

## Report of the Auditor-General No. 5 of 2025-26

Follow up of *Report of the  
Auditor-General No. 6 of 2020-21:  
Management of the State Road network*

1 December 2025

**Auditing for a better Tasmania**

*We connect, innovate, grow, and have impact with integrity*

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# Foreword

Five years ago, in the *Report of the Auditor-General No. 6 of 2020-21: Management of the State Road network* 5 recommendations were made to improve the management of the State Road network (the Network) by the Department of State Growth (State Growth).

State Growth has made progress in relation to all recommendations, however none of the 5 recommendations have been implemented in full. While significant progress has been made across each of the recommendations, the budget for renewal and maintenance has not increased at the same rate as the costs for these activities. This funding gap has led to intervention (maintenance and renewal) not occurring at an optimal point in time, which has in turn contributed to the costs to maintain the Network doubling between 2022-23 and 2024-25. Further, a recent State Growth budget submission to the Australian Government for \$1 billion to improve productivity and resilience across the Network was unsuccessful. This is likely to result in further difficulty in ensuring that the Network can withstand climate change impacts and support Tasmania's increasing population and growth in tourism.

We acknowledge the good work completed by State Growth to develop strategies and systems, including improved risk management and understanding of customer needs. This work will result in a better understanding of the risks, challenges and opportunities in relation to road management, and provide greater insight into the gap between optimal renewal and maintenance funding but will not enable the gap to be closed.



Martin Thompson  
**Auditor-General**

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**2025  
PARLIAMENT OF TASMANIA**

***Follow up of Report of the Auditor-General No. 6 of 2020-21:  
Management of the State Road network***

**1 December 2025**

Presented to both Houses of Parliament pursuant to  
Section 30(1) of the *Audit Act 2008*

## **Acknowledgement of country**

In recognition of the deep history and culture of Tasmania, we acknowledge and pay respect to Tasmanian Aboriginal people, the past and present custodians of this island. We respect Tasmanian Aboriginal people, their culture, and their rights as the first peoples of this land. We recognise and value Aboriginal histories, knowledge and lived experiences and commit to being culturally inclusive and respectful in our working relationships.

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# State Growth has substantially progressed recommendations from the 2020 audit

## Summary of findings

The audit assessed the degree to which State Growth implemented the 5 recommendations made in the *Report of the Auditor-General No. 6 of 2020-21: Management of the State Road network* (2020 audit). Table 1 summarises the extent of implementation for these recommendations.

Table 1: Recommendations from the 2020 audit and their assessed implementation status

Recommendation	Status
1. Implement strategies and actions to reduce maintenance and renewal shortfall, including the improvement of the integration and quality of information used to prioritise investment in maintenance.	Partially implemented
2. Review and update policies, plans and strategies that are out of date.	Largely implemented
3. Integrate road asset performance, degradation factors and network performance management systems to better use and enhance the quality of information used for decision making.	Partially implemented
4. Link level of service frameworks for customer and technical levels of service and performance measures to further improve the approach to performance management.	Partially implemented
5. Integrate risk management systems and information to manage risks and focus resources more effectively.	Largely implemented

Source: Audit Tasmania

## Background

### The State Road network

- 1.1 State Growth is responsible for managing and maintaining approximately 4,000km<sup>1</sup> of the State Road network (the Network) in Tasmania. The total road network is approximately 36,000km and most of these roads are managed by other Government entities including local councils.<sup>2</sup>

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<sup>1</sup> Department of State Growth [State Road Network](#), accessed 26 November 2025.

<sup>2</sup> Infrastructure Tasmania, Department of State Growth [State Roads Audit](#), accessed 22 October 2025.

- 1.2 The Network connects cities, major towns, rural areas, key ports and airports. Therefore, it is important that the Network is well maintained to ensure it is safe and reliable for all road users.

## Implementation of recommendation 1

### Shortfalls in renewal funding are increasing routine maintenance costs

- 1.3 The 2020 audit found that despite increased funding, there was a shortfall in the maintenance and renewal budget potentially leading to a deterioration of road condition levels into the future. As a result, we recommended that State Growth implement strategies and actions to reduce maintenance and renewal shortfall, including the improvement of the integration and quality of information used to prioritise investment in maintenance.
- 1.4 State Growth has **partially** implemented this recommendation.
- 1.5 It advised that the 5-year Freight Capacity Upgrade Program (the Program), which is jointly funded by the Australian and Tasmanian governments, has supported the upgrade and renewal of roads and bridges across the Network. The Program commenced in April 2023 and, according to the Australian Government, is expected to provide:
- improved freight productivity
  - improved efficiency and network reliability
  - improved road safety for all road users
  - reduced maintenance costs.<sup>3</sup>
- 1.6 The Program is expected to conclude in 2028, and State Growth advised it will reduce some maintenance costs in the longer term. However, it will not impact routine maintenance activities undertaken across the Network, such as inspections, mowing, tree trimming, and emergency management.
- 1.7 State Growth advised the budget for maintenance and asset renewal has not increased at the same rate as the costs for these activities. This funding gap has been identified in State Growth's asset management planning. The funding gap has led to intervention (maintenance and renewal) not occurring at an optimal point in time, which has in turn contributed to the costs to maintain the Network doubling between 2022-23 and 2024-25.
- 1.8 In January 2025, State Growth made a budget submission to the Australian Government for \$1 billion to improve the productivity and resilience of the Network to:

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<sup>3</sup> Department of Infrastructure, Transport, Regional Development, Communications and the Arts [Freight Capacity Upgrade Program](#), accessed 9 October 2025.

- mitigate climate change impacts
  - support more freight and heavy vehicles
  - support increases in population and tourism
  - minimise long term maintenance requirements.
- 1.9 This submission was in addition to funding already allocated for routine maintenance activities, but it was unsuccessful.
- 1.10 State Growth advised that it is focused on prioritising funding for safety and reliability over amenity, and on taking a more collaborative approach with contractors to identify sustainable maintenance delivery efficiencies.
- 1.11 Since the 2020 audit, State Growth has improved its systems with the aim of improving data quality and prioritising investment decisions related to maintenance. These systems are detailed later in this report.
- 1.12 State Growth advised it will continue to highlight the maintenance and asset renewal funding requirements through budget submissions and asset management plans to ensure that the Network is adequately maintained.

*‘Improvements in data have assisted in providing a more accurate picture of requirements for funding the maintenance and renewal of the State Road Network’.*

**Department of State Growth**

## Implementation of recommendation 2

### State Growth has reviewed and updated key policies, plans and strategies

- 1.13 The 2020 audit found that State Growth developed asset management policies, strategies and plans to guide its approach to managing the Network. However, many of these documents had not been subject to regular review, and there was no assurance that they remained relevant or aligned to achieving Government objectives. As a result, we recommended that State Growth review and update policies, plans and strategies that are out of date.
- 1.14 State Growth has **largely** implemented this recommendation.
- 1.15 State Growth has reviewed and updated key policies, plans and strategies since the 2020 audit. We assessed 9 key documents, and found 8 of these were current, with 3 in draft or being updated at the time of the audit. One document had not been updated since 2014.
- 1.16 Table 2 lists the key documents, the date it was last reviewed and our assessment of the currency of the document.

Table 2: State Growth strategic planning documents with date reviewed

Document	Evidence of last review	Assessment of currency
Tasmanian Transport Strategy	2025	Current (draft)
Keeping Hobart Moving	2025	Current
10-year land transport infrastructure plan	2025	Current
State Roads Asset Management Policy	2023	Current
State Roads Strategic Asset Management Plan	2025	Current (update in progress)
10 Year Infrastructure Investment Plan	2024	Current
Towards Zero Tasmanian Road Safety Strategy 2017-2026	2017	Current (update planned)
Tasmanian Walk, Wheel, Ride Strategy 2024 <sup>4</sup>	2024	Current
State Roads Infrastructure Service Policy	2014	Outdated

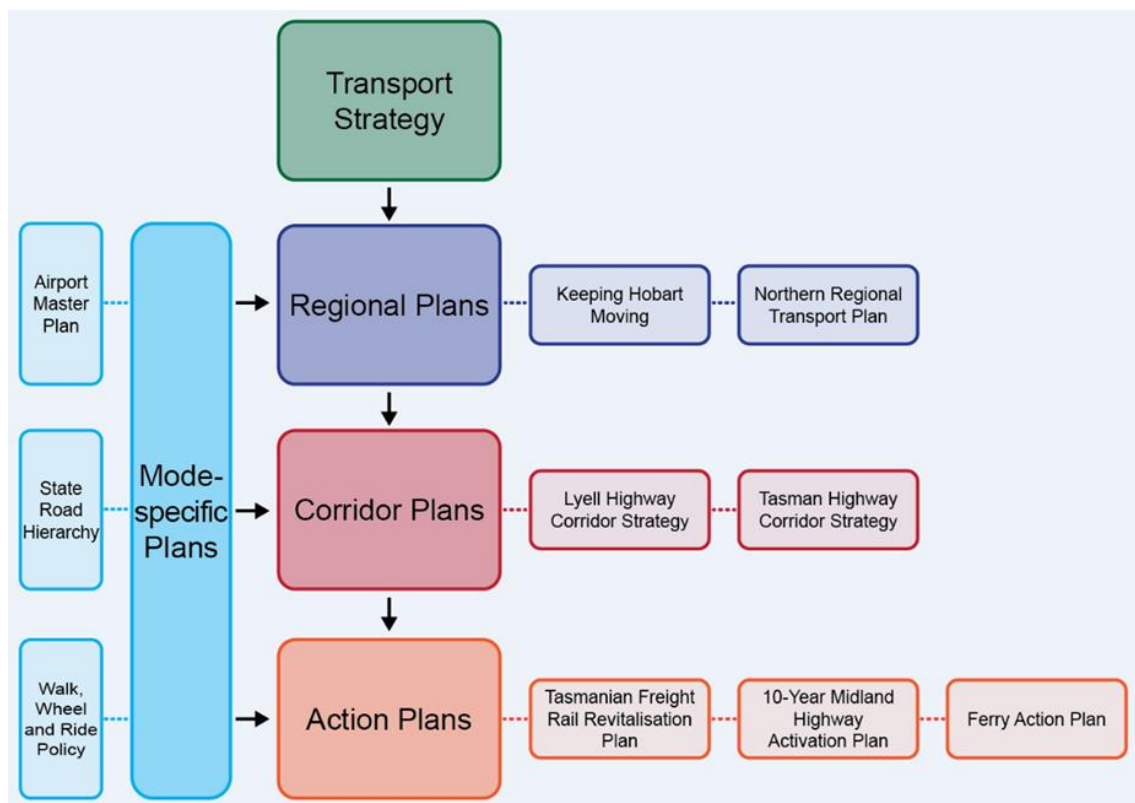
Source: Audit Tasmania

- 1.17 State Growth also maintain regional-level plans and specific corridor strategies, which are designed to enable a targeted approach to asset planning, upgrades, safety improvements, and delivery. Figure 1 shows a hierarchy of strategic planning documents that relate to the management of the Network.

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<sup>4</sup> Formerly known as the Tasmanian Walking and Cycling for Active Transport Strategy.

Figure 1: Strategic policy and planning documents



Source: Department of State Growth

- 1.18 State Growth advised that its new transport strategy will set the overarching strategic direction for transport policy, planning and delivery in Tasmania.

*‘The department is now in a better position with a number of documents that outline our strategic and tactical policies. The department is re-aligning its strategic policy and planning hierarchy around delivery of a Transport Strategy’.*

**Department of State Growth**

## Implementation of recommendation 3

### State Growth has developed a new asset management data information system to support the centralisation of road asset data

- 1.19 The 2020 audit found that State Growth used 3 primary systems to manage and inform asset data and analysis, but this information was not fully integrated. As a result, we recommended that State Growth integrate road asset performance, degradation factors and network performance management systems to better use and enhance the quality of information used for decision making.
- 1.20 State Growth has **partially** implemented this recommendation.

- 1.21 In 2022, State Growth engaged a consultant to support the development of a new system to manage road data, called the Road Assets Data Intelligence Unification System (RADIUS).
- 1.22 RADIUS is an asset management system intended to improve data quality, systems, processes and governance. RADIUS will replace 2 legacy systems: the Road Information Management System and Asset Management Information System. RADIUS should support ease of reporting to the Australian Government by producing data reports on road assets in a consistent format.
- 1.23 In mid-2025, the consultant provided State Growth with a minimum viable product<sup>5</sup> for RADIUS. State Growth advised that the user interface has not yet been developed and only a few users have access.
- 1.24 State Growth are also progressing the following initiatives to support the capture of asset information and maintenance activities across the Network, such as:
- a project as part of the RADIUS program of works to replace the Completed Works Form, which is a system that captures design and asset information from completed projects
  - the 'Reflect' system: a maintenance tool used to collect and manage defects identified on the Network
  - procurement of a Spatial Maintenance Information Management Tool to improve data management related to maintenance activities
  - development of road corridor strategies to support identification of upgrade projects to meet network performance, capacity and safety.
- 1.25 These initiatives were still being progressed at the time of this follow up, and State Growth advised that a few of these systems are not yet integrated.

*'[We have] improved knowledge of specific integration issues with different asset data sources. We have improved links to some systems, and improved data quality'.*

**Department of State Growth**

## Implementation of recommendation 4

### State Growth is improving its understanding of customer needs

- 1.26 The 2020 audit found that State Growth was improving its understanding of Levels of Service (LoS) and adequately engaged with stakeholders. State Growth monitored performance of the Network, however the measures used did not adequately link to LoS. As a result, we recommended that State Growth link LoS frameworks for

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<sup>5</sup>This is an early version of a product with basic functionality.

customer and technical levels of service and performance measures to further improve the approach to performance management.

- 1.27 State Growth has **partially** implemented this recommendation.
- 1.28 State Roads has improved its approach to customer service through its *Transport and Infrastructure Group Strategic Plan 2022-25* (the Strategic Plan), and development of road corridor strategies. The Strategic Plan has a strategic priority to be 'Customer-focused', which is about:
- enabling people to contribute to projects that interest or impact them
  - providing customer service that is accessible, responsive, transparent, and fair
  - building a deeper understanding of customer and stakeholder needs.
- 1.29 The road corridor strategies are developed in consultation with road users and the broader community. These strategies are aligned to the Strategic Plan.
- 1.30 State Growth advised that stakeholder consultation ensures that technical and customers levels of service are incorporated into roads designs. While State Roads have improved its stakeholder consultation, overall performance of the Network does not yet directly incorporate all LoS measures. This means road users may not know if their expectations were being met in the operation of the Network.

*'[There is a] greater understanding of customer needs due to our customer focus based on our current strategic plan. By developing road corridor strategies we ensure we engage with a wide range of road users and others across the community, including tourists and local councils. These corridor plans also align with our future ready priority [from the Strategic Plan]'.*

**Department of State Growth**

## Implementation of recommendation 5

### State Growth has improved overall management and coordination of risks across key projects including roads

- 1.31 The 2020 audit found that State Growth risk management processes required better integration. While State Growth actively identified and monitored asset specific risks, the evaluation of risks and frequency of review could be improved. As a result, we recommended that State Growth integrate risk management systems and information to manage risks and focus resources more effectively.
- 1.32 State Growth has **largely** implemented this recommendation.
- 1.33 State Growth advised that overall risk management and coordination of risks across key projects, including roads, has improved.
- 1.34 This was evidenced by the Project Management Group's (PMG) regular monitoring of the status of high-risk projects. The PMG provides a report on these projects to the

Group Executive Team as required, who assess these against other priorities to determine how resources should be allocated to minimise ongoing risks.

- 1.35 Infrastructure Tasmania in State Growth has developed a Project Assurance Framework to support the identification and management of project risks, and to ensure that projects meet its intended objectives. The Project Assurance Framework was implemented for the new Bridgewater Bridge.
- 1.36 Overall, this demonstrates better alignment, management, and reporting of risks and issues.

*'Improvements have been made and will continue with the Transport Group working as part of the whole of agency risk management approach'.*

**Department of State Growth**



# Appendix A – Independent assurance report

This independent assurance report is addressed to the President of the Legislative Council and the Speaker of the House of Assembly. It relates to my follow up of the *Report of the Auditor-General No. 6 of 2020-21: Management of the State Road network*.

## Audit objective

The objective of the audit was to assess the degree to which the Department of State Growth (State Growth) has implemented recommendations made in the *Report of the Auditor-General No. 6 of 2020-21: Management of the State Road network* (2020 audit).

## Audit scope

The audit assessed the implementation of 5 recommendations made in the 2020 audit.

## Audit approach

The audit was conducted in accordance with the Australian Standard on Assurance Engagements ASAE 3500 *Performance Engagements*, issued by the Australian Auditing and Assurance Standards Board, for the purpose of expressing a limited assurance opinion.

The audit assessed:

- the extent to which recommendations made in the audit report were implemented
- whether implementation of the recommendations helped improve compliance, efficiency, effectiveness or economy of the relevant State entity's activities
- the appropriateness of the rationale or evidence to support non-implementation.

## Responsibility of management

It is the responsibility of the Accountable Authority to ensure that recommendations from external independent bodies such as the Auditor-General are implemented in a timely manner. Where a strategic or operational business decision has been made not to implement a recommendation, this should be communicated to the Accountable Authority for the entity and the entity's Audit Committee, or equivalent.

## Responsibility of the Auditor-General

My responsibility was to assess whether State Growth has taken the necessary actions to implement the recommendations made in the 2020 audit, and whether implementation helped improve performance or compliance.

## Independence and quality control

I have complied with the independence and other relevant ethical requirements relating to assurance engagements, and applied Auditing Standard ASQM1 *Quality Management for*

*Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements* in undertaking this follow up audit.

## Conclusion

It is my conclusion that State Growth has partially addressed recommendations 1, 3 and 4, and largely implemented recommendations 2 and 5 from the 2020 audit.

A handwritten signature in black ink, appearing to read 'Martin Thompson', with a stylized, cursive script.

Martin Thompson  
**Auditor-General**

1 December 2025

## Appendix B – Transmittal letter



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1 December 2025

President, Legislative Council  
Speaker, House of Assembly  
Parliament House  
HOBART TAS 7000

Dear President, Speaker

**Report of the Auditor-General No. 5 of 2025-26 – Follow up of  
*Report of the Auditor-General No. 6 of 2020-21: Management of  
the State Road Network***

This report has been prepared consequent to examinations conducted under section 23 of the *Audit Act 2008*. The objective of this follow up audit is to assess the degree to which the Department of State Growth has implemented recommendations made in the *Report of the Auditor-General No. 6 of 2020-21: Management of the State Road Network*.

Yours sincerely

A handwritten signature in black ink, appearing to read "Martin Thompson".

Martin Thompson  
**Auditor-General**

## Appendix C – Submissions and comments received

In accordance with section 30(2) of the *Audit Act 2008*, this report was provided to the relevant Minister, Entity Heads of the audited entities with a request for submissions or comments.

Submissions and comments that we receive are not subject to the audit nor the evidentiary standards required in reaching an audit conclusion. Responsibility for the accuracy, fairness and balance of these comments rests solely with those who provided the response.

### Response from the Department of State Growth

Thank you for your email of 18 November 2025 inviting the Department of State Growth to provide a response to Audit Tasmania's assessment provided in the Follow up of the *Report of the Auditor-General No 6 of 2020-21: Management of the State Road Network*.

I am particularly pleased to note your conclusion that State Growth has made significant progress in relation to all recommendations and accept the findings of the report.

The State Road Network is critical infrastructure which connects Tasmanian communities and industries. I can confirm that the department is committed to continuing to build on the improvements made to date in line with the asset management framework. As the department continues to make these improvements as part of our normal work program, your assessment will assist in highlighting key areas to focus on to strengthen our management of this critical infrastructure.

I note in response to Recommendation 1 that the Tasmanian and Australian Governments committed \$100 million over five years from 2022-23 for the Freight Capacity Upgrade Program. Capital works, including new construction, strengthening and renewal, and other upgrades serve to improve the resilience of the State Road Network, and make a significant contribution towards reducing the maintenance burden into the future.

The Tasmanian Government will again be making a funding submission to the Australian Government for a *Tasmanian Road Network Productivity and Resilience Program* to improve the resilience and productivity of the state road network. This initiative is separate to our routine maintenance and is focused on improved resilience to weather events, and supports increases in freight vehicles transporting heavier loads, population and tourism.

These investments will not only contribute to reducing future routine maintenance requirements but also play a critical role in closing the gap you perceived between capital renewal needs and available routine maintenance funding.

Craig Limkin

**Secretary, Department of State Growth**

# Appendix D – Our role, audit mandate and standards applied

## Our role

The Auditor-General and Tasmanian Audit Office (Audit Tasmania) are established under the *Audit Act 2008* and *State Service Act 2000*, respectively. Our role is to provide assurance to Parliament and the Tasmanian community about the performance of public sector entities. We achieve this by auditing financial statements of public sector entities and by conducting audits, examinations and investigations on:

- how effective, efficient, and economical public sector entity activities, programs and services are
- how public sector entities manage resources
- how public sector entities can improve their management practices and systems
- whether public sector entities comply with legislation and other requirements.

Through our audit work, we make recommendations that promote accountability and transparency in government and improve public sector entity performance.

We publish our audit findings in reports, which are tabled in Parliament and made publicly available online. To view our past audit reports, visit our [reports](#) page on our website.

## Mandate

Section 23 of the *Audit Act 2008* states that:

- (1) The Auditor-General may at any time carry out an examination or investigation for 1 or more of the following purposes:
  - (a) examining the accounting and financial management information systems of the Treasurer, a State entity or a subsidiary of a State entity to determine their effectiveness in achieving or monitoring program results;
  - (b) investigating any matter relating to the accounts of the Treasurer, a State entity or a subsidiary of a State entity;
  - (c) investigating any matter relating to public money or other money, or to public property or other property;
  - (d) examining the compliance of a State entity or a subsidiary of a State entity with written laws or its own internal policies;
  - (e) examining the efficiency, effectiveness and economy of a State entity, a number of State entities, a part of a State entity or a subsidiary of a State entity;

- (f) examining the efficiency, effectiveness and economy with which a related entity of a State entity performs functions –
    - (i) on behalf of the State entity; or
    - (ii) in partnership or jointly with the State entity; or
    - (iii) as the delegate or agent of the State entity;
  - (g) examining the performance and exercise of the Employer’s functions and powers under the *State Service Act 2000*.
- (2) Any examination or investigation carried out by the Auditor-General under subsection (1) is to be carried out in accordance with the powers of this Act.

## Standards applied

Section 31 specifies that:

‘The Auditor-General is to perform the audits required by this or any other Act in such a manner as the Auditor-General thinks fit having regard to –

- (a) the character and effectiveness of the internal control and internal audit of the relevant State entity or audited subsidiary of a State entity; and
- (b) the Australian Auditing and Assurance Standards.’

The auditing standards referred to are Australian Auditing Standards as issued by the Australian Auditing and Assurance Standards Board.

# Acronyms and abbreviations

2020 audit	<i>Report of the Auditor-General No. 6 of 2020-21: Management of the State Road network.</i>
AASB	Australian Accounting Standards Board
Audit Act	<i>Audit Act 2008</i>
LoS	Level of Service
the Network	State Road network, managed by the Department of State Growth
PMG	State Roads Project Management Group
the Program	Freight Capacity Upgrade Program
RADIUS	Road Assets data Intelligence Unification System
State Growth	Department of State Growth
the Strategic Plan	<i>Transport and Infrastructure Group Strategic Plan 2022-25</i>
State Roads	State Roads unit within the Transport division of the Department of State Growth



*Front cover image: Bass Highway near Burnie*

*Photography: Courtesy of State Roads*

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