CCIQ Advocacy

Improving Queensland's transport networks to enhance productivity and drive economic growth

CHAMBER OF COMMERCE AND INDUSTRY QUEENSLAND
TRANSPORT BLUEPRINT
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1.0 Introduction

1.1 Queensland's transport system is an integral part of the state's community and has a large impact on the productivity, profitability and competitiveness of businesses. Forming the backbone of our economy, transport networks are used to produce, sell and distribute goods and services throughout the State, Australia and the globe. Transport also contributes greatly to our mobility and access, and thus impacts choices on housing, employment, consumption/shopping, education, leisure and tourism. Subsequently, transport is a significant component of the price of all products and services that we purchase. Overall, an inefficient or distorted transport system can add significantly to the cost of business and cost of living for consumers, and diminishes our international competitiveness in key export markets.

1.2 Queensland's transport networks face unique challenges that are experienced in few other parts of the world including low population density and vast distances, yet strong economic and population growth. Delivering a world class transport network that sets Queensland apart from the rest of Australia and our international competitors will be essential to ensuring our state remains an attractive option for business investment, development and expansion activities into the future.

1.3 Considering the importance of the transport network to Queensland businesses, and the significant challenges that we face moving forward, the Chamber of Commerce and Industry Queensland (CCIQ) has developed this Transport Blueprint to provide a Queensland business perspective of how to improve transport infrastructure to drive business and economic growth and enhance productivity. The Blueprint is based on a CCIQ survey of over 700 businesses and their views of Queensland's transport infrastructure.

1.4 This Blueprint has been broken into three sections. The first section looks at the current state of play, outlining the context and background around Queensland's transport networks and the associated views of the Queensland business community. The second section looks at the key issues facing the transport network including government planning and priority setting, funding mechanisms and private sector involvement, capacity constraints and system connectivity and integration. The final section brings it all together by focusing on the competitiveness of the network and the development of stronger Queensland regions.

"We need to get it right from the start. Plan for future growth not just keep up with it."

"Queensland needs an efficient transport network that can cater for growth of the population and business expansion."

"We need to overhaul the system to minimise the red tape and ensure that infrastructure is built in a timely fashion."

"A lack of planning over the past 20 years has seen our network deteriorate substantially and be over congested by growth. It will take another 20 years to catch-up."

"Transport systems need to allow us to run a smooth operation to supply product to customers on time - this is critical to our business."

Queensland Business Operators

Section 1

STATE OF PLAY

2.0 Context and Background

2.1 QUEENSLAND'S TRANSPORT NETWORKS

2.1.1 The key components of the Queensland transport system include:

i. ***Road network:*** Queensland has more than 181,000km of road network, of which 33,550km is state controlled.[1] Businesses are one of many road users (including private vehicles, buses, trucks, light commercial vehicles, motorcycles, bicycles and pedestrians) that currently compete for space on Queensland's roads. This network plays an essential economic role in Queensland, forming a vital link connecting businesses with communities and is also a key factor contemplated for business location or expansion decisions. Roads are likely to remain the dominant transport network for businesses moving forward.

ii. ***Rail network:*** The Queensland Government leases and sub-leases around 9,800km of rail corridor throughout the State.[2] The key rail networks in Queensland include the SEQ rail network (primarily catering for commuter passenger services, in addition to freight and long distance passenger traffic), the coal rail network and the regional freight and passenger network. Businesses primarily use this network to transport bulk freight (mineral concentrates, coal, fertilisers and grain), general freight and livestock. The rail network is also used for short and long distance commuting. QR National was listed on the Australian Securities Exchange on 22 November 2010, with the Queensland Government maintaining a 34% shareholding in the company.[3]

iii. ***Seaport network:*** Queensland has 20 ports, which are operated by five port corporations including the Port of Brisbane Corporation, Gladstone Ports Corporation, North Queensland Bulk Ports Corporation, Port of Townsville and Far North Queensland Ports Corporation.[4] The Port of Brisbane and Abbot Port Coal Terminal were recently sold under 99-year leases.[5] Queensland's ports are primarily used for the importing and exporting of containers and mineral/energy commodities. The cruise ship industry is also of growing importance to the Queensland tourism industry and the economy.

iv. ***Airport network:*** There are 4 international airports (Brisbane, Gold Coast, Townsville, Cairns) and several major domestic airports including Sunshine Coast, Bundaberg, Hervey Bay, Mackay, Mount Isa, Rockhampton, Gladstone and Longreach. The Gold Coast Airport is Australia's fastest growing airport[6] and the Brisbane Airport is Australia's third busiest airport.[7] Air transport is used for business commuting, as well as for bringing customers (ie tourists) into regions. Some businesses also use airports for transporting freight.

v. ***Public transport network:*** The vast majority of Queensland's public transport offerings are in SEQ. In this region, the network is coordinated and delivered by Translink including bus, train and ferry services. The Translink network covers one of the geographically largest public transport systems in the world.[8] There are also a number of initiatives in regional Queensland including urban bus services in key centres, long distance bus routes and ferry services between the mainland and key island communities. The public transport network is essential for enhancing the accessibility within and between Queensland's regions.

2.2 CURRENT GOVERNMENT POLICY AND PRIORITY FRAMEWORKS

2.2.1 The Queensland Government has released a draft Queensland Infrastructure Plan (QIP), a 20 year plan on how to deliver and maintain the infrastructure requirements needed to address growth in Queensland regions. The QIP is the first plan of its kind in Australia and provides a clear outline of short-term infrastructure projects as well as forward planning for longer-term infrastructure priorities. Areas of focus within the QIP include:

- Making smarter use of existing infrastructure;
- Focusing on whole of network solutions which support long term planning;
- Managing the impacts of climate change and achieve sustainability;
- Making bold, large-scale infrastructure investment decisions based on sound evidence;
- Strengthening partnerships.[9]

2.2.2 The QIP is the foundation document to the Queensland Regionalisation and Bruce Highway Upgrade strategies. These two strategies aim to drive investment and development in regional Queensland by enhancing and delivering key infrastructure needed to support growing communities and meet the challenges associated with increased freight tasks. A number of additional supporting State Government planning documents include the Queensland Transport and Roads Investment Program 2011-12 to 2014-15, transport plans such as Connecting SEQ 2031 and the Integrated Freight Strategy.

2.2.3 The Queensland Government obtains significant funding from the Australian Government to deliver infrastructure throughout the state. Infrastructure Australia is the Australian Government entity that identifies and prioritises Australia's infrastructure needs, evaluates investment proposals and reviews Commonwealth infrastructure funding programs.[10] Infrastructure Australia has pushed for Australian Governments to develop long term infrastructure plans, particularly in relation to the transport sector. The Australian Government has subsequently developed plans including the National Freight Strategy and the National Ports Strategy.[11]

2.3 DEMAND ON QUEENSLAND'S TRANSPORT SYSTEM MOVING FORWARD

2.3.1 All indications show that the demand on Queensland's transport networks will only increase moving forward.

2.3.2 Queensland continues to maintain one of the strongest population growth rates in the country. The state's population is projected to reach 6 million by 2026, an increase of 1.5 million people or 33%, which is higher than national projections (23%).[12] The importance of infrastructure in regional areas will increase moving forward, with Queensland predicted to have the largest regional population (outside the capital city) of any state or territory by 2026.[13] Whilst amid a current downturn, tourist numbers are also expected to stay strong in the longer term, particularly international tourists from China, India and Indonesia.[14]

2.3.3 Over the next 2 decades, increases in freight are projected each year in the order of 1,030 million tonnes in general freight, 520-620 million tonnes in mineral freight, and 100 million tonnes of Liquefied Natural Gas.[15] Demand for Queensland's commodities continues to increase, with demand for coal alone expected to increase by between 64% and 120% over the next 10 years.[16] Air freight is also expected to treble in Australia to 458,000 tonnes a year by 2023.[17] Cars will continue to be the dominant transport mode for the growing population, with a current annual vehicle growth rate of 10%.[18]

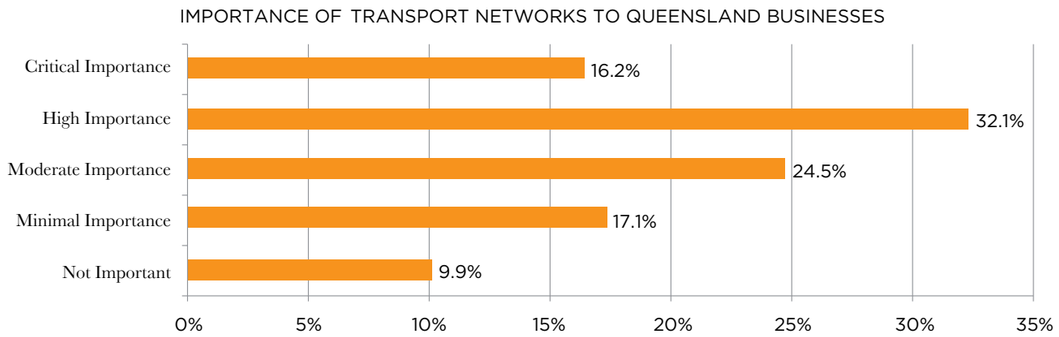
2.3.4 Queensland's natural disasters throughout the summer of 2010/11 resulted in substantial damage to the state's transport infrastructure, with an estimated damage bill of $6.8 billion.[19] The road network in many areas was seriously damaged, with damage ranging from weakened surfaces and potholes, to serious structural issues and whole roads/bridges washed away. Significant damage was also reported to the rail network (particularly the coal network, and the Blackwater and Toowoomba lines) and the public transport network (particularly the ferry network in Brisbane). Airport and seaports experienced short term delays with reports indicating they are all structurally sound and back to normal operations. Repairing damaged transport infrastructure will require long term effort.

2.3.5 The transport network will also continue to face challenges unique to Queensland including vast distances and low population density outside of the south east. Meeting all of these challenges will not be an easy accomplishment, however it is essential that strategies are developed in order to meet challenges head on to ensure Queensland remains an attractive option for business investment, with transport networks that enhance productivity and drive economic growth.

3.0 Business Views on Queensland's Transport Networks

3.1 IMPORTANCE OF THE TRANSPORT NETWORK TO QUEENSLAND BUSINESSES

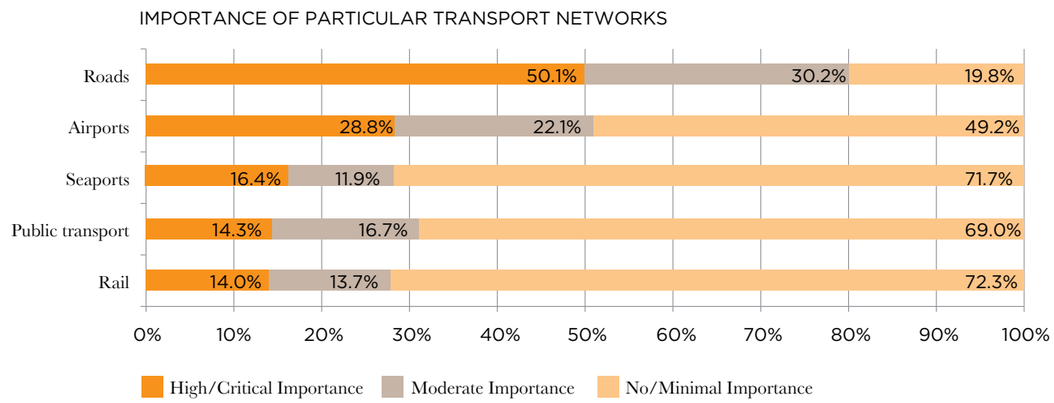
Half of Queensland businesses (48.3%) state that an efficient and reliable transport network is of high or crucial importance to their business. An additional one in four believe it is of moderate importance. Businesses in regional areas have a significantly higher reliance on the state's transport network than those located in SEQ due to lower population densities and the vast distances travelled for business purposes. Several industries are also heavily reliant on transport networks, particularly agriculture, wholesale, transport, storage, manufacturing, retail, mining and construction industries.



Source: CCIQ Transport Network Survey

3.2 BUSINESS USAGE OF THE TRANSPORT NETWORK

3.2.1 Presently, the road network is the most important transport network to Queensland businesses, with 50.1% indicating this infrastructure is of high or crucial importance to their business. This is followed by airports, seaports, public transport and rail.



Source: CCIQ Transport Network Survey

3.2.2 Key points in relation to the importance of transport networks to Queensland businesses include:

- All transport networks (excluding public transport) are rated more important to businesses located in regional areas due to the fact that these businesses service larger areas and travel further to get to key centres and access distribution channels/markets;
- Public transport is more important to businesses located in SEQ (particularly Brisbane) which in all likelihood is due to the availability of this network in this region compared to regional areas, and the importance of commuting during peak hour;
- Businesses with larger numbers of employees (more than 100) are more likely to rate seaports and rail freight networks of higher importance to their business compared to businesses with smaller numbers of employees. This is linked to the cost and volumes of freight associated with using these networks.

3.2.3 The below table shows the top 3 reasons that Queensland businesses use the state's transport networks. Overall, transport networks are used for delivering goods and services within local areas, throughout Queensland and Australia and throughout the world. Transport networks are also important for getting to and from meetings and business appointments, allowing employees to get to and from work and for receiving the products and services required to run businesses.

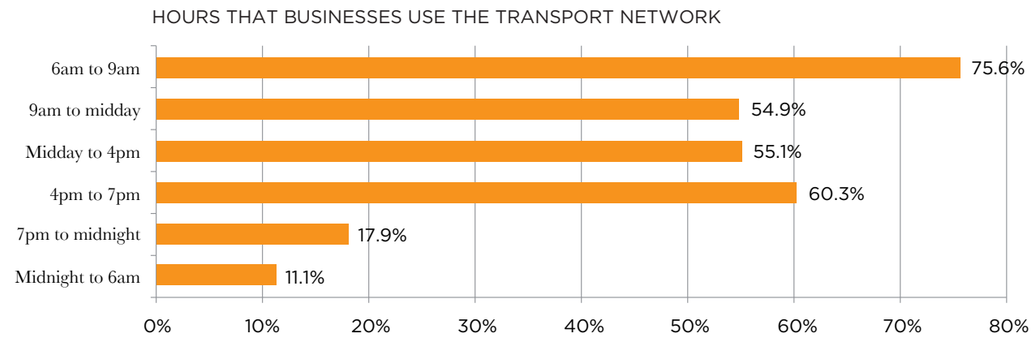
TOP 3 USES OF TRANSPORT NETWORKS BY QUEENSLAND BUSINESSES

	Roads	Rail freight	Public transport	Seaports	Airports
1	Assist employees to get to and from work (61.5%)	Delivery of goods/ services within Queensland (39.2%)	Assist employees to get to and from work (48.0%)	Delivery of goods/ services throughout the world (50.0%)	Getting to and from appointments (57.1%)
2	Delivery of products required to run business (60.1%)	Delivery of products required to run business (37.8%)	Delivery of goods/ services within your local area (44.0%)	Delivery of products required to run business (42.9%)	Delivery of products required to run business (52.4%)
3	Delivery of goods/ services within your local area (59.1%)	Delivery of goods/ services throughout Australia (32.4%)	Getting to and from appointments (20.0%)	Delivery of goods/ services throughout Australia (21.4%)	Delivery of goods/ services throughout Australia (47.6%)

Source: CCIQ Transport Network Survey

3.2.4 The vast majority of businesses (99.6%) use the state's transport networks Monday to Friday, which is fairly standard across all regions. Around one in four use transport networks on Saturdays and around one in six on Sundays. Larger businesses as well as those in the transport, storage, cultural/recreational and agricultural industries are more likely to use the network 24/7.

3.2.5 Most businesses use the transport network between the hours of 6am to 7pm. Usage appears to significantly increase between 6am to 9am and 4pm to 7pm which coincides with staff moving between their workplace and their homes. There is a similar usage pattern within most regions however there are significantly more businesses in regional areas that use the transport network after 7pm. Businesses with a larger number of employees tend to have a higher usage patterns throughout the entire day compared to small businesses.



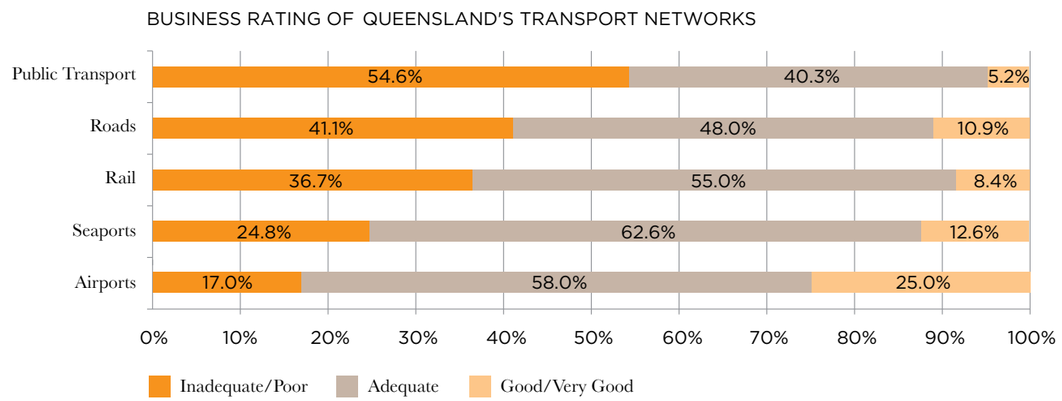
Source: CCIQ Transport Network Survey

3.3 BUSINESS RATING OF QUEENSLAND'S TRANSPORT NETWORKS

3.3.1 Queensland's transport networks are rated quite poorly by businesses. Public transport networks were given the poorest rating with 54.6% of businesses rating this network as inadequate or poor. This is followed by the road network, rail networks, seaports and airports.

3.3.2 Key points to note in relation to businesses' rating of Queensland's transport networks include:

- The low rating for the public transport system is likely linked to the lack of availability in regional areas outside of SEQ;
- Privately run transport infrastructure (seaports and airports) are more likely to receive a ranking of adequate or higher;
- Businesses in regional areas of the state are more likely to rate transport networks more poorly than businesses located in SEQ. This is likely to coincide with the increased reliance on the transport network by businesses outside of SEQ.



Source: CCIQ Transport Network Survey

3.4 IMPACT OF THE TRANSPORT NETWORK ON QUEENSLAND BUSINESSES

3.4.1 Businesses have reported many impacts on their business as a result of poor transport networks including increased costs, decreased efficiency/productivity, delayed deliveries, negative impact on staff retention and decreased customer satisfaction. The table below shows the top three impacts that businesses have experienced from each transport network.

TOP IMPACTS BY TRANSPORT NETWORK FOR QUEENSLAND BUSINESSES

	Roads	Rail freight	Public transport	Seaports	Airports
1	Increased costs (42.8%)	Increased costs (44.6%)	Negative impact on staff retention (32.0%)	Increased costs (50.0%)	Increased costs (47.6%)
2	Decreased efficiency and productivity (39.7%)	Decreased efficiency and productivity (28.4%)	Decreased efficiency and productivity (28.0%)	Decreased efficiency and productivity (28.6%)	Delayed deliveries (28.6%)
3	Delayed deliveries (35.0%)	Delayed deliveries (25.7%)	Decreased customer satisfaction (24.0%)	Decreased customer satisfaction (21.4%)	Decreased customer satisfaction (23.8%)

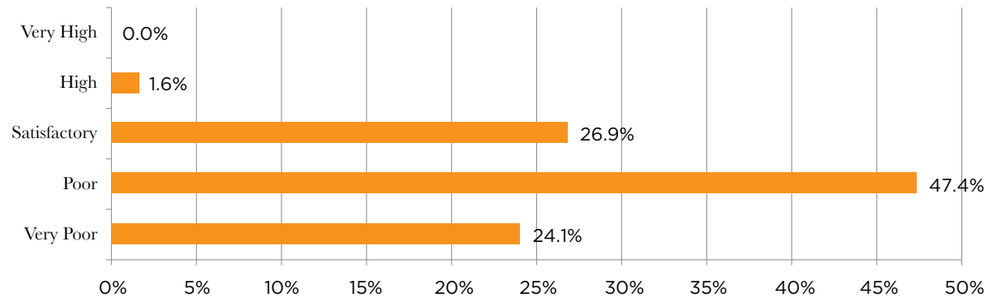
Source: CCIQ Transport Network Survey

3.4.2 Due to the challenges associated with shortcomings in our state's transport system, one in five businesses have changed their business practices in an attempt to reduce the negative impact on their business. The types of changes that businesses have made as a result of the existing transport network include:

- Changing delivery times, days and routes;
- Changing business location or opening additional offices to avoid traffic congestion or to be more convenient for staff (ie better access to public transport);
- Delayed business expansion activities;
- Factoring delayed delivery times and transit times into business operations;
- Changing business and/or work hours to avoid peak hour traffic;
- Changing the type of transport used ie from rail to road, road to air;
- Undertaking more planning activities to avoid wasting time and money;
- Passing costs onto customers.

3.5 STATE GOVERNMENT PERFORMANCE AND INVESTMENT

3.5.1 Although businesses acknowledge the unprecedented infrastructure spending in Queensland over recent years, there is a common perception that past and current Governments have failed to adequately plan and cater for the transport needs of a growing population and economy. This is reflected by the 71.5% of Queensland businesses that rate the State Government's performance in delivering efficient and reliable transport networks as poor to very poor. The State Government has acknowledged playing catch-up and retrofitting infrastructure.



Source: CCIQ Transport Network Survey

3.5.2 The perception also remains that the State Government focuses its attention on South East Queensland (SEQ), with limited focus on regional communities and metropolitan areas outside of the south east corner. The lack of or poor infrastructure was highlighted as the most significant disincentive to more people and businesses moving to regional areas. Moving forward, it is clear that more focus needs to be placed on transport networks in regional areas, particularly if there is an ongoing push for decentralising the state's population from SEQ.

3.5.3 Due to the importance of Queensland's transport network to businesses, the economy and productivity, it is clear that they must remain a government priority. The following sections outline the views of the Queensland business community on how to deliver improved transport network outcomes moving forward.

"There are poor roads outside the south-east corner and little or no rail freight or air services available outside of major towns."

"Queensland has inferior public transport and road infrastructure in comparison to other major Australian states, and internationally."

"Collector and distributor roads are not capable of keeping traffic moving at key morning and afternoon periods which creates extra cost in time, fuel costs and productivity."

"There is inadequate funding to maintain the road system in a state that meets business and community needs."

"Public transport is ineffective eg limited train lines, bus routes, operating times. There are too many trucks on the roads which would suggest that rail freight is ineffective. The cost of tolls is outrageous and the cost of fuel is out of control."

Queensland Business Operators

Section 2

KEY TRANSPORT ISSUES

4.0 Government Planning & Priority Setting

Strong leadership, smart planning and the commitment to deliver outcomes are key elements needed to ensure Queensland's transport networks can enhance productivity and drive economic growth. The importance of the right policy and priority setting mechanisms can not be underestimated. The business community believes much more needs to be done by Government to improve our transport networks. This viewpoint has also been raised by Infrastructure Australia who believe State Governments need to embrace the need for reform, drive the necessary changes and commit to actions on a range of fronts.[20]

4.1 TRANSPORT INFRASTRUCTURE: A KEY GOVERNMENT PRIORITY MOVING FORWARD

4.1.1 A common view expressed by businesses is that Queensland's infrastructure, particularly transport networks, are seriously inadequate in meeting the current needs of the economy and the community, let alone the needs of the growing population moving forward. Out-dated infrastructure is requiring significant funds to maintain. Furthermore, inadequate transport network are negatively impacting on businesses through increased costs, decreased efficiency and productivity, delays, impacts on customer satisfaction and lost opportunities. All of these issues significantly impact on the capacity of businesses to grow and employ, effectively placing a brake on economic growth.

R1: To alleviate the brake on productivity and economic growth, the State Government must commit to a major transport infrastructure agenda designed to improve the availability and capacity of networks in each region and improve standards of living across the State.

4.1.2 This will not only have positive implications for meeting the needs of the growing population and economy but also for the Government's agenda of encouraging more people and businesses to settle and work in regional areas. Delivering the required infrastructure when or before it is required will also ensure that Queensland can once again become the "place to do business".

4.2 REQUIREMENTS OF A QUEENSLAND INFRASTRUCTURE PLAN (QIP)

4.2.1 The Queensland Government has undertaken a new planning pathway of developing the nation's first state-wide Infrastructure Plan. CCIQ believes this is a positive step forward for a long term planning approach necessary to deliver required transport outcomes. However, the right mechanisms and planning processes must be put in place to ensure the QIP is more than an aspiration and actually delivers infrastructure to meet the needs of the growing population and economy.

4.2.2 CCIQ's Transport Blueprint focuses on a number of areas that require attention within the QIP and State Government planning processes including looking at funding mechanisms and private sector involvement, enhancing connectivity and system integration, increasing the capacity and competitiveness of the network and focusing on particular strategies for regional Queensland.

4.2.3 In terms of overarching policy and planning processes, businesses are particularly supportive of:

i. *Adopting a long term planning approach that includes identifying priorities:* Currently, the 20 year QIP only highlights infrastructure priorities for the next four years with the majority of these priorities already announced through existing state budget or election commitments. CCIQ is strongly supportive of the process used in the *Bruce Highway Upgrade Strategy* that clearly highlights priorities in the short, medium and long term in every region applicable to that network. Identification of longer term infrastructure priorities will be essential if Government is going to make bold, large scale infrastructure investment decisions based on sound evidence. Identifying priorities will also help drive economic and regional growth by providing direction to the business community on where development will occur moving forward. It is important that this process is flexible to allow for changing priorities over time.

ii. *Identification and ongoing review of priorities and timelines:* The QIP currently does not identify how the Government will ensure that the plan remains up to date and that identified infrastructure priorities continue to reflect the needs of businesses and the community. Regular audits and surveys should be undertaken to identify capacity constraints and infrastructure gaps, with associated strategies developed to address identified challenges in every region. Timelines should continue to be updated to provide increased certainty and direction for businesses that allow them to make informed decisions about investment and expansion activities.

iii. *Bi-Partisan support for transport plans and priorities:* It is important that both sides of politics provide support for the QIP to ensure that infrastructure developments and announcements of priorities are not driven by election processes, subsequently delivering better value for the taxpayer and allowing true long planning processes to take place.

iv. *Ongoing consultation and engagement with industry and local Governments:* It is essential that Government continues to have regular engagement with businesses and local Governments to ensure the priorities identified and actioned by Government drive productivity and economic growth. Increased engagement may help identify areas where early intervention is required to reduce the potential for issues to become significant bottlenecks. Businesses should also be provided with the opportunity to influence what infrastructure projects should receive the highest priority.

R2: Feedback from the Queensland business community should be taken into consideration when determining Queensland's Infrastructure Plan.

4.3 STRENGTHENING QUEENSLAND GOVERNMENT POLICY AND REGULATORY FUNCTIONS

4.3.1 Serious consideration is required on whether changes are needed to enhance policy and regulatory functions in Queensland in order to more strongly influence the desired transport outcomes throughout the entire state. This consideration is particularly important in ensuring that the Queensland Government adequately meets the requirements of Infrastructure Australia during funding and project approval processes. Queensland needs to implement processes and best practice methods in order to stand out from other jurisdictions and obtain the funding required to deliver key infrastructure projects. To date, the Queensland Government's success in securing funding from Infrastructure Australia has been average with considerable improvement needed.

4.3.2 CCIQ is supportive of:

- Streamlining all Government transport activities under one Department and one Minister to ensure a consistent and integrated approach across the entire transport system;
- Appointing a dedicated Transport Parliamentary Secretary to assist the Minister and the Department to undertake additional stakeholder consultation activities;
- Collating all existing transport related policies into one state-wide transport plan;
- Ensure planning and development activities continue to keep pace with demand by undertaking activities that allows Government to maintain a clear and accurate understanding of the demands that are likely to be placed on the network in coming decades and what challenges will be required to be overcome;
- Placing additional requirements on Government to review and evaluate priorities and policies more regularly. For example, an annual review and analysis to clarify key priorities, identify infrastructure gaps and determine whether infrastructure related activities will meet the needs of businesses and the growing population. The outcomes of this process should be available to feed into improved annual Infrastructure Australia submissions.

R3: Investigating options for strengthening Queensland Government policy and regulatory functions to deliver an integrated and streamlined approach to infrastructure development and delivery.

5.0 Funding Mechanisms & Private Sector Involvement

A key challenge faced by all levels of Government is their capacity to invest, fund and commit to the many infrastructure projects that are required moving forward. This will become even more challenging due to the fact that substantial investment is required to bring Queensland in line with the needs of the growing population and economy. The State Government has already highlighted that some large infrastructure projects may be beyond the capacity of the state to fund.[21] It is clear that the current approach to infrastructure funding and provision needs further exploration and improvement.

5.1 USING GOVERNMENT RESOURCES MORE EFFICIENTLY

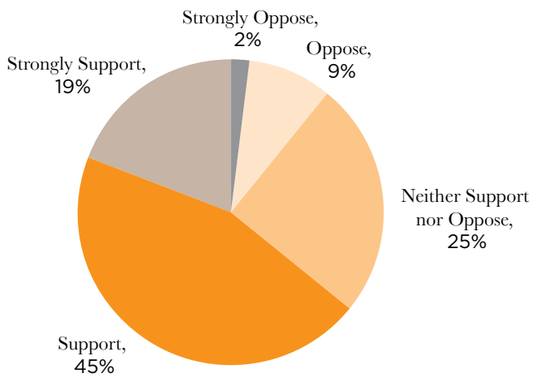
5.1.1 Attention must be placed on how to more efficiently use State Government resources. Queensland businesses believe there is considerable room for improvement in the efficiency and effectiveness of State Government service delivery. Furthermore, strong efforts are required to ensure departmental operating expenses do not rise unchecked. Duplication and inefficiency in the government sector results in an unnecessary taxation burden on business and redirects funds that could be better invested in the state's infrastructure networks. CCIQ continues to express support for the need for a small, flexible, highly skilled public sector, with the knowledge and capacity to work cooperatively and engage with business. This will free up funding for investment in infrastructure.

5.1.2 As mentioned in the previous section, CCIQ is supportive of further streamlining State Government policy and processes in order to more strongly influence the desired transport outcomes throughout the state. CCIQ believes bringing all activities under the one Department and Minister, and subsequently bringing all skilled employees within the one area will allow more collaboration across teams and result in the more efficient use of Government resources by reducing duplication. CCIQ reiterates support for implementing recommendation 3 (from section 4.3) to deliver outcomes in this area.

5.2 ALTERNATIVE FUNDING MECHANISMS

5.2.1 Considering the funding challenges faced by Governments, businesses have expressed strong support for finding alternative mechanisms for delivering the required transport infrastructure throughout Queensland. This support is provided in light of the substantial underinvestment in the state's transport network over previous decades. For example, there was a relatively low level of road construction between 1997 and 2007 which has proved a significant backward step in relation to the competitiveness of the road network. Furthermore, businesses often comment that the state's rail freight network has remained static over many years with substantial investment required to enhance its quality and reliability. Investigating alternative funding mechanisms is essential to ensure infrastructure constraints do not continue to place a brake on economic growth and productivity due to the Government's inability to fund the required infrastructure into the future.

SUPPORT FOR FINDING ALTERNATIVE METHODS FOR FUNDING INFRASTRUCTURE



Source: CCIQ Transport Network Survey

R4: Investigate alternative funding mechanisms that could be adopted for establishing and maintaining transport infrastructure in Queensland, particularly in regional areas.

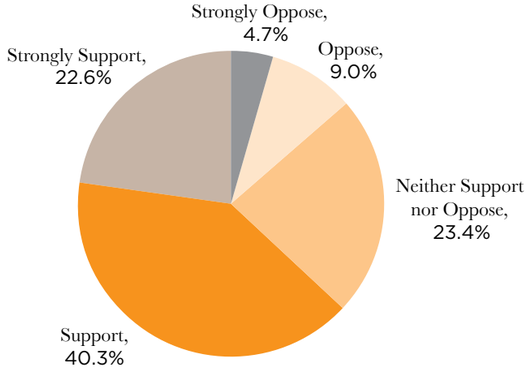
5.2.2 In relation to investigating alternative funding mechanisms, CCIQ is supportive of:

- Maintaining a dedicated fund for ongoing infrastructure development such as a Sovereign Wealth Fund paid for by royalties from the resources sector;
- Establishing and implementing best practice and innovative funding options/models following analysis of domestic and international experiences;
- Asset privatisation in circumstances to improve operation efficiency and competitiveness, not to cover State Government deficits and inefficiency.

5.3 PRIVATE SECTOR INVOLVEMENT

5.3.1 One of the underlying principles of the Queensland Government's Infrastructure Plan is to strengthen partnerships, acknowledging that private sector participation in the provision of infrastructure can assist in the timely delivery, management and operation of efficient and effective infrastructure. Attention is required on how to encourage and increase private sector participation, which is strongly supported by businesses.

SUPPORT FOR INCREASING PRIVATE SECTOR INVOLVEMENT IN QUEENSLAND'S TRANSPORT NETWORKS



Source: CCIQ Transport Network Survey

5.3.2 Evidence exists that indicates Public-Private-Partnerships (PPPs) deliver many benefits to Governments, businesses and communities. For example, PPPs have been found to be more cost efficient and deliver significantly less over-budget costs and time delays compared to traditional procurement projects. PPPs also deliver significant benefits to communities and can deliver projects sooner than relying on more traditional delivery methods. There have been many successful PPPs transport projects around the world in recent decades. One example is likely to be QR National's $900 million agreement with a consortium of coal companies to deliver the Wiggins Island rail project to help transport about 27 million tonnes of coal annually to the Gladstone export terminal.[22] However, there have also been many unsuccessful PPPs, including the Clem Jones tunnel. No doubt there are many lessons to be learnt from projects such as this.

5.3.3 For investment to be made by the private sector, it must be seen as attractive. Queensland businesses have identified a number of impediments that discourage their participation including the lack of information available on the potential opportunities that exist, complicated application processes, excessive amounts of red tape involved and initial capital outlay requirements. Focus needs to be placed on how to facilitate private sector involvement while overcoming these impediments.

R5: The Queensland Government should determine the most appropriate ways to engage the private sector in transport infrastructure projects in all Queensland regions. This must include removing impediments and red tape to private sector participation and undertaking activities that actively encourages their involvement.

5.3.4 CCIQ will soon release a Blueprint on business views and recommendations around government procurement policies and practices.

6.0 Overcoming Capacity Constraints

The capacity of the transport network is one of the most frequent issues raised by businesses. Capacity constraints have been linked to every transport network and is one of the key factors contributing to businesses' poor rating of these networks. It is clear that the capacity of the entire transport system needs to be enhanced to meet the needs of the growing population and economy over coming years. Focus needs to be placed on eliminating current bottlenecks and developing and implementing strategies to meet the challenges presented by an ever increasing freight task, growing economic activities (particularly mining) and the increased movement of people throughout regions and the state.

6.1 IDENTIFIED CAPACITY CONSTRAINTS THROUGHOUT THE TRANSPORT NETWORK

As previously mentioned throughout this Blueprint, businesses strongly believe that transport networks are struggling to keep pace with demand, with planning, maintenance and development over the past decade failing to meet the needs of the current and future population, resulting in "catch-up" activities. Subsequently, businesses have identified a number of capacity issues relating to the state's transport networks. The top issues identified in relation to each transport network include:

i. *Road Network:*

- Poor maintenance and quality of the network, particularly in regional areas with identified issues including narrow roads, poor surfaces/edges, limited overtaking lanes etc
- Planning not keeping pace with demand, particularly in regional Queensland
- Congestion in urban areas
- Lack of all-weather roads particularly in north Queensland
- Cost involved in using the road network

ii. *Rail Network:*

- Underutilised network, particularly in regional areas
- Lack of upgrades over recent decades
- Shared passenger and freight networks in SEQ
- Limited access to rail in regional areas
- Expense involved in using rail freight options

iii. *Public transport network:*

- Planning and development not keeping pace with demand resulting in overcrowded services during peak transit times, lack of park and ride facilities etc
- Congested stations in the inner city during peak hour which is creating a significant bottleneck limiting the network's capacity to increase traffic volumes
- The availability of public transport in regional areas and some areas within SEQ (Gold Coast, Sunshine Coast and growing suburbs in Brisbane and surrounding council areas)
- Increasing public transport fares
- Lack of an integrated public transport network

iv. *Airports:*

- Infrastructure constraints in regional areas including out-dated or no facilities available
- Lack of services and competition on some routes, including minimal services outside of major towns and the lack of direct flights between regions
- Lack of integration with other transport networks in some regions
- Cost of using the network including high regional airfares and high airfreight costs

v. Seaports:

- Development not keeping pace with demand
- Long shipping queues and demurrage costs
- Inefficient links to supply chains and other transport networks

6.2 USING EXISTING INFRASTRUCTURE MORE EFFICIENTLY

6.2.1 Feedback is often received about the underutilisation of infrastructure, particularly in regional areas. One common example is the rail system with many lines continuing to be underutilised which is resulting in delays and lost sales. Concern has been raised about the inefficiencies around the Toowoomba range where there is tight curvature, steep gradients, and track structures that limit axle loads, speeds and train lengths. Another concern is the lack of passing opportunities available throughout both the rail and road network. It is estimated that the costs associated with infrastructure failure in Queensland are higher than two or three billion dollars every year.[23]

6.2.2 Queensland businesses are strongly supportive of the Queensland Infrastructure Plan's proposed focus on making smarter use of existing infrastructure. In the face of ongoing funding constraints, it is essential that underutilised infrastructure networks are used more smartly in order to enhance the capacity of the existing network. Using existing transport infrastructure more efficiently should help reduce overall transport costs, increase competitiveness and allow funding to be used more effectively.

R6: Queensland's Infrastructure Plan should clearly identify a number of strategies and initiatives on how to more smartly use existing infrastructure in every Queensland region.

6.3 A WEATHER RESILIENT TRANSPORT NETWORK

6.3.1 The capacity of the transport network is significantly diminished as a result of the lack of all-weather networks throughout the state. The impact of the natural disasters throughout the summer of 2010/11 demonstrated the significant impact that climatic events can have on the network and subsequently on the economy. The impacts from closed and flooded networks included delayed deliveries, reduced business and tourism, ruined fresh produce and an inability to attend job sites.

6.3.2 Businesses are concerned about the lack of flood mitigation activities that appear to be undertaken to further flood-proof the system from future weather events. Extensive and transparent planning and development activities are required to create a flexible network that effectively manages future uncertainties. Enhancing the capacity and competitiveness of all networks will also provide businesses with alternative options in the event that other transport networks are unable to be used. This is important to ensure business activities can continue following a weather event (within reason) to reduce the negative impacts on the economy.

R7: Flood proofing and flood mitigation should be a key consideration during the development or maintenance of a transport network throughout the state.

6.3.3 CCIQ is also supportive of investigating better ways of delivering a weather resilient transport network throughout Queensland. These investigations should include extending the Prime Minister's announced feasibility study on flood-proofing the Bruce Highway to also include other key arterials in Queensland such as the Warrego Highway, Ipswich Motorway, Burnett Highway, Leichhardt Highway, Capricorn Highway and the Flinders Highway.

6.4 REDUCING CONGESTION IN URBAN AREAS

6.4.1 Congestion continues to be a key bottleneck impacting on the capacity of the road network, particularly in SEQ, with significant impacts on the time and cost of road travel, economic efficiency, productivity, competitiveness and liveability. Brisbane is forecast to have the highest congestion growth rate of any Australian capital city.[24] The cost of congestion in Brisbane is estimated at $1.2 billion annually, and is projected to increase 2.5 times to $3 billion by 2020.[25] There also continues to be significant growth in the number of vehicles on the road (currently growing at 10% per annum), which will continue to rise even if other transport networks increase their current mode shares.

6.4.2 There is a need to target underlying causes of congestion and initiate measures that target specific bottlenecks as current business initiatives such as increasing the costs of services to counter-balance the negative impacts are not practices that deliver a longer term solution to mitigating traffic congestion. The Queensland Government has established a Congestion Management Office (CMO) to coordinate a whole-of-government response to urban congestion. Despite the establishment of this office, limited progress has been made towards delivering significant improvements in this area.

R8: The Queensland Government's Congestion Management Office should be tasked with developing and actioning a priority and investment program to reduce congestion in key urban areas over the next five years. A number of KPIs must also be established to monitor the Office's success.

6.4.3 Key initiatives that could be considered in this plan include:

- Eliminating commercial rates for using toll ways, particularly for light commercial vehicles. Commercial rates on toll roads only discourage their use by businesses, leading to more traffic on already congested arterials;
- Building on existing Intelligent Transport Systems to enhance government's ability to monitor and control traffic flows, which should also be linked with improved incident response systems;
- Delivering better connections between grids and infrastructure within SEQ ie integrated traffic signals and ring roads;
- Encouraging the adoption of more flexible work hours, linked with substantial discounts for off-peak travel on public transport;
- Developing initiatives to increase the number of trips taken on public transport to help alleviate the pressure on the road network.

6.5 ADDITIONAL NETWORK SPECIFIC STRATEGIES

Businesses have identified a number of additional network specific recommendations that should be considered by Government:

i. *Road Network:* The key strategies that are likely to increase the capacity of the road network have already been discussed above including reducing congestion and delivering a more weather-proof network. However it is essential that focus is placed on enhancing the capacity of key arterials throughout the state. Implementing the *Bruce Highway Upgrade Strategy* and developing a second range crossing at Toowoomba would be good starting points for achieving this goal.

R9: The capacity of key arterials must be enhanced to ensure more reliable access for the movement of freight, access for tourists and for enhancing the productivity of businesses who use this network.

ii. *Rail Network:* A number of significant rail projects have received approval in Queensland and are likely to enhance the capacity of the system in some areas. However more development and upgrades are required if Queensland is to successfully turn around the trend of rail freight losing market share to road freight. Enhancing the capacity of the current system should include a focus on:

- Increasing the frequency, reliability and speed of freight services;
- Increasing the accessibility of rail freight to more businesses throughout Queensland;
- More effective management of passenger and freight interactions in SEQ including undertaking activities to begin separating passenger and freight rail lines in SEQ;
- Overcoming infrastructure deficiencies, bottlenecks and out-dated technology;
- Providing more passing opportunities throughout the network;
- Reducing the costs associated with using rail freight that make it uncompetitive compared to road freight;
- Increasing the accessibility of intermodal terminal and ports throughout the state;
- Reduce red tape through delivering greater consistency across state borders;
- Ensuring the rail system meets the needs of Queensland's $38 billion coal industry.

iii. *Public transport network:* Improvements to public and active transport, particularly in the more populated areas of the state, will be an essential component to managing growth and increasing the sustainability of the state's transport networks moving forward. In order to deliver improvements, CCIQ is supportive of a review of passenger transport systems in all regions to identify potential options that can be explored to improve the current situation. This review should include an analysis of systems in other countries to determine what has worked best, how to deliver options at the lowest price for consumers and how to meet the needs of a growing population. Consideration should be given to a wide range of potential public transport options including underground rail and light rail, and also to investment in active transport networks.

iv. *Airports:* CCIQ is strongly supportive of increasing the capacity of airports in key regions throughout Queensland and establishing air services in areas where there is high demand. Despite several upgrades, more development is required to meet the demand from businesses and tourists. This is particularly important in light of the ongoing push to increase the accessibility of all Queensland regions. Increasing the capacity of Queensland's airports to meet demand is also crucial to economic growth and for ensuring Queensland remains an attractive option for business investment.

v. *Seaports:* Businesses are concerned about the ability of seaports to handle the forecasted tripling of trade levels over the next two decades. There are plans to further develop several ports, for example, Abbot Point is on its way to be the largest coal exporting port in the world. However it is essential that planning keeps pace with demand, particularly if the transport system is to provide a competitive advantage to growing and productive businesses. It is clear that more needs to be done to deliver efficient supply chain outcomes to significantly reduce waiting times in Queensland seaports and curb escalating costs.

R10: Queensland's Infrastructure Plan needs to outline strategies to overcome capacity constraints within all transport networks throughout the state in order to reduce bottlenecks and deliver a transport network that provides a competitive advantage to growing and productive businesses.

"Intrastate travel is dismal and is hampering development across the entire state and within a range of industries."

"Queensland road conditions and major highways outside of the cities are by far the worst in Australia. A better national highway system is desperately needed."

"Flooding of the Bruce Highway during wet season continues to have a significant impact on road freight."

"The rail system is antiquated, especially to regional areas like the Sunshine Coast. The service here is absolutely appalling. Delays are common and the trains are not of a standard suitable for a 2hr plus journey."

"Better airports and more direct flights are needed between major cities."

"There are no public transport services in the Mount Isa region, ensuring that it is very expensive to get to and from work for my employees"

Queensland Business Operators

7.0 Connectivity & System Integration

Queensland businesses continue to stress the importance of a well-connected and integrated transport system throughout the state. A number of key industries, including the resource, tourism, retail and agricultural industries rely on an efficient and reliable transport networks to connect them with their supply chains, customers and markets throughout their regions, Australia and the world. More needs to be done to deliver an integrated transport system in Queensland that delivers seamless supply chains, enhances productivity and drives economic growth moving forward.

7.1 ENHANCING QUEENSLAND'S FREIGHT NETWORKS

7.1.1 The volumes of freight predicted to be transported on Queensland's transport networks over the coming decade is staggering. Subsequently, it is essential that Government places significant attention on ensuring Queensland is well positioned to support future freight needs in order to stimulate economic growth and deliver a sound support system for productive businesses.

7.1.2 Businesses have identified a number of key issues impacting on the movement of freight including:

- Limited routes available for heavy vehicles;
- Maximum axle loading and load restrictions in certain areas;
- The lack of separate passenger and freight rail lines in SEQ which results in considerable delays and reduced flexibility during peak period as passenger traffic is given priority;
- The lack of connectively between transport modes;
- Other capacity constraints as already identified throughout this Blueprint.

7.1.3 The Queensland Government released a draft Integrated Freight Strategy (IFS) early in 2011 for public comment. The draft strategy was seen as a positive step forward in improving the movement of freight in Queensland. However more than 6 months after the draft strategy was released, no information can be found on its existence on the Department of Transport and Main Roads website. It is important that this strategy is released shortly in order to provide a starting platform for delivering an improved freight network in Queensland.

R11: The Queensland Government should release the final Integrated Freight Strategy as soon as possible.

7.1.4 The Queensland business community identified a number of improvements that were required to enhance the draft IFS. More focus is needed on how to develop more seamless links between modes of transport to deliver more efficient and reliable supply chain links for moving freight throughout Queensland, Australia and the rest of the world. Better management of the interaction between freight movement and the community is required, however strategies must be put in place to ensure that any restrictions on heavy vehicles in particular areas do not result in negative impacts on efficient supply chains. If the needs of freight transport are neglected, everyone will pay through higher commodity prices, the inconvenience of not being able to readily obtain supplies, loss in international competitiveness and reduced employment opportunities.

7.1.5 CCIQ is supportive of developing links with national freight industry initiatives to ensure enhanced networks are delivered between local, state and national transport systems. Consideration is also required of successful initiatives that have been adopted in other jurisdictions and from around the world in order to move goods more efficiently. Focus must remain on all transport networks in order to ensure they are used to their full capacity and can successfully contribute to productive and growing industries in Queensland. Overall, achieving well-connected regions and networks will deliver efficiency gains, achieve higher growth potential and greater prosperity across a number of Queensland industries.

R12: A final Integrated Freight Strategy should outline initiatives that will be implemented to deliver an enhanced freight network throughout the entire state.

7.2 IMPROVING LINKS AND CONNECTIVITY BETWEEN TRANSPORT NETWORKS

7.2.1 Businesses often raise concerns around the lack of connectivity between transport networks throughout the state. For example, a common concern is the inadequacy of current land based transportation connections to sea ports and the impacts this has on efficient supply chains. Furthermore, significant improvements are required to deliver better links between airports and local transport infrastructure (particular concerns include the lack of public transport from the Brisbane Airport after 8pm and the fact that plans for a rail connection to the Gold Coast Airport have been pushed back to 2031). Improving the linkages between networks will ensure that they can be used to their full capacity and allow regions and businesses to make the most of the infrastructure available to them. Improving linkages is also likely to have positive impacts on the cost and time involved in using intermodal freight transport.

R13: The Queensland Government, in partnership with industry, should undertake a review of current transport connections to ensure infrastructure gaps are realised and plans put in place to ensure bottlenecks are eliminated.

7.2.2 Enhancing the current connections will have positive impacts on the capacity of the network, the competitiveness of different transport options and deliver benefits to the Queensland economy.

7.3 DELIVERING AN INTEGRATED PUBLIC TRANSPORT SYSTEM

7.3.1 Businesses and the community often comment on the need for a more integrated public transport network that encourages higher usage. A well-functioning public transport system will help alleviate the pressure on other transport networks (particularly the road network). CCIQ is strongly supportive of enhancing the priority placed on delivering an integrated public transport system, particularly in SEQ. This needs to be a key consideration during the development of any public transport network throughout the State, for example, more work is required on ensuring the development of the Gold Coast Rapid Transit network is more integrated with other public transport networks throughout the region.

7.3.2 To ensure a reliable and efficient public transport network can be delivered in Queensland, it is important that each aspect of the network is linked and not operating in isolation. Buses, trains and ferries should be linked by compatible routes and timetables, resulting in improved access and easy transfers between transport modes. Increased park and ride facilities at key stations and terminals would enhance the connections between the road network and the public transport system. Providing a more integrated public transport system would make Queensland more comparable to other countries where commuters never have to wait more than a few minutes for the next public transport service (ie train, bus or ferry). Delivering improvements in this area is likely to have a positive impact on patronage numbers and encourage more commutes to use public transport.

R14: Implement initiatives aimed at delivering a more integrated public transport network in SEQ.

7.3.3 CCIQ is supportive of government investigating what has worked elsewhere and what could be introduced in Queensland to enhance the integration within the system. For example, the NSW Government has undertaken a number of initiatives that could be considered by the Queensland Government including more control over sequencing and timing of traffic signals, the implementation of a CBD Bus Strategy to increase the reliability of city buses and bringing together key stakeholders to better manage and coordinate transport networks during peak periods.[26] Support is also provided to the concept of transit oriented developments (TOD) which promote the creation of well-designed and sustainable urban communities focused around transit stations, with a mix of residential, commercial and retail uses all within a comfortable 10 minute walk of established or planned rail and busway stations.

"A better coordinated and accessible public transport in regional Queensland towns and cities would be a huge leap forward"

Queensland Business Operator

Section 3

BRINGING IT ALL TOGETHER

8.0 Enhancing the Competitiveness of Queensland's Transport Networks

CCIQ is strongly supportive of implementing initiatives to enhance the competitiveness of Queensland's transport networks, subsequently increasing our ability to compete against other businesses in key domestic and international markets. The competitiveness of our transport networks has taken a significant blow as a result of the impact of the natural disasters throughout the summer of 2010/11 and low level of investment and construction between 1997 and 2007. Implementing the recommendations outlined throughout this Blueprint will go a long way towards enhancing the competitiveness of transport networks. Additional areas of focus need to include reducing the cost associated with using the transport network and reducing the heavy reliance on roads and private vehicles.

8.1 REDUCING THE COST OF USING QUEENSLAND'S TRANSPORT NETWORKS

8.1.1 The rising costs associated with using the transport network continue to impact on the competitiveness of businesses and the attractiveness of using particular transport networks. Key concerns highlighting the rising costs associated with using the transport network include:

i. Between January and September 2011, the cost of tolls in SEQ has increased substantially. On average, tolls on roads managed by Queensland Motorways has increased on average 3.6% (level of inflation as capped by legislation), tolls on the CLEM7 tunnel have increased by between 17.8% to 31.7%, and tolls on the Go Between Bridge have increased by 21%.[27] Tolls on the Gateway Motorway increased by more than 30% on 1 July 2010 before legislation was introduced to cap toll increases, with commercial vehicles also paying more than cars for the first time.[28]

ii. Petrol prices in Queensland have risen significantly in the past five years. Pump prices in Queensland have risen by 20.3% between 2005-06 and 2010-11.[29] This is substantially higher than other jurisdictions and the national increase of 13.7%.[30] The abolishment of the 8.4 cents a litre fuel subsidy in July 2009 is likely to have had an impact on the substantial increase in prices. Businesses also often comment about the fuel pricing disparity between SEQ and regional Queensland.

iii. Long shipping queues and demurrage costs are currently having a significant impact on the economy with estimates that this is costing over $1 billion a year.[31] The number of ships waiting to load in some ports continues to increase and has been as high as 78 ships outside Dalrymple Bay.[32] There are estimates that demurrage costs around $5 a tonne for coal and with 100 million tonnes of coal going through ports in the area, it was estimated that coal companies in north Queensland alone are paying an extra $500 million every year in charges incurred while waiting for ships to load.[33] With the average ship currently waiting between 35 to 40 days outside Dalrymple Bay, the average demurrage costs are higher than half a million dollars for each queuing ship.[34] This issue is not improving and as the demand for our exports continues to grow, is likely to worsen as is our competitiveness.

iv. Other rising costs include higher vehicle registration and insurance fees, increasing costs associated with the movement of freight, rising public transport fares and rising airfares to regional areas.

R15: Strategies need to be developed and implemented in partnership with industry to reduce the cost to business of using integral transport infrastructure networks throughout the state.

8.1.2 Initiatives supported by CCIQ to reduce the cost to business include:

- Reduce the tolls for commercial vehicles relative to the level for cars;
- Reduce airport landing changes and the cost of regional airfares to encourage more people to use the airport network and visit regional areas, promoting increased tourism and business activity. This will also prove a positive step towards providing more air services on key routes;
- Reduce red tape and costs that impact on the delivery of efficient transport networks;
- Re-introduce the Fuel Subsidy Scheme to bring Queensland petrol prices in line with other jurisdictions;
- Reduce the costs of public transport to motivate increased patronage numbers, subsequently reducing congestion on other transport networks;
- Reduce the costs associated with air, sea and rail freight options. The costs associated with using these services needs to be clear and transparent to ensure customers are fully aware of what they are paying for and to allow for the identification of opportunities where costs could be reduced.
- Placing higher priority on reducing ship waiting times, as this cost issue will continue to increase as our key exports industries (particularly minerals and energy commodities) continue to grow moving forward. To help deliver improvements in this area, CCIQ supports:
  - Government backing projects that aim to enhance the capacity of key ports (as an indicator that ports are reaching their capacity is increasing ship waiting times);
  - Placing greater scrutiny on KPIs around ship waiting times;
  - Focusing on ways to enhance the operational efficiency of ports, such as through delivering improvements to ship loading and unloading protocols;
  - Ensure ports are operating to their full capacity by undertaking strategies such as upskilling the workforce to ensure "the best people" are on the job.

R16: Reintroduce greater flexible working arrangements in Australia's industrial relations system to ensure the right people with the right skills can be employed in the areas they are needed when they are required.

8.2 REDUCING THE HEAVY RELIANCE ON THE ROAD NETWORK

8.2.1 The road network continues to remain the dominant mode of transport throughout the state for both private and business usage. The number of vehicles on the road will continue to increase with population growth. Even if modal share increases for alternative transport methods (ie public transport), it will not have the desired impact of reducing the number of private vehicles currently on the road. However action can be taken to reduce the number of new vehicles that commence usage of the road network.

8.2.2 The reliance on the road network is primarily due to the lack of competitiveness of other transport modes available in Queensland including rail, seaports, airports and public transport. Common issues raised in association with using other transport networks over road include longer transit times, increased costs, unreliability and lack of service (particularly in regional areas).

8.2.3 CCIQ understands the importance of significant investment in the road network over recent years, however the limited focus and investment on other transport networks has resulted in a significant reduction in their competitiveness and has only encouraged more people and businesses to use the road network and not investigate alternative options. Many businesses believe that failure to invest in transport networks other than roads has resulted in a static network that will require substantial investment in order to enhance their quality and reliability. However, failure to enhance the capacity of the state's other transport networks will result in significant negative implications for the state economy and Queensland businesses.

8.2.4 Businesses are strongly supportive of enhancing the capacity, reliability, attractiveness and access to other transport networks in Queensland in order to increase their competitiveness in relation to the road network. The right mix of policies and investments should support a more even market share between transport networks, subsequently having positive inroads into congestion issues on the road network, potentially reducing the cost of freight movement overall and achieving less environmental and community impacts that are commonly associated with heavy road freight. As part of the solution, CCIQ is also supportive of focusing on active transport methods, such as cycling, as an infrastructure solution for a sustainable transport network in major cities, as improving access to active transport can require limited investment and deliver the win win of getting more people out of cars.

R17: CCIQ is supportive of the Queensland Government working with industry to develop a strategic vision on how to reduce our state's reliance on the road network by enhancing the feasibility of using other modes of transport.

"Better transport networks = More productive businesses and more tourists!"

Queensland Business Operator

9.0 Building Stronger Queensland Regions

Currently one third of Queensland's population lives and works in regional areas. Many more work in regional areas on a fly-in fly-out or drive-in, drive-out basis, and therefore are an important consideration to regional economies. Key regional industries, such as mining/resources, agriculture, tourism, manufacturing and construction also provide a substantial contribution to the state economy, and therefore are an integral component to our way of life. The provision of efficient and reliable transport infrastructure that meets the needs of growing communities and economies will be key to the success of the Queensland Government's commitment to building stronger regions.

9.1 POPULATION GROWTH IN REGIONAL QUEENSLAND

9.1.1 Many Queensland regions have been experiencing high population growth, mainly driven by strong growth in regional industries and the associated employment opportunities that have been made available. The below table reveals the strong population growth that will occur in Queensland regions over the coming 20 years, for example Central Queensland and Mackay, Isaac and Whitsundays will more than double their current populations. These statistics indicate that substantial infrastructure investment will be required in these areas in order to meet demand moving forward.

POPULATION GROWTH IN QUEENSLAND REGIONS OUTSIDE OF SEQ

Region	Population Increase between 2010 to 2031		Land area of QLD	Key industries
	Actual	%		
Darling Downs South West	108,068	40.4%	23.6%	Agriculture, Mining, Energy, Manufacturing, Tourism
Wide Bay Burnett	131,684	44.9%	3%	Agriculture, Fishing, Tourism
Central Queensland	122,849	52.1%	28.7%	Agriculture, Mining, Liquefied Natural Gas, Heavy industry
Mackay, Isaac and Whitsunday	103,583	58.8%	5.2%	Mining, Manufacturing, Agriculture, Tourism
North Queensland	119,937	46.0%	16.2%	Mining and minerals, Tourism, Agriculture, Defence, Government administration
Far North Queensland	98,405	35.1%	22%	Tourism, Agriculture, Resource extraction

Source: Draft Queensland Infrastructure Plan

9.1.2 The Queensland Government's push to encourage more people and businesses to move to regional areas may further enhance the population growth in many areas moving forward. It will be essential that population planning continues to be undertaken to ensure there is a clear and accurate understanding of which regional areas will experience strong population growth and the associated infrastructure priorities that will arise in these areas. Strategies will also need to be developed on how to meet the challenges presented by vast distances and low population density in regional areas.

9.2 TRANSPORT INFRASTRUCTURE REQUIREMENTS IN REGIONAL AREAS

9.2.1 The business community often comments that current transport infrastructure in regional Queensland is inadequate. This is partly due (rightly or wrongly) to the perception that Government focuses its attention (and investment) on SEQ, with regional areas often placed down the priority list. The CCIQ Transport Blueprint has identified a number of concerns with regional transport networks that have been raised by Queensland businesses. Some of these issues are reiterated below:

- Road quality outside of SEQ has been identified as quite poor, with key areas of concern including the Warrego Highway west of Toowoomba, the Bruce Highway and roads to and from gas/coal fields;
- A lack of rail freight options in many regions;
- An aging rail network, resulting in trains only being able to travel at limited speeds, making them unreliable;
- The lack of public transport options in many regional areas;
- Inadequate airport facilities, irregular services, lack of competition on certain regional air routes and limited direct flights between regions.

9.2.2 The availability of the required transport infrastructure in regional areas also has implications for the liveability of regional communities. For example, the lack of public transport options can have the undesired effect of isolating particular people within the community, impacting on the employment and social opportunities that they can partake in. Failure to address these inadequacies within the network is only likely to result in the undesired impact of encouraging people and businesses to leave regional areas, perhaps never to return.

R18: In the face of growing populations and industries in regional areas, increased priority must be placed on enhancing the capacity, reliability and accessibility of regional transport networks to support local communities and their economies, encouraging people and businesses to stay and move to regional areas.

9.3 TRANSPORT PRIORITIES NEEDED IN THE QUEENSLAND REGIONALISATION STRATEGY

9.3.1 The Queensland Regionalisation Strategy provides a great opportunity to focus on infrastructure development in regional areas throughout the state, as this will be a key tool encouraging more people and businesses to move and stay in the regions. Currently, one of the draft strategic directions outlined in the regionalisation strategy released for public consultation is *ensuring regional Queensland emerges more resilient from natural disasters and anticipates future growth to improve productive capacity and sustain long-term growth.*[35]

9.3.2 CCIQ is supportive of the current priorities that have been outlined under this strategy including a ports statement, transport reconstruction and the Bruce Highway Upgrade Strategy. However, CCIQ believes it is essential to also include a direct focus on increasing the accessibility of Queensland's regions, as this is a common barrier that businesses identify as restricting economic and productivity growth and discouraging many people and businesses to move to regional areas. Increasing the accessibility of regions through enhanced transport networks is likely to lead to many positive impacts for industry and the economy including:

- Increasing access to potential markets;
- Improving business productivity and efficiency;
- Enhancing the attractiveness of living and working in regional areas of the state;
- Supporting regional industries and economies;
- Improving people's access to employment, services and social opportunities;
- Positively impacting on our competitiveness in both domestic and international markets;
- Encouraging more tourists to visit regional areas.

9.3.3 Activities to enhance the accessibility of regions would need to include improving the quality of the roads network, increasing access to public transport both within and between regions and upgrading airport infrastructure and encouraging greater competition/services.

R19: Adopt a key priority within the Queensland Regionalisation Strategy to increase the accessibility of Queensland regions through enhancing transport networks.

"The improvement of transport network appears to be mainly focused in the south-east. Regional Queensland is coming a far second."

"More infrastructure funding is needed in regional areas to encourage people to move out of Brisbane and the South East corner."

"Strengthening regional networks will support local businesses, create a strong transport hub for the Asian region, and provide direct accessibility for tourists from Europe."

Queensland Business Operators

10.0 Summary Of Recommendations

The recommendations listed throughout this Blueprint all relate to enhancing Queensland's transport networks. CCIQ is keen to work with the State Government and industry stakeholders to deliver initiatives aimed at improving Queensland transport networks to enhance productivity and drive economic growth. Recommendations outlined throughout the CCIQ Transport Blueprint include:

Government planning and priority setting

R1 To alleviate the brake on productivity and economic growth, the State Government must commit to a major transport infrastructure agenda designed to improve the availability and capacity of networks in each region and improve standards of living across the State.

R2 Feedback from the Queensland business community should be taken into consideration when determining Queensland's Infrastructure Plan.

R3 Investigate options for strengthening Queensland Government policy and regulatory functions to deliver an integrated and streamlined approach to infrastructure development and delivery.

Funding mechanisms and private sector involvement

R4 Investigate alternative funding mechanisms that could be adopted for establishing and maintaining transport infrastructure in Queensland, particularly in regional areas.

R5 The Queensland Government should determine the most appropriate ways to engage the private sector in transport infrastructure projects in all Queensland regions. This must include removing impediments and red tape to private sector participation and undertaking activities that actively encourages their involvement.

Overcoming capacity constraints

R6 Queensland's Infrastructure Plan should clearly identify a number of strategies and initiatives on how to more smartly use existing infrastructure in every Queensland region.

R7 Flood proofing and flood mitigation should be a key consideration during the development or maintenance of a transport network throughout the state.

R8 The Queensland Government's Congestion Management Office should be tasked with developing and actioning a priority and investment program to reduce congestion in key urban areas over the next five years. A number of KPIs must also be established to monitor the Office's success.

R9 The capacity of key arterials must be enhanced to ensure more reliable access for the movement of freight, access for tourists and for enhancing the productivity of businesses who use these networks.

R10 Queensland's Infrastructure Plan needs to outline strategies to overcome capacity constraints within all transport networks throughout the state in order to reduce bottlenecks and deliver a transport network that provides a competitive advantage to growing and productive businesses.

Connectivity and system integration

R11 The Queensland Government should release the final Integrated Freight Strategy as soon as possible.

R12 A final Integrated Freight Strategy should outline initiatives that will be implemented to deliver an enhanced freight network throughout the entire state

R13 The Queensland Government, in partnership with industry, should undertake a review of current transport connections to ensure infrastructure gaps are realised and plans put in place to ensure bottlenecks are eliminated.

R14 Implement initiatives aimed at delivering a more integrated public transport network in SEQ.

Enhancing the competitiveness of Queensland's transport networks

R15 Strategies need to be developed and implemented in partnership with industry to reduce the cost to business of using integral transport infrastructure networks throughout the state.

R16 Reintroduce greater flexible working arrangements in Australia's industrial relations system to ensure the right people with the right skills can be employed in the areas they are needed when they are required.

R17 CCIQ is supportive of the Queensland Government working with industry to develop a strategic vision on how to reduce our state's reliance on the road network by enhancing the feasibility of using other modes of transport.

Building stronger Queensland regions

R17 In the face of growing populations and industries in regional areas, increased priority must be placed on enhancing the capacity, reliability and accessibility of regional transport networks to support local communities and their economies, encouraging people and businesses to stay and move to regional areas.

R18 Adopt a key priority within the Queensland Regionalisation Strategy to increase the accessibility of Queensland regions through enhancing transport networks

11.0 References

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