

Media Release

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Queensland infrastructure report card confirms major improvements required

The release today of the *Engineers Australia 2010 Queensland Infrastructure Report Card* found that the State's overall infrastructure requires major improvements, with under-investment in maintenance and renewals, the quality of rural and regional infrastructure, and the effective use of recycled water included in the issues of urgent concern.

The President of the Engineers Australia Queensland Division, Mike Brady, said, "Given the scale of under-investment in maintenance and renewals to date, and the ongoing increase in demand driven by population growth and the resources sector, the challenges in addressing current and future infrastructure demands could be rated as somewhere between considerable to highly disturbing.

"Since our 2004 report, marginal improvements have been made in the areas of Ports, Electricity and Gas, and the ratings for Potable Water, Wastewater, Stormwater, Irrigation and Telecommunications have remained the same.

"However, the ratings for National Roads, State Roads, Local Roads, Rail and Airports have all slipped, despite the significant capital investment in these sectors."

The latest Queensland report is part of Engineers Australia's on-going commitment to driving a well-informed debate around the delivery of key infrastructure across Australia.

The following table sets out the latest ratings and comparisons.

Infrastructure Type	Queensland 2010	Queensland 2004	National 2005	National 2001
Roads Overall	C-	Not rated	C	Not rated
National roads	C-	C+	C+	C
State roads	C-	C	C	C-
Local roads	C-	C	C-	D
Rail	C-	C+	C-	D-
Ports	B	B-	C+	B
Airports	B-	B	B	B
Potable water	B-	B Urban treatment B- Urban reticulation	B-	C
Wastewater	B-	B Urban treatment C- Urban reticulation	C+	C-
Stormwater	C	C	C-	D
Irrigation	C+	C+	C-	D-
Electricity	C	D+	C+	B-
Gas	C+	C	C+	C
Telecommunications	B	B	Not rated	B

Recommendations of the report are:

1. Address the large and growing gap between the funds provided for maintenance and renewals of infrastructure and what is actually required to maintain asset quality and performance. Funding must be accompanied by placing a high priority on strategic asset management within all infrastructure sectors and information on this must be publically available;
2. Address the imbalance between urban and rural and remote communities regarding access to high quality, reliable infrastructure through additional funding, particularly to regional and remote local governments;
3. Increase the utilisation of recycled water for direct and indirect potable purposes;
4. Ensure that the proposed projects in State infrastructure plans are implemented as currently planned;
5. Develop plans and implement projects in all sectors in advance of need, and build in capacity for growth in all infrastructure sectors, but particularly for ports, airports and transport corridors;
6. Introduce programs to facilitate demand reduction rather than demand management, and increase the rate of asset utilisation;
7. Create certainty for investors by introducing clear policies to reduce carbon emissions, increase energy efficiency and address uncertainties around coal and gas use for future electricity generation;
8. Recognise the limited ability of the community to fund infrastructure from rates and charges when delivering future infrastructure programs. Local governments in particular require a significant increase in funding assistance from the Australian and Queensland governments;
9. Give greater consideration to the impact that the resources sector has in Queensland's two-tiered economy, particularly on local communities and future long-term infrastructure strategies and plans; and
10. While encouraging high levels of private sector investment in future public infrastructure programs, governments must concurrently increase their level of investment to meet future growth demands.

Further Information: **Summaries** of each infrastructure type, grade and comment **are attached** and a copy of the full Queensland report is available at www.engineersaustralia.org.au/ircqld . Reports for all States and Territories are now concluded and the overall national assessment will be released at an address to National Press Club by Peter Taylor, Chief Executive of Engineers Australia, on Wednesday 24 November.

(**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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Ratings summary comments for the 2010 Queensland Infrastructure Report Card

Infrastructure Type	Grade	Comment
Roads Overall National roads State roads Local roads	C- C- C- C-	These ratings recognise that while there has been significant investment in Queensland's road infrastructure, the overall quality of the road network has deteriorated due to the increase in traffic volumes exceeding infrastructure improvements, and under-investment in maintenance and renewals. Regional roads in particular have worsened significantly, resulting in an ever increasing backlog of road work.
Rail	C-	This rating recognises that coal networks have improved substantially. However, rail infrastructure improvements in SEQ have not kept pace with demand, and the quality of regional freight rail lines has remained static. In SEQ, the major problems include capacity constraints, including cross river rail traffic congestion and other key locations within the network, consequences of shared freight and passenger lines, and the failure to provide new rail lines to rapidly growing residential and employment areas. Whilst announcements and planning indicates that preliminary steps are in place as at the date of this report, this infrastructure has yet to be realised.
Ports	B	This rating recognises the current capacity of most Queensland's ports is adequate and capacity will increase in line with customer demand. However, it is recognised that the expansions may lag due to demand outpacing the speed of infrastructure construction. Road and rail connections to several ports are becoming stressed, and concerns about port-related traffic appear to be rising.
Airports	B-	This rating recognises that Queensland's major airports are of a good quality, although the expansion of connecting road infrastructure has generally lagged airport growth. Many regional and remote airports are owned by local government and the number requiring substantial infrastructure upgrades is increasing due to demands from the resources sector. Local governments do not necessarily have the funds to meet these needs and require additional support from the Australian and State government.
Potable water	B-	This rating reflects the positive reforms to the institutional arrangements of the SEQ water sector, the significant improvements in reliability of bulk water supply in SEQ, albeit at a very high cost due to the lack of pre-drought planning, and ongoing improvements in SEQ's distribution infrastructure. The condition of most of the potable water infrastructure outside the SEQ is not of this quality and significant expenditure is required to address the existing backlog of work and expand systems to cope with a growing population.
Wastewater	B-	This rating reflects the improvements that have occurred in the SEQ in terms of wastewater treatment plant upgrades, quality of discharge effluent, system upgrades and maintenance and recycled water capacity through the Western Corridor Recycled Water Scheme. However, the failure to fully utilise recycled water is a waste of a valuable resource. While across the State there has been an improvement in wastewater systems, in many areas major expansions and upgrades are required to accommodate growth and new environmental requirements.

Stormwater	C	This rating reflects the increased effort given to developing stormwater policy and plans designed to improve its quality, to reduce its environmental impact on receiving waters, and to increase its reuse. However the actual impact of these activities have been limited to date, although there have been a small number of projects in SEQ that illustrate improved stormwater outcomes. Generally, stormwater management is slowly improving across the State, but the actual asset condition continues to deteriorate due to a lack of maintenance and renewals.
Irrigation	C+	This rating recognises there have been some improvements in irrigation infrastructure and water resource planning relevant to irrigation. However, there are major problems with irrigation including the uncertainty over future water allocations, the under-pricing of irrigation water, which inhibits the ability of the bulk water suppliers to upgrade its infrastructure, and the poor quality of irrigation infrastructure in many areas.
Electricity	C	This rating recognises that there have been improvements in transmission assets, and new generation plant commissioned. There has been a general improvement in the performance of SEQ distribution networks, but the non-SEQ networks are not improving as fast due to the rapidly rising demand and the significant cost to modify the existing electricity infrastructure to provide more power quality. The ageing of the transmission and distribution infrastructure network has not been arrested, and the proportion of energy generated from renewable sources has declined.
Gas	C+	This rating recognises that there has been a growth in conventional and CSG natural gas production and transmission infrastructure servicing the domestic market and it is highly likely that a massive increase in new infrastructure will occur so as to serve the export LNG sector. However, the current uncertainty about the future price of gas and its availability for the domestic market following the development of an export LNG industry has discouraged investment in pipelines by large customers that use gas.
Telecommunications	B	This rating recognises that the vast majority of Queensland's population has access to good quality mobile and broadband, and that the backhaul network along the State's east coast is robust. However, there is a large disparity between the State's east coast and rural and regional Queensland and for the population spread over a large area of the State, telecommunication infrastructure provides limited and expensive services.