

Question on Notice

No. 1872

Asked on 27 November 2008

MS SIMPSON asked the Minister for Main Roads and Local Government (MR PITT) -

QUESTION:

With reference to the 2007-08 annual report—

Will he provide a detailed outline of the rationale of the comprehensive revaluation completed in 2008 (as reported in note 28 of the annual report), resulting in the revaluation of roads by 97 per cent and bridges by 117 per cent?

ANSWER:

I thank the Member for Maroochydore for the question and refer the honourable member to details provided in my media statement of 14 November 2008 when the annual report was tabled.

As well as detailing highlights for 2007-08 such as delivering a record \$2.8 billion roads program, tackling congestion and completing the \$543 million Tugun Bypass, my statement contained details of the revaluation process.

For the benefit of the honourable member, I can confirm that the gross replacement value of Queensland's state-controlled road asset - comprising some 33,500 km of roads and more than 6,600 bridges and culverts - has indeed increased significantly.

In 2007-08, Main Roads in conjunction with Queensland Treasury and independent engineering and accounting experts, undertook a comprehensive review of the value of Main Roads' roads, busways and structures, as well as those controlled by Queensland Motorways Ltd. The Queensland Audit Office was consulted as part of the process.

I am advised that Main Roads undertakes annual valuations of its asset with a comprehensive valuation every five years. The 2007-08 comprehensive valuation methodology has improved comparability with other state road authorities, complies with applicable accounting standards and provides a reliable and a more accurate valuation, of the state's largest physically built asset.

The replacement value of the existing state-controlled road network in current dollars of \$72.2 billion has significantly increased mainly due to rising civil construction costs in recent years.

There have also been significantly increased rates of expenditure on the state-controlled road network in Queensland over the past five years to support rapid population growth and industry expansion across the state.

The Bligh Government is determined to maintain Australia's strongest economy and will continue to deliver on our infrastructure commitments.