

# Information Paper IP22-01: 2021 Review of the Road Preservation Model – Status Report – 27 January 2022

THIS INFORMATION PAPER PROVIDES SENIOR STAFF AND ELECTED MEMBERS OF COUNCILS WITH A BRIEF UPDATE ON THE STATUS OF THE STATE GRANTS COMMISSION'S MAJOR REVIEW OF THE ROAD PRESERVATION MODEL PROJECT.

The State Grants Commission (the Commission) is undertaking a comprehensive review of all aspects of its Road Preservation Model (RPM). The Commission uses the RPM to determine how it should allocate the Local Government Financial Assistance Road Grant funding that the Australian Government provides Tasmania each year.

The Australian Government provides all states with this type of funding and each state's local government grants commission is required to determine the distribution of the funds based on the following principle:

“as far as practicable, based on the relative need of each local governing body for road expenditure to preserve its road assets. In assessing road needs, relevant considerations include length, type and usage of roads in each local governing area”.

Given the significance of the review, the Commission has been provided with an additional FTE resource for 12 months to undertake the review.

## What's happened so far?

### *A review of approaches used in other jurisdictions*

The Commission has reviewed the methodologies used by other local government grants commissions to determine the distribution of their respective pools of funding.

The Commission has determined that its fundamental approach of an asset preservation model based on standard road profiles and standard costs continues to be robust but also recognises that there are opportunities for improvements on how it implements this model.

### *The 2021 RPM Survey*

The Commission conducted an online survey of Tasmanian councils in October-November

2021 to gather information on matters such as:

- Seeking comments on the road categories the Commission uses in its RPM;
- Seeking comments on the standard road profiles the Commission uses in its RPM;
- Seeking comments on the bridge and culvert specifications the Commission uses in its RPM; and
- Which road hierarchy or classification system each council uses in its own road asset management system.

The Commission received responses from 26 of Tasmania's 29 councils, which is an excellent 90 per cent response rate.

Following requests for sharing the Survey Results, the Commission sought and received consent of councils to the sharing of responses. These results have now been shared with all councils.

### Where are we now?

Following discussions with LGAT and IPWEA, the Commission has issued *Conversation Starter CS22-02 - 2021-22 Review of the Road Preservation Model - opportunities for improvement* to discuss with council engineers, asset management staff and anyone else interested in the RPM Project, some ideas on the direction and type of improvements that could be made to the RPM. The Conversation Starter is being launched to councils on 11 February 2022 and three virtual regional workshops will be conducted over 21-28 February 2022. Councils can also make written submissions by sending them to [SGC@treasury.tas.gov.au](mailto:SGC@treasury.tas.gov.au) by Monday 28 February 2022.

If interested, please send an email to [SGC@treasury.tas.gov.au](mailto:SGC@treasury.tas.gov.au) to receive a link to the Conversation Starter launch and workshop sessions.

### Next Steps:

The Commission will consider the feedback councils provide at

the workshop discussions and prepare a more detailed Discussion Paper (planned to be issued in April-May 2022) on the specific improvements, data and reporting changes, timeframes and any transitional arrangements from its current RPM processes to the new processes that the Commission is considering introducing.

Councils will have the opportunity to comment on the proposals in the Discussion Paper before the Commission makes its decisions on the specific nature and form of these improvements to its RPM, the timeline for changes and any transitional arrangements that may also be required.

The Commission thanks councils for their extremely high level of engagement in its recent RPM Survey and encourages every council to be involved and provide input into the current formative discussions on how the Commission could improve its RPM.