

Summary

This submission provides comments on practical and policy issues associated with the road freight transport network. It focuses on Queensland, where a major freight productivity issue is keeping roads and rail above water.

The RACQ agrees with the need to accelerate national freight reform and improve productivity and applauds the concept of a national land freight strategy. A national road freight network could facilitate planning to minimise traffic congestion and apply performance based standards for both urban and regional freight roads.

RACQ acknowledges the breadth of the *National Land Freight Strategy Discussion Paper* and agrees with the ideals of improved supply chain coordination, interoperability and market reforms to improve productivity. However, while these issues are important to developing a long term sustainable freight network, it is first necessary to ensure the robustness of the existing road freight network.

A key freight productivity issue in Queensland is the need to flood-proof roads. For example, since 2009 the Bruce Highway, Queensland's major freight route, has been cut by floods and closed 530 times. Surely this is a major productivity problem?

The central plank of any strategy designed to increase freight productivity should be improving existing freight routes, primarily by flood-proofing. A focus on market reform and interoperability is not particularly helpful when existing land freight routes are regularly under water.

Given most freight consignments in Australia move on roads, capital investment in road infrastructure is essential to achieving freight productivity growth. Key freight roads should be built and maintained to a standard that will ensure they are not regularly disrupted and damaged by flooding. The provision of adequate roads can also be viewed as an antecedent to any direct pricing for heavy vehicles. It is difficult to commence market-based pricing regimes when the roads are not 'fit for purpose'.

The most effective way to elevate freight productivity is to provide better roads with improved flood immunity. It is therefore disappointing that the *National Land Freight Strategy Discussion Paper* failed to recognise the poor condition of roads such as the Bruce Highway as a significant freight productivity constraint. While the Discussion Paper identified freight infrastructure improvement and access as a priority action, most discussion of this was relegated to the appendix, and even then, only a cursory mention was made of the need to flood proof freight routes.

RACQ would welcome public benchmarking of highway and railway service performance, including downtime due to flooding. This should focus attention on Queensland's substandard freight routes and encourage greater capital investment.



Introduction

The RACQ is pleased to provide a submission to Infrastructure Australia's *National Land Freight Strategy*. This submission addresses the importance of quality infrastructure in promoting greater freight productivity and identifies opportunities for improved productivity outcomes. It considers primarily the Queensland road freight network.

The RACQ represents 1.2 million motoring members and seeks to maintain the viability of motor vehicle transport on their behalf. While RACQ's focus is motorists, the organisation nonetheless has a vested interest in a proposed national land freight strategy, given that most of the transport infrastructure used by freight is also used for personal transport. Even on major freight routes, the bulk of the vehicle volume is passenger cars.

The RACQ believes that productivity growth is a necessity and roads and rail play a big part in this. Greater investment in transport infrastructure is vital and key freight roads and rail need to be built to a standard that will ensure they are not as susceptible to future flooding and damage. This is in keeping with the stated objectives for a national land freight network strategy, which are:

'to improve the efficiency of freight movements across infrastructure networks, to minimise externalities associated with such freight movements and to influence policymaking in areas relevant to freight.'

Constraints on freight efficiency

RACQ agrees with Infrastructure Australia's assertion that productivity and competitiveness are inhibited by constraints to freight. This was visibly highlighted by the 2011 flood and cyclone events in Queensland, which affected major rail and road freight routes across much of the State.

Section 4 of the *National Land Freight Strategy Discussion Paper* states that the principal constraints on a more efficient freight sector are:

- restricted use of infrastructure due to regulation or choice of technology;
- encroachment of freight activities;
- uncertainty about capacity for growth; and
- lack of responsiveness of infrastructure to economic demand.

While RACQ agrees that each of these factors obstructs freight productivity, the most significant impediment to freight efficiency is an inability for trucks to access roads as a result of poor quality infrastructure. More durable and less flood-prone roads and rail



are vital for improved freight productivity. The magnitude of this problem is highlighted by the repeated closures on Queensland's primary freight route, the Bruce Highway.

Sections of the Bruce Highway have not been upgraded for 40 to 50 years and the Highway has been closed 530 times since 2009. The Bruce Highway is a major east coast transport corridor, so any closures have a negative impact on freight productivity. The RACQ believes that first and foremost the flood immunity of the Bruce Highway needs to be improved to increase freight productivity in Queensland.

The Mackay to Cairns stretch of the Bruce Highway is the most flood-prone section of highway in Queensland. The number of closures on this stretch from 2004 to 2010 is shown in table 1:

Table 1: Closures on the Bruce Highway from Mackay to Cairns due to flooding 2004-2010

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|------------------------------|------|------|------|------|------|------|------|
| Bruce Hwy - Mackay to Cairns | 28 | 21 | 19 | 42 | 119 | 217 | 117 |

Source: RACQ road condition reporting data

The issue of frequently flooded roads in Queensland is not restricted to the Bruce Highway. Details of Queensland highway road closures, due to flooding, are shown in table 2 below:

Table 2: Closures on major Queensland highways due to flooding

| Number of major road closures | 2011 | 2010 | 2009 |
|-------------------------------|--------------|------|------|
| Bruce Highway | 84 (Jan-Mar) | 183 | 263 |
| Flinders Highway | N/A | 33 | 127 |
| Capricorn Highway | N/A | 163 | 19 |
| Warrego Highway | N/A | 111 | 6 |
| Cunningham Highway | N/A | 135 | 32 |
| Landsborough Highway | N/A | 138 | 89 |
| Leichhardt Highway | N/A | 153 | N/A |
| Dawson Highway | N/A | 151 | 12 |
| Gregory Developmental Road | N/A | 90 | 90 |
| Gulf Developmental Road | N/A | 142 | 122 |
| Carnarvon Highway | N/A | 168 | 25 |

Source: RACQ road condition reporting data



The key freight productivity issue for Queensland is keeping roads and rail above water. For this reason, the central plank of any strategy designed to increase freight productivity, should be improving existing freight routes, primarily by flood-proofing. Until critical infrastructure improvements are made to Australia's transport network, freight productivity will continue to be constrained.

RACQ believes that the most effective remedy for poor freight productivity is to focus on better transport networks with improved flood immunity. It is therefore disappointing that the *National Land Freight Strategy Discussion Paper* failed to identify the poor condition of roads such as the Bruce Highway as a significant freight productivity constraint. While freight infrastructure improvement and access was identified as a priority action, most analysis of this issue in the Discussion Paper was relegated to the appendix, and even then, only a cursory mention was made of the need to flood proof freight routes. Key freight roads need to be built to a standard that will ensure they are not susceptible to regular flooding and damage.

The need to flood-proof freight routes

The vulnerability of many Queensland roads was highlighted during the 2011 flood and cyclone events. 9,170 kilometres of state controlled roads, representing 27% of the State road network, were damaged by the natural disasters. In addition, 4,748 kilometres of Queensland's rail network was also damaged.

Transport of goods within Queensland was at a standstill, with major road and rail routes flooded and damaged. For example, goods that would normally be trucked in to Rockhampton, had to be barged down the coast from Mackay. Extensive damage to central and north Queensland roads saw trucks take detours that added two to three days onto deliveries. Obviously, all perishable goods, perished.

Rail operators were also heavily affected by the floods. The Blackwater network was flooded, and lines in Toowoomba and the Lockyer Valley were also closed. The North Coast Rail Line between Brisbane and Cairns was cut for almost a month after extensive flooding and a derailment. Transporting coal to port was also disrupted, due to damaged rail lines. In response, ports were forced to run down coal stockpiles, creating an export shortfall of over 1 million tonnes per week.

RACQ would welcome public benchmarking of national freight road service performance, using criteria such as:

- the road condition;
- the maximisation of asset use; and
- measures of resilience to natural events - such as downtime due to flooding.

RACQ believes that this type of comparative analysis would highlight the inadequacies of Queensland's major freight routes and encourage greater capital investment.



More investment in roads and transport infrastructure

The ability to efficiently move freight on quality roads and rail is essential to improved productivity. Capital investment in transport infrastructure should be a key platform for maintaining sustained economic growth. It has been shown that a one percent increase in infrastructure spending achieves an increase in productivity of between 0.17 and 0.39 per cent.¹

In Queensland, freight volumes are expected to double by 2030, with significant increases in passenger travel also expected. It does not seem possible for the existing road space and transport infrastructure to expand to this extent, so the transport network will need to run more efficiently. However, even with efficiency improvements, large increases in road and rail capacity are required in order to cater for the expected level of growth in transport volumes. Without immediate action to upgrade existing freight routes, productivity losses from flooded roads will be exacerbated.

Congestion

Urban traffic congestion reduces the efficiency of road freight. Congestion lessens the reliability of freight delivery times and increases transportation overheads, primarily through higher labour costs and increased fuel consumption. On-road tests carried out by RACQ show that driving in stop-start congested traffic increases fuel consumption and greenhouse gas emissions by around 30%.² This confirms BITRE estimates that nearly 40% of the fuel used by road vehicles in Australian cities is the result of interruptions to the traffic flow.³

The avoidable national costs of traffic congestion in Australian capital cities are expected to double by 2020. In Brisbane, where growth will be faster than any other capital city, costs are expected to increase from \$1.2 billion to \$3 billion.⁴

The RACQ welcomes the *National Land Freight Strategy* initiative and hopes that greater planning for freight activities will minimise future transport blockages that negatively impact both freight and passenger travel. RACQ has long supported a

¹ CEDA *Growth 54: Infrastructure - Getting on with the job*, 2004

<http://www.ceda.com.au/research/current-topics/research/2009/11/growth-report/growth54>

² RACQ, *The Effects of Traffic Congestion on Fuel Consumption and Vehicle Emissions*, 2008,

http://www.racq.com.au/motoring/advocacy_for_motorists/environment/Traffic_Congestion_Fuel_and_Emissions_Test_Fact_Sheet.pdf.

³ Bureau of Infrastructure, Transport and Regional Economics, *Urban Congestion – The Implications for Greenhouse Gas Emissions, Information Sheet 16*, www.bitre.gov.au/publications/98/Files/is16.pdf

⁴ Council of Australian Governments, *Review of Urban Congestion Trends, Impacts and Solutions*, 2006 p5.



strategic north-west bypass around Brisbane, to provide more efficient travel patterns for freight and long distance trips.⁵

Identification of a national freight route

RACQ supports the need to have a well-defined national freight map to focus heavy vehicle movements on the most appropriate infrastructure links to the extent feasible.

Ideally, identification of a national freight road network would see performance based standards applied to all roads on the freight network. Setting minimum road capacity and safety standards would encourage greater capital investment in roads and raise the quality of major freight route infrastructure.

Dedicated freight roads

RACQ does not support the goal of introducing dedicated road freight infrastructure between capital city ports and intermodal terminal/freight cluster sites. Where a road cannot provide sufficient freight capacity, an additional lane should be considered ahead of the provision of a unique road for freight.

The RACQ believes better transport and planning outcomes are often available through road upgrades that provide additional space for all modes. The safety of the corridor can often be improved through the provision of additional barriers and rails. This option will be cheaper than a new road specifically built for freight.

Reform of heavy vehicle charges

Accurate pricing in the trucking sector would improve investment and operating decisions, and ultimately the productivity and efficiency of the freight task. To this end, the Council of Australian Governments (COAG) is undertaking a Road Reform Program to investigate the feasibility of direct heavy vehicle charging.

The RACQ supports the need for reform of heavy vehicle charging. Motorists currently pay a fuel excise of 38.143 cents a litre, yet heavy vehicles receive a rebate that reduces their fuel excise to 21 cents a litre. These arrangements are not equitable or acceptable as heavy vehicles cause the majority of wear and tear on roads, so they should fund the majority of road construction and maintenance expenses.

⁵ More information on RACQ's proposed north-west motorway is available in RACQ's 2008 submission to Infrastructure Australia
http://www.racq.com.au/motoring/advocacy_for_motorists/traffic_and_roads/infrastructure



Any move toward a road user charging environment should begin with heavy vehicles so the policy and technology can be tested where the greatest gains are available.

Allocate space for future roads

The RACQ would like to see the *National Land Freight Strategy* move forward with its goal of planning and allocating space for future freight roads. The space allocated for transport today is much cheaper than having to resume properties in the future.

A strategic freight network should provide for efficient travel for all vehicles between regional activity centres and industrial areas.

Conclusion

The RACQ welcomes the *National Land Freight Strategy Discussion Paper* as a good step forward. It is hoped that improved freight planning will address issues of urban encroachment and congestion, and identification of a national freight road network will result in performance based standards that raise the quality of major road infrastructure.

A major freight productivity issue is keeping roads and rail above water. This needs to be better understood and reflected in the strategy.