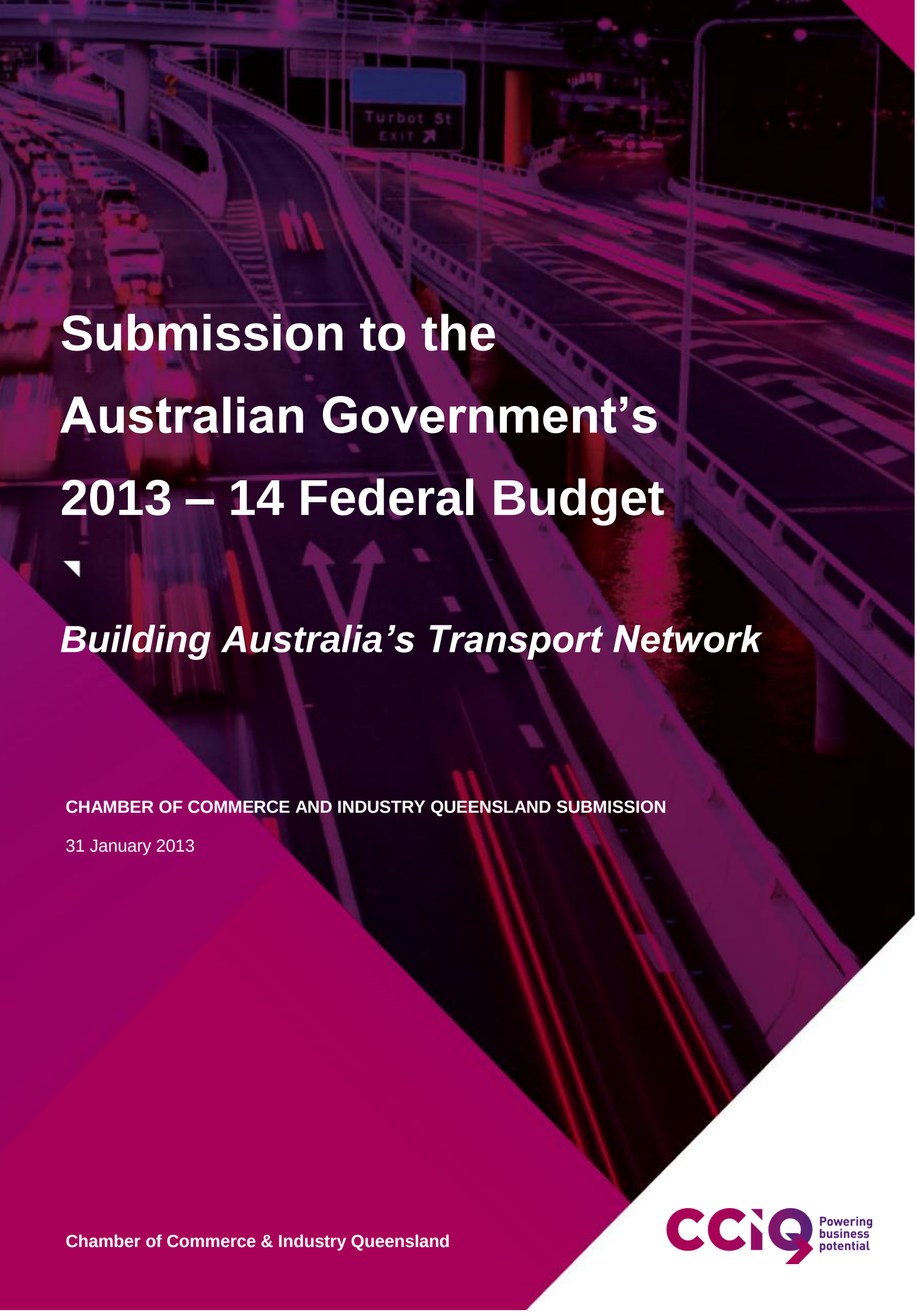


Submission to the Australian Government's 2013 – 14 Federal Budget

Building Australia's Transport Network

CHAMBER OF COMMERCE AND INDUSTRY QUEENSLAND SUBMISSION

31 January 2013

Chamber of Commerce & Industry Queensland

CCIQ Powering business potential

1.0 Introduction

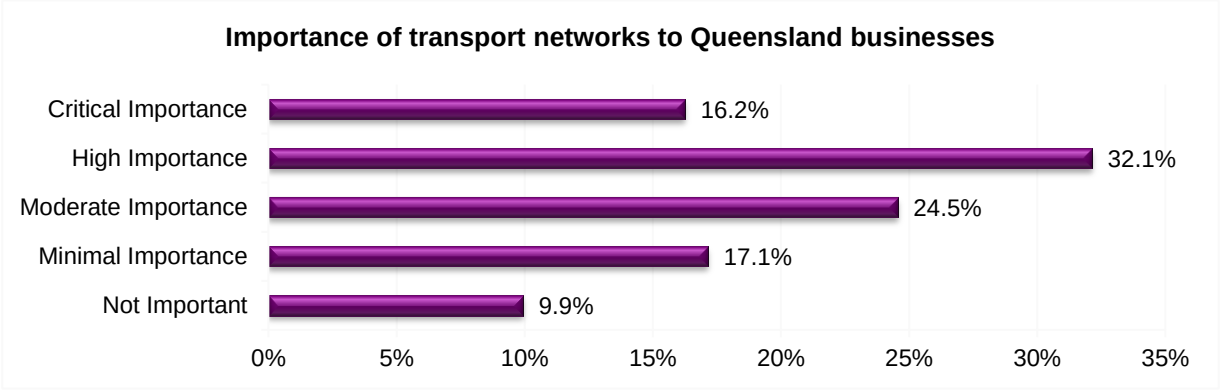
1.1 As the State's peak business organisation, the Chamber of Commerce and Industry Queensland (CCIQ) welcomes the opportunity to provide input into the 2013-14 Federal Budget. CCIQ regards the Federal Budget as a crucial instrument of economic management for Australia and is a pivotal mechanism for building Queensland's vitally needed transport infrastructure.

1.2 CCIQ's submission wishes to focus exclusively on the case for Commonwealth funding of the Toowoomba Second Range Crossing and the urgent upgrade of the Bruce Highway. The Toowoomba Range Crossing and Bruce Highway are an integral part of Queensland's road network and have a significant impact on national productivity and the competitiveness of businesses. Forming the backbone of our economy, the Bruce Highway and Toowoomba Range Crossing connect the region with Queensland, Australia and the globe.

1.3 CCIQ wishes to add its support to the input already provided by the Queensland Government's 2012 Submission to Infrastructure Australia which included these two projects. These projects have been developed following systematic evaluation of the state's economic needs, growth and development priorities. Each of the priority projects have undergone rigorous analysis to ensure that they deliver value for money to the Commonwealth.

2.0 Importance of the Transport Network to Queensland Businesses

2.1 According to CCIQ's Transport Blueprint "Improving Queensland's transport networks to enhance productivity and drive economic growth", nearly half of Queensland businesses (48.3%) believe that an efficient and reliable transport network is of high or crucial importance to their business. Businesses in regional areas have a significantly higher reliance on the state's transport network due to lower population densities, vast distances travelled for business purposes and access to distribution channels/markets. This gives great weight to the importance of the Toowoomba Range Crossing and the Bruce Highway.



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

2.2 Unfortunately Queensland's transport networks are rated quite poorly by businesses. This is particularly the case for the Toowoomba Range Crossing and the Bruce Highway. Queensland businesses have reported many impacts on their business as a result of the poor standard of the Bruce Highway and existing Toowoomba Range Crossing including; increased costs, decreased efficiency/productivity, delayed deliveries and decreased customer satisfaction.

2.3 Due to the challenges associated with these shortcomings 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:

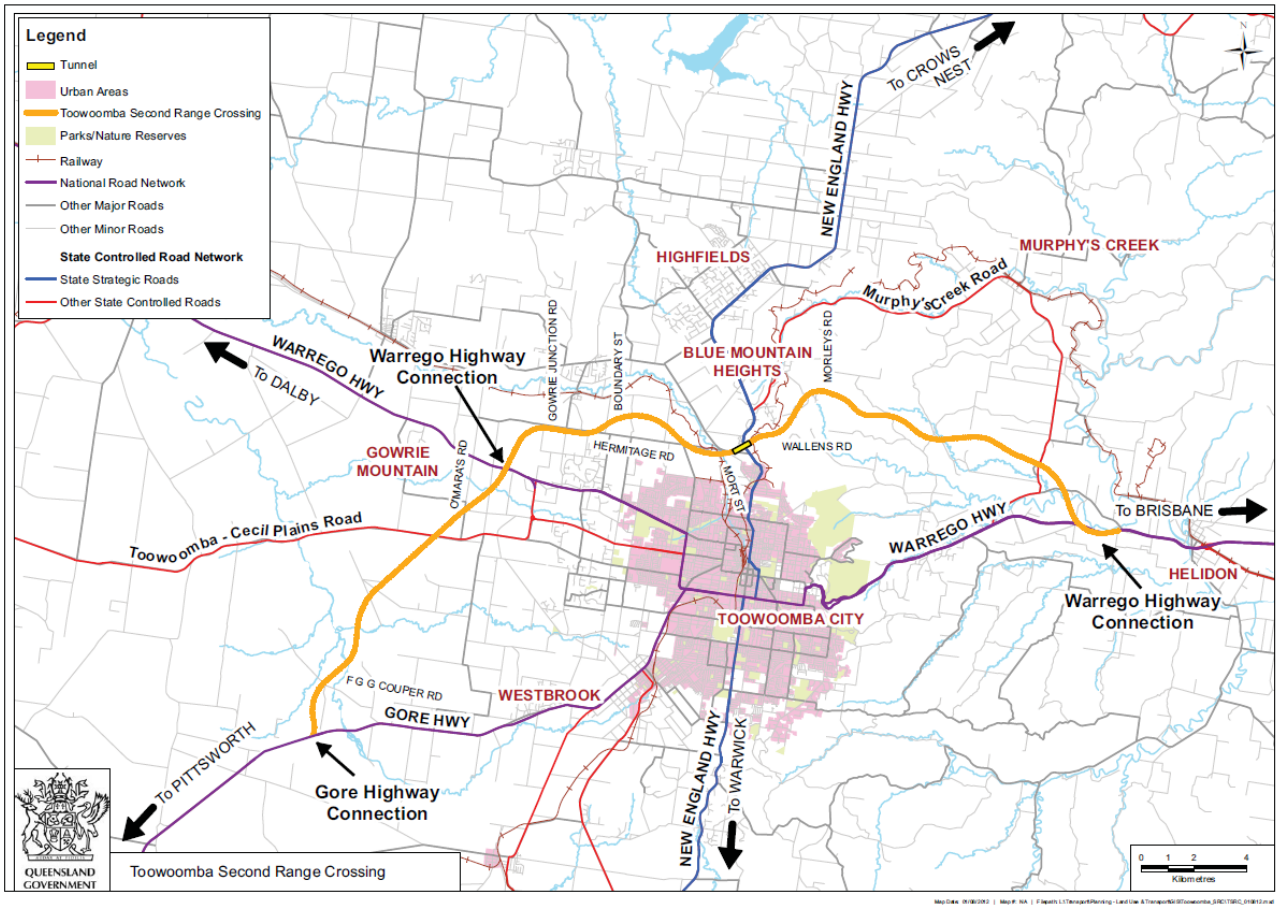
- Delayed business expansion activities;
- Factoring delayed delivery times and transit times into business operations;
- Changing the type of transport used;
- Undertaking more planning activities to avoid wasting time and money;
- Passing costs onto customers.

2.4 For these reasons CCIQ believes that the upgrading of the Bruce Highway and the construction of the Second Range Crossing for Toowoomba represent crucially important projects for our National economy.

3.0 Toowoomba Second Range Crossing (TSRC)

3.1 Overview

The Toowoomba Second Range Crossing project is the construction of a 42km second range crossing that takes highway traffic around Toowoomba rather than through it. It involves the construction of four lanes linking Warrego Highway East, at Helidon Spa, to the Warrego Highway West, at Charlton, and on to the Gore Highway. It will play a pivotal role in the national transport network and the developing energy sector of the Surat Basin. It provides an alternative range crossing for the increasing traffic volumes that are putting pressure on the highway network that passes through Toowoomba and over the Toowoomba Range.



3.2 Importance of the Region

The city of Toowoomba acts as a regional hub for the Darling Downs and beyond. It is located at the convergence of the Warrego, Gore and New England Highways and is the main access point, linking Brisbane with the Warrego Highway to the west and the Gore Highway to the south west. This road network services all of South West Queensland, the whole of the Darling Downs region and interstate movements from Queensland into western New South Wales, Victoria and the Northern Territory. Toowoomba is also the gateway to the developing energy sector in the Surat Basin. Medium level growth scenarios predict that the Gross Regional Product in the coal seam gas industry will more than double by 2031, from an estimated $11.1 billion in 2011.

3.3 Existing issues

The existing range crossing consists of a steep grade (most of the existing range crossing has a 10% grade) and tight horizontal curves. This results in high levels of congestion and a very poor safety record. Coupled with the section through urban Toowoomba City, the existing route falls well short of specified national highway levels of service. More specifically the crossing is characterised by:

- Tight alignments;
- 16 traffic lights (reducing time reliability);
- 2.5 breakdowns per week;
- 1 crash per week with incidents having doubled since 2010;
- Disproportionately long travel times across the existing 38km section;
- Heavy vehicles accounting for 13% of all traffic over the range; and
- Currently no B triples are allowed on the Great Dividing Range, significantly limiting operations, efficiency and productivity.

Traffic volumes from top of the range				
Year	**Light vehicles**	**Medium vehicles**	**Heavy + Combination**	**Total Daily average**
2009	17,927	1,761	2,875	22,563
2010	18,136	1,783	2,912	22,831
2011	18,296	1,803	2,951	23,052

The capacity of the existing range crossing is 23,000 vehicles per day which has already been exceeded with traffic numbers now hitting between 25,000 to 26,000 (August 2012). Recent road investment has focused on improved safety on the range, and traffic management through Toowoomba. At present, there is limited scope for further cost-effective improvements to the existing range, due to the fact that the current issues will persist regardless. The current route would also continue to direct heavy transport through local streets, resulting in loss of urban amenity and continued freight inefficiency. As a result, Queensland has identified the need for a second range crossing that takes highway traffic around Toowoomba rather than through it.

3.4 Toowoomba Second Range Crossing (TSRC) Objectives:

The aim of the TSRC is to relieve pressure on the South-West Transport network and enhance its resilience. Further to this the TSRC would:

- Improve efficiency of freight movements;
- Encourage economic development in the region;
- Improve safety standards for the surrounding Toowoomba road networks;
- Reduce the number of heavy vehicles passing through Toowoomba, and in particular take pressure off James Street;
- Improve transport capacity over the range to meet future growth needs; and
- Improve community amenity and safety.

3.5 New Design

Projects Queensland have recently completed an assessment of the TSRC and developed a 2012 TSRC Business Case that has been forwarded to Infrastructure Australia for Australian Government funding consideration. CCIQ supports this Business Case. The proposed TSRC is designed to meet 2042 network volumes costing $1.6 billion. Operational and maintenance costs across 25 years are anticipated to be approximately $40m per annum.

The immediate funding and delivery of TSRC provides a safe crossing and a quicker bypass for freight and service transport vehicles and is vital to support the growth of this important region for the Queensland and national economies. The benefits of TSRC include:

- Accommodate regional growth;
- Reduced travel time (2 traffic lights as opposed to 16);
- Travel time reliability is enhanced significantly;
- Reduced crashes;

- Improve freight efficiency and productivity (B triples allowed); and
- Reduced environmental and social costs.

	Average speed (kph)		Time (mins)		Difference	
Vehicle	**Existing**	**TSRC**	**Existing**	**TSRC**	**Speed (kph)**	**Time (mins)**
Car	53	77	43	34	24	9
Light	46	71	50	37	25	13
Heavy	33	71	70	37	38	33
Super Heavy	28	69	82	38	41	44

The TSRC will increase productivity of the Toowoomba region by $2.4 billion (NPV) and Australia wide by $3.1 billion (NPV) over 30 years. The TSRC would create over 1,800 FTE positions in construction (3 years) and 701 FTE positions in operations (25 years). It will provide vital economic, social and environmental dividends to the nation on top of assisting regional industry, business and employment by increasing savings, reducing costs and encourage future business investment in the region.

CCIQ recommends that the Federal Government commit to providing 80% of the cost of building the Toowoomba Second Range Crossing within the timeframe of 2014-17.

4.0 The Bruce Highway Upgrade

4.1 Overview

The Bruce Highway is Queensland's major north–south corridor, connecting coastal population centres from Brisbane to Cairns and spanning 1,670 kilometres of Queensland. It provides critical linkages for west–east freight movements, 11 coastal ports and between inland production areas and towns. It provides vital links to ports and business centres within South East Queensland, including the Australia Trade Coast and the Brisbane central business district, and enables visitors to access Queensland's many coastal attractions. The highway is part of the Australian National Highway and Highway One, and is a critical transport corridor for the nation.

Through these important and varied functions, it has played a key role in building Queensland's economy. With regional growth expected to continue over coming years, the Bruce Highway will remain a vital infrastructure link in the economy. The Bruce Highway carries huge volumes of traffic every day. Traffic volumes vary from an average of 2500 vehicle movements per day in smaller rural centres to 30 000 around Rockhampton and more than 100 000 just north of Brisbane. It carries 7 million tonnes of freight a year.

Traffic volumes on the Bruce Highway are expected to grow by more than 3 per cent per year to 2025, driven by population growth, a booming resource sector and strong agricultural and tourism sectors. Population growth and sustained economic activity will see increased demand for safe, reliable and efficient passenger and freight movement within and between regions. These demands will place increasing pressure on the Bruce Highway.

4.2 Challenges

The main challenges going forward for managing the Bruce Highway are to cater for expected growth and improve the safety, efficiency, reliability and cost-effectiveness of freight/transport of the entire road corridor. The specific challenges that need to be addressed in the long-term are:

- growth in travel and freight movement, due to population growth and increases in economic activity;
- increased freight and long haul passenger movement, due to economic development along the highway corridor;
- increased connections to bring resources to coastal markets and ports, with additional mixing of traffic types;

- flooding, which regularly closes the highway in numerous places causing delays to freight and passenger travel;
- safety and reliability, due to increased traffic using two lane carriageways and mixing of heavy vehicles and local traffic;
- managing increased traffic movement through and around major regional centres and ensuring quick and efficient connections; and
- maintenance of ageing road and bridge infrastructure and the urgent need for asset renewal.

More specifically a general lack of capital investment on the Bruce Highway over many years means that there is a backlog of safety, flood immunity and capacity building projects needed to raise the standard of the highway. CCIQ has a particular interest in the weather and capacity constraints of the Bruce Highway.

- **Flooding:** Significant flooding is an annual reality along the coastal plain traversed by the Bruce Highway between Brisbane and Cairns. Flooding of the highway occurs at a large number of creek and river crossings. On average, there are nine locations which close annually for greater than 48 hours and six locations which close for greater than five days. In addition, highway flooding causes destruction of road pavements and structures, resulting in poor and unsafe driving conditions on damaged surfaces. Reconstruction then results in further delays to traffic. A massive program of reconstruction has been undertaken since January 2011 and is still underway but the January 2013 floods once again confirm the vulnerability of this national corridor to flooding.

- **Capacity:** Traffic volumes along the whole length of the highway continue to increase rapidly as a result of the economic activity associated with the resources boom throughout the state. As well as the extension of congestion from the Brisbane region north to Maryborough, severe congestion is occurring on roads within and approaching regional cities (for example south of Rockhampton, Sarina to Mackay, the northern beach suburbs of Townsville and Gordonvale to Cairns). This is due to rapidly expanding outlying residential estates, development of new industrial parks in outer suburbs and traffic associated with major industrial development such as ports (Gladstone, Hay Point, and Townsville). Concurrently there has also been dramatic increases in queuing on rural sections of the roads resulting from growth in freight transport (including heavy vehicles and wide loads carrying mining and industrial equipment) and tourism traffic (motor homes, caravans). This, coupled with overall growth, results in reduced overtaking opportunities causing driver frustration and risky overtaking. Additionally there are interchangeable speed limits where the Bruce Highway passes through regional cities and towns, which significantly reduce freight and transport efficiency.

4.3 The Bruce Highway Project

The Bruce Highway project includes the progressive upgrading of the Bruce Highway between Brisbane and Cairns. Improved efficiency, safety and reliability of this highway supports the movement of freight to and from key ports, supports the provision of services to major export ports and resource projects and supports the state and national tourism and agricultural sectors.

The upgrade incorporates priority major projects over a ten year period, providing increased flood resilience and increased reliability, ring roads and bypasses, duplications, overtaking lanes, rest areas and essential safety upgrades. The Queensland Government has made a commitment to allocate $1 billion in additional funding over this period to bring forward the delivery of critical Bruce Highway investment subject to the Australian Government matching this funding over and above existing funding levels under the Nation Building Program.

4.4 Existing Requests to the Commonwealth

Queensland's two highest priority projects as identified by the State Government are the Cooroy to Curra (Section A) and the Yeppen Floodplain Upgrade. Queensland's National Land Transport Network (NLTN) transport infrastructure project priorities greater than $100 million previously submitted to IA include:

- Bruce Highway Cooroy to Curra upgrade - Section A
- Bruce Highway Yeppen floodplain upgrade (Yeppen South - road only)

- Gateway Motorway Gateway Upgrade North - Stages 2 & 3 (Nudgee Interchange to Deagon Deviation)
- Bruce Highway Gateway Motorway (Pine River) to Caboolture - managed motorways

Extra NLTN candidate projects greater than $100 million include:

- Bruce Highway Road Safety Package (Pine River to Cairns)
- Bruce Highway North Queensland flood immunity bridge package
- Bruce Highway Caloundra Rd to Sunshine Motorway - Stage 1
- Bruce Highway Pavement strengthening and widening package – Caboolture to St Lawrence

4.5 Bruce Highway Crisis Management Group

Concurrently the Queensland Government has established the Bruce Highway Crisis Management Group to focus on critical upgrades to the Bruce Highway. As a priority, the Queensland Government has tasked the Queensland Department of Transport and Main Roads to develop an engineering based 10-year 'Crisis Action Plan' to address the Bruce Highway crisis. This plan is intended to strengthen the road infrastructure that is the backbone for the state, linking and supporting economic activity and providing connections to ports, land-side services and strategic industrial areas.

The Bruce Highway Action Plan is designed to implement a generational upgrade in the condition of the Bruce Highway and bring it "Out of the Crisis" to meet acceptable Australian standards commensurate with such a strategic piece of public infrastructure. The Action Plan is hoped to reduce the road toll (currently around 50 fatalities and 400 serious injuries per year) by about 35% on completion of the plan. It is also expected that this plan will deliver estimated savings of approximately $3 billion over the 30 year assessment timeframe. Time savings between both domestic and industry travel are estimated to create a further dividend to the economy of up to $30 billion.

This Bruce Highway Action Plan details the projects that will fix the Bruce Highway and bring it up to an acceptable engineering standard over the next 10 years. These projects have been considered in terms of three broad timeframes for delivery over the next 10 years:

- High Priority 1 (years 1 to 4)
- High Priority 2 (years 5 to 7)
- High Priority 3 (years 8 to 10)

CCIQ supports this action plan and the program of work detailed in the table on page 8.

4.6 Need for Federal Government Funding

The level of investment recommended by the Action Plan will bring about a long overdue and welcomed step change in the condition of the Bruce Highway. The plan requires significant investment over the next 10 years and beyond. The Queensland Government, alone, is unable to fund these urgently needed works. The Australian Government will need to contribute additional funding over and above base funding, in order to upgrade the Bruce Highway.

CCIQ recommends that the Federal Government match the Queensland Government's commitment to allocate $1 billion over the next 10 years to the cost of upgrading the Bruce Highway over and above existing funding levels under the Nation Building Program.

Prioritised Projects

Bruce Highway Action Plan - 10 year Project Priorities

		BHAP No.	Safety Improvements	Cost (2012$) ($m)	BHAP No.	Flooding improvements	Cost (2012$) ($m)	BHAP No.	Capacity Improvements	Cost (2012$) ($m)
High Priority 1	Base Case - $6b over 10 years (matched on historic basis)	S1a	Wide Centreline and Audible Edge Lines	174	F2	Dallachy Road Flood Immunity Upgrade	7	C1	Cairns Southern Access Corridor Stage 3	80
		S1b	S1a above plus sealed shoulders	188	F4a	Ingham to Cardwell Range Dev - Plan & Preserve	30	C3	Cairns Southern Access Corridor Stage 2	42
		S1c	S1b above plus formation widening	810	F5	Cattle and Frances Creeks Upgrade	105	C4	Edmonton to Gordonvale Duplication	300
		S2	Audible Edge lines other than S1a,S1b & S1c.	48	F6	Haughton River & Pink Lily Lagoon Upgrade	352	C6	Babinda Intersection Upgrade	2
		S3	Clearzone clearing	26	F8a	Burdekin Deviation - Plan & Preserve Corridor	30	C7	Innisfail Bypass - Plan and Preserve Corridor	5
		S4	Safety barrier	200	F9	Yellow Gin Creek Upgrade	35	C8	Ash & Pine Streets Intersections Upgrade	4
		S5	Intersections	70	F10	Sandy Gully Bridge Upgrade	58	C11	Townsville Nth Access Intersections Upgrade	47
		S6	Rest areas and stopping places	18	F11a	Goorganga Plains Upgrade - Plan & Preserve	10	C13	MacArthur & Melton Black Intersection Upgrade	19
		S7	Pedestrian / cyclist upgrades	6	F12	Jumper Creek Upgrade	15	C19	Knobels Rd Intersection Upgrade	5
		S8	Overtaking lanes	334	F13	Yeppen Floodplain South Upgrade	214	C21	Mackay Northern Access Upgrade	58
		S9	Curve Widening	2				C23	Mackay Intersection Upgrades - Stage 2	7
		S10	Deliniation for Narrow Structures	2				C24a	Mackay Ring Road - Plan and Preserve	18
		S11	Road-rail crossings	7				C27	Hay Point Road Intersection Upgrade	23
		M1	Resurfacing	98				C29	Sarina Northern Access Upgrade	8
		M2	Pavement rehabilitation	500				C31	Rockhampton Nth Access Upgrade - Stage 1	79
		M3	Culvert rehabilitation - Major (Concrete)	20				C33	Rockhampton Bypass - Plan and Preserve	40
			Culvert rehabilitation - Major (Steel)	38				C41	Childers Bypass - Plan / Preserve Corridor	5
			Culvert rehabilitation - Minor	40				C42	Tinana Interchange	25
		M4	Bridge rehabilitation	92				C47	Cooroy to Curra Upgrade - Section C	600
		M5	Misc - Guardrail deficiencies	8				C49	Cooroy to Curra Upgrade - Section A	570
			Misc - Truck/ motorist rest/ stop areas	12				C50a	Maroochydore Rd Interchange Upgrade - Stage 1	109
			Misc - Slope stability	9				C51a	Caloundra Rd to Sunshine M/way - Stage 1	280
								C54	M/ged M/ways - Gateway M/way to Caboolture	76
								C55a	Pine River to Caloundra Rd Interchanges - Planning	5
								C56	Road operations improvement projects	35
High Priority 2	Crisis Action Plan 50:50	S1c	S1b above plus formation widening	350	F4b	Ingham to Cardwell Range Deviation - Construction	780	C24b	Mackay Ring Road Stage 1 Construction	450
		S4	Safety barrier	40						
		S8	Overtaking lanes	140						
		M2	Pavement rehabilitation	200						
		M3	Culvert Rehabilitation	30						
		M4	Bridge Rehabilitation	10						
	Crisis Action Plan 80:20	S1c	S1b above plus formation widening	200	F3	Meunga, Sunbeam and Lily Cks Deviation	80	C9	Liverpool Creek to Cowley Beach Rd Realign	30
		S4	Safety barrier	35	F8b	Burdekin Deviation - Construction	1400	C17	Collingvale Road Intersection Upgrade	3
		S5	Intersections	20	F15	Saltwater Creek Bridge Upgrade	65	C18	Prosepine - Shute Harbour Rd Intersection	20
		S8	Overtaking lanes	120				C32	Rockhampton Intersection upgrades	30
		M2	Pavement rehabilitation	30				C38	Curve Re-alignment North of Miriam Vale	21
		M3	Culvet Rehabilitation	12				C44	Gympie Nth Approach Intersection Upgrades	44
								C51b	Caloundra Rd to Sunshine M/way - Stage 2	610
								C55b	Pine River to Caloundra Rd Interchanges - Construction	150
								C53	Boundary Road Interchange Upgrade	130
	Beyond 10 year Plan	S4	Safety barrier	125	F16	Tiaro Flood Immunity Upgrades	64	C16	Bowen Intersection Upgrade	20
		S5	Intersections	45				C44	Gympie Nth Approach Intersection Upgrades	66
		S6	Rest areas and stopping places	10				C46	Cooroy to Curra Section D Stage 1	405
		S7	Pedestrian / cyclist upgrades	7				C51c	Caloundra Rd to Sunshine M/way - Stage 3	455
		S8	Overtaking lanes	140						
		M2	Pavement rehabilitation	140						
		M3	Culvert rehabilitation	120						
		M4	Bridge rehabilitation	12						
High Priority 3	Beyond 10 year Plan	S4	Safety barrier	133	F11b	Goorganga Plains - Construction	330	C20	Mackay Northern Access Upgrade - Stage 2	45
		S5	Intersections	65	F14	Currajong Creek Bridge Upgrade	59	C26	Hay Point Road to Mackay Duplication	390
		S7	Pedestrian / cyclist upgrades	7				C28	Sarina to Hay Point Road Duplication	290
		S8	Overtaking lanes	400				C30	Rockhampton Nth Access Upgrade - Stage 2	95
		M3	Culvert rehabilitation	112				C43	Wide Bay Highway Intersection	50
								C45	Cooroy to Curra Upgrade - Section D, Stage 2	1600
								C50b	Maroochydore Road Interchange Upgrade - Stage 2	100
								C51d	Caloundra Rd to Sunshine M/way - Stage 4	300
								C51e	Caloundra Rd to Sunshine M/way - Stage 5	230

5.0 References

- Projects Queensland Website http://www.treasury.qld.gov.au/projects-queensland/projects/index.shtml.
- Improving Queensland's transport networks to enhance productivity and drive economic growth http://www.mycciq.com.au/content/Content_View.aspx?ShowThumbnails=false&MediaDataID=612
- Bruce Highway Action Plan http://www.tmr.qld.gov.au/~/media/About%20us/Corporate%20information/Publications/BruceHighwayActionPlan.pdf
- Queensland Government's 2012 Submission to Infrastructure Australia http://www.dlg.qld.gov.au/resources/ia-submission-overview.pdf
- Bruce Highway Upgrade Strategy http://services.dlgp.qld.gov.au/resources/docs/bhus/bhus-strategy.pdf