



Inland Queensland Roads Action Plan

*Driving Productivity
in Australia's Transport Network*

19 January, 2017

Senator the Hon Mathias Cormann
Minister for Finance
c/- Budget Policy Division
Department of the Treasury
Langton Crescent
PARKES ACT 2600
prebudgetsubs@treasury.gov.au

Dear Minister

Re: 2017-18 pre-Budget submission by the Inland Queensland Roads Action Plan (IQ-RAP) Working Group

It is my pleasure to provide this pre-Budget submission as Chair Elect of the Inland Queensland Roads Action Plan (IQ-RAP) Working Group which represents 49 funding partners including 33 local governments, 8 Regional Roads and Transport Groups, 5 RDA Committees and RACQ.

We recommend this submission to your Government as it will address your priorities to:

- nurture and support economic growth;
- create and sustain jobs;
- develop stronger supply chains for trade and to support increases in exports;
- boost innovation;
- invest in infrastructure to create a more effective and efficient heavy freight network for greater productivity and community benefit;
- boost regional economic development; and
- build resilience in regional Australia.

This submission also aligns with and strongly supports the implementation of the *White Paper on Developing Northern Australia* and the *Agricultural Competitiveness White Paper*. Both refer to the importance of road infrastructure to support economic outcomes.

Our recommendation is based on:

- a strategic, long term approach for roads planning and funding over the next 18 years;
- extensive collaboration by 49 funding partners and the support of many other non-funding partners;
- a united commitment to ensure the best outcomes for inland Queensland, its contribution to the national economy and the sustainability of communities and local governments;
- objective, well researched analysis following national and state road planning best practice; and
- a pragmatic approach to infrastructure upgrades that are fit-for-purpose.

We will be delighted to respond to any further questions you may have. It will be best to contact me through Ms Glenys Schuntner, IQ-RAP Secretariat on 07 4410 3655; 0417 198 284 or ceo@rdanwq.org.au Glenys is also the CEO of the Regional Development Australia Townsville and North West Queensland Committee.

We look forward to working with the Australian Government to deliver on infrastructure and regional economic development objectives.

Yours sincerely

Cr Eric (Rick) Britton
Chair Elect
IQ-RAP Working Group

**Inland Queensland Roads Action Plan (IQ-RAP) Working Group
2017-18 Pre-Budget submission**

What are the policy problems we are addressing?

1. While significant funding is provided to individual road projects across Australia, there has not been a consistent, strategic nation-wide and network approach to ensuring the broadest economic advantage of investments made. We are highly supportive of the development of a national freight and supply chain strategy and plan to address this issue.
2. To develop a national freight and supply chain strategy and plan to achieve desirable outcomes will require considerable planning to prioritise road projects that deliver national benefits. Multiple interests across all levels of government can make this a complex process.
3. Coastal highways are heavily congested, travel through or around major population centres, frequently flood and do not carry the most freight efficient vehicles.
4. The most direct routes between producers and consumers is not necessarily along the coast. E.g Melbourne to Cairns is approx. 600 km shorter along inland routes rather than the coastal route. Funding of alternate inland routes can relieve congestion, reduce the mix of heavy and light vehicles on the coastal highways and contribute to greater productivity and safety outcomes.
5. The Australian Government is supportive of businesses to capitalise on new opportunities emerging from free trade agreements. Efficient supply chain infrastructure is critical for exporters to be globally competitive and take advantage of these opportunities. Much of the export product in Australia is grown or produced inland. In Queensland, export focussed industries rely on the road network connecting the west and multiple ports along the east coast and in the Gulf. Use of the rail network is not always possible or viable.
6. Regional Queensland outside South East Queensland (SEQ) is suffering very high unemployment.

What is the Inland Queensland Roads Action Plan (IQ-RAP)?

1. It is a strategic plan and planning tool to prioritise investment into the inland Queensland road network over the next 18 years.
2. The IQ-RAP Working Group representing 49 funding partners, including 33 local governments, has raised nearly \$400,000 to develop and then update this plan to prioritise road projects to support a network across the inland Queensland area covering 19% of Australia. (ie 82% of Queensland or 20 times the size of Tasmania) The scope of the IQ-RAP is the 33 local government areas, west of the Bruce Highway and outside SEQ.
3. No industry, Australian or Queensland government funding has been used ensuring no bias. The Department of Transport and Main Roads has however provided data and information.
4. The plan has been developed by consultants the Harrison Infrastructure Group.
5. The IQ-RAP network covers 16,000 km which have been reviewed in regard to the vision standard and the gaps with the current state using widely accepted road planning data and methods. This is not about gold-plating – it is about meeting fit-for-purpose standards.
6. Multi-criteria analysis was undertaken to identify and prioritise 3,000 km and 300 bridges for works over the next 18 years at an estimated average of \$277 million p.a. expenditure.
7. To develop the full business case for the IQ-RAP, it has been recommended to us by Infrastructure Australia that \$5 million will be required.

Who is expressing interest and support for the IQ-RAP?

Apart from the support of 49 funding partners including 33 local governments and 5 RDA Committees, the Working Group has received very positive feedback and encouragement from a wide range of stakeholders such as, but not limited to:

1. more than 100 parliamentarians and departmental executives such as: Senator the Hon Ian Macdonald, Senator the Hon James McGrath, Senator the Hon Matt Canavan, Hon Josh Frydenberg MP, Hon Michael McCormack MP, Hon Paul Fletcher MP, Hon Warren Entsch MP, George Christensen MP, Hon Bill Shorten MP, Hon Anthony Albanese MP, Hon Jason Clare MP, Hon Julie Collins MP, Mrs Cathy O'Toole MP, Hon Bob Katter MP, Mr Phil Davies at Infrastructure Australia, Mr Mark Coffey at the Office of Northern Australia
2. peak industry leaders from the Queensland Resource Council, Agforce, Queensland Farmers' Federation, Queensland Transport and Logistics Council, Australian Logistics Council, Queensland Tourism Industry Council
3. RACQ which has listed the IQ-RAP in their top 5 advocacy priorities
4. The Australian Automobile Association which has also included IQ-RAP in their top national advocacy priorities
5. Cr John Wharton, Interim Chair of the Northern Australia Co-operative Research Centre
6. Regional economic development organisations MITEZ, Townsville Enterprise, RAPAD and Gulf Savannah Development.

What are we recommending?

1. Strategically important supply chains should be prioritised and invested in to support Australian Government objectives such as increasing jobs, supporting growth, increasing exports, developing more efficient supply chains, developing northern Australia, regional economic development and building resilient and sustainable communities.
2. Roads are a critical part of the national freight and supply chain and need to be included as a high priority as they do carry, and will continue to carry, a significant share of the overall national freight task as well as support the services industries including tourism.
3. We recommend acknowledgement and adoption of the IQ-RAP by the Department of Infrastructure and Regional Development as a planning and decision making tool to inform the development of future investment programs.
4. We recommend funding of \$2 million for further refinement of the IQ-RAP and the development of the business cases for the highest priorities to support the proposed road funding priorities identified in the IQ-RAP.

5. We recommend using the IQ-RAP model as a transportable methodology for further roads prioritisation work in Australia.
6. We recommend fast tracking projects that are investment ready with their business case as an employment accelerator.

Who will benefit?

1. Industries and businesses that operate in, or transit through the inland Queensland area of 1.4 million km² will benefit through productivity gains. 52% of Queensland's Gross State Product, that is \$140 billion, is generated outside SEQ.
2. The mining and energy industry in Queensland made a total economic impact of \$64.8 billion in 2014-15 taking into account both direct and indirect benefits. This industry is a significant user of the road network for bringing in equipment to build and maintain mines as well as providing transport for employees. Several mines also use the road network to export their product.
3. The agricultural industry and businesses will benefit through increased productivity in their \$13.7 billion contribution to the state economy. Businesses in this sector employ 14% of Queensland's labour force, i.e. 323,800. Approx. 88% of these jobs are regionally-based.
4. The tourism industry and businesses will benefit through better quality roads to attract the drive tourism market which currently accounts for 1.3 million visitors to Queensland each year with an expenditure of \$1.9 billion. Approximately 40% of total tourism industry activity in Queensland is based outside SEQ.
5. The construction industry will also benefit due to better quality supply chains. 47% of the industry activity is based outside SEQ.
6. The Defence industry and in particular the Australian Defence Forces rely on the road network for operations and exercises. i.e. Townsville hosts the largest Army base in Australia, the Royal Australian Air Force 27th Squadron and regular Australian Navy visits.
7. The 33 local governments involved in the IQ-RAP will benefit through more long term planning and budgeting of road projects. They will be able to secure and sustain workforces and local populations. They are located within the Capricornia, Dawson, Flynn, Herbert, Kennedy, and Maranoa electorates.
8. 40,000 unemployed people in regional Queensland outside SEQ will have opportunities for employment in the above businesses and in road related construction projects within local governments or private sector contractors.
9. 1 million community members in the 54 local governments outside SEQ will benefit through the provision of a more resilient road network that supports connectivity for supplies, health, education and recreation. The population outside SEQ is forecast to grow by 50% to 1.5 million by 2036. While not directly funding the IQ-RAP, businesses and communities within Leichardt, Hinkler, Wide Bay and Groom can benefit from road investments in the neighbouring IQ-RAP region.

What process is involved?

1. The next steps required are:
 - a) fast tracking of investment ready projects that have a full business case completed to accelerate regional employment;
 - b) the review of the level of data held for each road project within the network and what is required to complete business cases;
 - c) the development of business cases to support future investment decisions; and
 - d) engagement with stakeholders to transport this methodology to other jurisdictions commencing with northern Australia.
2. It is recommended that the Australian Government support the above steps and invest \$2 million to complete the high priority business cases.
3. The IQ-RAP Working Group would be able to continue as a steering group for this work along with engaging a project manager and consultants to undertake the work and would welcome close engagement with the Australian and Queensland Governments through an agreed framework to meet milestones and targeted outcomes. Alternatively if the Australian Government would like to recommend another preferred approach we would be welcoming of those recommendations.