

SUBMISSION COVERSHEET

Submissions may address any key issues related to the Infrastructure Australia agenda and/or in specific response to the topics raised in the discussion papers.

Please complete and submit this form with your submission. Where possible, *Infrastructure Australia* requests submissions are submitted electronically. Contact us:

Via email Write 'Submission' in subject field of the email and send to: mail@infrastructureaustralia.gov.au	Via post Address your submission to: The Infrastructure Coordinator Infrastructure Australia GPO Box 594 Canberra ACT 2601 AUSTRALIA
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This submission contains no confidential material

This submission addresses the Issues Paper 1 — Australia's Future Infrastructure Requirements AND/OR
General (Includes information on the following areas)
Defining infrastructure, Importance of infrastructure, Problems with existing infrastructure and how it impacts on business, Required infrastructure policy, Queensland infrastructure projects including education facilities, health infrastructure, housing, industrial/commercial land, telecommunications, electricity and gas, water Infrastructure, port facilities, airport facilities, rail network and road network.

Please acknowledge the submission guidelines:

- Infrastructure Australia may publish the submissions it receives on the *Infrastructure Australia* website. Submissions will be treated as public documents and communicated to the public unless marked as confidential in this coversheet.
- We encourage **evidence-based** submissions. We will not accept any submissions that contain defamatory statements, that is, any statements which have the effect of causing damage to a person's reputation. If you make any defamatory statements in your submission then a legal proceeding for defamation may be used against you.
- Authors of submissions are responsible for securing the appropriate right to use any third party material incorporated into their submissions.
- Submissions made by individual community members should not include any personal details other than your name, suburb, state/territory or country. For submissions made by organisations contact details may be included.

Commerce Queensland has read and agrees to the above.



Commerce Queensland
QUEENSLAND'S CHAMBER OF COMMERCE AND INDUSTRY

Submission to

**Infrastructure Australia
on Australia's Future Infrastructure
Requirements**

*An evidenced based submission on behalf of the Queensland
Business Community examining constraints arising from existing
infrastructure and future demand for new infrastructure.*



Commerce Queensland

QUEENSLAND'S CHAMBER OF COMMERCE AND INDUSTRY

October 2008

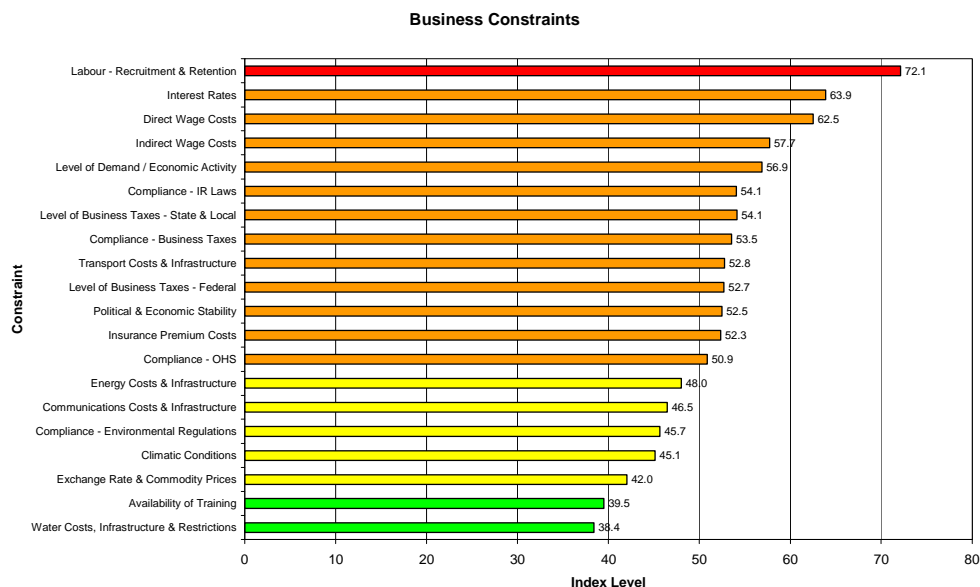


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1.0 Introduction and Overview

- 1.1 As the State's peak business organisation, Commerce Queensland welcomes the opportunity to provide an employer perspective to Infrastructure Australia on Australia's future infrastructure requirements. Commerce Queensland has addressed questions raised within the discussion paper and other issues raised by the business community. A full profile of Commerce Queensland is contained in Appendix One.
- 1.2 Queensland is currently enjoying a period of sustained economic growth and prosperity. Queensland has experienced 17 consecutive years of economic growth with average per annum growth of 4.4% compared to the National rate of 3.3% (see section 3.0). However such sustained economic growth creates its own challenges – Queensland is operating at beyond capacity. This prosperity has put pressure on physical infrastructure including roads, ports, public transport and telecommunications.
- 1.3 Adequate and reliable infrastructure is essential to a growing State economy and is central to the standard of living enjoyed by all Queensland residents. It is absolutely essential that the State's infrastructure network is capable of meeting the needs of Queensland economy both now and into the future. If the business community is going to be encouraged to invest in Queensland then it needs to know basic infrastructure will be available and bottlenecks addressed.
- 1.4 Whilst it is generally recognised that there are infrastructure shortages in various areas of the Queensland economy there is little evidence that these shortages currently constitute a crisis. Research indicates that other issues are of greater importance to Queensland business.



Source: St George Bank Commerce Queensland Pulse Survey of Business Conditions

- 1.5 While infrastructure is not a critical concern for a majority of businesses, it is likely to be a very important concern for a minority of business. There are clearly infrastructure issues in particular sectors which need to be addressed. For example there are significant delays for ships at Dalrymple Bay port, large fluctuations in wholesale electricity prices, water restrictions and significant traffic congestion in South East Queensland (see section 4.0).
- 1.6 The costs of infrastructure investment are readily identifiable, yet the greater cost of failing to invest in appropriate infrastructure can be largely invisible. Commerce Queensland has sought to quantify some of these costs (see section 4.5)
- 1.7 Without a coordinated approach with clear policy, it is unlikely that future infrastructure decisions made will maximise the value to Queensland and Australia. Accordingly Commerce Queensland has summarised the policy needed for continued economic growth provided by essential underpinning infrastructure (see section 5.0). Commerce Queensland has also provided a list of infrastructure projects identified by the Queensland business community as vitally needed (see section 6.0).



2.0 Defining Infrastructure

2.1 It is essential that our infrastructure is sufficient to facilitate sustained and robust economic growth and improve Australia's economic performance. Infrastructure is fundamental and necessary to economic activity. Infrastructure is not valued for itself; rather, its value lies in the range of economic activity (ie goods and services) it is possible to provide through using that infrastructure.

2.2 Characteristics of Infrastructure

Infrastructure possesses the following characteristics:

- it is long-lived, with an expected useful life of decades rather than years;
- it is expensive, entailing large up-front outlays; and
- it has few or no alternative uses to the one for which it was originally intended.

All of these factors mean that the construction of major infrastructure may be associated with a higher degree of risk than other forms of investment.

2.3 Types of Infrastructure

The term infrastructure has several different but related meanings including.

- Human capital embodied in a country, region or business.
- A network of services viewed as essential in a modern economy – education, health, transport, law and order, defence, communications; and
- Physical capital necessary to provide those services – roads and railways, schools and hospitals, telephone cables and communication satellites, etc.

For the purposes of this submission Commerce Queensland has defined infrastructure as road network, rail network, airport facilities, port facilities, water infrastructure, electricity & gas, telecommunications, commercial / industrial land, housing, health services and education services.

2.4 Social vs Economic Infrastructure

Physical infrastructure may be further split into two types. Economic infrastructure is physical capital which provides economic services to businesses and households and which comprises a large part of businesses' input costs. Social infrastructure provides social benefits directly to the community and affects economic production only indirectly (for example, businesses benefit from the skilled and educated community that schools provide or alternatively the quality of services arising from infrastructure influences the availability of suitably qualified employees in that region).

2.5 Ownership of Infrastructure

Infrastructure may be privately or publicly owned, and in Australia there is a mix of ownership of most types of infrastructure. Australia has seen a tendency for governments to sell infrastructure assets to the private sector in recent years, motivated both by the desire to raise revenue and by an expectation that these assets will be operated more efficiently as private businesses. However, there remains a strong tendency for governments to be active in providing, or at least financing, some types of infrastructure. Reasons include:

- infrastructure is a non-excludable public good which would be under-supplied by private markets;
- anticipated social benefits, particularly to ensure equity of access to essential services;
- natural monopoly status of some assets and industries means that an unregulated private producer would charge higher prices than is efficient; and
- risks for government of constructing and particularly operating assets may be lower than for the private sector for some types of infrastructure, leading to lower financing costs.

Beyond these widely accepted economic justifications for government provision, governments have also from time to time undertaken infrastructure investments for more questionable reasons – to 'pump prime' a sluggish economy, as a 'nation building' exercise, or simply to confer a largesse on politically favoured industries or regions. By and large, these are unlikely to be efficient investments.

3.0 Importance of Infrastructure

3.1 Relationship between Economic Growth and Infrastructure

From a business perspective infrastructure is essential to ensuring Queensland's future economic growth and has a critical role in determining the relative competitiveness of the State. It is critical to economic development and the forgotten reality is that it is a driver of economic activity, not a result of economic growth. However Queensland's demand for, and cost of, infrastructure provision are significantly above the national average for a number of reasons, including:

- The State's above-average economic growth, and the importance of investment-intensive resource investment;
- The State's above-average population growth; and
- The State's large geographical area and low population density, which means that the cost of maintaining infrastructure is high, and shared among relatively few taxpayers.

High quality economic infrastructure is a key enabler for industry growth and the attraction of business investment, particularly for industries where the investment location is flexible. However access to appropriate infrastructure is also fundamental to ensuring that the whole community can contribute to, and share in, the State's wealth and quality of life. Infrastructure services including energy, communications, transport and water – are a large part of the Queensland economy. However, the significance of these sectors to the State's economic performance and standard of living goes well beyond this direct contribution due to the fact that infrastructure is a key input for businesses and is central to the basic quality of life for households.

3.2 The Queensland Economy

The outlook for the Queensland economy remains very healthy. It is therefore critical that Queensland has in place appropriate infrastructure so as to encourage the continued development of our economy. The Queensland economy expanded by 3.75% in 2007-08 and exceeded growth nationally (3.50%), for the 17th consecutive year. Economic growth in Queensland is projected to remain around its average growth rate over the longer-term (4.5% per annum).

Economic Growth Rates & Population Projections

Annual Percentage Change

	2006-07	2007-08	2008-09	2009-10 to 2011-12
Queensland				
Gross State Product	5.70	3.75	4.25	4.50
Employment	4.60	2.75	2.50	2.50
Inflation	3.30	4.00	3.50	2.50
Wage Price Index	4.50	4.50	4.50	4.00
Population	2.20	2.25	2.25	2.25
Australia				
Gross State Product	3.20	3.50	2.75	3.00
Employment	2.70	2.50	1.25	1.25
Inflation	2.90	3.25	3.50	2.50
Wage Price Index	4.00	4.25	4.25	4.00
Population	1.50	1.50	1.50	1.50

Source: Queensland State Budget Papers 2008-09

	AT 30 JUNE 2007	AT 30 JUNE 2026			AT 30 JUNE 2056		
	Observed	Series A	Series B	Series C	Series A	Series B	Series C
Brisbane	1 857.0	2 908.0	2 681.1	2 465.6	4 955.1	3 979.3	3 237.0
Balance of Queensland	2 324.5	3 645.4	3 356.9	3 129.7	5 966.3	4 759.6	3 998.2
Total Queensland	4 181.4	6 553.3	6 038.0	5 595.2	10 921.3	8 738.9	7 235.2
Total capital cities	13 373.4	18 452.0	17 624.7	16 933.0	27 973.0	23 787.5	21 109.6
Total balance of Country	7 639.3	10 268.2	9 609.2	9 036.1	14 534.2	11 679.6	9 793.7
Australia	21 015.0	28 723.0	27 236.7	25 971.9	42 510.4	35 470.0	30 906.1

Source:
ABS Catalogue 3222.0



3.3 Population

High levels of population growth around Queensland highlight the importance of infrastructure. Queensland's population continued to grow at its long term rate of 2.25% in 2007-08 and 2008-09, translating into an additional 190,000 persons, or more than 1,800 persons per week. The State's population is expected to continue to grow at well above the national rate with nearly an additional 2 million persons residing within Queensland by 2026. Naturally the Queensland business community remains anxious about our State infrastructure network's ability to cope with this greater demand.

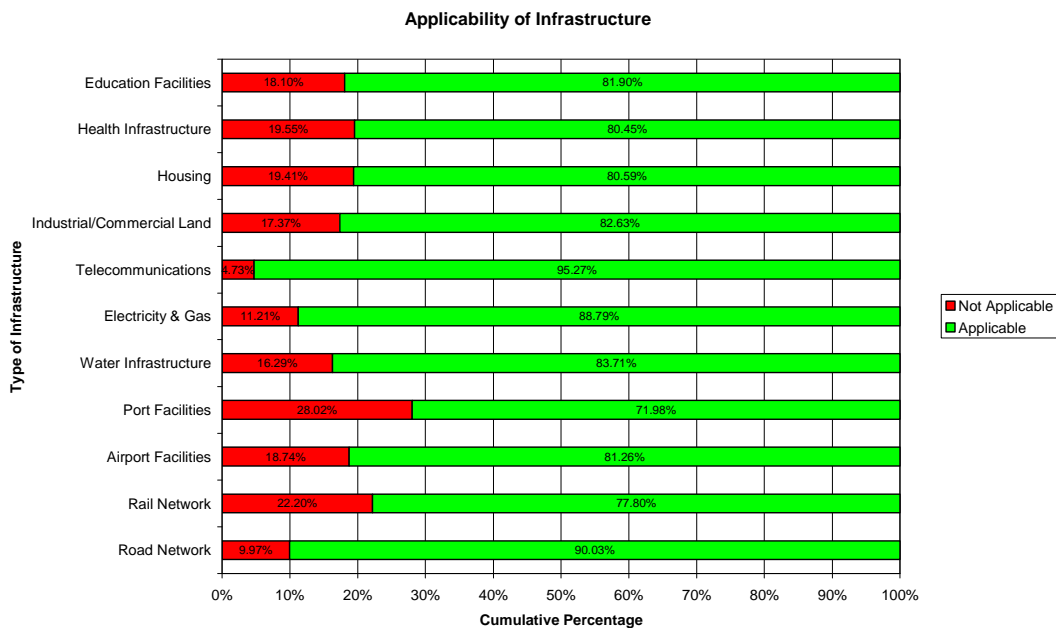
4.0 Problem's with Existing Infrastructure

- 4.1 Businesses are of the view that even though infrastructure constraints may not directly be affecting their businesses at the moment, they believe that constraints arising from infrastructure are having an adverse effect on the wider economy and will impact on their business in future.
- 4.2 As part of this submission Commerce Queensland commissioned a special survey to gather valuable feedback from the Queensland business community on:
- what infrastructure problems currently exist within Queensland;
 - how do these problems impact on business; and
 - what are the immediate infrastructure priorities for Queensland businesses to fix these problems.

This information was gathered as part of Commerce Queensland's quarterly Pulse Survey. By way of background the Pulse Survey is conducted in conjunction with the Australian Chamber of Commerce and Industry's National Survey of Business Expectations and is published in collaboration with the St George Bank. The survey is unchallenged in terms of being the most authoritative, timely and comprehensive snapshot of Queensland business expectations available. Over 600 responses were received which contained data from the largest firms in Queensland through to the smallest, providing a Statewide sample covering the entire business community.

4.4 Use of Infrastructure

Although dependent upon the nature of the business, road, electricity and telecommunications infrastructure impact the most on businesses' day to day operations. Conversely port and rail infrastructure impact the least only an issue for predominantly Queensland importers and exporters.

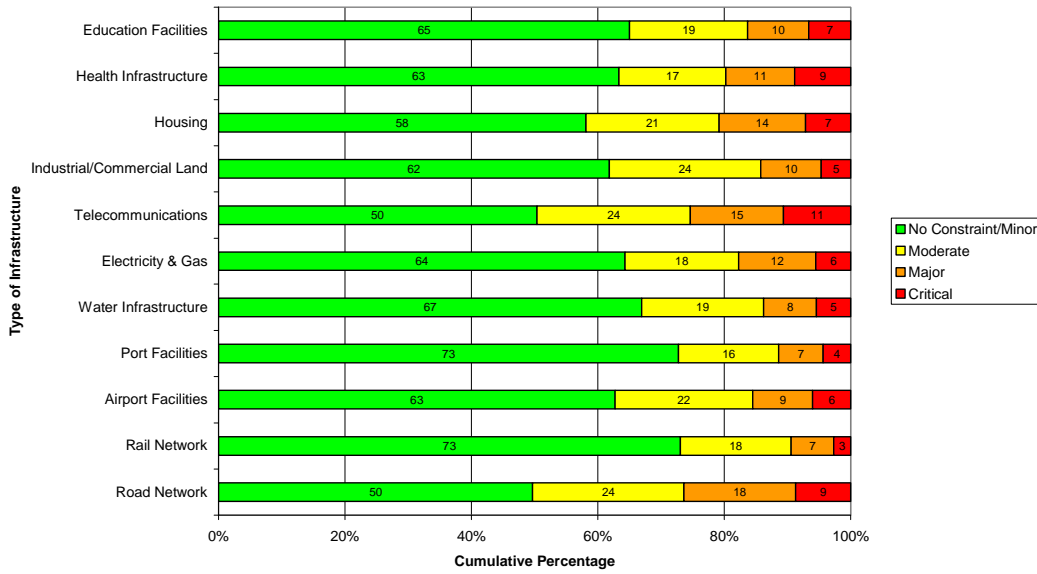


Source: St George Bank Commerce Queensland Pulse Survey of Business Conditions

4.5 Where are the Infrastructure Problems

For those businesses that indicated a given type of infrastructure impacted on their business operations they were asked to indicate the degree to which the availability and standard of that type of infrastructure and the price of using that type of infrastructure were a constraint on their business. Responses from Queensland businesses overwhelmingly point to the State's road network and telecommunications services as being hot spots in terms of the availability / suitability of these types of infrastructure acting as a constraint on business. Housing and health infrastructure were also identified as constraining infrastructure.

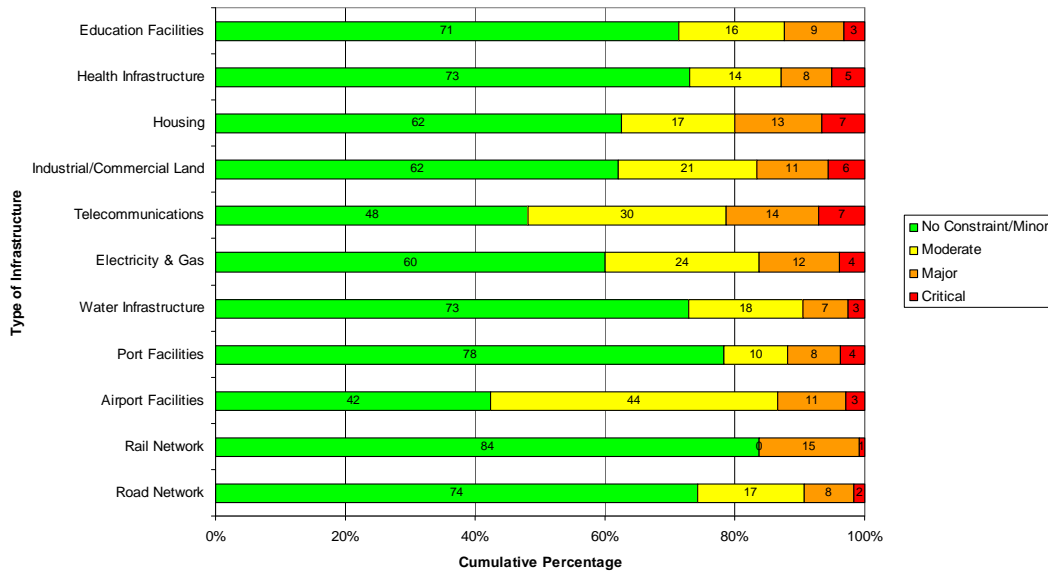
Degree of Constraint - Availability/Standard of Infrastructure



Source: St George Bank Commerce Queensland Pulse Survey of Business Conditions

In respect to price as a constraint on business airport facilities and again telecommunications were identified as troublesome areas. The costs of these services limit the ability of some businesses to obtain the maximum economic benefits from their availability. Electricity and gas, the cost of industrial and commercial land and housing were also key constraining areas on Queensland business in terms of price. As with availability of housing, the price of housing was regarded as a key constraint on business due to the negative impact that it has on the ability of businesses to attract and retain staff.

Degree of Constraint - Price of Infrastructure



Source: St George Bank Commerce Queensland Pulse Survey of Business Conditions

4.6 Problems by Region

Road networks, telecommunications and housing appear to be relatively important for most regions of Queensland, however four additional trends emerge when analysing results by region. These are the importance of social and access infrastructure for remote regional communities, the importance of access infrastructure particularly airport facilities for tourism destinations, the importance of transport infrastructure for mining regions and water infrastructure for those areas of Queensland that rely on water and are being negatively impacted by drought. Section 6.0 identifies those specific projects that are needed urgently to address each of the following infrastructure problems within a specific region

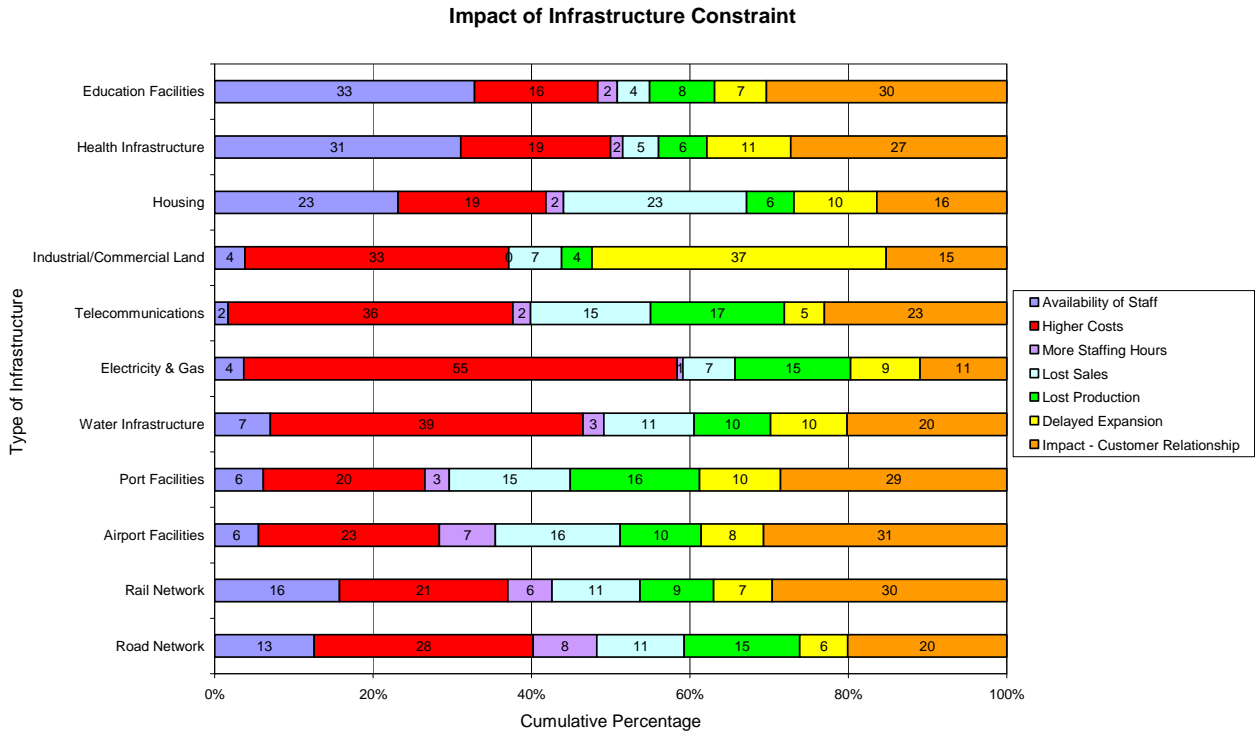


	Availability / Standard	Price
Brisbane	<ol style="list-style-type: none"> 1. Road Network 2. Telecommunications 3. Housing 	<ol style="list-style-type: none"> 1. Telecommunications 2. Port Facilities 3. Industrial / Commercial Land
Sunshine Coast	<ol style="list-style-type: none"> 1. Telecommunications 2. Road Network 3. Housing 	<ol style="list-style-type: none"> 1. Telecommunications 2. Housing 3. Electricity & Gas
Gold Coast	<ol style="list-style-type: none"> 1. Road Network 2. Telecommunications 3. Housing 	<ol style="list-style-type: none"> 1. Housing 2. Telecommunications 3. Electricity & Gas
South West Queensland	<ol style="list-style-type: none"> 1. Water Infrastructure 2. Airport Facilities 3. Road network 	<ol style="list-style-type: none"> 1. Telecommunications 2. Water Infrastructure 3. Airport Facilities & Rail Network
Central Queensland	<ol style="list-style-type: none"> 1. Telecommunications 2. Industrial / Commercial Land 3. Airport Facilities 	<ol style="list-style-type: none"> 1. Industrial / Commercial Land 2. Housing 3. Telecommunications
Central Coast Queensland (Mackay)	<ol style="list-style-type: none"> 1. Housing 2. Industrial / Commercial Land 3. Road Network 	<ol style="list-style-type: none"> 1. Housing 2. Industrial / Commercial Land 3. Rail Network
North Queensland	<ol style="list-style-type: none"> 1. Road Network 2. Telecommunications 3. Housing 	<ol style="list-style-type: none"> 1. Telecommunications 2. Industrial / Commercial Land 3. Port Facilities
Far North Queensland	<ol style="list-style-type: none"> 1. Airport Facilities 2. Port Facilities 3. Telecommunications 	<ol style="list-style-type: none"> 1. Rail 2. Electricity & Gas 3. Housing
Queensland	<ol style="list-style-type: none"> 1. Road Network 2. Telecommunications 3. Housing 	<ol style="list-style-type: none"> 1. Telecommunications 2. Housing 3. Industrial / Commercial Land

An increasingly important issue for companies with projects in regional and rural Queensland is the provision of adequate social infrastructure and community services for employees and their families. The development of a strong network of social infrastructure helps to foster economic development to the extent that people are attracted not only to the economic opportunities that exist, but also the lifestyle advantages. Regional Queensland is not serviced well in this regard. In a tight labour market, this situation makes it more difficult for project developers and operators to compete for quality residential labour. This is reflected in the increasing use of fly-in fly-out employment practices. Additionally the tourism industry is underpinned by connectivity between assets and accessibility to potential markets. Accessibility to the regions is crucial for tourism development throughout the state, where vast distances and remoteness play a large part in the destination's competitiveness and ultimately its attraction. The provision of quality road services, public transport and airports providing increased accessibility is essential.

4.7 How Poor Infrastructure Impacts on Business

Businesses that identified a type of infrastructure as a 'critical' or 'major' constraint were asked to indicate the main impact that this constraint has on their business. The impact of poor infrastructure has a predominantly negative impact on customer relationships and significantly higher business costs. This was the case for substandard or poor availability of road and rail networks; telecommunications; airport and port facilities; and water infrastructure.



Source: St George Bank Commerce Queensland Pulse Survey of Business Conditions

The resultant impact of poor social infrastructure such as housing, education facilities and health infrastructure is subtly different with reduced availability of staff. Problems with electricity and gas mostly impact on higher costs and lost production. Poor availability of industrial and commercial land also impacts on higher costs but equally impacts on delayed expansion of a business.

5.0 Infrastructure Policy

5.1 Role of Infrastructure Australia and the need for a Developed Infrastructure Plan

Commerce Queensland believes that a holistic approach should be taken to planning across all infrastructures and across all levels of Government to ensure an effective and consistent approach is achieved. There must be better planning for Queensland's future infrastructure needs and increased investment in core infrastructure assets, as many of the current problems with the State's infrastructure network are a result of poor planning and insufficient investment. A key concern in relation to infrastructure provision in Queensland has been that public infrastructure projects have generally been undertaken on an ad hoc fashion, without a strategic direction or focus. Commerce Queensland believes that the Local, State and Commonwealth Governments need to develop a more cooperative approach to the provision of infrastructure. Accordingly Commerce Queensland supports the role of Infrastructure Australia and believes a similar body at a State level should be established. Both Infrastructure Australia and the State equivalent should engage with Government to ensure that the appropriate level of financial support is provided to key Queensland infrastructure projects.

5.2 Principles of Infrastructure Policy

There are a number of **principles** that must underpin any infrastructure policy:

5.2.1 Infrastructure decisions should always be underpinned by the twin processes of cost-benefit analysis and opportunity cost evaluation. This should establish a link between value and cost essential to ensuring that expenditure on public investment delivers commensurate improvements. Infrastructure projects chosen for development must be shown to contribute to Australia's economic growth potential. Most importantly, governments must properly assess competing projects under consideration and must ensure the land, labour, capital and finance requirements for public projects do not absorb resources which could be applied more productively to private sector projects. There needs to be an open and transparent process for Government infrastructure investment.

5.2.2 Commerce Queensland supports the criteria for investment outlined by Prime Minister Kevin Rudd, that proposals will be assessed against their ability to:

- lift national productivity;
- strengthen Australia's international competitiveness;
- develop our cities and regions;
- reduce greenhouse gas emissions; and
- improve the quality of life of Australians.

Furthermore Commerce Queensland believes there should be additional criteria for investment based on anticipated population and economic growth for a region.

5.2.3 Construction should be open to competitive tender (whether it be through construction only, design and construction, alliances, or other forms of relationship contracting as appropriate). Competitive tendering ensures that the government gets the best asset and ensures that it gets value for money.

5.2.4 Contracting process, specifications for major contracts, and key details of major contracts should be transparent and therefore available for public and parliamentary scrutiny.

5.2.5 Social spin-offs associated with projects should not be used to justify the construction of infrastructure at more than economic cost, unless appropriately examined in a transparent and rigorous fashion against other alternatives that deliver similar outcomes. Infrastructure projects should be adopted for the benefits they are assessed to contribute to the economy, not because they are expected to pick up the slack in the economy at some point in time. The only acceptance to the rule is the moving forward of those projects that have been justified by extensive cost benefit analysis.

5.2.6 Borrowing to finance capital should only be undertaken for additions to capital stock, not for maintenance or replacements of existing assets; and should be repaid over a period no longer than the lifetime of the asset; and should be assessed on an appropriate rate of return.

6.2.7 Whether future infrastructure remains mostly a public sector activity or becomes mainly private, governments will retain their crucial facilitation, planning and co-ordination roles in helping projects to happen.

5.3 Commonwealth / State Relations

It is also important to consider the relationship between the Federal and State Governments when infrastructure decisions are made, due to the significant amounts of funding that is typically required. Some of the broader policy issues that are relevant to infrastructure policy include:

5.3.1 Getting the tax structure right is the single most constructive reform that governments can do to promote a productive economy and competitive business sector. The Commonwealth Government's taxation regime also has a significant impact on company decisions on whether and how to invest in infrastructure. More generally, there is a need for further reform to the Commonwealth tax system to help underpin the next twenty years of economic development. This requires reforms across a range of taxes. Commerce Queensland has provided a separate submission to the Review of Australia's Future Taxation System.

5.3.2 While the State Government has prime responsibility for the provision of common user infrastructure, the bulk of tax revenues from major projects flows to the Commonwealth, through income taxes of employees, businesses' company taxes and GST. This sets up perverse incentives, with the costs and benefits of infrastructure investment allocated to different agents which undermines the possibility of optimal investment decisions being made. Even if a State Government recognises the benefits of infrastructure investment and would like to realise them, budget constraints may make this impossible without the stream of future tax revenues that will flow to the Commonwealth. Accordingly the Commonwealth Government should carry a greater share of the responsibility for providing the infrastructure necessary for industrial development, because it collects the main tax benefits from such projects. Even with the largest infrastructure program on record (\$17 billion for the 2008-09), Queensland needs additional support from the Commonwealth to meet increasing needs for infrastructure and services.

5.4 Private Sector Involvement in Infrastructure

Decisions on whether to privatise an asset or to contract out should be determined according to which form of service delivery represents the best value for money for the community. There should be no ideological presumption either in favour of or against private provision. Sometimes the private sector is more efficient and effective at delivering services, sometimes the government is. These considerations should be the ones guiding whether or not infrastructure is privatised. Of central importance is the fact that the rate of spending necessary for continued infrastructure investment and development in Queensland will not be sustainable without using the Private Sector.

Accordingly Government should actively consider alternative financing mechanisms to free itself from direct investment in costly infrastructure through mechanisms such as Private Public Partnerships (PPPs), privatisation, contracting out and competitive tendering. By moving out of activities that the private sector can do better, government frees resources to provide the infrastructure that only it can supply. The private sector has the potential to deliver significant benefits including improved quality at lower cost. Greater private sector involvement will diversify and enlarge the pool of funds available to finance the construction and maintenance of infrastructure, enabling some projects to be brought forward and completed earlier than otherwise would have been the case. The utilisation of private sector participation in the provision of essential infrastructure will inevitably lead to an improvement in Queensland's building industry, investment growth and employment opportunities. For these reasons Commerce Queensland has been very active in encouraging constructive debate on what role the private sector can play and in infrastructure provision and is actively encouraging Government to consider the benefits that the private sector can provide in the delivery of sustainable infrastructure.

5.5 Pricing of Infrastructure

The Government must allow market participants to charge prices which reflect, at least over the longer term, the cost of providing and maintaining the relevant infrastructure or service. However, that said, it is also important that the pricing regimes for core infrastructure and essential services do not make Queensland businesses uncompetitive. The use of Community Service Obligations is certainly appropriate in facilitating this outcome.

5.6 Regulation

Federal, state and local governments regulate building and investment. These regulations have a substantial impact on infrastructure and can make infrastructure development difficult and costly. Accordingly regulation of infrastructure should only occur when the benefits clearly outweigh the costs. If a regulatory response is required, the regulations should be designed in consultation with industry stakeholders to minimise costs while maximising benefits.

Some infrastructure is a natural monopoly, and in most cases, price regulation is needed. It could be argued that price regulation is not required for publicly owned infrastructure, but often Governments can use its own monopolies as cash cows. In any case, Government businesses should be subject to all the same regulations that it imposes on the private sector.

The National Access Regime should be focused primarily on improving access to those essential facilities which are not commercially or economically viable to replicate. Infrastructure should only be declared to be subject to the Access Regime if it is likely to create a substantial increase in competition.

5.7 Infrastructure Project Planning and Approvals

There exists extreme complexity in Australia's planning laws. Australia's planning legislation is consistently identified as a major constraint on business development and is a priority area for reform. There have been many projects that have for various reasons failed to reach the development phase due to failure or frustration with necessary planning processes. Generally perceived problems on the part of business with planning system include 'red tape'; delays in approvals; to liberal appeal rights; bureaucratic inertia and nit-picking; the cost of approvals and appeals; Government interference in the market; Onerous amount of information required for approval; Complexity of the planning system; Confusion between planning and building approvals; and vagueness and uncertainty of outcomes. Commerce Queensland believes in three planning principles, consistency, transparency and efficiency. Essentially these three principles can be summarised as:

- One state - one planning system - one language
- Knowing what is expected before you start
- Regulation - where it is not required remove it - where it is required refine it

5.8 Infrastructure Recommendations

There are several broader recommendations which Commerce Queensland considers will address the transport and infrastructure issues arising in Queensland:

1. A holistic approach should be taken to infrastructure planning across all physical infrastructure and across all levels of government to ensure an effective and consistent approach.
2. Fast tracking and better planning in respect to Queensland's future infrastructure needs;
3. Increased investment in key infrastructure assets to ensure that the State's infrastructure network is of an acceptable standard and capable of meeting forecast demand;
4. A transparent and equitable pricing regime which does not adversely affect the competitiveness of Queensland business and industry.
5. Government to establish a target list of projects able to be delivered by the private sector through the public/private partnership (PPP).
6. Greater private sector involvement in the planning, development, construction, operation of Queensland infrastructure.
7. Recognition that all communities in Queensland should have access to a reasonable standard of infrastructure and taxpayer-funded services.
8. Ensure charges imposed by public infrastructure are competitive.



6.0 Queensland Infrastructure Projects

6.1 The following list details the infrastructure priorities identified by members of Commerce Queensland through the survey process outlined in section 4.2. Whilst these infrastructure priorities have not been subject to a cost benefit analysis to determine whether they are economically viable, they do highlight the range of issues identified by Queensland businesses.

6.2 Infrastructure Projects by Region

6.2.1 Brisbane

Two in every three businesses within Brisbane identified an urgent need for the dramatic improvement of the city's road and public transport systems. Priorities ranged across the Gateway upgrade, ring roads, tunnels and upgraded passenger rail services. Many businesses identified Brisbane's Trade Coast precinct as also a high priority area. A significantly high number of businesses identified transit times to and from the Brisbane International Airport together with a major upgrade for the Port of Brisbane itself as having a high priority.

6.2.2 Gold Coast

Projects identified as having a high priority for the Gold Coast included major highway upgrade (although the Tugan bypass should address much of this feedback) and upgrading of arterial roads from the M1. The light rail passenger system for the Gold Coast through to the Coolangatta airport was also cited many times. Further upgrades to the Coolangatta Airport and the regions telecommunications namely broadband services were identified.

6.2.3 Sunshine Coast

Most projects identified for the Sunshine Coast focused on improving the mobility of persons. Accordingly improved public transport and a road system was a common theme with many businesses highlighting the need for passenger rail services between major population centres on the Sunshine Coast. Further upgrades for the Sunshine Coast Airport were also cited. Improved broadband services were also regarded as highly important for the region.

6.2.4 South West Queensland

Unsurprisingly given the prevailing drought conditions within South West Queensland a dramatic improvement to the regions water infrastructure was regarded as the stand out infrastructure project.

6.2.5 Central Queensland

No clear infrastructure priorities were identified for Central Queensland although road and airport upgrades were identified as having high priority. The availability of industrial and commercial land was also cited although Commerce Queensland notes the difficulty in addressing this need by State and Commonwealth Governments through any one infrastructure project. See section 5.7 for possible solution to this issue through improved Local and State Government Planning laws.

6.2.6 Central Coast (Mackay)

The Central Coast's importance in the export of mining materials inevitably causes the identification of rail and ports to be of high importance to the region. The Bruce Highway was also identified by many businesses within the region as needing improvement.

6.2.7 North Queensland

Similarly North Queensland's increasing reliance on resources accordingly leads to the projects identified centring on ensuring adequate rail and ports for the export of raw materials and adequate roads to the mining centres. The Bruce Highway and telecommunications were also cited as highly desirable priorities.



6.2.8 Far North Queensland

Two projects were predominantly mentioned as needed for Far North Queensland. Unsurprisingly given that the tourism appeal of remote Far North Queensland the continuing major upgrade of the Bruce Highway and Cairns International Airports were the projects identified as vitally needed for the region.

6.3 Social Infrastructure

Responses from businesses continually referred to the need for social infrastructure. Priorities identified by Queensland businesses across the State included:

- Improved housing options and availability or residential land;
- Child care, primary, secondary and tertiary education;
- Health services;
- Development of improved social infrastructure including sporting facilities;
- Infrastructure supporting broadband Internet, cable TV and telecommunications;
- Services such as emergency, fire and ambulance services; and
- Improved transport infrastructure and competitive transport services.



Appendix One

Policy Development & Representation



Workplace Health & Safety



Workplace Relations & Employer Advice



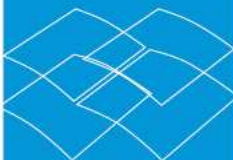
Human Resource Management



International Business



Vocational Education & Training



Eco Efficiency Advice

COMMERCE QUEENSLAND PROFILE

Commerce Queensland is Queensland's largest business organisation and is the trading name of the Queensland Chamber of Commerce and Industry. It has a statewide membership drawn from all industry sectors and has been the state's peak employer body since 1838.

Commerce Queensland is a non-Government organisation that seeks to work with Government and other groups to shape Queensland's economic and social environments in a way that promotes business growth and community prosperity.

Commerce Queensland is called upon by thousands of enterprises to deliver a broad range of business services including advocacy and representation, workplace and industrial relations, staff development and training, workplace health and safety, environmental management and international business facilitation. We are commercially-minded and expertly-qualified.

Commerce Queensland is a founding member and influential partner of the Australian Chamber of Commerce and Industry (ACCI) and part of the worldwide network of Chambers of Commerce and affiliated business service organisations.

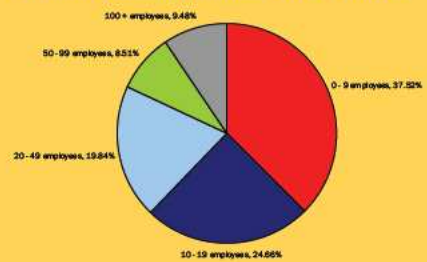
Commerce Queensland has in excess of 3,700 direct members across 8 regional offices and acts for over 135 local chambers of commerce and 60 trade and professional associations. In total, Commerce Queensland represents in excess of 25,000 businesses and our vision is to be the leading facilitator of business success in Queensland.



The diversification of Commerce Queensland's membership is illustrated in the following charts:



Commerce Queensland members by Employment Size



Commerce Queensland members by Region

