



Tasmania

## State Grants Commission

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DISCUSSION PAPER  
DP 07-03

# **Scheduling the Introduction of Methodological Changes**

January 2007

## STATE GRANTS COMMISSION

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#### Scheduling the Introduction of Methodological Changes

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Further to the introduction of a revised base grant equalisation model in August 2005, the State Grants Commission has progressed further reviews of two important elements of the model. These are reviews of:

- The method for assessing council revenue raising capacity; and
- The method for assessing council water and sewerage expenditures.

The Commission wishes to ensure that the introduction of further revisions to the new model occur in a manner that minimises uncertainty among councils regarding the impact of those revisions on grant outcomes.

To that end, the Commission is considering delaying the introduction of further reform elements until 2009-10, which will be the first determination after full phase-in of the revised model first introduced in 2005.

The Commission is considering a policy of introducing major methodological revisions concurrently and using a fixed term 'review schedule', where practical. It is the practice of the Commonwealth Grants Commission to introduce revisions to its method on a five year timetable, known as "the major review". The Commission is inclined to adopt a three year review period.

Naturally, fine tuning of the method, or the correction of errors or anomalies, would be undertaken as and when the need arises.

The State Grants Commission seeks councils' views on the proposition of regular methodological updates and, if that proposition is accepted, council views on the preferred interval between reviews.

State Grants Commission  
25 January 2007