



Media Release

Tuesday 20 July 2010

Embargoed 10:00am

NSW infrastructure in average to poor condition

The release today of the Engineers Australia 2010 New South Wales Infrastructure Report Card finds that NSW's infrastructure is generally in average to poor condition, with over three-quarters of the sectors needing major to critical changes.

The Chair of the Engineers Australia NSW infrastructure report card committee, Ian Pedersen, said, "The State's infrastructure is under stress in many areas and needs major changes to rise above its generally average to poor condition.

"There remains a lack of strategic planning, coordination and integration and a commitment to existing plans and, with population growth driving further demands, the public and private sectors will need to invest a significant amount of money to bring NSW's infrastructure up to a reasonable standard."

The 2010 report card reviewed infrastructure categories across energy, telecommunications, transport and water and assigned ratings * within the scales of A – F, and provides many comparisons with the initial 2003 NSW Infrastructure Report Card. The 2010 report card includes ratings for the additional categories of Roads Overall, Ports, Airports, Irrigation, Gas and Telecommunications.

Across the 14 report card categories – only three get a good "B" rating (needing minor changes), but eight get "C" (needing major changes), and three get a "D" (needing critical changes).

The "B" ratings are for Airports (B), National Roads (B-) and Potable Water (B-). The "C" ratings are for Roads Overall (C-), Ports (C), Wastewater (C+), Stormwater (C), Irrigation (C), Electricity (C-), Gas (C) and Telecommunications (C-). The "D" ratings are for State Roads (D+), Local Roads (D+) and Rail (D-).

The 2010 report shows that marginal improvements have been made since 2003 in the areas of National Roads, Wastewater and Stormwater, with the rating for Potable Water remaining the same. However, the ratings for State Roads, Local Roads, Rail, and Electricity have all gone backwards.

Recommendations of the Report include:

1. Develop a long-term infrastructure vision and plan that accommodates the State's projected increase in population by 2051.
2. Identify where the additional population will be accommodated, the location of major transport corridors, and the sources of water and other utility services.
3. Give greater attention to managing demand for infrastructure services, rather than relying on building additional infrastructure to meet growing demand.
4. Factor in the impact of climate change on the viability of regional and rural areas in infrastructure decisions.

5. Develop an independent planning infrastructure advisory group to coordinate infrastructure planning and funding advice and to provide input to Infrastructure Australia.
6. Improve cooperation and collaboration between all levels of government and business in the planning and provision of infrastructure.
7. Deliver more efficient infrastructure outcomes and develop innovative funding models to provide the required infrastructure.
8. Address the current disparity between rural, regional and urban infrastructure, and recognise that improved infrastructure in regional and rural areas encourages business and individuals to relocate from Sydney and other major cities.

The report includes comprehensive analysis and comment and includes the ratings table below for the current and past NSW and National Report Cards.

Infrastructure type	NSW 2010	NSW 2003	National 2005	National 2001
Roads overall	C-	Not rated	C	Not rated
National roads	B-	C+	C+	C
State roads	D+	C+	C	C-
Local roads	D+	C-	C-	D
Rail	D-	D	C-	D-
Ports	C	Not rated	C+	B
Airports	B	Not rated	B	B
Potable water	B-	B- Metropolitan urban C- Non-metropolitan urban	B-	C
Wastewater	C+	C- Metropolitan urban C- Non-metropolitan urban	C+	C-
Stormwater	C	D	C-	D
Irrigation	C	Not rated	C-	D-
Electricity	C-	B	C+	B-
Gas	C	Not rated	C+	C
Telecommunications	C-	Not rated	Not rated	B

Further Information: **Summaries** of each infrastructure type, grade and comment **are attached** and a copy of the full report is available at www.engineersaustralia.org.au/ircnsw . This report card is the fifth released in the new series that will be completed for all States and Territories by November 2010.

(* **The ratings** have been based on an assessment of asset condition, asset availability and reliability, asset management and sustainability. An "A" means very good and the infrastructure is fit for its current and anticipated future purposes; "B" is good, with minor changes needed to meeting current and future needs; "C" is adequate, but major changes required; "D" is poor, with critical changes required; and "F" is inadequate).

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The following summarises the 2010 NSW Infrastructure Report Card ratings.

Infrastructure type	Grade	Comment
Roads overall National roads State roads Local roads	C- B- D+ D+	These ratings recognise that the NSW road network is under stress due to demand rising faster than supply, and that there is a lack of a road pricing mechanism that ensures road usage becomes more efficient. National roads are in physically better condition than State roads due to the considerable investment in them over the last decade. The physical quality of State roads may be improving, but their service quality is deteriorating due to rising congestion. Local roads are struggling to maintain their existing standard, primarily due to increase in demand, coupled with a rising backlog of maintenance.
Rail	D-	This rating recognises that while the ARTC's Hunter Valley Coal Network and to a lesser extent, the other ARTC lines are of a good standard, the Metropolitan Rail Network and the Country Regional Network require significant improvements. Targeted projects are improving both networks, however, there is limited confidence that the planned projects will deliver the scale of improvements required along the metropolitan network routes and in country areas to meet both the unmet existing needs and those arising from the rapidly growing passenger and freight needs in Sydney.
Ports	C	This rating recognises that capacity is adequate at NSW's major ports due to recent infrastructure upgrades and is planned to grow in line with need. There is a lack of integration between the ports and road and rail infrastructure that has led to congestion problems and therefore the lower rating.
Airports	B	This rating recognises that there has been a significant investment in NSW's major airports over the last decade and they meet current and anticipated short-term demand. Problems of access and constraints remain at these airports, including curfews due to nearby land use. A number of regional airports are under stress due to rising costs and limited ability to increase revenue, and a lack of State Government policy guidance about their future.
Potable water	B-	This rating reflects the significant infrastructure and demand management improvements undertaken in the metropolitan areas that have addressed the recent water supply problems caused by the drought. It also recognises that the water supply plans established by the metropolitan water supply utilities provide a sound basis for the delivery of an efficient and reliable water supply into the future. While there have been some improvements in regional water supply quality and availability, local water utilities face significant infrastructure and supply challenges, including limited ability to raise revenue to improve infrastructure and access to sustainable raw water sources.
Wastewater	C+	This rating recognises that there have been improvements in wastewater infrastructure and asset management across both metropolitan and non-metropolitan areas resulting in a noticeable improvement in the environmental impact of wastewater. There has also been an increased reuse of wastewater, which is reducing demand for potable water.
Stormwater	C	This rating recognises that stormwater design and management is of a high quality in both new and infill developments. This is primarily due to water sensitive urban design becoming standard practice, and good land use planning. Significant problems remain in areas serviced by older stormwater systems, resulting in chronic localised flooding. These problems cannot be rectified easily due to their significant cost and community impact.
Irrigation	C	This rating recognises there have been significant improvements to irrigation infrastructure over the last decade resulting in increased water efficiency and irrigation operations. The relevance of existing infrastructure and future infrastructure improvements will depend on water availability decisions to be made on the Murray Darling Basis cap this year.

Infrastructure type	Grade	Comment
Electricity	C-	This rating recognises that transmission and distribution systems performance has improved in the last few years and the committed medium-term investment will lead to further improvements. Of concern is the uncertain future of new baseload generation caused by uncertainty over the future of gas prices, carbon costs and government decisions. If new generation capacity is not constructed, NSW's power needs will not be able to be supplied from within the State.
Gas	C	This rating recognises that the gas transmission and distribution systems are in a sound condition, and increases in gas exploration, production and pipeline capacity have increased supply. However, as future supply and demand for gas is highly uncertain due to government policy, the internationalisation of domestic gas prices, and the construction of new gas-fired generation plants along the east coast of Australian, it is impossible to determine if the infrastructure is appropriate for future demand.
Telecommunications	C-	This rating recognises that the mobile and broadband provision is generally very high in the metropolitan areas, but is of variable quality in regional areas. The twisted copper pair network, upon which ADSL services rest, is reaching its limits and the rollout of fibre, broadband wireless and satellite under the NBN will enable the next evolution of broadband services to be provided. Backhaul networks are in good condition and competitive provision will be improved through the NBN blackspots program.