



MEDIA RELEASE

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Queensland industry shines a spotlight on the state of infrastructure

An exclusive survey by the Infrastructure Association of Queensland's (IAQ) highlights improved business sentiment in the first half of 2018, with 2 out of 3 respondents expecting to see greater activity in the next 6 months as committed local projects add to a strong national infrastructure outlook.

"This is a timely Spotlight Survey with the federal, state and local government budget cycles now complete. The backdrop is that whilst Queensland doesn't have sustained funding from an asset recycling program, all levels of government seem to be stepping up to get their big projects moving." said CEO Steve Abson.

The survey found that Renewable Energy Generation has been a standout Queensland asset class in the past 6 months, with over 70% indicating stronger project activity in 2018 compared to 2017.

"Queensland now has the lion's share of major renewable projects in the nation with over 30 solar, hydro and wind generation projects either under consideration or being built." said Mr. Abson.

In the first half of 2018, 54% report increased or significantly increased sales revenue compared with the last half of 2017. Almost 50% of organisations surveyed indicated they would be taking on new employees in the next 6 months.

"Fully funded projects like Cross River Rail, Inland Rail and Brisbane Metro are now reaching the market, driving tender activity and helping attract Queensland professionals back to their home state." added Mr. Abson.

Despite more positive sentiment for revenue and jobs growth, the survey found that governments aren't meeting industry's expectations for infrastructure planning and delivery, with 3 out of 4 citing investment prioritisation as a key issue.

"On the one hand, we're seeing industry give governments a pat on the back for getting on with funding their projects. Yet on the other hand, it's saying that if you just sat down together more often and prioritised around a common long-term plan, we could see much more bang for tax payer buck."

“Industry is encouraging more initiatives like City Deals, which are being used to align investments around a common set of objectives and are good examples of the kind of engagement governments need to have with both industry and communities”, said Mr Abson.

The survey also sends the Federal Government a resounding message that it wants to see the National Partnership Agreement reformed by the July 2019 expiry date so that projects like Beerburrum to Nambour Regional Rail can be co-funded with certainty.

“Like a M1 road package before it, there’s now a gap in funding of \$230 million for this critical rail link to the Sunshine Coast. This is because the Feds will fund half of this \$780 million project, but the State wants it to stump up 80%. Obviously, Queensland companies asked to tender this major project can’t do so with complete confidence when 30% of the project is still unfunded.” said Mr Abson.

Mr Abson also pointed to emerging concerns over surprising new ‘enhancements’ recently announced to the Palaszczuk Government’s Buy Queensland policy.

“Despite enhancements coming into immediate effect on projects valued over \$100 million, industry is still unclear on how procurement processes will be affected. Consortia committing huge sums to bid multi-billion-dollar government projects deserve certainty on how their tenders will be ranked against ‘best practice’ safety and industrial relations criteria.”

“We encourage the state government to genuinely engage with industry before introduction of any best practice principles to ensure they unlock the sector’s full potential.”

The July 2018 Spotlight survey was sponsored by the Port of Brisbane, and Chief Operating Officer Peter Keyte said they were pleased to sponsor this important industry survey.

“Spotlight is a unique survey, providing critical insights into the sentiment of IAQ members and other organisations directly involved in infrastructure planning and development across Queensland.”

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For a copy of the report visit: <http://www.iaq.com.au/initiatives/iaq-spotlight-survey/>

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