

## NATIONAL STATE OF THE ASSETS 2021 LAUNCH

2.00pm to 3.00pm, Thursday 9 December 2021

Zoom

Q1: Please review page seven of the 2021 National State of the Assets (NSoA) Summary Report. Paragraph four and the bottom line do not agree.

*Rajinder Sunner, Deputy CEO, Shire of Three Springs, Three Springs, WA*

R: Thank you for your feedback. The Australian Local Government Association (ALGA) has reviewed the report and made the amendments raised.

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Q2: Can we add footpaths and bikeways into the *Roads* section of the 2021 NSoA Summary Report? I.e. change the section to roads, footpaths and bikeways?

*Ashish Shah, Road Asset Manager, Brisbane City Council, Brisbane, Queensland*

R: Thank you for your suggestion. Future reports could include other groups of local government assets that provide community and social value, including footpaths and cycleways. ALGA and its member local government associations will consider collecting a broader dataset in the next self-assessment survey for councils on their primary public works infrastructure.

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Q3: Is there any appetite for standardising the naming and classification of asset types / classes to produce easily comparable reports?

*Ashley Bishop, Asset Management Coordinator, Benalla Rural City Council, Benalla, Victoria*

R: ALGA notes industry organisations are highly supportive of standardising specifications for road and bridge assets, as highlighted in Austroads' 2020-21 Annual Report. The report flags national, state and local road managers can achieve significant cost savings by sharing common data and Austroads is currently undertaking a multi-stage project to standardise and automate ways of recording and sharing road asset information. The independent roads and transport standards, guides and specifications produced by the Australian Road Research Board (ARRB) also contribute to this effort.

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Q4: Romilly Madew, CEO at Infrastructure Australia identified that grants for assets can cause a bigger problem in later years. With consideration for whole of life costs, fixing up the existing asset base is one of the main problems. Will the government start sending more money for renewal rather than for new?

*Ashley Bishop, Asset Management Coordinator, Benalla Rural City Council, Benalla, Victoria*

R: ALGA acknowledges grant funding is overwhelmingly focussed on asset creation and upgrade over asset renewal and maintenance and this can be problematic for some local governments. The 2021 NSoA Technical Report, prepared by the Institute of Public Works Engineering Australasia in partnership with ALGA, highlights several councils cannot afford to address future asset renewal needs. Despite a steady increase in asset renewal spending, there is an increasing need for councils to move to a major renewal phase over the next 20 years to sustain levels of service for assets. Long-term financial planning with reliable council data will assist funding of local asset renewal and upgrades.

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Q5: Is there any consideration in the build back program – with the use of sustainable (non virgin) materials, backed up by life cycle economical assessments?

*Karen Cogo, Leader – Community Safety and Resilience, Australian Road Research Board, Port Melbourne, Victoria*

R: ALGA works closely with the Australian, state and territory governments, local government associations and industry to explore opportunities for advanced recycling technologies to benefit local government. In the 2020-21 Budget, the

Australian Government committed \$8.35 million over four years to support adoption of recycled materials in roads, including crushed glass, crumbed tyre rubber and recycled plastics.

CSIRO raised in its 2021 report on *Advanced recycling technologies to address Australia's plastic waste* that following industry engagement, the success factors for establishing an advanced recycling industry include techno-economic and life cycle assessment studies to provide further evidence that emerging recycling technologies are commercially and environmentally sound.

The Australian Road Research Board (ARRB) has prepared a Best Practice Guide for Road Materials to provide local government, state and territory road agencies and other organisations holding road management responsibilities with guidelines on ways to best manage their road materials, including use of recycled materials, to achieve a more sustainable and cost effective outcome. More information about the guidelines is available via ARRB's [website](#).

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Q6: How accurate do you believe the report is in giving a snapshot of Australia's local government infrastructure?

*John Comrie, Management Consultant, JAC Comrie, Adelaide, SA*

R: The 2021 NSoA is based on survey data provided by 454 councils (85 per cent of all councils) across seven asset categories. The results published in the report are consistent with the previous 2018 NSoA—they show that despite continued investment in local government community assets, the condition of these assets appears to have plateaued. The data collected for the report is validated to enable meaningful comparisons from which conclusions could be drawn.

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Q7: How do you feel the overall state of infrastructure is—does it paint an optimistic or an alarming picture?

*John Comrie, Management Consultant, JAC Comrie, Adelaide, SA*

R: The 2021 NSoA shows that within existing resource and capacity constraints, the condition, function and capacity of local government assets has essentially plateaued. Overall, 64 per cent of local government infrastructure assets is in good condition, 26 per cent is in fair condition and 10 per cent is in poor to very poor condition. The estimated replacement cost of assets in fair condition is between \$106 and \$138 billion and the replacement cost of assets in poor condition is in the order of \$51 billion.

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Q8: What are the major concerns in our infrastructure that you believe need addressing most?

*John Comrie, Management Consultant, JAC Comrie, Adelaide, SA*

R: The key finding in the 2021 NSoA is that around two thirds of all local government assets is in good condition, leaving the remaining one third of assets in fair, poor and very poor condition. Almost one in ten assets needs significant attention and three in every hundred assets might need to be replaced.

There remains a gap between what local governments can spend on assets and what needs to be spent to ensure local assets are maintained. The 2021 NSoA highlights the importance of continuous improvement in local systems to support communities into the future—including helping councils invest in asset management training, technology and software enhancements, skills development and information sharing.

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Q9: In terms of investment, where do you think we should be spending most on assets going forward?

*John Comrie, Management Consultant, JAC Comrie, Adelaide, SA*

R: In the lead up to the 2022 federal election, ALGA will be seeking the following commitments as they relate to economic recovery, transport and community infrastructure and building resilience:

- an initial injection of financial assistance grants to local government worth \$1.3 billion to support communities and jobs and also resolve the current practice of bringing forward two quarterly financial assistance grant payments each year

- a commitment to return financial assistance grants to at least one per cent of Commonwealth taxation revenue (an additional 1.598 billion per year)
  - a \$500 million per annum, four-year continuation of the Local Roads and Community Infrastructure program which allows councils to deliver projects that respond to local needs
  - a strategic local roads investment program of \$300 million per annum over four years to address road transport first and last mile issues and congestion on local roads
  - an increase in Roads to Recovery to \$800 million per annum (an additional \$300 million per annum) and the Black Spot Program to \$200 million per annum over four years, while addressing the South Australian road funding anomaly by making the additional \$20 million per annum to SA in 2021-22 and 2022-23 permanent, to more sustainably manage local government's 75 per cent share of the national road network and boost productivity and road safety
  - a commitment to include community infrastructure that is publicly accessible and owned and local government waste, water and wastewater assets under the Disaster Recovery Funding Arrangements.
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Q10: What do you think are the next steps ALGA should be taking?

*John Comrie, Management Consultant, JAC Comrie, Adelaide, SA*

R: The data trends presented in the 2021 NSoA indicate the continuing state of under investment in local government capability and capacity building in managing community assets across Australia. Underinvestment in assets has long-term and far reaching consequences, leading to increased skill shortages, decreased safety and productivity and unplanned reductions in levels of service.

ALGA is working with its member local government associations to reinforce the need for the Australian Government to return financial assistance grants to at least one per cent of total federal taxation revenue and to continue the critical funding delivered under the Government's Bridges Renewal, Heavy Vehicle Safety and Productivity and Roads to Recovery programs to enable local government to replace and renew assets that are no longer safe or fit for purpose.

A national survey has also commenced to help local government address current skills shortages and identify emerging and future skills needs. Local governments are encouraged to complete the survey to enable a comprehensive analysis of the local government workforce. The survey is part of the Australian Government's Local Government Workforce and Organisational Capability Project.

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Q11: There is a typo in the *Roads* section of the 2021 NSoA Summary Report: The local roads network is comprised of 39% sealed road (length 265,000 km), and 61% (length 413,000 km) unsealed roads.

*Christopher Accatino, Asset Engineer, Cassowary Coast Regional Council, Tully, Queensland*

R: Thank you for your feedback. ALGA has reviewed the report and made the amendments raised.

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Q12: With all the funding being made available for local government infrastructure projects for the benefit of communities, how can it be ensured that it is built to the right standards, so that the state of local assets can be maintained at a high standard?

*Nandini Mehta, AUS-SPEC Manager, National Building Specification (NATSPEC), Sydney, NSW*

R: Infrastructure performance monitoring and reporting over time by councils delivers information critical for determining the remaining useful life of an asset and timing for possible intervention to bring levels of service back to the desired standard. Local government should have a clear knowledge of the condition of community assets and how they are performing in terms of function and capacity.

The 2021 NSoA communicates local government's level of asset management capability with respect to councils regularly updating and implementing their asset management plans and linked long-term financial plans. The report flags the Australian, state and territory governments should support local government in asset management and

financial planning to build skills and lift capacity in maintaining assets to ensure they are compliant with legislative requirements and will continue to meet community needs.

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Q13: How can industry assist to deliver this significant and time sensitive agenda?

*Lise Sperling, Executive Director NSW/ACT, Australian Flexible Pavement Association, Sydney, NSW*

R: Infrastructure Australia's inaugural *Infrastructure Market Capacity* report, published in October 2021, underscores the need for the Australian, state and territory governments, local government and industry to work collaboratively to advance sector wide reform and reduce the risk of cost escalation and delays in the delivery of significant infrastructure projects. Key reforms required across the infrastructure sector include active management to smooth the major project pipeline, attract private investment and manage resource constraints, as well as increased collaboration with industry to develop industry capacity, capability and confidence and to enable the local supply chain. For further information, please contact Infrastructure Australia.