



# Media Release

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## Updated report card on Victoria's infrastructure

The release today of the Engineers Australia 2010 Victorian Infrastructure Report Card, indicates progress in some areas of Victoria's infrastructure over the past 5 years, but the overall picture clearly shows that the majority of infrastructure categories fall within the areas of concern of having either not improved, or have gone backwards.

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 2005 Victorian Infrastructure Report Card.

Of the categories reviewed in the 2010 report, two get variations of a "B" rating (good), 11 get variations of the "C" rating (needing major changes), and 1 gets a "D" (needing critical changes).

The "B" ratings were given to Airports (B) and Wastewater (B minus). The "C" ratings cover: Roads Overall (C plus), National Roads (C plus), State Roads (C plus) and Local Roads (C minus); Ports (C plus); Irrigation (C minus); Stormwater (C minus); Potable Water (C); Gas (C); Electricity (C minus) and Telecommunications (C). Rail was rated as a "D".

The report shows that marginal improvements have been made in the areas of National and State Roads, Ports and Irrigation. The ratings for Local Roads, Stormwater and Gas have remained the same, and Rail, Potable Water, Wastewater and Electricity have worsened. The categories of Victoria's Airports and Telecommunications have been rated for the first time.

Engineers Australia's infrastructure report card committee spokesperson, Professor John Wilson, said that while the report card takes account of large infrastructure projects that have been initiated in Victoria over the last five years, many critical aspects of Victoria's infrastructure remain barely adequate for current needs, let alone future needs.

"Our review of Victoria's infrastructure concludes that funding commitments are largely inadequate to support the substantial costs of renewal and replacement given ongoing population growth and the future challenges of climate change.

"There is inadequate investment of time in the planning, consultation and preparation for delivery to ensure projects are-ready-to go, and current planning and political processes create a short term focus in an area where a very long term focus is required."

To ensure Victoria's infrastructure will, in time, meet the needs and expectations of business and the wider community, the report card recommendations include the establishment of a new body to advise the Victorian Government on strategic infrastructure planning.

"Victoria's State and Local Governments must lead the development of long-term, integrated infrastructure plans and ensure successful implementation through increased investment in the project planning and consultation phases.

“The establishment of a new strategic advisory body to assist the Victorian Government on infrastructure planning is essential to bring together clear thinking about the complexities and priorities of infrastructure development across our State.

“The establishment of an infrastructure body would also provide a direct interface with Infrastructure Australia to ensure that Victorian ‘business-case-projects’ are clearly identified and ready for access to Australian Government funding,” Professor Wilson said.

Other recommendations of the report card include an increase in the quantum of funding, addressing population growth and climate change, partnering with the private sector and addressing the allocation of risk within such partnerships.

Ratings are given below for the current and past Victorian and National Report Cards.

| Infrastructure Type | Victoria 2010 | Victoria 2005                  | National 2005 | National 2001 |
|---------------------|---------------|--------------------------------|---------------|---------------|
| Roads Overall       | C+            | C-                             | C             | C-            |
| National roads      | C+            | C                              | C+            | C             |
| State roads         | C+            | C-                             | C             | C-            |
| Local roads         | C-            | C-                             | C-            | D             |
| Rail                | D             | C- Overall<br>D Freight        | C-            | D-            |
| Ports               | C+            | C                              | C+            | B             |
| Airports            | B             | Na                             | B             | B             |
| Potable water       | C             | B Metropolitan<br>B- Non-urban | B-            | C             |
| Wastewater          | B-            | B Metropolitan<br>B- Non-urban | C+            | C-            |
| Stormwater          | C-            | C-                             | C-            | D             |
| Irrigation          | C-            | D                              | C-            | D-            |
| Electricity         | C-            | C                              | C+            | B-            |
| Gas                 | C             | C                              | C+            | C             |
| Telecommunications  | C             | Na                             | na            | na            |

**Further Information: Summaries** of each infrastructure type, grade and comment is **attached** and a copy of the full report is available at [www.engineersaustralia.org.au/ircvic](http://www.engineersaustralia.org.au/ircvic) ). This report card is the first in the new series that will be completed for all States /Territories by the end of 2010.

(\* **The ratings** have been based on an assessment of asset condition; asset availability and reliability; asset management; sustainability; and security. An “A” means very good – that is, the infrastructure is fit for its current and anticipated future purposes, “B” – is good – with minor changes needed to meet 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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Engineers Australia is the common name of the Institution of Engineers Australia with a membership of almost 90,000.

## 2010 Victorian Infrastructure Report Card rating summary

| Infrastructure type   | Grade                | Comment   |
|---|----------------------|---|
| Roads overall<br>National roads<br>State roads<br>Local roads | C+<br>C+<br>C+<br>C- | This rating recognises that the metropolitan road infrastructure is increasingly under stress due to demand rising faster than supply. Without introducing methods to significantly reduce the gap between supply and demand, congestion will continue to rise even further. Roads in regional areas are mostly just maintaining their existing quality, but will decline unless investment increases.  |
| Rail  | D                    | This rating recognises that there has been no fundamental improvement to the metropolitan rail network since 2005, although there are a number of projects underway that should deliver improvements. Over the long-term, a complete modernisation of metropolitan rail is required to meet the significant increase in demand expected from rising population and public transport use. While important regional rail segments have improved, quality is still below what is needed for rail freight to increase its market share. Less used elements of the regional rail network remain inadequate. The quality of the tram network is improving but is still inadequate in terms of average speed and capacity. |
| Ports   | C+                   | This rating recognises that while infrastructure upgrades have occurred, and port land-use and strategic plans have been developed, there are many significant access and congestion problems remaining at and around ports.  |
| Airports  | B                    | This rating recognises the considerable improvement in capacity and quality of infrastructure at Melbourne Airport, and the maintenance of Melbourne Airport's curfew-free status. Integration of commercial/industrial developments pursued by Melbourne, Essendon and Moorabbin airports with those developed by nearby local governments is unsatisfactory as is access by public transport to all airports. The ongoing viability of smaller regional airports is a concern.  |
| Potable water   | C                    | This rating recognises that Victoria's water supply has been directly impacted by the significant decline in rainfall and growing population. The construction of the desalination plant will future-proof Melbourne's water supply for the next decade, although at high energy and financial costs. This plant may not have been needed had other sources of water supply been pursued seriously since the 1990s. Planning is still not evident to achieve major changes in water supply and use, which means that additional desalination plants may be needed due to population growth and climate change. Ensuring water sustainability will also be a challenge in a number of regional areas.                |
| Wastewater  | B-                   | This rating recognises that Melbourne's sewerage and treatment infrastructure is efficiently managed and effective, and the upgrading of the Eastern Treatment Plant will produce much better environmental outcomes. However, failure to use its recycled water is a waste of a valuable resource. Insufficient attention is being given to biosolid management and to changing the centralised model of wastewater collection and treatment to allow for more local treatment and reuse. Wastewater treatment infrastructure in some regional areas is considered inadequate.   |
| Stormwater  | C-                   | This rating recognises that there has been slow improvement in the quality of stormwater flow due to the installation of gross litter traps and other devices. However, there has been no substantial improvement in the widespread exploitation of the stormwater resource.  |

| Infrastructure type | Grade | Comment  |
|---------------------|-------|--|
| Irrigation          | C-    | This rating recognises the increased investment in irrigation modernisation and efficiency. Projects like the Wimmera Mallee Pipeline and the Northern Victoria Irrigation Renewal Project will lead to dramatically improved irrigation efficiency, however, much of this infrastructure is yet to be delivered. Substantial irrigation planning and investment is required across the rest of the State.   |
| Electricity         | C-    | This rating recognises that investment in gas and renewable generation has increased, and transmission and distribution assets are in a reasonable condition. However, the demand-supply balance remains tight, and the future of coal-fired generation is uncertain due to both the future carbon price and the practicality of clean coal technology. The transmission and distribution system is also vulnerable to extreme weather events that are predicted to become more frequent due to climate change. Insufficient attention has been given to demand management as a way to reduce peak demand. |
| Gas                 | C     | This rating recognises that improvements are being made to the operation of the gas market and the quality of gas planning information. However, asset quality has not significantly improved and the Principal Transmission System remains vulnerable to single points of failure. Significant expansion in gas-fired generation will require additional investment in gas transmission pipelines.  |
| Telecommunications  | C     | This rating recognises that telecommunications have become an essential service for business and the community, and while voice and mobile phone services are almost universally available, this is not the case for fast, affordable broadband across the State. Specifically, there is under-provision of fixed broadband infrastructure at exchanges in Melbourne and across Victoria, as well as under-provision of backhaul fibre in regional Victoria. Overall, there is a lack of an integrated strategic plan for telecommunications.  |