



IPWEA

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The \$120 billion infrastructure pipeline has a workforce problem nobody wants to talk about

Australia's infrastructure ambitions continue to grow. Yet at the same time, the capability of the engineering and asset management departments responsible for delivering and maintaining that infrastructure continues to decline.

The 2026–27 Federal Budget commits significant funding toward infrastructure outcomes. However, one figure deserves greater attention than almost any other: zero. That is the amount explicitly allocated toward building engineering and asset management capability within local government, the very workforce responsible for planning, delivering, and managing much of the nation's infrastructure pipeline. This continues a long-standing pattern of underinvestment in local government asset management capability, even as expectations, risk and asset complexity continue to grow.

To be clear, this is not a criticism of ambition. There is much in this budget that deserves recognition. The new \$2 billion Local Infrastructure Fund to unlock housing supply directly supports the work local government engineers undertake in communities across Australia. The \$841 million commitment to community infrastructure addresses critical local needs, while the continued commitment to a rolling ten-year infrastructure pipeline provides the certainty the sector has long sought.

The infrastructure pipeline is real. The question is whether we have the institutional capability to deliver it.

Across Australia, particularly in regional and rural communities, councils are increasingly receiving funding for projects they struggle to deliver because they simply do not have enough engineers and asset management professionals to scope projects, oversee procurement, manage contractors, or plan long-term maintenance. In some cases, projects are delayed or funding returned altogether.

This is not primarily a financial challenge. It is a capability challenge.

The budget includes several positive workforce measures. Accelerating skills assessments for migrant trades workers is practical and welcome. The National Credit Recognition Framework, allowing TAFE-qualified students to receive credit toward engineering degrees, is another positive reform. These initiatives help address workforce supply.

However, the deeper challenge facing local government is capability, continuity, and institutional depth. For many councils, engineering and asset management teams have been diminishing for more than a generation.

Viewed in this context, the Local Infrastructure Fund's ambition to support 65,000 homes over the next decade is significant. Every new home requires roads, stormwater, water, sewerage, parks, and community infrastructure. Delivering these assets requires engineering design, procurement oversight, construction supervision, and long-term asset management.

While the Federal Government provides the capital funding, local governments inherit the long-term responsibility and liability of maintaining these assets for decades to come. Many councils already operate with engineering teams below sustainable capacity, increasingly relying on outsourced expertise or competing nationally for hard-to-fill roles.

The risk is not in announcing projects. The risk is delivering infrastructure without sufficient professional oversight and long-term asset planning, creating assets that become increasingly costly and difficult for communities to maintain.

Encouragingly, there are elements of this budget that demonstrate a genuine understanding of the need for reform. Commitments to accelerate environmental approvals through AI-enabled processes and improve the accessibility of the National Construction Code recognise the productivity costs of regulatory friction. Likewise, the additional \$2.5 billion for disaster relief reflects the growing impact climate risk is having on Australian infrastructure systems.

The broader productivity reform agenda, aimed at reducing regulatory burden by \$10.2 billion annually, also has the potential to improve project delivery outcomes if it meaningfully addresses the planning and approvals processes local engineers navigate every day.

What the next phase of reform must now address is capability.

If Australia is serious about delivering the infrastructure required to support housing growth, resilience, productivity, and liveability, then investment in infrastructure must be matched by investment in the engineering and asset management profession responsible for delivering and maintaining it. Asset management must become embedded, prioritised and sustainably resourced, not treated as a secondary or administrative function.

That means supporting professional pathways into local government engineering, investing in capability development, strengthening institutional knowledge, and recognising asset management as critical national infrastructure capability.

The budget's theme is "resilience and reform", and that is something IPWEA strongly supports. However, resilience is not created by infrastructure investment alone. It depends equally on the strength of the institutions and professionals who plan, build, manage, and renew these assets over generations.

A credible infrastructure agenda requires a national approach to asset management capability, funded hand-in-glove with capital investment. Spending on new infrastructure must be matched with support for asset planning, lifecycle management, workforce capability and governance maturity. Anything less simply transfers long-term risk and cost to local communities

Australia has rightly committed to building the infrastructure of the future. The next step is ensuring we also invest in the capability required to deliver it well, maintain it responsibly, and protect communities from inheriting unfunded liabilities for decades to come.

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About IPWEA

The Institute of Public Works Engineering Australasia is the peak association for municipal and public works professionals in Australia and New Zealand. IPWEA is a global leader in the delivery of sustainable infrastructure asset management, financial planning and reporting.

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