

Information Paper IP22-02: 2021-22 Review of the Road Preservation Model – Status Report – 17 May 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.

Conversation Starter CS22-01 and Workshop sessions

Following discussions with LGAT and IPWEA, the Commission 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. Three virtual regional workshops were conducted over 21-28 February 2022, with 20 councils represented.

Discussion Paper DP22-02

The Commission has now considered the feedback councils provided at the workshop discussions and undertaken some more targeted data sourcing and analysis work. The Commission issued a more detailed Discussion Paper to councils on 11 May 2022 (*Discussion Paper DP22-02 Road Preservation Model Methodology Review - Changing the underlying basis of the RPM*). DP22-02 provides both an update on the decisions that the Commission has made to date and discusses in more detail some further aspects of the Commission's methodology.

Where are we now?

Council comments are now being sought on the proposals in DP22-02. Submissions close on Wednesday 8 June 2022 and are to be sent to sgc@treasury.tas.gov.au.

Whilst written submissions are encouraged, for those seeking to provide feedback via virtual means, a limited number of time slots in the week 23-27 May 2022 are available for this purpose.

Next Steps:

Following consideration of submissions, the Commission will make its remaining decisions on changes to the basis of assessing asset preservation need in its RPM. The timeline and process for implementation is to be determined in consultation with all stakeholders and expected to be 2024-25.

The Commission thanks councils for the extremely high level of engagement in the RPM Review to date and welcomes all councils making a submission as part of the current consultation process.