 93% of these Department of Energy, Environment and Climate Action and Parks Victoria-managed bridges are located in regional Victoria.

We also estimate that Victorian local councils have primary responsibility for 8,412 bridges, which represent around 64% of the bridges serving Victoria's road network. Approximately 84% of these local council-managed bridges are located in regional locations, with just under half of these regional bridges located in Western Victoria.

Maintenance and repair

The condition of road assets inevitably declines due to use and exposure to the elements, particularly water.

Road defects

For roads, there are several key defect conditions, including cracking, rutting and roughness.

Figure 10 – Road defects

Defect type	Description	Causes	Solutions
Potholes	Bowl-shaped indents in the road surface	Water ingress through cracks in the road surface causing damage to the underlying pavement	Routine maintenance temporarily filling the hole with asphalt
Bitumen oxidisation	Road bitumen that hardens, becoming brittle	Exposure to sunlight, especially in hot, dry environments	Periodic maintenance resurfacing
Cracking:			
▪ Meandering	Branch-like cracks in the road surface	Traffic on aged roads	Rehabilitation restoring the road structural layer
▪ Crocodile	Interconnected cracks in the road surface	Untreated meandering cracking	Rehabilitation restoring the road structural layer
▪ Longitudinal	Unconnected linear cracks in the road surface	Drying tree roots and soils, or poorly constructed road surfaces	Periodic maintenance cleaning and resealing the cracks
Rutting	Depressions or deformations of the road, typically along the wheel path	Heavy vehicles traffic or where there is a weakness in the road pavement	Periodic maintenance resurfacing or more extensive rehabilitation
Roughness	Changes in the shape of roads which can make them bumpy		Periodic maintenance resurfacing or more extensive rehabilitation
Texture loss	Slipperiness and glossiness of the road surface	Hot weather and traffic pushing road surface stones into the layers below	Periodic maintenance waterblasting or resurfacing

Source: VicRoads.

A primary purpose of road maintenance and repair activities is to address these road defects.

Types of work

Maintenance and repair activities are critical to the safe and effective operation of Victoria's road network. In Victoria, there are 3 general types of works conducted to maintain and repair the road network:

1. Routine maintenance, which aims to fix minor defects through activities such as pothole repair, gutter and drain cleaning, signage repair, litter collection, and vegetation management.
2. Periodic maintenance, which aims to regularly and cost-effectively preserve road assets and avoid rehabilitation works through activities such as road resurfacing (or resealing) and bridge corrosion protection.
3. Rehabilitation, which aims to repair or restore road assets back to their original standard through more extensive works, such as replacing both the road surface and pavement layers.

These works are either undertaken according to a planned maintenance schedule or due to an emergency, such as an extreme weather event (e.g. floods) or a critical incident.

Performance reporting

In this section This section identifies road asset management performance measures for the Victorian Government and Victorian local councils, and their progress against them.

Victorian Government

The Department of Transport and Planning monitors and reports on the condition of its declared road assets.

Open data

The Victorian Government's open data platform, DataVic, contains publicly available data on Victoria's road assets. This includes a pavement condition and surface inspection dataset, which consists of geolocated information on roughness, texture, rutting and cracking for the Department of Transport and Planning's declared roads. The Victorian Government last updated this dataset in 2021.

Victorian Budget

The Victorian Budget includes information on Department of Transport and Planning activities related to road asset management. This includes annual targets, expected outcomes and actual results for roads and bridges, generally split over metropolitan and regional areas. Key metrics include the size of the network, the scale of road maintenance and repair activities, and whether roads and bridges meet specific standards or legal requirements.

Figure 11 – Select road asset management performance metrics from the 2025–26 budget

Performance measure	Unit of measure	2025–26 target	2024–25 expected outcome	2024–25 target	2023–24 actual
<i>Quantity</i>					
Bridges maintained: metropolitan	number	983	983	987	987
Bridges maintained: regional	number	2,231	2,231	2,231	2,231
Road area major patched: roads in inner metropolitan Melbourne	m ² (000)	9	16	8	nm
Road area major patched: roads in outer metropolitan Melbourne	m ² (000)	14	25	131	nm
Road area major patched: roads in regional Victoria	m ² (000)	70	566	1,033	nm
Road area resurfaced or rehabilitated: roads in inner metropolitan Melbourne	m ² (000)	330	448	448	64

Victorian road network maintenance and repair

Performance measure	Unit of measure	2025–26 target	2024–25 expected outcome	2024–25 target	2023–24 actual
Road area resurfaced or rehabilitated: roads in outer suburban Melbourne	m ² (000)	496	856	542	523
Road area resurfaced or rehabilitated: roads in regional Victoria	m ² (000)	2,707	3,052	3,163	422
Road network maintained: inner metropolitan	m ² (000)	24,135	24,135	24,128	24,128
Road network maintained: outer suburban	m ² (000)	32,130	32,130	31,988	31,988
Road network maintained: regional	m ² (000)	173,660	173,660	173,660	173,660
<i>Quality</i>					
Bridges that are acceptable for legal load vehicles: metropolitan	per cent	99.8	99.8	99.7	99.8
Bridges that are acceptable for legal load vehicles: regional	per cent	99.6	99.6	99.5	99.6
Road length meeting cracking standard: metropolitan	per cent	84.5	87.6	81.3	84.8
Road length meeting cracking standard: regional	per cent	98.0	98.4	97.5	98.1
Road length meeting roughness standard: metropolitan	per cent	91.2	92.2	91	92.3
Road length meeting roughness standard: regional	per cent	95	95.3	95.2	95.5
Road length meeting rutting standard: metropolitan	per cent	96.8	97.8	94.1	95.7
Road length meeting rutting standard: regional	per cent	97.3	97.7	97.2	97.9
<i>Timeliness</i>					
Annual road maintenance program completed within agreed timeframes: metropolitan	per cent	100	100	100	100
Annual road maintenance program completed within agreed timeframes: regional	per cent	100	100	100	100
<i>Cost</i>					
Total output cost	\$ million	723.5	710.7	680.2	692.3

Note: 'nm' refers to new performance measures for 2023–24.

Source: Victorian Budget, based on information provided by the Department of Transport and Planning.

Department of Transport and Planning annual report

The Department of Transport and Planning annual report (and its predecessor, the Department of Transport annual report) provides a summary of the actual road asset management activities the department has undertaken throughout the relevant financial year. This includes the total amount invested in maintaining the state's road assets and details of the road maintenance work completed in metropolitan and regional areas.

The annual report also includes a road asset management table which details the department's performance targets. This table provides the actual figures for the relevant financial year, compared to the targets detailed in the Victorian Budget.

The department's road asset management table includes 4 main categories – quantity, quality, timeliness and cost – in relation to maintaining the state's declared roads. We consider each of these 4 categories separately.

Quantity

The Department of Transport and Planning's quantity performance measures detail the changing size of the road network in square metres – not kilometres or lane-kilometres – and the amount of the road area resurfaced or rehabilitated each year.

Figure 12 – Select Department of Transport and Planning road asset management quantity measures

Performance measure m ² (000)		2020–21	2021–22	2022–23	2023–24	2024–25
Road area resurfaced or rehabilitated: metropolitan	Target	4,153	1,040	1,050		990
	Actual	3,369	1,436	995	587	1,304
Road area resurfaced or rehabilitated: regional	Target	9,306	11,800	12,140		3,163
	Actual	14,112	11,478	9,029	422	3,052
Road network maintained: metropolitan	Target	54,795	55,638	55,777	55,847	56,116
	Actual	55,638	55,777	55,777	56,116	56,265
Road network maintained: regional	Target	173,327	173,410	173,533	173,641	173,660
	Actual	173,410	173,533	173,641	173,660	173,660

Notes: 2024–25 'actual' values are expected outcomes from the 2025–26 budget. 'Metropolitan' values are the sum of inner metropolitan and outer suburban amounts.

Sources: Department of Transport and Planning, Department of Transport, Victorian Budget and Parliamentary Budget Office.

The Department of Transport and Planning did not meet its targets for:

- metropolitan road area resurfacing and rehabilitation in 2020–21 and 2022–23
- regional road area resurfacing and rehabilitation in 2021–22 and 2022–23.

Subsequently, the department did not set road area resurfacing and rehabilitation targets in 2023–24.

The Department of Transport and Planning currently does not expect to meet its regional road area resurfacing and rehabilitation target in 2024–25.

Quality

The Department of Transport and Planning's quality performance measures detail its compliance with road cracking, roughness and rutting standards and whether its bridges can serve vehicles with legal loads.

Figure 13 – Select Department of Transport and Planning road asset management quality measures

Performance measure (%)		2019–20	2020–21	2021–22	2022–23	2023–24	2024–25
Bridges that are acceptable for legal load vehicles: metropolitan	Target	99.6	99.7	99.7	99.7	99.7	99.7
	Actual	99.7	99.7	99.7	99.7	99.8	99.8
Bridges that are acceptable for legal load vehicles: regional	Target	99.6	99.6	99.6	99.6	99.5	99.5
	Actual	99.6	99.6	99.6	99.5	99.6	99.6
Road length meeting cracking standard: metropolitan	Target	93.1	95.0	92.8	88.5	84.0	81.3
	Actual	95.0	95.3	90.5	87.4	84.8	87.6
Road length meeting cracking standard: regional	Target	96.7	97.0	95.1	98.6	98.4	97.5
	Actual	97.0	97.5	98.5	98.4	98.1	98.4
Road length meeting roughness standard: metropolitan	Target	92.3	93.2	92.2	93.0	91.6	91.0
	Actual	93.2	93.1	93.3	92.4	92.3	92.2
Road length meeting roughness standard: regional	Target	95.8	94.7	93.0	96.0	95.7	95.2
	Actual	96.1	93.6	95.9	95.7	95.5	95.3
Road length meeting rutting standard: metropolitan	Target	94.6	98.6	93.6	96.5	95.5	94.1
	Actual	98.6	95.6	97.6	96.5	95.7	97.8
Road length meeting rutting standard: regional	Target	97.4	98.8	97.8	98.2	98.0	97.2
	Actual	98.9	98.4	98.4	98.3	97.9	97.7

Note: 2024–25 'actual' values are expected outcomes from the 2025–26 budget.

Sources: Department of Transport and Planning, Department of Transport and Victorian Budget.

The Department of Transport and Planning met or exceeded its quality targets for its road and bridge performance measures in 2019–20. In 2020–21, however, the department did not meet its targets for road roughness and rutting standards, for both metropolitan and regional roads.

Lower targets in 2021–22 allowed the Department of Transport and Planning to meet or exceed all its road and bridge quality targets, other than the road cracking standard in metropolitan Melbourne. However, performance deteriorated again in 2022–23, with the department not meeting 5 quality targets – for regional bridge acceptability, and cracking and roughness of both metropolitan and regional roads.

Lower targets again in 2023–24 allowed the Department of Transport and Planning to meet 5 of its 8 road and bridge quality targets, including regional bridge acceptability, metropolitan road cracking and roughness standards. However, the department still did not meet its regional road cracking and roughness standards and additionally did not meet its regional road rutting standard.

Subsequently, the Department of Transport and Planning’s targets for its road performance measures were lowered again for 2024–25. The department currently expects to meet all of these lowered targets this year.

Timeliness

The Department of Transport and Planning’s timeliness performance measures detail its maintenance program’s ability to complete work on time.

Figure 14 – Department of Transport and Planning road asset management timeliness measures

Performance measure (%)		2019–20	2020–21	2021–22	2022–23	2023–24	2024–25
Annual road maintenance program completed within agreed timeframes: metropolitan	Target	95.0	100.0	100.0	100.0	100.0	100.0
	Actual	100.0	91.0	100.0	100.0	100.0	100.0
Annual road maintenance program completed within agreed timeframes: regional	Target	100.0	100.0	100.0	100.0	100.0	100.0
	Actual	100.0	100.0	100.0	94.0	100.0	100.0

Note: 2024–25 ‘actual’ values are expected outcomes from the 2025–26 budget.
Sources: Department of Transport and Planning, Department of Transport and Victorian Budget.

The Department of Transport and Planning met or exceeded the timeliness targets for its road maintenance programs in each year from 2019–20 to 2024–25, except for:

- metropolitan road maintenance in 2020–21
- regional road maintenance in 2022–23.

Cost

The Department of Transport and Planning’s cost performance measure details its compliance with its road asset management budget for output expenditure.

Figure 15 – Select Department of Transport and Planning road asset management cost measures

Performance measure (\$ million)		2019–20	2020–21	2021–22	2022–23	2023–24	2024–25
Total output cost	Target	631.9	807.4	616.9	592.7	441.6	680.2
	Actual	666.5	822.5	617.4	727.7	692.3	710.7

Note: 2024–25 ‘actual’ values are expected outcomes from the 2025–26 budget.

Sources: Department of Transport and Planning, Department of Transport and Victorian Budget.

The Department of Transport and Planning exceeded its output expenditure budget in each year from 2019–20 to 2024–25.

Victorian local councils

Victorian local councils are responsible for monitoring the standards of local or municipal roads. Each council reports on whether it has met performance targets related to road maintenance, through the Local Government Performance Reporting Framework (LGPRF).

The LGPRF is a mandatory system of performance reporting for all Victorian local councils. It ensures that councils are measuring and reporting on their performance in a consistent way to promote transparency and accountability in the local government sector.

The framework is made up of 58 measures from a range of service areas, including roads, planning, animal management and waste. It is complemented by a Governance and Management checklist of 24 items, which shows the policies, plans and procedures in place at each council. Together, they build a comprehensive picture of local council performance. There are 5 measures that are specifically for roads. These are:

- sealed local road requests
- sealed local roads maintained to condition standards
- cost of sealed local road reconstruction
- cost of sealed local road resealing
- satisfaction with sealed local roads.

The ‘sealed local roads maintained to condition standards’ indicator is audited and a target is required. This indicator is defined as the percentage of sealed local roads that are below the renewal intervention level set by each council and not requiring renewal. It is calculated by taking the number of kilometres of sealed local roads below the renewal intervention level set by each council and dividing it by the kilometres of sealed local roads.

Victorian Government expenditure

In this section

This section considers Department of Transport and Planning expenditure on road asset management activities in Victoria. We estimate:

- total expenditure, broken down by output and asset expenditure
- total expenditure per kilometre
- total expenditure per resident.

We also assess how this expenditure varies by location.

Total expenditure

We have assessed Department of Transport and Planning expenditure on road asset management activities. Our estimates of Department of Transport and Planning:

- output expenditure are based on information included in Department of Transport and Planning annual reports
- asset expenditure are based on information in:
 - the Victorian Budget
 - Department of Transport and Planning submissions to Public Accounts and Estimates Committee inquiries
 - Department of Transport and Planning annual reports.

We only consider Department of Transport and Planning expenditure as there is limited publicly available information on Department of Energy, Environment and Climate Action and Parks Victoria expenditure on road asset maintenance and repair.

Figure 16 – Department of Transport and Planning expenditure on road asset maintenance

(\$ million)	2020–21	2021–22	2022–23	2023–24
Output expenditure	822.5	617.4	727.7	692.3
Asset expenditure	135.9	113.2	210.0	170.9
Total expenditure	958.4	730.6	937.7	863.2

Source: Parliamentary Budget Office.

From 2020–21 to 2023–24, we estimate that the Department of Transport and Planning spent an average of \$872.5 million per year on road asset management activities. This was composed of:

- \$715.0 million per year on expenses (82% of total expenditure)
- \$157.5 million per year on asset works (18% of total expenditure).

Expenditure per kilometre

We have considered total Department of Transport and Planning road asset management expenditure based on per kilometre of managed road. To calculate these amounts, we divided total annual expenditure by our estimate of the total length of Department of Transport and Planning's road network.

Figure 17 – Department of Transport and Planning expenditure per kilometre of managed road

(\$ per kilometre)	2020–21	2021–22	2022–23	2023–24
Output expenditure	33,565	25,195	29,696	28,251
Asset expenditure	5,547	4,620	8,570	6,975
Total expenditure	39,112	29,815	38,266	35,226

Source: Parliamentary Budget Office.

From 2020–21 to 2023–24, we estimate that the Department of Transport and Planning spent an annual average of \$35,605 per kilometre of departmental road in Victoria, on road asset management activities. This was composed of:

- \$29,177 per kilometre on expenses
- \$6,428 per kilometre on asset works.

Expenditure per person

We have also estimated total Department of Transport and Planning road asset management expenditure on a per Victorian resident basis. To calculate these amounts, we divided total annual expenditure by estimated Victorian population in each year.

Figure 18 – Department of Transport and Planning expenditure per Victorian resident

(\$ per resident)	2020–21	2021–22	2022–23	2023–24
Output expenditure	126	93	107	99
Asset expenditure	21	17	31	24
Total expenditure	146	110	138	124

Source: Parliamentary Budget Office.

From 2020–21 to 2023–24, we estimate that the Department of Transport and Planning spent an annual average of \$129 per Victorian resident, on road asset management activities. This was composed of:

- \$106 per resident on expenses
- \$23 per resident on asset works.

Expenditure by location

Where possible, we have broken down our estimates of Department of Transport and Planning expenditure on road asset management activities by expenditure in metropolitan and regional areas.

Figure 19 – Department of Transport and Planning road asset management expenditure by location

(\$ million)	2020–21	2021–22	2022–23	2023–24
Regional Victoria	459.8	393.0	461.6	282.7
Metropolitan Melbourne	338.2	239.7	294.7	265.6
Statewide	160.5	97.9	181.4	314.9
Total	958.4	730.6	937.7	863.2

Note: 'Statewide' includes expenditure that we could not allocate to either regional Victoria or metropolitan Melbourne.
Source: Parliamentary Budget Office.

From 2020–21 to 2023–24, we estimate that the Department of Transport and Planning spent an annual average of:

- \$399.3 million on road asset management activities in regional Victoria, or 46% of total road asset management expenditure
- \$284.5 million on road asset management activities in metropolitan Melbourne, or 33% of total road asset management expenditure
- \$188.7 million on statewide road asset management activities.

Expenditure per kilometre

We have broken down our estimates of Department of Transport and Planning road asset management expenditure per kilometre, by expenditure in metropolitan and regional areas.

Figure 20 – Department of Transport and Planning expenditure per kilometre of managed road, by location

(\$ per kilometre)	2020–21	2021–22	2022–23	2023–24
Regional Victoria	23,094	19,741	23,188	14,198
Metropolitan Melbourne	73,567	52,146	64,105	57,788
Statewide	6,550	3,995	7,403	12,852
Total	39,112	29,815	38,266	35,226

Note: 'Statewide' includes expenditure that we could not allocate to either regional Victoria or metropolitan Melbourne.
Source: Parliamentary Budget Office.

From 2020–21 to 2023–24, we estimate that the Department of Transport and Planning spent an annual average of \$35,605 per kilometre of managed road on road asset management activities in Victoria. Broken down by location, the department's annual average spend on road asset management activities was:

Victorian road network maintenance and repair

- \$20,055 per kilometre of managed road in regional Victoria
- \$61,902 per kilometre of managed road in metropolitan Melbourne
- \$7,700 per kilometre of managed road statewide.

Consequently, departmental expenditure per kilometre on metropolitan Melbourne roads was more than 3 times departmental expenditure per kilometre on regional Victorian roads.

Expenditure per person

We have also broken down our estimates of Department of Transport and Planning road asset management expenditure per person, by expenditure in metropolitan and regional areas.

Figure 21 – Department of Transport and Planning expenditure per resident, by location

(\$ per resident)	2020–21	2021–22	2022–23	2023–24
Regional Victoria	277	234	272	164
Metropolitan Melbourne	69	48	58	51
Statewide	25	15	27	45
Total	146	110	138	124

Note: 'Statewide' includes expenditure that we could not allocate to either regional Victoria or metropolitan Melbourne.
 Source: Parliamentary Budget Office.

From 2020–21 to 2023–24, we estimate that the Department of Transport and Planning spent an annual average of \$129 per Victorian resident on road asset management activities. Broken down by location, the department’s annual average spend was:

- \$237 per regional Victoria resident on road asset management activities in regional Victoria
- \$56 per metropolitan Melbourne resident on road asset management activities in metropolitan Melbourne
- \$28 per Victorian resident on statewide road asset management activities.

Consequently, departmental expenditure per regional Victoria resident on regional Victorian roads was more than 4 times departmental expenditure per metropolitan Melbourne resident on metropolitan Melbourne roads.

Local council expenditure

In this section

This section considers Victorian local council expenditure on road asset maintenance and repair. We estimate:

- total expenditure, broken down by maintenance and capital renewal expenditure
- total expenditure per kilometre
- total expenditure per resident.

We also assess how this expenditure varies by location.

Total expenditure

We estimate local council expenditure on road asset maintenance and repair based on Victorian Local Government Grants Commission data. This data splits local council expenditure into 4 main categories:

1. Maintenance – recurrent expenditure required to operate existing assets, and expenditure on planned and unplanned repair work
2. Capital renewal – expenditure which ensures existing assets achieve their originally planned asset life, e.g. by resurfacing a sealed road
3. Capital upgrade – expenditure which enhances an existing road asset or extends its asset life beyond what was originally planned, e.g. by widening a road or sealing a gravel road
4. Capital expansion – expenditure on new assets which extends the road network.

In this advice, we only consider local council expenditure on maintenance and capital renewal to be relevant road asset maintenance and repair expenditure.

Figure 22 – Local council expenditure on road asset maintenance and repair

(\$ million)	2020–21	2021–22	2022–23	2023–24
Maintenance	268.1	231.4	261.6	320.5
Capital renewal	426.9	471.4	468.2	555.1
Total expenditure	695.0	702.8	729.8	875.6

Source: Parliamentary Budget Office.

From 2020–21 to 2023–24, we estimate that Victorian local councils spent an average of \$750.8 million per year on road asset maintenance and repair. This was composed of:

- \$270.4 million per year on maintenance activities (36% of total expenditure)
- \$480.4 million per year on capital renewal activities (64% of total expenditure).

Expenditure per kilometre

We have considered total local council road asset maintenance and repair expenditure on a per kilometre of managed road basis. To calculate these amounts, we divided total annual expenditure by our estimate of the total length of the Victorian local council-managed road network.

Figure 23 – Local council expenditure per kilometre of managed road

(\$ per kilometre)	2020–21	2021–22	2022–23	2023–24
Maintenance	1,997	1,724	1,949	2,388
Capital renewal	3,180	3,512	3,488	4,135
Total expenditure	5,178	5,236	5,437	6,523

Source: Parliamentary Budget Office.

From 2020–21 to 2023–24, we estimate that Victorian local councils spent an annual average of \$5,593 per kilometre of local council-managed road, on road asset maintenance and repair. This was composed of:

- \$2,014 per kilometre of local council-managed road on maintenance activities
- \$3,579 per kilometre of local council-managed road on capital renewal activities.

Expenditure per person

We have also estimated total local council road asset maintenance and repair expenditure on a per Victorian resident basis. To calculate these amounts, we divided total annual expenditure by the estimated Victorian population in each year.

Figure 24 – Local council expenditure per Victorian resident

(\$ per resident)	2020–21	2021–22	2022–23	2023–24
Maintenance	41	35	38	46
Capital renewal	65	71	69	80
Total expenditure	106	106	107	125

Source: Parliamentary Budget Office.

From 2020–21 to 2023–24, we estimate that Victorian local councils spent an annual average of \$111 per Victorian resident, on road asset maintenance and repair. This was composed of:

- \$40 per resident on maintenance activities
- \$71 per resident on capital renewal activities.

Expenditure by location

We have broken down our estimates of local council expenditure on road asset maintenance and repair by metropolitan and regional areas, with regional expenditure further broken down by region.

Figure 25 – Local council road asset maintenance and repair expenditure by location

(\$ million)	2020–21	2021–22	2022–23	2023–24
Eastern Victoria	77.5	90.7	106.7	119.9
Northern Victoria	149.3	151.4	135.7	189.8
Western Victoria	191.1	181.3	179.7	217.5
Total regional Victoria	418.0	423.4	422.1	527.2
Total metropolitan Melbourne	277.0	279.4	307.7	348.4
Total Victoria	695.0	702.8	729.8	875.6

Source: Parliamentary Budget Office.

From 2020–21 to 2023–24, we estimate that Victorian local councils spent an annual average of:

- \$447.7 million on road asset maintenance and repair in regional Victoria, composed of:
 - \$98.7 million expenditure in Eastern Victoria
 - \$156.6 million expenditure in Northern Victoria
 - \$192.4 million expenditure in Western Victoria
- \$303.1 million on road asset maintenance and repair in metropolitan Melbourne, which was 40% of the total Victorian local council spend on road asset maintenance and repair.

Consequently, we estimate that regional Victorian councils spent on average 60% of total Victorian local council expenditure on road asset maintenance and repair, with:

- 13% of total expenditure by Eastern Victorian local councils
- 21% of total expenditure by Northern Victorian local councils
- 26% of total expenditure by Western Victorian local councils.

Expenditure per kilometre

We have broken down our estimates of local council road asset maintenance and repair expenditure per kilometre, by expenditure in metropolitan and regional areas, with regional expenditure further broken down by region.

Figure 26 – Local council expenditure per kilometre of managed road, by location

(\$ per kilometre)	2020–21	2021–22	2022–23	2023–24
Eastern Victoria	6,058	7,087	8,339	9,369
Northern Victoria	3,161	3,206	2,874	4,019
Western Victoria	3,914	3,712	3,679	4,454
Total regional Victoria	3,839	3,889	3,878	4,843
Total metropolitan Melbourne	10,920	11,013	12,129	13,732
Total Victoria	5,178	5,236	5,437	6,523

Victorian road network maintenance and repair

Source: Parliamentary Budget Office.

From 2020–21 to 2023–24, we estimate that Victorian local councils spent an annual average of \$5,593 per kilometre on road asset maintenance and repair activities in Victoria. Broken down by location, the councils' annual average spend was:

- \$4,112 per kilometre of council-managed road on road asset maintenance and repair in regional Victoria
 - \$7,713 per kilometre in Eastern Victoria
 - \$3,315 per kilometre in Northern Victoria
 - \$3,940 per kilometre in Western Victoria
- \$11,948 per kilometre of council-managed road on road asset maintenance and repair in metropolitan Melbourne.

Consequently, metropolitan Melbourne councils' expenditure per kilometre on metropolitan Melbourne roads was almost 3 times regional Victorian councils' expenditure per kilometre on regional Victorian roads.

Expenditure per person

We have also broken down our estimates of local council road asset maintenance and repair expenditure per person, by expenditure in metropolitan and regional areas, with regional expenditure further broken down by region.

Figure 27 – Local council expenditure per resident, by location

(\$ per resident)	2020–21	2021–22	2022–23	2023–24
Eastern Victoria	259	298	347	385
Northern Victoria	229	230	204	282
Western Victoria	271	254	248	295
Total regional Victoria	252	252	248	306
Total metropolitan Melbourne	57	56	60	66
Total Victoria	106	106	107	125

Source: Parliamentary Budget Office.

From 2020–21 to 2023–24, we estimate that Victorian local councils spent an annual average of \$111 per Victorian resident on road asset maintenance and repair activities. Broken down by location, the councils' annual average spend was:

- \$265 per regional Victoria resident on road asset maintenance and repair in regional Victoria
 - \$322 per resident in Eastern Victoria
 - \$236 per resident in Northern Victoria
 - \$267 per resident in Western Victoria

- \$60 per metropolitan Melbourne resident on road asset maintenance and repair in metropolitan Melbourne.

Consequently, regional Victorian councils' expenditure per resident on regional Victorian roads was more than 4 times metropolitan Melbourne councils' expenditure per resident on metropolitan Melbourne roads.

Total government expenditure

In this section

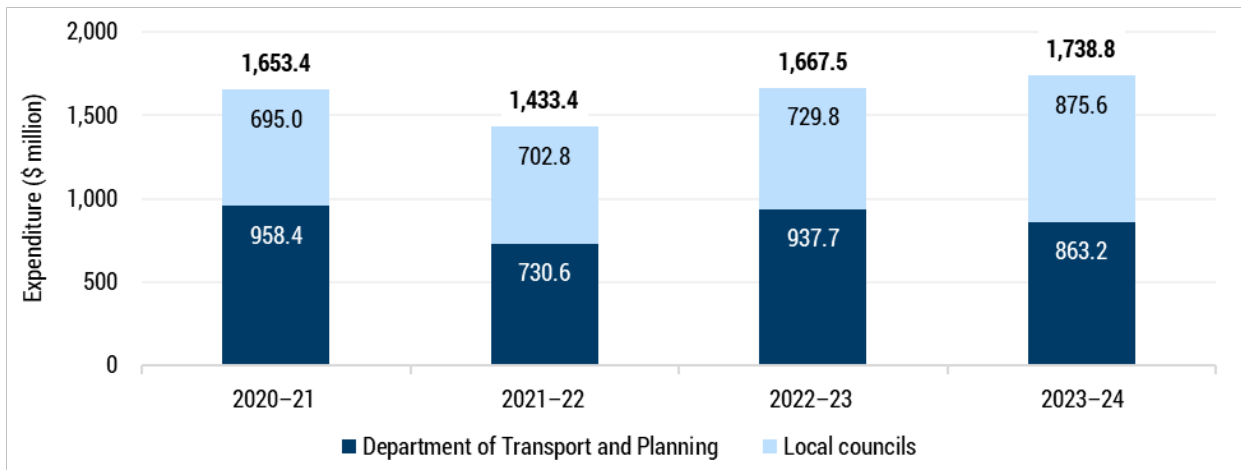
This section assesses total government expenditure on road asset maintenance and repair in Victoria. We estimate total expenditure, broken down by Department of Transport and Planning and local council expenditure. We further assess how this expenditure varies by road asset location.

We also assess Australian Government and Victorian Government grants to Victorian local councils.

We do not consider Department of Energy, Environment and Climate Action and Parks Victoria expenditure on road asset maintenance and repair as there is limited publicly available information.

We have assessed total government road asset maintenance and repair expenditure on a per level of government basis:

Figure 28 – Victorian road asset maintenance and repair expenditure



Source: Parliamentary Budget Office.

From 2020-21 to 2023-24, we estimate that annual expenditure on Victorian road asset maintenance and repair averaged \$1,623.3 million per year. This was composed of:

- \$872.5 million per year by the Department of Transport and Planning
- \$750.8 million per year by Victorian local councils.

Expenditure by location

Where possible, we have broken down our estimates of total government road asset maintenance and repair expenditure by expenditure in metropolitan and regional areas.

Figure 29 – Victorian road asset maintenance and repair expenditure by location

(\$ million)	2020–21	2021–22	2022–23	2023–24
Regional Victoria:				
▪ Department of Transport and Planning	459.8	393.0	461.6	282.7
▪ Local councils	418.0	423.4	422.1	527.2
Total regional Victoria	877.7	816.4	883.8	809.9
Metropolitan Melbourne:				
▪ Department of Transport and Planning	338.2	239.7	294.7	265.6
▪ Local councils	277.0	279.4	307.7	348.4
Total metropolitan Melbourne	615.2	519.1	602.4	614.0
Statewide	160.5	97.9	181.4	314.9
Total Victoria	1,653.4	1,433.4	1,667.5	1,738.8

Note: 'Statewide' represents Department of Transport and Planning expenditure that we could not allocate to either regional Victoria or metropolitan Melbourne.

Source: Parliamentary Budget Office.

From 2020–21 to 2023–24, we estimate that annual expenditure on Victorian road asset maintenance and repair averaged \$1,623.3 million per year. This was composed of:

- \$847.0 million per year on regional Victorian road assets
- \$587.7 million per year on metropolitan Melbourne road assets
- \$188.7 million per year on statewide road assets.

Grants to local councils

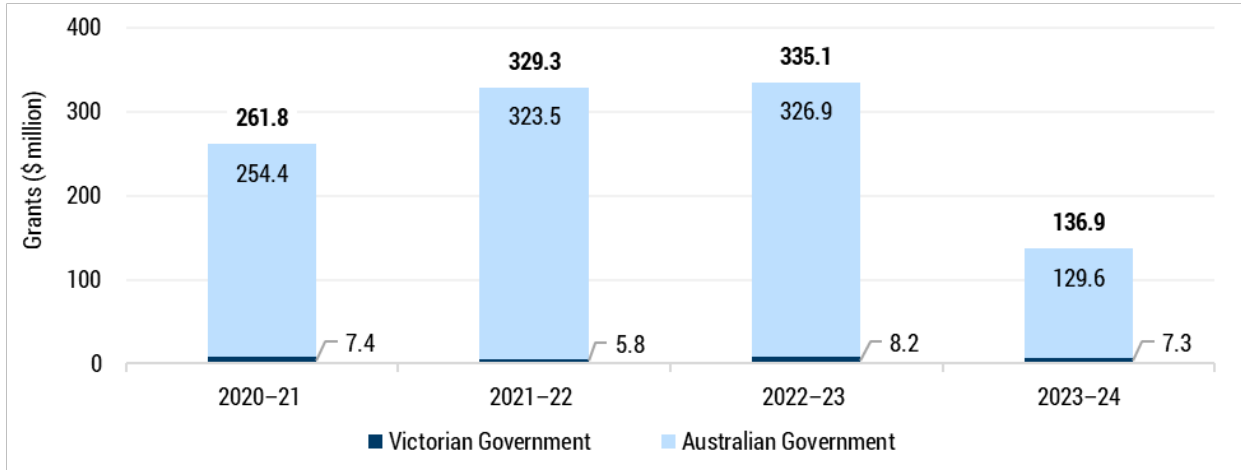
Victorian local councils fund road maintenance and rehabilitation through a combination of own-source revenue, Australian Government grants, and Victorian Government grants.

We estimate Australian Government and Victorian Government grants to local councils for road asset maintenance and repair based on Victorian Local Government Grants Commission data. This data splits local council revenue into 3 main categories for road assets:

1. Local Roads & Bridges – grants for works on roads, bridges and bicycle lanes under council control, including Australian Government Roads to Recovery Program grants
2. Main Roads – grants to compensate local councils for works on:
 - main roads and bridges under the control of the Department of Transport and Planning
 - National Highway System roads and bridges under the control of the Australian Government
3. Local Roads Funding – Australian Government Financial Assistance Grants which are primarily based on each council's managed road length and traffic volumes, with cost modifiers for freight loading, climate, materials availability, road sub-grades, and the length of strategic routes.

In this advice, we only consider recurrent grant funding to local councils, as non-recurrent grants are more likely to be associated with capital upgrade and expansion works which we do not consider to be relevant to road asset maintenance and repair.

Figure 30 – Grants to Victorian local councils for road asset maintenance and repair



Source: Parliamentary Budget Office.

From 2020–21 to 2023–24, we estimate that Victorian local councils received an average of \$265.8 million per year in grants for road asset maintenance and repair. This was composed of:

- \$258.6 million per year in Australian Government grants (97% of total grants)
- \$7.2 million per year in Victorian Government grants (3% of total grants).

Grants by location

We have broken down our estimates of grants to local councils for road asset maintenance and repair by metropolitan and regional areas, with regional grants further broken down by region.

Figure 31 – Grants to Victorian local councils for road asset maintenance and repair by location

(\$ million)	2020–21	2021–22	2022–23	2023–24
Victorian Government:				
Eastern	1.0	0.4	0.1	0.4
Northern	2.4	1.4	0.2	0.2
Western	0.2	0.8	0.2	0.2
Regional Victoria	3.5	2.7	0.5	0.8
Metropolitan Melbourne	3.9	3.1	7.7	6.5
Total Victorian Government	7.4	5.8	8.2	7.3

(\$ million)	2020–21	2021–22	2022–23	2023–24
Australian Government:				
Eastern	33.9	38.2	39.8	15.4
Northern	72.0	90.0	91.1	46.6
Western	80.3	106.0	102.4	44.0
Regional Victoria	186.1	234.2	233.2	106.1
Metropolitan Melbourne	68.3	89.4	93.7	23.5
Total Australian Government	254.4	323.5	326.9	129.6
Total grants:				
Regional Victoria	189.7	236.8	233.7	106.9
Metropolitan Melbourne	72.2	92.5	101.4	30.0
Total Victoria	261.8	329.3	335.1	136.9

Source: Parliamentary Budget Office.

From 2020–21 to 2023–24, we estimate that Victorian local councils received an annual average of:

- \$191.8 million in grants for regional Victorian road assets, composed of:
 - \$1.9 million in Victorian Government grants
 - \$189.9 million in Australian Government grants
- \$74.0 million in grants for metropolitan Melbourne road assets, composed of:
 - \$5.3 million in Victorian Government grants
 - \$68.7 million in Australian Government grants.

Consequently, we estimate that regional Victorian councils received on average 72% of total grants to Victorian local councils for road asset maintenance and repair, with metropolitan Melbourne councils receiving the other 28% of total grants.

Attachment A – Approach

In this section we provide the approach we used to estimate government expenditure on road maintenance and repair in Victoria.

When preparing this advice, we:

- determined the population within each LGA and electoral region using Australian Bureau of Statistics data
- estimated the total length of Department of Energy, Environment and Climate Action and Parks Victoria managed roads
- estimated the total amount of Department of Energy, Environment and Climate Action and Parks Victoria managed bridges.

For Department of Transport and Planning-managed road assets, we:

- estimated the total length of roads
- determined the total amount of bridges
- estimated the total amount of relevant output expenditure in each year
- estimated the total amount of relevant asset expenditure in each year
- calculated total expenditure on road asset management
- calculated total expenditure on road asset management per kilometre
- calculated total expenditure on road asset management per resident
- calculated total expenditure on road asset management for each region.

For local council-managed road assets, we:

- used Victorian Local Government Grants Commission data to determine for each LGA:
 - the total length of roads
 - the total amount of bridges
 - the total amount of maintenance expenditure in each year
 - the total amount of capital renewal expenditure in each year
 - the total amount of relevant Victorian Government grants
 - the total amount of relevant Australian Government grants
- calculated total expenditure on road asset maintenance and repair
- calculated total expenditure per kilometre
- calculated total expenditure per resident
- calculated total expenditure for each region
- calculated total amount of grants received.

Attachment B – LGAs classified by region

In this section we list the 79 Victorian LGAs and discuss how we have classified them by region.

Electoral regions

Victoria has 8 electoral regions, 5 of which represent metropolitan Melbourne, and 3 of which represent regional Victoria.

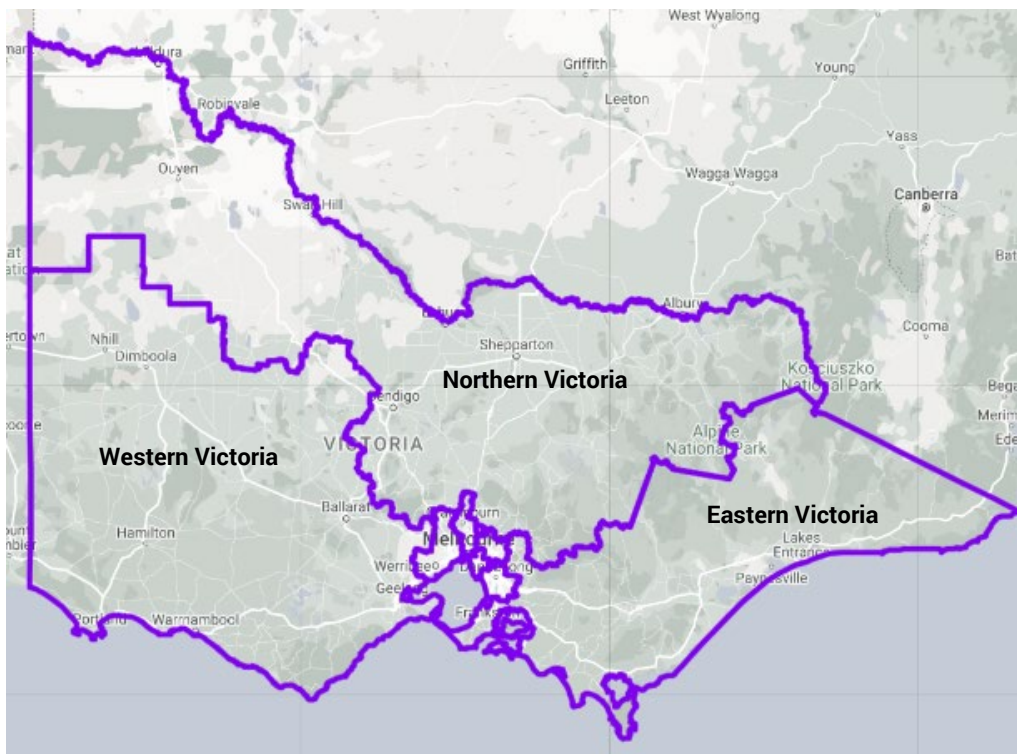
Figure 32 – Victorian electoral regions

Metropolitan Melbourne	Regional Victoria
North-Eastern Metropolitan Region	Eastern Victoria Region
Northern Metropolitan Region	Northern Victoria Region
South-Eastern Metropolitan Region	Western Victoria Region
Southern Metropolitan Region	
Western Metropolitan Region	

Source: Victorian Electoral Commission.

The boundaries of these regions are determined by the Victorian Electoral Commission.

Figure 33 – Victorian electoral region boundaries



Source: Victorian Electoral Commission.

LGAs by region

To classify each Victorian LGA by region we:

1. used the Victorian Government's definition of metropolitan Melbourne, which specifies 31 LGAs
2. classified other LGAs by state electoral region, based on maps published by the Victorian Electoral Commission
3. included LGAs that overlap between multiple electoral regions in the region where we estimated the majority of the LGA's population is located.

Figure 34 – Victorian LGAs classified by region

Metropolitan Melbourne	Eastern Victoria	Northern Victoria	Western Victoria
Banyule	Bass Coast	Alpine	Ararat
Bayside	Baw Baw	Benalla	Ballarat
Boroondara	East Gippsland	Buloke	Central Goldfields
Brimbank	Latrobe	Campaspe	Colac Otway
Cardinia	South Gippsland	Gannawarra	Corangamite
Casey	Wellington	Greater Bendigo	Glenelg
Darebin		Greater Shepparton	Golden Plains
Frankston		Hepburn	Greater Geelong
Glen Eira		Indigo	Hindmarsh
Greater Dandenong		Macedon Ranges	Horsham
Hobsons Bay		Mansfield	Loddon
Hume		Mildura	Moorabool
Kingston		Mitchell	Moyne
Knox		Moira	Northern Grampians
Manningham		Mount Alexander	Pyrenees
Maribyrnong		Murrindindi	Queenscliffe
Maroondah		Strathbogie	Southern Grampians
Melbourne		Swan Hill	Surf Coast
Melton		Towong	Warrnambool
Monash		Wangaratta	West Wimmera
Moonee Valley		Wodonga	Yarriambiack
Merri-bek			
Mornington Peninsula			

Metropolitan Melbourne	Eastern Victoria	Northern Victoria	Western Victoria
Nillumbik			
Port Phillip			
Stonnington			
Whitehorse			
Whittlesea			
Wyndham			
Yarra			
Yarra Ranges			

Note: while Cardinia, Mornington Peninsula and Yarra Ranges LGAs are predominantly located in the Eastern Victoria electoral region, we include them in metropolitan Melbourne to align with the Victorian Government's definition of this area.

Source: Parliamentary Budget Office.

Attachment C – Grants to local councils

In this section we break down our estimates of grants to local councils for road asset maintenance and repair by metropolitan and regional areas and grant category, with regional grants further broken down by region.

Figure 35 – Grants to Victorian local councils for road asset maintenance and repair by location

(\$ million)	Grant category	2020–21	2021–22	2022–23	2023–24
Victorian Government:					
Regional Victoria:					
▪ Eastern	Local Roads & Bridges	1.0	0.4	0.1	0.4
	Main Roads	0.0	0.0	0.0	0.0
▪ Northern	Local Roads & Bridges	2.3	1.3	0.1	0.0
	Main Roads	0.1	0.1	0.2	0.2
▪ Western	Local Roads & Bridges	0.2	0.8	0.2	0.2
	Main Roads	0.0	0.0	0.0	0.0
Total regional Victoria	Local Roads & Bridges	3.4	2.6	0.3	0.6
	Main Roads	0.1	0.1	0.2	0.2
Metropolitan Melbourne	Local Roads & Bridges	3.6	3.0	7.5	6.4
	Main Roads	0.2	0.1	0.1	0.2
Total Victorian Government	Local Roads & Bridges	7.0	5.5	7.9	7.0
	Main Roads	0.4	0.2	0.3	0.3
	Total	7.4	5.8	8.2	7.3

Australian Government:

Regional Victoria:

▪ Eastern	Local Roads & Bridges	13.3	10.1	8.6	11.5
	Main Roads	0.0	0.0	0.0	0.0
	Local Roads Funding	20.6	28.1	31.2	4.0
▪ Northern	Local Roads & Bridges	22.8	23.3	18.0	30.0
	Main Roads	1.0	1.0	0.3	5.6
	Local Roads Funding	48.2	65.7	72.8	11.1
▪ Western	Local Roads & Bridges	29.2	35.0	22.9	32.7

(\$ million)	Grant category	2020–21	2021–22	2022–23	2023–24
	Main Roads	0.0	2.2	2.2	2.2
	Local Roads Funding	51.1	68.8	77.3	9.2
Total regional Victoria	Local Roads & Bridges	65.3	68.3	49.4	74.2
	Main Roads	1.0	3.2	2.5	7.7
	Local Roads Funding	119.8	162.6	181.3	24.2
Metropolitan Melbourne:	Local Roads & Bridges	24.3	29.8	26.3	19.7
	Main Roads	1.5	1.5	1.5	1.5
	Local Roads Funding	42.5	58.1	65.9	2.3
Total Australian Government	Local Roads & Bridges	89.6	98.1	75.7	93.9
	Main Roads	2.5	4.7	4.0	9.2
	Local Roads Funding	162.3	220.7	247.3	26.5
	Total	254.4	323.5	326.9	129.6
Total grants	Local Roads & Bridges	96.6	103.6	83.5	100.8
	Main Roads	2.9	5.0	4.3	9.6
	Local Roads Funding	162.3	220.7	247.3	26.5
	Total	261.8	329.3	335.1	136.9

Source: Parliamentary Budget Office.

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