

## ROAD MAINTENANCE SINCE THE FINNISH ROAD ENTERPRISE REFORM

This audit concerns the maintenance of the road infrastructure managed by the Finnish Road Administration. Factors influencing the audit included the large financial and operational significance of road maintenance, the Finnish Road Enterprise reform, the varying and indefinite picture of road maintenance and related concepts in different accounts, and concerns that the state is not investing enough to maintain the road network.

Changes have taken place in recent years in the administration of public roads. At the beginning of 2001 the National Road Administration was divided into two parts: the Finnish Road Administration, which was left in charge of official tasks and managing the state road network, and the Finnish Road Enterprise. When this reform was approved a number of objectives were set, and the Government published a report on the achievement of these objectives in 2005, after the transition period. According to this report the reform on the whole went well and achieved objectives.

The audit sought answers to the following questions:

1. How well have the reform's financial objectives been achieved?
2. How have road maintenance and objectives changed in recent years?
3. Have procedures been proper in this change?

Parliament has directed the Finnish Road Enterprise reform mainly on the basis of legislation, the Government report and the state budget. The audit indicated that the tasks and objectives set for the reform in this legislation and documents have been somewhat general and open to interpretation. Information concerning the achievement of objectives contains one interpretation of objectives

and their achievement. According to another interpretation, this information does not cover every objective and is not always clear and transparent. Openness to interpretation means that the direction of road maintenance is somewhat general and allows the Finnish Road Enterprise a lot of leeway in practical road maintenance.

The financial objectives set for the Finnish Road Enterprise reform have been achieved at least in the sense that the costs of maintenance at the previous level and with the previous content has fallen clearly. The amount of money spent on road maintenance has not been reduced, but savings have been used to raise the quality of road maintenance, among other things. In practice raising the level of quality has been approved by the Finnish Road Administration.

The road maintenance classifications and concepts used in legislation concerning road maintenance, the state budget, the Ministry of Transport and Communications and the Finnish Road Administration have in recent years been inconsistent and complicated compared with one another and with other infrastructure, and they have repeatedly been changed. Differences and changes in maintenance classifications and concepts cause inaccuracy and uncertainty and make it difficult to compare different units, maintenance operations and their development from year to year.

Road maintenance classifications and concepts should be harmonized with other infrastructure or alternatively the relation between road maintenance classifications and concepts and other infrastructure should be defined comprehensively and clearly. Consistent, clear and unambiguous concepts should be used in road maintenance and its direction and these should not be changed frequently.

In recent years the allocation of funds for road infrastructure management and particularly road maintenance in the state budget as well as spending rules and information on spending have not been graphic and clear particularly to anyone outside the Finnish Road Administration. The budgeting of infrastructure management should be made clearer and more practical.

The Finnish Road Enterprise still has a very strong position on the road maintenance market. Particularly in regional contracts for road maintenance the competition situation has not been very good. To ensure proper competition the Finnish Road Administration should strive to see that more contractors submit bids at least.

The monitoring of procured maintenance services is not as well developed as the planning of procurements and tendering procedures. Random inspection should be made more systematic and transparent than at present.