



Chamber of Commerce
& Industry Queensland

Industry House
375 Wickham Terrace
Brisbane Qld 4000

T 07 3842 2244
F 07 3832 3195
info@cciq.com.au

Hedline 1300 138 470
Employer Assistance
Line 1300 135 822

9 September 2011

Queensland Infrastructure Plan
Department of Local Government and Planning
PO Box 15009
CITY EAST QLD 4002

Dear Sir/Madam,

On behalf of the Queensland business community, the Chamber of Commerce and Industry Queensland (CCIQ) welcomes the opportunity to provide feedback on the consultation draft of the Queensland Infrastructure Plan (QIP). CCIQ is strongly supportive of the Queensland Government's initiative to develop the nation's first state-wide infrastructure plan. If developed properly, this plan has the potential to ensure Queensland stands out from other jurisdictions when seeking the required funding to deliver key infrastructure projects throughout the State. CCIQ is keen to work with Government to ensure the QIP can live up to its potential.

Overall, CCIQ is strongly supportive of developing a long term planning approach that identifies key infrastructure needs within all Queensland regions and an associated timeline for their delivery. It is essential that the priorities identified in the QIP extend beyond the current four year horizon and include a focus on long term infrastructure needs that have not already been identified through existing state budget or election commitments. Identifying and prioritising long term priorities (ie over the coming 20 years) will help drive economic and regional growth by providing signals to the business community on where infrastructure development will occur moving forward. This will also be crucial in the push for encouraging businesses to invest in regional areas in order to deliver a more regionalised population outside of SEQ.

The QIP must also include a focus on how Government will ensure 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. An up-to-date QIP backed by sound research, engagement and evaluation processes will put the State Government in a strong position when approaching Infrastructure Australia for project funding.

Government should also commit to undertaking regular engagement with businesses and Local Government to ensure the infrastructure priorities identified and actioned by the State 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.

CCIQ is supportive of the five underlying principles that have been identified in the QIP. However, CCIQ is keen to see detailed strategies in the final plan on how these principles will be achieved. Additional feedback on these underlying principles is provided below:

1. *Make smarter use of existing infrastructure:* CCIQ is strongly supportive of placing increased focus on using existing infrastructure more efficiently. 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. Using infrastructure more efficiently is likely to have positive impacts on the capacity of existing networks, may help reduce overall costs and potentially free up more funding for delivering on additional infrastructure priorities. However, the aim to use existing infrastructure more smartly should not be used as an excuse not to invest in areas where and when it is required.
2. *Focus on whole of network solutions which support long term planning:* CCIQ is strongly supportive of developing long term planning processes that deliver increased certainty for Queensland businesses and the community. Focusing on whole-of-network solutions is also critical to meeting the needs of a growing population and economy. It also enhances the accessibility of all regions (encouraging more people and businesses to move and invest in regional areas) and for delivering more seamless supply chains and links to businesses' customers and suppliers throughout the regions, Australia and the world. New developments must consider all necessary infrastructure essential to ensuring they deliver the required outcomes to the economy and community (including transport, telecommunications, electricity, social and water infrastructure). Improving the linkages between networks and delivering whole-of-network solutions is likely to drive economic growth and have positive flow on effects on productivity.
3. *Manage the impacts of climate change and achieve sustainability:* CCIQ recognises the importance of developing infrastructure networks that are resilient to the long term impacts of climate change and that maximise reliability and connectivity during extreme weather events. The extreme weather events in Queensland during the summer of 2010/11 demonstrate the significant impact that the weather can have on infrastructure networks, with substantial damage sustained to the state's telecommunications, energy and transport networks. Strategies need to be developed and implemented to ensure the capacity of these networks are maintained during such events in order to keep communities safe and reduce the negative impacts on the economy.
4. *Make bold, large-scale infrastructure investments based on sound evidence:* In order to meet the infrastructure needs of the growing population and economy, it will be essential to make bold, large-scale infrastructure investment decisions that deliver what is needed to drive productivity and growth moving forward. However it is essential that Government undertakes processes to ensure they have a clear and accurate understanding of what infrastructure priorities are required by businesses and the community. One example of where action in this area is required is the state's electricity network. A recent report released by the Australian Energy Operator found that with medium economic growth, Queensland will be the first State to experience a shortfall in electricity supply. To avoid this shortfall, Queensland will require significant and large-scale infrastructure investment over the next 5-10 years to avoid the substantial bottlenecks that an energy shortfall would provide on businesses, communities and the economy.
5. *Strengthen partnerships:* The QIP highlights that some large infrastructure projects may be beyond the capacity of the state to fund. Subsequently, CCIQ is strongly supportive of reviewing the current approach to infrastructure funding and provision in Queensland. This review should include how to use government resources more efficiently and identify alternative funding mechanisms. CCIQ is also strongly supportive of placing increased attention on how to encourage and increase private sector participation in the delivery, management and operation of Queensland's infrastructure networks. Queensland businesses have identified a number of impediments that currently discourage their participation in Public-Private-Partnerships (PPPs) including the lack of information available on the

potential opportunities that exist, complicated application processes, excessive amounts of red tape and initial capital outlay requirements. The State Government should determine the most appropriate ways to engage the private sector in infrastructure projects throughout all Queensland regions, which must include a focus on removing all impediments and red tape to private sector participation and undertaking activities that actively encourages their involvement. One positive 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. However, there have also been many unsuccessful PPPs, including the Clem Jones tunnel. Lessons should be learnt from projects such as these.

In addition to the above underlying principles, CCIQ also supports a focus on:

- Reducing the cost associated with using Queensland's infrastructure including transport, telecommunications, electricity and water infrastructure networks;
- Implementing strategies to reduce the heavy reliance on the road network by enhancing the feasibility of using other modes of transport for both social and economic activities;
- Building stronger regions to encourage more people and businesses to invest and live in regional areas;
- Achieving bi-partisan support for the QIP to ensure infrastructure developments and announcements of priorities moving forward are not driven by election processes, delivering better value for the taxpayer and allowing true long planning processes to take place.

In order to provide more detailed feedback into the QIP, CCIQ has completed two Blueprints that aim to provide direction on infrastructure development, establishment and maintenance in Queensland. The first Blueprint focuses on one of the most important infrastructure networks to Queensland business – the transport network. CCIQ's transport blueprint addresses a number of key issues facing this network including government planning and priority setting; funding mechanisms and private sector involvement; capacity constraints; system connectivity and integration; the competitiveness of the network; and the development of stronger Queensland regions. The second Blueprint focuses on the energy network in Queensland including the security of supply and infrastructure planning and the ownership of energy assets. Both of these Blueprints are attached as part of CCIQ's submission to the QIP.

CCIQ trusts that the comments provided in this submission and the attached Blueprints will prove useful in finalising the QIP. If you have any questions regarding this submission please contact me on (07) 3842 2279 or email nbehrens@cciq.com.au.

Yours Sincerely



Nick Behrens
General Manager, Policy
Chamber of Commerce and Industry Queensland

Attachments:

1. Improving Queensland's transport networks to enhance productivity and drive economic growth: Chamber of Commerce and Industry Queensland Transport Blueprint
2. An efficient, productive and sustainable electricity supply for Queensland: CCIQ's Blueprint for design, planning and management of Queensland's energy sector and electricity market