

Information Paper IP22-09: 2021-22 Review of the Road Preservation Model – Status Report – December 2022

THIS INFORMATION PAPER PROVIDES STAFF AND ELECTED MEMBERS OF COUNCILS WITH A BRIEF UPDATE ON THE STATE GRANTS COMMISSION'S REVIEW OF ITS APPROACH TO ASSESSING ROAD PRESERVATION COSTS.

The State Grants Commission (the Commission) is undertaking a comprehensive review of how it assesses the preservation costs of councils' roads, bridges and culverts. The approach the Commission uses determines its recommendations to the Tasmanian Government on the allocation across councils of the Local Government Financial Assistance Road Grant funding provided by the Australian Government 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 and to preserve its road assets. In assessing road needs, relevant considerations include length, type and usage of roads in each local governing area”.

What's happened since the last update?

• Extension of the Project

The Project timeframe has been extended and is now expected to be completed by 30 June 2023.

Any changes to the Commission's approach will be reflected in recommendations for the 2024-25 financial year, at the earliest.

Discussion Paper DP22-02 submissions:

The Commission received seven submissions from councils on DP22-02.

The Commission has considered closely the feedback received and is currently considering the following:

• Local Government Road Hierarchy (LGRH)

The Commission is considering adopting the LGRH (excluding the unformed road categories) as its basis for assessing the annual preservation costs of each council's roads and related assets. The Commission assesses these preservation costs based on the road network maintained by councils. Unformed roads are excluded because, by definition, these roads are not maintained by councils.

If the LGRH is adopted, the Commission will require councils to report their respective council road lengths according to the LGRH classification system. However, this would not require a council to adopt the LGRH classifications in its asset management system.

• Bridges and Culverts

The Commission is considering keeping bridges and culverts in its RPM assessment process on the following basis:

- adopting the Austroads standard AP-R673-22_Austrroads_Roads_Assessment_Data_Standard_V4 (previously referred to as the ALGA definition in DP22-02);
- recognising each bridge with a minimum length (span) of three metres, with bridge deck area calculated as length x width;
- recognising each culvert asset which has a total waterway area of at least three metres² with culvert deck area calculated as the culvert's total waterway area x length;
- using a single asset preservation rate for all bridges and culverts, thus removing the distinction between type of material used in the construction of the asset.

New bridge and culvert drawings will be prepared to illustrate the calculation of deck area for eligible bridge and culvert assets.

• State-owned roads

The Commission is considering not providing any recognition of State-owned roads in its RPM methodology as Section 11(2) of the *Roads and Jetties Act 1935* already provides an opportunity for funding relating to State-owned roads to be addressed through agreements between the Minister responsible for the Roads and Jetties Act (through the Department of State Growth) and individual councils.

• Fire trails

The Commission is considering maintaining its current position of not including fire trails in its calculation of road lengths due to the low costs associated with such trails relative to the costs of the rest of the road network generally.

• Bruny Island allowance

The Commission is considering retaining its current recognition of the additional costs associated with Bruny Island roads.

Next Steps:

Consultancy: High level cost estimates

The Commission has engaged a consultant to independently estimate annualised asset preservation costs for maintaining each kilometre of road length by each road category of the LGRH (including rural unsealed roads). The consultant will also provide advice on:

- the extent to which road preservation costs are higher for the different road types in central business districts;
- whether the current cost adjustors (rainfall, terrain, traffic and remoteness) are required for the different road types; and
- the appropriateness of using a single rate for assessing all bridge and major culvert asset preservation costs.

If your council is approached by the consultant in early 2023 seeking information in relation to this task, your cooperation is appreciated.

Reprofiling the road network

To date 26 councils have provided the Commission with their current road lengths broadly classified using the LGRH classification system.

The Commission will continue to seek this information from the three remaining councils so the Commission can properly evaluate the implications of adopting the LGRH as its approach

to recommending Road Grant allocations.

Preliminary Decisions Paper

The Commission expects to issue a Preliminary Decisions paper in late March 2023, setting out its intended approach, and be open for submissions for approximately six weeks.

Following consideration of submissions, the Commission will make its final decisions and issue a Final Decision Paper that will set out, in detail, the Commission's approach to assessing asset preservation costs for roads, bridges and culverts. It is anticipated the Final Decision Paper will be issued in June 2023.

Issue Date: 22 December 2022