RACQ Submission to the Queensland Government Budget Process 2016-2017

Summary

The Royal Automobile Club of Queensland (RACQ) is the independent advocate for Queensland motorists. The RACQ represents 1.6 million members covering 60 percent of households in Queensland.

RACQ has a long history of lobbying for safe and affordable transport. We need safer, high quality roads and transport systems to drive productivity and grow the economy. The ability to efficiently move people and goods on quality roads and rail is essential to improved productivity. Unfortunately, this is being stymied in Queensland by higher transport volumes and the backlog of transport infrastructure needs.

Queensland Budget funding for transport and roads has halved in the last six years. RACQ asks the State Government to halt the decline and make transport infrastructure a priority. Under-investment is detrimental to Queensland’s future prosperity and the safety and health of our community.

The RACQ has welcomed the Queensland Government’s commitment to implement the National Injury Insurance Scheme (NIIS). In order to help maintain the affordability of car registration and CTP, RACQ seeks a freeze on vehicle registration charges for three years and removal of other levies charged with CTP. We also call on the State Government to help keep motoring affordable by regulating fuel price boards and ridesharing services.

RACQ’s submission to the Queensland Government Budget Process specifically asks that the Government:

1. Increase Queensland road and transport investment in 2016-17
2. Allocate funding to progress key transport projects
3. Improve fuel price transparency
4. Regulate ridesharing services
5. Freeze vehicle registration charges for three years and remove other levies charged with CTP.

These five priorities are detailed below.
1. Increase Queensland road and transport investment in 2016-17

Budgeted capital funding for transport and road infrastructure has halved in the last six years. In 2015-16 Queensland budget funding dropped to $3.7 billion, its lowest level in a decade (see Chart 1).

![Chart 1: Queensland Government budgeted transport and road capital funding](chart)

Sources: QLD Government State Budgets: Budget Paper No. 3, 2016-07 to 2015-16

RACQ asks that the 2016-17 State Budget recognise the need for greater investment in transport infrastructure in order to:

- **Save Queensland lives**
  Queensland has some of the poorest quality roads in Australia and road crashes and fatalities cost the State an estimated $4 billion annually. Investing in better, safer roads pays for itself many times over, in terms of limiting the recurring cost of deaths and traumatic injuries, welfare payments and hospital and health care expenses.

- **Drive productivity and grow the economy**
  Good quality roads are essential to productivity growth in major sectors of Queensland’s economy, including the agriculture, tourism, mining and resource industries. Over the long term, improvements in business efficiency and competitiveness from better transport systems can grow domestic and export market opportunities for Queensland organisations.

- **Address congestion in south east Queensland**
  Queensland faces a backlog of transport infrastructure needs and higher future transport volumes. In south east Queensland traffic congestion is a significant problem and peak hours are getting longer. Increased road capacity, efficiency improvements and managed motorway applications are needed to address this. Urban rail capacity constraints in south east Queensland also need to be addressed.
so Cross River Rail should be progressed as the top public transport priority for the Queensland Government.

2. Allocate funding to progress key transport projects

We acknowledge the work already done by the Queensland Government to secure significant funding commitments to major projects, including the Bruce and Warrego Highways, Gateway Upgrade North and the Toowoomba Bypass. We also welcome the recent $200 million Queensland Government funding commitment to upgrading the Darra to Rocklea section of the Ipswich Motorway. Queensland needs strong investment in transport projects like these to improve safety and mobility and deliver efficiency gains.

The RACQ asks that the Queensland Government continue to push for investment in Queensland’s road and rail system in 2016-17 and progress key transport projects including:

- Cross River Rail – a new rail tunnel to provide a second river crossing and add capacity in inner Brisbane.
- Pacific Motorway - upgrade to 8 lanes from the Gateway Motorway to Loganholme and upgrade to 6 lanes between Nerang and Tugun.
- Inland Queensland Road Action Plan (IQ-RAP) - a fifteen-year program to upgrade inland regional Queensland roads.
- Ipswich Motorway - secure the balance of Federal funding needed to upgrade to 6 lanes from Darra to Rocklea.
- An expanded managed motorways program - this uses Intelligent Transport Systems (ITS), such as ramp metering and variable speed limits, to improve traffic flow and ease congestion.
- Rail duplication Beerburrum to Nambour.
- Brisbane railway level crossing upgrade program: Boundary Road (Coopers Plains), South Pine Road (Alderley), Cavendish Road (Coorparoo), Warrigal Road (Runcorn), Kianawah Road / Lindum Road (Wynnum West).

Queensland will need increased road capacity and efficiency improvements in the transport network to cater for future growth in traffic. Vehicle kilometres travelled in Queensland are expected to increase by 2.8 percent annually to 2020. Without upgrades to our highways and freight routes, vehicle operating costs and travel times will increase leading to greater productivity losses.

3. Improve fuel price transparency

RACQ congratulates the Queensland Government on hosting the March 2016 Fuel Price Summit. Following on from this, RACQ reiterates its call for the Government to regulate fuel price boards and wants to see funding allocated to progress this in the 2016-17 Budget.

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1 Bureau of Infrastructure, Transport and Regional Economics (BITRE), 2012, Traffic Growth in Australia, Report 127
Fuel price transparency could be improved by requiring retailers to display gross fuel prices (before discounts) in an agreed order, and using an agreed naming convention. Implementing these measures would make the price of the various fuel grades between retailers easier to compare and help motorists to make a more informed fuel purchase decision. In New South Wales, Western Australia and South Australia motorists are benefiting from standards developed by their State Governments.

4. Regulate ridesharing services

RACQ supports the legal and regulated operation of ridesharing services in Queensland and has called on the Queensland Government to allow ridesharing services and the taxi industry to legally co-exist. RACQ research shows 80 percent of Queenslanders believe they should have the right to use both rideshare and taxi services if they choose.

The RACQ appreciates that the Queensland Government has commissioned an independent review of taxi, limousine and rideshare services in Queensland. The review period is relatively long and findings are not due until August 2016. RACQ is hopeful that the Government will be in a position to act quickly once the review concludes. RACQ expects the 2016-17 State Budget to include funding in the forward estimates to address the issue, including an allowance for possible compensation payouts.

5. Freeze vehicle registration charges for three years and remove other levies charged with CTP

The RACQ has welcomed the Queensland Government’s commitment to implement the National Injury Insurance Scheme (NIIS). To ease the financial burden on motorists, RACQ urges the Government to freeze vehicle registration charges on private-use vehicles for three years once the no-fault scheme starts in July 2016. RACQ also asks that some existing CTP levies, namely the Statutory Insurance Scheme Levy and the Hospital and Emergency Services Levy, be removed along with the administration fee and stamp duty on CTP.

Affordable motoring is important for Queenslanders, particularly those living in rural and regional districts, and in outer south east Queensland suburbs. In these areas, limited public transport combined with a higher proportion of low income households and the need to travel considerable distances to reach employment or services, can result in significant transport disadvantage.