

Draft 2018-19 Triennium Work Plan

Information Paper – DP16-01

January 2016



Tasmania
Explore the possibilities

Review Background

The State Grants Commission is an independent statutory body responsible for recommending the distribution of Australian Government and State Government funds to Tasmanian local government authorities. To ensure that the distribution of available funds is as equitable and contemporary as possible, the Commission continually monitors council practices and updates assessment methods and data where appropriate.

To provide some structure to updating the distribution methods of the Australian Government Financial Assistance Grants (FAGs), the Commission operates a triennial review policy whereby major method changes are introduced only every three years, with data updates and minor changes applied every year.

Overview of Triennial Review Period (FAGs)

Distribution	Action
2015-16	Method Changes + Data Updates
2016-17	Data Updates
2017-18	Data Updates
2018-19	Method Changes + Data Updates

As this is the start of the next Triennium, the 2016 Hearing and Visits discussions will be an open discussion on matters of council interest. The 2016 Hearings and Visits represent an opportunity for councils to raise issues of interest to councils with the Commission and potentially influence the Commission's 2018-19 Triennium Work Plan. Suggestions of matters councils may wish to raise or discuss with the Commission at the 2016 Hearings and Visits include, but are not limited to:

- the council's strategic direction;
- any major issues or matters that the council is expecting to face over the next 3-5 years;
- any issues relating to the Australian Government/Local Government funding arrangements; or
- the Commission's Draft 2018-19 Triennium Work Plan and priorities.

Following is the Commission's draft 2018-19 Triennium Work Plan. The Work Plan is currently a draft work plan and may change depending on what additional or alternative matters/issues or cases for changes to priorities are received from councils as part of the 2016 Hearings and Visits.

2016 Councils Hearings and Visits expected focus:

TRIENNium YEAR I	Why
2016 Feedback Survey	The External Feedback Survey is conducted every 3 years. The 2016 Survey was issued to councils on 19 November 2015, with responses due by 24 December 2015. Feedback Survey Discussions at the Hearings and Visits will be depend on the nature of feedback and issues received.
Draft 2018-19 Triennium Program	The Draft 2018-19 Triennium Work Plan outlines what aspects of the Commission’s methodology the Commission is expecting to review during the 2018-19 Triennium. The 2016 Hearings and Visits represent an opportunity for councils to raise issues of interest to councils with the Commission and potentially influence the Commission’s 2018-19 Triennium Work Plan. The draft work plan may change depending on what additional or alternative matters/issues or cases for changes to priorities are received from councils as part of the 2016 Hearings and Visits.
Regional Methodology Presentations	<p>In response to several requests for training in the Commission’s methodology, and how data from councils is used by the Commission, Regional Presentations on the State Grants Commission Methodology are being conducted in conjunction with the 2016 Regional Hearings.</p> <p>These sessions will be open for all interested council staff in each region to attend and are expected to run for 60-90 minutes.</p> <p>The Commission has recently published additional information on its website to increase awareness and transparency of its processes and methodologies. One new publication is the <i>State Grants Commission Financial Assistance Distribution Methodology</i> paper which is available under Publications on the Commission’s website at http://www.treasury.tas.gov.au/domino/df/df.nsf/v-stategrants/home. This paper provides a detailed explanation of the Commission’s Base Grant Model and Road Preservation Model and will be a good supplement to the 2016 Regional training sessions and future reference for council staff.</p>

2017 Councils Hearings and Visits expected focus:

TRIENNium YEAR 2	Why
Road Preservation Model (RPM) Review	<p>The RPM is intended to be reviewed to determine if any refinements or adjustments need to occur to any aspects of the RPM. This may include, but is not limited to:</p> <ul style="list-style-type: none"> • a review of the RPM cost adjustors, including the cost adjustor range factors; • a review of the current urbanisation allowances; • an investigation into whether the change in bridge construction methods(away from timber bridges) impacts on the Commission’s current bridge and culvert life cycle costing assumptions; • an investigation of whether rainfall intensity/concentration affects road network life cycle costs; and • an investigation into the extent to which cross terrain issues (such as retaining walls & landslip areas) and accessibility of road networks impact on road network life cycle costs. <p>Consultancy advice is expected to be sourced in the undertaking of these tasks.</p>
Climate Change	<p>With flooding now making some land areas unsuitable for development, and other councils needing to incur significant expense on the installation and maintenance of sandbanks, levees and other structures to stabilise areas or prevent/reduce erosion or damage, the Commission plans to investigate the existence of suitable measures that could help recognise municipal climate change relativities. This may include an assessment of rainfall intensity across a number of different measurement centres in a municipality compared to one central average, heavy precipitation data or similar extreme weather data measures.</p>
Regional Responsibility	<p>The Commission has undertaken to revisit the topic of Regional Responsibility. This revisit may include, but is not limited to, consideration of the following:</p> <ul style="list-style-type: none"> • comparison of approaches used by other local government grants commissions; • a review of the current approach used by the Commission; and • a review of the Commission’s current Regional Responsibility Cost Adjustor weightings.
Issues raised by councils in 2016 Hearings and Visits	<p>Depending on results from the 2016 Hearings and Visits, report on any research undertaken in relation to additional issues raised by councils in the 2016 Hearings and Visits and, depending on the topic and availability of suitable data, respond with draft position/discussion papers as appropriate.</p>

2018 Councils Hearings and Visits expected focus:

TRIENNIMUM YEAR 3	Why
RPM discussion paper	Report on options/proposed solutions to be made to the RPM following the 2017-18 investigations and review of the RPM. This may include decisions relating, but not limited to: <ul style="list-style-type: none"> • a review of the RPM cost adjustors, including the cost adjustor range factors; • a review of the current urbanisation allowances; • the investigation into whether the change in bridge construction methods(away from timber bridges) impacts on the Commission’s current bridge and culvert life cycle costing assumptions; • the investigation into how rainfall intensity/concentration affects road network life cycle costs; and • the investigation into the cross terrain issues (such as retaining walls & landslip areas) and accessibility of road networks impact on road network life cycle costs.
Climate Change	Following the research undertaken in 2017, report on options available, and make recommendations relating to, suitable measures to recognise municipal climate change relativities and their possible future inclusion in the Commission’s methodologies.
Regional Responsibility	Following the Regional Responsibility revisit, report back on whether the Commission’s current methodology/cost adjustor requires modification, and if so, how and when any such modification is to be implemented/take effect.
Issues raised by councils in 2016 Hearings and Visits	Depending on results from the 2016 Hearings and Visits, report results of any research undertaken in relation to additional issues raised by councils in the 2016 Hearings and Visits and, depending on the topic and availability of suitable data, respond with Decision/Options papers as appropriate.

Submissions and timeframes

The Commission invites suggestions from councils on any other issues the Commission should consider over the 2018-19 Triennium or comment on the Commission's draft 2018-19 Triennium Work Plan. Councils should feel free to provide comments on any pertinent issues regarding the Commission assessment methodologies.

Written submissions should be forwarded by 29 January 2016 to the Commission Executive Officer, Ms Pam Marriott as follows:

- By post: Executive Officer
 State Grants Commission
 GPO Box 147
 HOBART TAS 7001
- By email: pam.marriott@treasury.tas.gov.au

Details regarding the annual assessments and methodology used by the Commission can be found in the *2014-15 Annual Report, including the 2015-16 Financial Assistance Grant Recommendations, 2015-16*, the *State Grants Commission Financial Assistance Grant Data Tables* and the *State Grants Commission Financial Assistance Distribution Methodology Paper*. These documents are available on the Commission website. Go to the Department of Treasury and Finance webpage (www.treasury.tas.gov.au) and click the State Grants Commission 'Quick Link', then click Publications.

Any queries should be directed to the Executive Officer on (03) 6166 4274.

2016 Hearings and Visits

The Commission will provide councils with an opportunity to discuss this paper and any other matters of interest to councils during the 2016 Hearings and Visits program that will begin in February 2016.