ROAD FREIGHT INDUSTRY LOOKING AHEAD:

Source: Jamie-Lee's Outback Photography

Driving Jobs and Economic Confidence in Queensland

Queensland Trucking Association Ltd

2020 State Election Blueprint

QTA
QUEENSLAND TRUCKING ASSOCIATION

Trusted to Deliver. Driven by Service.

Executive Summary

Road freight connects people and businesses to goods that support their livelihoods. As it does in times of natural disasters and COVID-19, Queensland's road freight sector is the dependable and much relied upon provider to all parts of the State. In these difficult times it has become imperative that the Queensland Trucking Association Ltd (QTA) proactively shape the next Queensland Government's priorities to improve road freight efficiency.

The road freight industry enables communities to function by providing consumers and businesses choice as it performs an efficient, yet often understated and invisible role to ensure fresh food is transported from farm to market to supermarket shelves, raw materials are transported from mines, and products are on site when required for manufacturing and construction purposes. ***We must confront the fact that it costs substantially more to move a tonne of freight from Millmerran to the Port of Brisbane than to move that same tonne from the Port of Brisbane to Shanghai. The reality is that for much of this new century productivity growth has been weak.***

The farming and agricultural industry is reliant on road freight to move produce from Queensland farms intrastate, interstate and to export to fulfil supply and demand. The road freight industry is vital for the operation and survival of the vast geographical footprint of communities and businesses across Queensland. The reliance on Queensland's road freight industry has never been more profound due to the extensive and ongoing impacts of the COVID-19 economic crisis with disrupted global supply chains, simmering trade tensions and weaker demand. The opportunity needs to be taken to reduce ***road freight costs for the benefit of our economy and international competitiveness. Investment reform is urgently needed to boost the supply side of the economy to improve productivity and raise living standards.***

Access for safer high productivity vehicles on key freight routes in Queensland is significantly limited particularly by bridge infrastructure requiring upgrades. These freight routes must be unlocked to increase the connectivity of key horticulture producing areas to export markets and ports in Queensland as a prominent example.

The State election to be held 31 October 2020 will determine the course of our economy and business conditions for road freight businesses across the next four years in Queensland. An energetic, innovative and competitive road freight industry is crucial to the prosperity and growth of our State – it stimulates employment opportunities and drives economic growth. The industry requires the confidence to invest in high productivity combinations. These combinations have proven safety and productivity benefits and will significantly reduce the number of ***truck journeys required to complete the task*** more efficiently, and the benefits are far reaching. From safety outcomes with reduced exposure, the confidence to invest in fleet renewals, and stimulation of the heavy vehicle manufacturing sector. These outcomes will strengthen the viability of Queensland business.

A share of the infrastructure investment needs to be allocated to roads and bridges that will connect high productivity freight routes and unlock access for safer, more efficient, vehicle combinations for Queensland exports to remain competitive. Certainty of utilisation is an essential ingredient to create business confidence to invest in safer multi-million-dollar high productivity freight vehicles.

These issues impacting the road freight industry need to be at the forefront of the policy ideas debate. The QTA has prepared this election blueprint recommending key economic investment priorities to inform all political parties and ***decision makers to make bold decisions*** to improve the resilience and growth potential of Queensland's economy. It is essential to adopt a plan and timetable for these infrastructure investments. We need to be competitive on every metric to keep pace on the global map and keep our freight efficiency comparable. Our leading manufacturing and production industries depend on it.

This blueprint articulates a clear vision for the future of Queensland. It discusses the considerable social license of road freight operators who ensure that essential everyday goods are available for households and businesses throughout all regions of Queensland. The QTA acknowledges the sizeable investments made in the Queensland road system, however, we strongly urge the Queensland Government to direct more economic stimulus monies to essential key road assets to unlock and connect key freight routes to safer higher productivity vehicles. ***Cultivating business confidence through investment will send a strong signal that Queensland is 'open for business'.***

Gary Mahon
Chief Executive Officer
Queensland Trucking Association Ltd

July 2020

Recommendations

QTA Ltd has recommended the following six key actions to guide the next Queensland Government towards immediately implementing investment to improve the resilience of the Queensland economy and grow employment.

These actions are:

Action 1
Commit to a purposeful high productivity freight network through urgent bridge investment on key freight corridors to unlock capacity and open up Queensland to be the State of productivity.

Action 2
Further invest in the Toowoomba to Port of Brisbane freight corridor to maximise utilisation of the Toowoomba Bypass, unlock potential capacity and improve supply chain efficiency.

Action 3
Invest in transformative road and bridge upgrades to activate northern Australia via an alternative Queensland Inland Highway to encourage establishment of value-adding processing facilities and logistics hubs.

Action 4
Investigate the feasibility of a mode neutral corridor to the Port of Brisbane with a Truck-Way to complement the rail link

Action 5
Incentivise the use of toll roads with calibrated heavy vehicle classes to enable the extension of off-peak toll prices and multiple-use discounts.

Action 6
Fund several strategically positioned heavy vehicle wash down facilities across the State.

The Queensland road freight industry urges the next Queensland Government to give critical consideration to these key actions to ensure that businesses and communities in our proud State can continue to survive and thrive into the future.

Contents

1.0 Introduction

Road freight is an enabler. It facilitates reach to domestic and international markets, consumers to purchase goods, farms to sell their produce, and construction materials to build new developments. This is critical to supporting jobs and economic growth.

The State election to be held 31 October 2020 will determine the course of our economy and business conditions for the following four years in Queensland. A vibrant and competitive economy is crucial to the prosperity and growth of our State however, this is underpinned by the urgent and necessary need for improvements in road freight efficiencies.

2.0 The Queensland Trucking Association

The Queensland Trucking Association (QTA) is the peak industry association for road freight operators in Queensland including owner drivers through to major transport and logistics companies.

Representing the road freight industry since 1907, the QTA is the trusted industry association to advocate strongly on industry issues by engaging constructively with industry stakeholders and government to influence positive change in policy, regulation and law reform to support the operation of a profitable, efficient and safe industry.

Queensland road freight operators trust the Association to provide them with knowledge, insights and unbiased opinion on Government and Opposition policies relating to road freight operations and the economy as part of the forthcoming State Election.

3.0 The Importance of Queensland's Road Freight Industry

Queensland's road freight industry underpins major pillars of the economy and is a key driver of the economy in this growing state. It is the industry that provides consumers choice by ensuring supermarket shelves are stocked, online shopping is delivered, hospital patients have essential medical supplies, construction materials are on site, agricultural produce from Queensland farms can be enjoyed locally and abroad, and advanced manufactured goods are delivered to markets.

As Queensland's economy grows, so does our reliance on the road freight system to transport larger volumes of freight across the state, more often. Key statistics about Queensland's road freight industry include:

- In 2017-18,
  - around 17,592,000,000 kilometres were travelled by Queensland's road freight industry.
  - an estimated 518,000,000 tonnes were moved by Queensland's road freight industry
- Today,
  - 10,211 road freight operators are currently operating in Queensland.
  - 62,050 Queenslanders are employed within the road freight industry, providing a livelihood of nearly $3.1 billion in wages.
  - around 283 kg of freight is moved by our road freight industry for each Queenslander each day.

Road freight is critical to the Queensland economy serving as the backbone of supply chains. The road freight industry's importance will only increase as the domestic freight task is forecast to grow by 26 per cent by 2026, a percentage increase above both population and economic growth.

4.0 Difficult Trading Environment

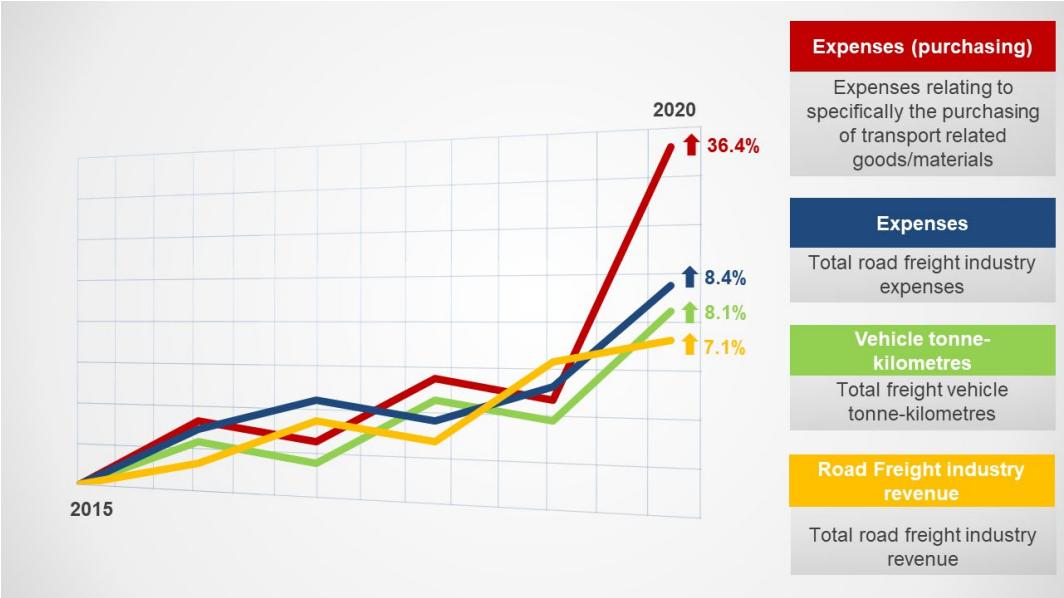
The impact of the COVID-19 has been substantial but even prior to this global crisis, the road freight industry was operating amid a challenging economic environment. The unprecedented bushfires in late 2019 and early 2020, as well as persistent flood and drought conditions, have significantly affected the revenue of many Queensland road freight operators and will continue to affect them into the future.

4.1 Pre COVID-19 Trading Environment

The Queensland road freight industry is characterised predominantly by small to medium businesses and operates with tight margins. Over the past 5 years, the total freight vehicle tonne kilometres have increased by 8.1 per cent however total road freight industry revenue has only increased by 7.1 per cent over this period.

At the same time, total road freight industry expenses have increased by 8.4 per cent over this period and expenses relating specifically to the purchasing of transport operator goods and materials have increased by 36.4 per cent. When adjusting for changes in total tonne kilometres, total road freight industry revenue has fallen by 0.9 per cent; total road freight industry operating profits before taxes have fallen by 8.5 per cent.

In summary, over the last 5 years for every $1 increase in revenue there has been on average for each operator a $1.81 increase in expenses. Furthermore, 14 per cent of the industry are now anticipated to be operating at a loss. This demonstrates the road freight industry is being asked to do *more for less*, while costs increase and business profitability, and in turn viability, is eroded.



4.2 Impact of the COVID-19 Crisis on the Queensland Road Transport Industry

Queensland road freight operators are rolling out extensive hygiene measures following the Queensland Health guidelines. The QTA responded swiftly by creating bespoke industry resources, including a COVID-19 Hygiene Awareness Course for drivers and Safety Hygiene Guideline sheets. The impacts of COVID-19 have been both positive and negative for the road freight industry and this has been dictated by the market segments that have been adversely or positively affected.

The industry is characterised at present with two distinctively impacted segments, the global freight sector and grocery and fuel related supply chain. The global freight sector has been hit hard by the impacts of the coronavirus on domestic and international supply chains, with imports and exports experiencing declines in volumes. However, grocery and fuel related supply chains experienced greater volumes during the height of the pandemic in Australia.

The overall impact of COVID-19 on the Queensland and Australian economies is still largely unknown and only beginning to take effect. It is abundantly necessary for the Queensland Government to implement larger scale investments to prevent a slow-down and ensure economic revival strengthens in good time.

5.0 The Importance of the 31 October 2020 State Election

The lead-up to the State Election presents an opportunity for politicians and a future Queensland Government to commit to initiatives that benefit the Queensland supply chain and in turn the economy, livelihoods and everyday life.

The recommendations following in this section of the election blueprint form the key drivers for priorities that need to be actioned to improve the financial viability of road freight business in Queensland and lead to a surge in economic confidence.

These are:

1. An extensive road/bridge investment program to provide a principal high productivity freight network;
2. Further investment in the Toowoomba to Port of Brisbane freight corridor to unlock its potential capacity, increase productivity and improve safety outcomes;
3. A commercially viable Inland Queensland Freight route to complement the Bruce Highway;
4. A feasibility study into a dedicated Port of Brisbane Truck-Way;
5. A reduction in Queensland's toll prices to incentivise the use of efficient freight routes; and
6. Investment in Queensland heavy vehicle wash down facilities.

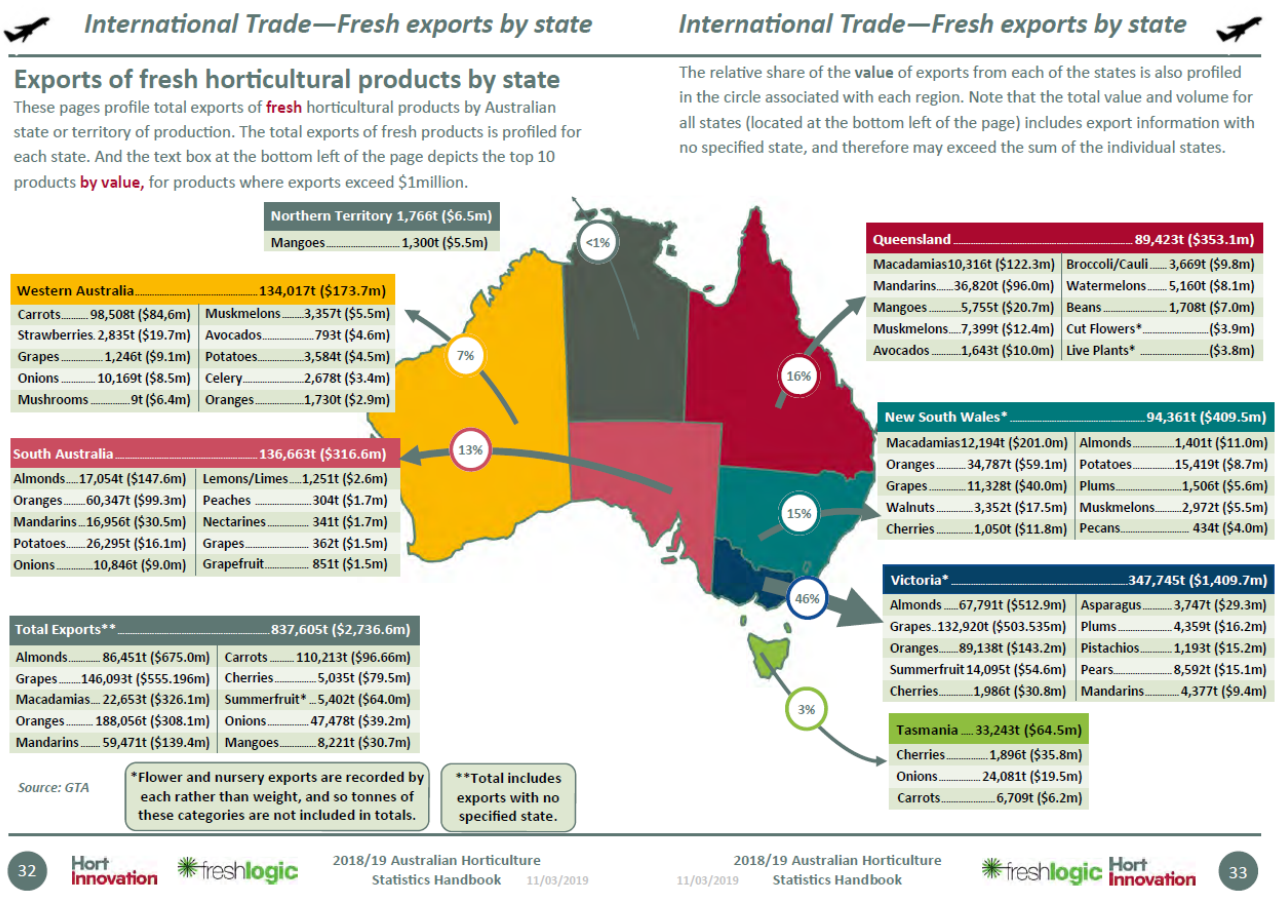
Action 1: Commit to a purposeful high productivity freight network through urgent bridge investment on key freight corridors to unlock capacity and open up Queensland to be the State of productivity.

6.0 Investing in Queensland's Road Infrastructure

Road and bridge infrastructure perform a crucial role in enabling the freight delivery task. It is important that the state's infrastructure networks are up to the task. Many of the State's public roads, in particular, key bridges are ageing and need priority investment that will directly impact the efficiency of the road freight industry on a daily basis. Queensland's publicly owned road network is a strategic asset, vital to our security, communities and livelihoods. The road freight industry requires efficient, safe and operational freight corridors, and bridges are the fuses that connect the road system. They are the crucial infrastructure as each transport route can only be as productive as the declared minimal rated bridge on that route.

QTA urges the Queensland Government to direct more economic stimulus monies to essential road investment most notably, key enabling assets such as bridges. This will unlock principal freight routes and open up capacity for higher productivity vehicles to access markets for export and, strengthen the viability of Queensland business.

Case Study: Horticulture Exports



Overall QLD Facts

- QLD is the largest producer of citrus. Areas such as Central Burnett (approx. 83% QLD total production), Emerald, Bundaberg and the Atherton Tablelands (largest lime production in Australia) have a combined planting totalling approx. 5342ha
- 94% of Australia's banana production comes from North Queensland, primarily the Cassowary Coast (Tully, Innisfail and Kennedy), the Atherton Tablelands and Lakeland regions
- 47% of Australian Mango production comes from Bundaberg, Bowen and the Atherton Tablelands
- 85% of all Pawpaw are grown in Queensland , primarily the Atherton Tablelands and Tully region
- 99% of Australia's pineapple market comes from Queensland, primarily the Atherton Tablelands, Townsville, Yeppoon, Wide Bay and South East Queensland

- 54% of Australia's macadamias come from Queensland, primary Bundaberg
- 53% of the $124m total Australian production of beans predominantly comes in from Innisfail and Bundaberg
- **Most of these production regions are only B-Double routes**

Central Burnett Region

- 83.5% of Queensland's total citrus production, and significant production in avocadoes and other fruit and vegetables

Atherton Tablelands/Lakeland Downs Regions

- Largest lime producing region
- Area is expected to have substantial growth with new and young orchards planted
- Major production area for mangoes, avocados and bananas
- 94% of Australia's banana production comes from North Queensland. Cassowary Coast (Tully, Innisfail and Kennedy), the Atherton Tablelands and Lakeland regions (All b-double route)
- The banana industry in North Queensland produces approx. $689m fresh supply value (based on 2018-19) and employs around 12,000 people all year round (based on 2017-18 figures)

Efficient and productive supply chains underpin economic growth and are critical to servicing the needs of Queenslanders and reaching global markets. The next Queensland Government will need to significantly improve the Queensland road freight network productivity within a constrained funding environment and target investment where it will have the greatest impact. Investing in bridges is one critical area. Bridges are crucial infrastructure as each freight route is effectively only as good as the minimal rated bridge on that journey **(forcing significantly more truck trips)**.

For our economy, the practical impact of not investing in bridges on time represents:

- higher costs of doing business;
- higher cost of living;
- decreased efficiency and productivity;
- reduced access to existing markets;
- an inability to expand into new and emerging markets;
- vulnerability to seasonal weather events;
- delayed business expansion activities; and
- the reduction in the liveability of a region and, in turn, its workforce.

The road network built over the last century, is limited by bridge capacities governed by age, the design standard prevailing at the time of design, strength of materials used, quality of construction, aggressive environments, loading spectrum and standard of maintenance. The gross replacement value of state-controlled bridges and major culverts has been estimated by the Department of Transport and Main Roads to exceed $11 billion. As a result, replacement at the current rate of the weaker components will take many decades.

Currently major export markets in the South Burnett, Central Highlands, Atherton Tableland, Gladstone and Mackay Port cannot be accessed with the safest higher productivity vehicle combinations due to bridges requiring upgrades. These key freight routes cannot currently be accessed by high productivity vehicles which are safer and reduce truck traffic in the order of 25% for the same freight task.

QTA urges the Queensland Government to direct more economic stimulus monies to essential road investment, in particular, the bridge investment program, to unlock key principal freight routes and open up capacity for higher productivity vehicles to access markets for exports.

7.0 Regulatory and Funding Framework

Economic and productivity benefits of moving freight in some sectors necessitate the movement of large indivisible loads that exceed legal load or dimension limits. The ability to move these loads inhibited by road and bridge capacities greatly impact the profitability of a road freight business. The Department of Transport and Main Roads (TMR) is responsible for the management of approximately 2,900 bridges and 4,000 major culverts that must be considered when assessing the movement of heavy loads.

TMR manages its bridge assets in an environment where the movement of freight in an efficient and productive way is necessitated by an increase in the axle loads and the gross weight of the heavy vehicles that require access to the road and bridge network. As such, prescriptive controls are required to protect assets operating at the lower end of the performance spectrum. Accordingly, the maximum permissible load on a particular road link will generally be determined by the capacity of the weakest structures.

The various bridge design classes and their respective frequencies of occurrence are currently acting as both a regulatory barrier but also, and more importantly, a constraint on capacity, therefore efficiency. The capacities of specific bridges must support access for higher productivity vehicles **to unlock capacity on key freight corridors**.

TMR continues to replace and upgrade ageing and deficient structures on the Queensland-controlled road network as part of the Queensland Transport and Roads Investment Program (QTRIP) capital program (with their respective priorities) subject to both state and federal funding opportunities.

The State Infrastructure Plan (SIP) provides a framework for planning and prioritising infrastructure investment and delivery to support growth, employment and economic development. The SIP Part A: Strategy 2016 sets priorities and promotes a coordinated and integrated approach to the development of infrastructure in Queensland. The SIP Part B: Program – 2019 update details the infrastructure investment strategy and delivery program for the next four years.

The QTA's analysis of the State Infrastructure Plan and the Australian Government's Bridges Renewal Program Round Four illustrates that some of these bridge treatments are along existing freight routes **BUT WILL NOT UNLOCK CAPACITY AND OPEN UP HIGH PRODUCTIVITY VEHICLE ROUTES.**

QTA has assessed key links and the following bridges are **eleven (11) bridge priorities** that warrant replacement/upgrades in the next five years among **at least 12 other bridges** not on the forward program. While some of these bridges have received a mention in releases **they are not confirmed as sufficient investment to open these corridors for safer higher productivity vehicles.**

Top Eleven Bridge Priorities:

1. Rifle Creek Bridge (location north of Mareeba)	- Single lane and load limited - Last TMR monitor/study was undertaken when the cane season was not on and the road to the cape was closed.
2. Spear Creek Bridge (location north of Mareeba)	- two lanes but not wide enough for two trucks to pass - Load limited
3. McLeod River Bridge (location north of Mareeba)	- two lanes but not wide enough for two trucks to pass - Load limited - Prone to flooding – cuts off access to Cooktown/Cape - No three-trailer access
*Rifle, Spear and McLeod River bridges are the broken fuse in the network and the reason given to not allow three trailers from Mareeba to Lakeland. These investments would open access to Cape York and the **Lakeland Agricultural region.***	
4. Bungil Creek Bridge Roma (W. M. Ewan Bridge)	- Limited for high productivity combinations
If work is completed to replace or remediate this bridge then High Productivity Combinations may again be able to link through to Toowoomba. (Previously allowed on the Warrego Highway)	
5. Gilbert River Bridge (location between Georgetown and Croydon – Gulf Development Road)	- Single lane - Weight restricted (unable to run HML)
6. Norman River Bridge (location: between Croydon and Normanton)	- Narrow and weight limited (unable to run HML)
7. Georgetown Bridge – Etheridge River Bridge	- Narrow and weight limited (unable to run HML)
If work is completed on the above bridges including Routh Creek and Little River, then Higher Mass Limits (HML) could be considered for this stretch of road, extending on from Mt Garnet to the South West.	

8. Splinter Creek crossings (location: on the Monto-Mt Perry Road and Monto-Kalpowar Road)	- Trucks are now required to travel to Biloela and across to Gladstone instead of direct access to the coast - This bridge is a timber structure and has been weight limited to exclude trucks
9. Bremer River	- *See 7.1 Port of Brisbane Corridor (Bremer River Bridge)*
10. Bee Creek Peak Downs Hwy	- Weight limited - Main passageway into Mackay/Bowen basin and there is no alternative around this bridge. Critical large machinery for mine deliveries that cannot be reduced to smaller articles
11. Grosvenor Creek & Cherwell Creek *(Note: Bridge and Culvert)*	- Council state the bridge is out of warranty, therefore every time heavy loads over the 200t gross are required a bridge assessment is applied at the client's/industry's cost with concomitant delays and inefficiencies.

The road freight industry use this corridor (bridges 10 & 11) consistently with Over Sized equipment from Komatsu, Liebherr & Caterpillar as frequent customers. This captures the large capacity machinery loads of 200-tonne plus and are used across all mines in the Central Highlands. These journeys are necessary for replacements or additions and necessary maintenance schedules must be undertaken in Mackay. The utilisation of these bridges is essential to support the vital resources sector into the future.

Source: Freeze The Moment Photography

Documents of Interest – some of the above bridges are mentioned in these documents mainly patch work, and not in any strategic / whole of freight corridor approach to unlock capacity.

- QLD Transport and Roads Investment Program 2018-19 to 2021-22
- QLD Transport and Roads Investment Program 2019-20 to 2022-23
- http://www.advancecairns.com/files/media/original/1f8/369/4ae/f-t-report.pdf - interesting information - Hann Highway funding was released in March 2020
- https://investment.infrastructure.gov.au/projects/ProjectDetails.aspx?Project_id=101138-18QLD-RSI

Action 2: Further invest in the Toowoomba to Port of Brisbane freight corridor to maximise utilisation of the Toowoomba Bypass, unlock potential capacity and improve supply chain efficiency.

7.1 The Port of Brisbane Corridor (Bremer River Bridge)

The upgrade of the Toowoomba Second Range Crossing (Toowoomba Bypass) as a key freight corridor between Toowoomba and Port of Brisbane has unlocked a large part of the enormous economic potential of both the South East and South West of Queensland that will deliver regional prosperity and support jobs.

The Port of Brisbane Pty Ltd (PBPL) is the third largest, and one of the fastest growing container Ports in Australia, handling product worth around $50 billion each year. This represents approximately 15 per cent of Queensland's Gross State Product (GSP) and approximately 50 percent of Queensland's international trade by value.

Further to this, PBPL handles over 95 percent of Queensland's import and export containers and 50 percent of Queensland's agricultural exports and most of Queensland's meat exports.

In 2018-19 the PBPL imported and exported 1,342,075 TEUs (twenty-foot equivalent shipping containers) representing an average annual growth rate over the past decade of 4.1 per cent. A good percentage of this growth has been created by a shift to containerising key dry bulk commodity exports, particularly in agriculture.

This freight task will continue to grow into the future, from 1.35 million TEUs in 2018-19 to over 5 million TEUs by 2050, requiring almost 13 million truck movements annually. Most importantly 97.5 per cent of containerised import and export freight movements are currently moved by trucks on the road network to the port.

The A-Double combination at 30 metres in length is the optimal combination carrying two 40-foot containers (four TEUs on one vehicle combination). These safer innovative vehicle combinations and two-trailer livestock combinations cannot currently be fully utilised on this corridor forcing significantly more truck trips.

Even with limited allowable design and weights of A-Doubles on this corridor, a few facts about A-Doubles at the Port are of interest:

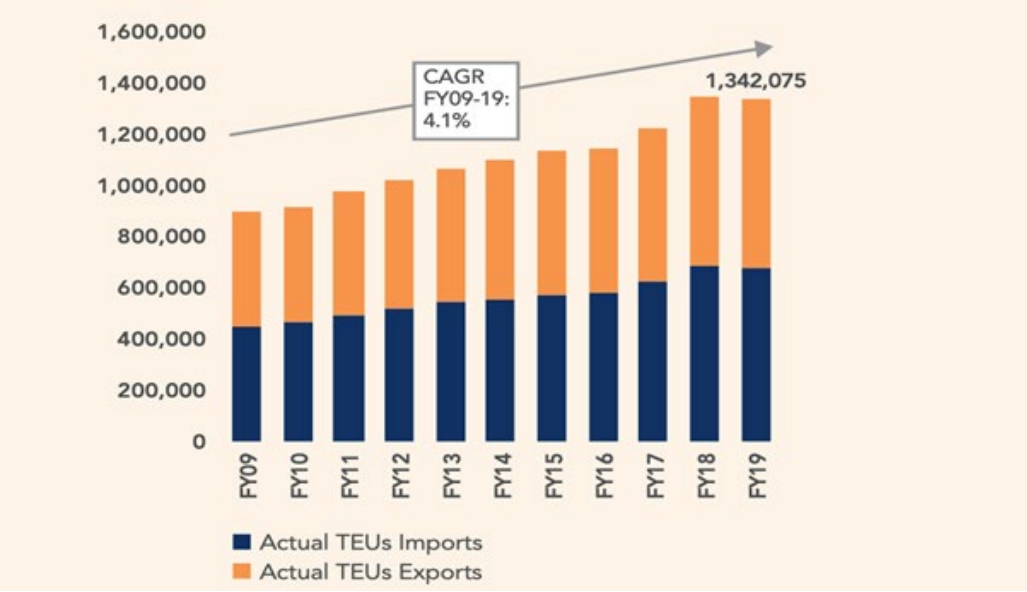
- A-Doubles to and from the Port have increased from 131 per day in 2012/13 to 588 per day in 2017/18 (a greater than 4 x increase). **Over the same period, container numbers increased by 27%, but truck numbers increased by only 16%. A major reason for this is the 4 TEU A-Double.** These percentage improvements can be readily increased and replicated around the state.
- Over the same period, A-Double utilisation increased from 2.12 TEUs/truck to 2.82 TEUs/truck, a 33% increase. This has led to an overall increase in truck utilisation from 1.23 TEUs/truck in 2014 to 1.4 in 2019. A 14% increase.
- A-Doubles in 2019 represented 11% of container trucks. B-Doubles represented 7%

Much of this freight movement is directly facilitated by the key freight corridor between Toowoomba and Port of Brisbane and at 5,700 heavy vehicles per day, is the second-highest trafficked rural national highway outside South East Queensland after the Bruce Highway. This section is also 140km of dual lane carriageway without a traffic light.

More specifically, the corridor supports a range of intrastate, interstate and local economic functions, including:

- connecting primary producers and industries in southern Queensland and central New South Wales to the Port of Brisbane and Dinmore abattoir;
- serving as the east-west spine of southern Queensland's road network, providing connections to key north-south interstate routes to Sydney, Melbourne and Darwin, and intrastate routes to Rockhampton and Townsville;
- serving as the principal freight route to the emerging Surat Basin energy resource province;
- connecting produce growers of the Lockyer Valley to domestic markets in Queensland, New South Wales and Victoria;

Figure 1: Port of Brisbane Total Containers (TUEs)



Source: Port of Brisbane https://www.portbris.com.au/getmedia/168d7cc3-9d70-4214-8aee-d8265d8e1b38/2018-19-Port-of-Brisbane-Sustainability-Report.pdf

- providing improved access for industry and the community to domestic and international airport facilities in Brisbane and Wellcamp;
- serving as a strategic interstate tourist route, it represents one of the key linkages for drive-based tourism to Queensland's outback regions, which are important to the economy of many towns on the Warrego Highway and beyond; and
- serving as a strategic military route between southern Queensland and the Northern Territory and as a link between key military installations in Southern Queensland, including Amberley RAAF base, Oakey Army Aviation Centre, Borneo Barracks and the Greenbank Military Area.

The next Queensland Government must acknowledge the vital role this key corridor performs in transporting road freight between and around the southern region as part of the National Land Transport Network and the National Land Freight Network. Accordingly, the next Queensland Government needs to commit to a further upgrade of assets across the corridor to unlock capacity and allow increased access for the use of High Productivity combinations.

Fact: It costs significantly more to take a tonne of freight from Millmerran to the Port of Brisbane than it does to take it from the Port of Brisbane to Shanghai.

The Bremer River Bridge restrictions on the Warrego Highway are a significant contributor to this cost and the Bremer River Bridge will continue to hold the most potentially productive corridor in the state to ransom for as long as it takes to replace it.

The investment in replacing this bridge must be brought forward to unlock this network to meet its productive potential. The industry may not reach competitively priced freight costs comparable to sea freight, but for the future of the economy and the industry, the gap in the cost must significantly be reduced to remain internationally competitive.

It is important that Queensland funds the identified key infrastructure projects to connect freight corridors and meet the expansive and decentralised State needs and energise economic growth. It is essential that the bridge infrastructure investment complements purposeful road investment to unlock capacity and open up high productivity freight corridors. The future needs of the growing economy and population will be reliant on this investment. QTA strongly urges that a plan and timetable for these investments be prioritised to open-up the state for business.

The next State Government needs to further invest in the Toowoomba to Port of Brisbane freight corridor to unlock its potential capacity and improve safety to meet the projection of increased freight volumes. Provide connectivity for safer and more efficient vehicles by developing a principal high productivity freight network to drive economic confidence and open up Queensland for business.

Action 3: Invest in transformative road and bridge upgrades to activate northern Australia via an alternative Queensland Inland Highway to encourage establishment of value-adding processing facilities and logistics hubs.

8.0 Activating an Inland Queensland Freight Route

Queensland's freight task is growing and evolving. The increased rate of freight volumes, coupled with the growth in population, employment and tourism, safety and capacity issues will be exacerbated on the road network, resulting in nationally significant productivity losses.

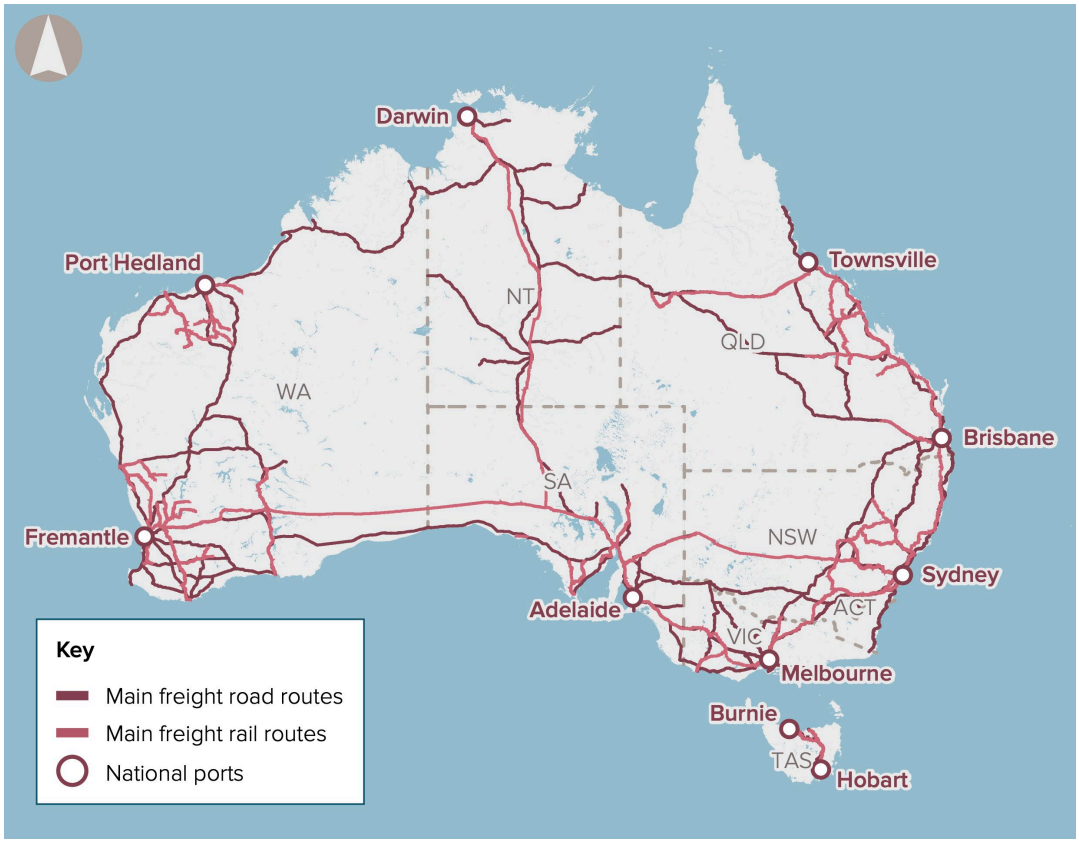
As the Commonwealth Government and Queensland Government seek to increase economic performance of Northern Australia, and also expand the agriculture and resources sectors, there is an urgent need to establish a viable alternative to the Bruce Highway, which is known to be vulnerable to a raft of road safety, flooding, capacity and congestion issues.

8.1 Establishing an Inland Queensland Freight Route

The Queensland Inland Highway (QIH) is an existing road network, comprising a series of highways and developmental roads that connect north-south to provide a viable alternative to the Bruce Highway. The location of these inland routes are also closer to major economic supply chains for agricultural and horticultural production and the resources sector. QIH routes include:

- Castlereagh Highway;
- Carnarvon Highway;
- Dawson Highway;
- Gregory Highway;
- Gregory Developmental Road; and
- Flinders Highway.

Figure 2: Australia's freight routes



Source: Infrastructure Australia

8.2 Advantages of a Queensland Inland Highway

The advantages of a QIH to facilitate projected growth in agriculture, resources and associated supply chains include:

- Inland high productivity vehicle (HPV: defined as any multi-combination vehicle used for the purpose of moving freight) route reduces road safety exposure on the Bruce Highway.
- Current inland HPV routes could form a QIH that offers time improvements of better than 10% over the Bruce Highway from Far North Queensland to Sydney and Melbourne.
- Form a QIH with an efficiency advantage over the Bruce Highway from Far North Queensland to Brisbane, by designating HPV access on the full route. This route would take advantage of the new Toowoomba Bypass and be a ten year goal with clear HPV ambition by government.
- Inland HPV routes can be more resilient to natural disasters, providing viable safe options.
- Inland HPV routes currently experience lower freight volumes and traffic flows than the Bruce Highway, and a transfer of freight to a QIH would reduce network impacts on the Bruce Highway.
- HPV vehicles on the QIH could lead to productivity gains of around 23% for PBS Level 3 and 49% for PBS Level 4.

These advantages would lead to other economic benefits including:

- Enabling forecast growth in the agriculture and resource sector through increased productivity in supply chains that efficiently link production to markets.
- Providing benefits to regional towns along the QIH where road freight operators require support from services industries and amenities including fuel, maintenance support, rest stops, food and, potentially, accommodation.
- Value-adding to regional production and distribution through logistics hub nodal activity for the growth sectors located adjacent to the QIH which would have flow on benefits to regional economies.
- Benefit to destinations such as ports, airports and domestic processing and logistics hubs through connecting to more efficient export supply chains and allow access for HPV's to encourage usage of more productive multi-combination and reducing the more inefficient combinations.

8.3 A Resilient Freight System

Queensland is impacted by the most natural disasters in Australia in respect to duration, frequency, and intensity of events. Queensland has a population that is dispersed across a large geographical footprint and it is vitally important that supply chains are resilient to network interruptions, particularly during catastrophic environmental events.

Queensland's freight contingency planning must consider resilience measures – including a range of specific flood-immunity improvements that can help to strengthen critical freight infrastructure, such as raised embankments, culverts, bridges, vegetation management and flood warning systems. Investing in an alternative Inland Freight Route represents the solution that would mitigate risk and limit the impact of natural disasters on vital freight connections to our regional and remote towns, particularly in the north.

Invest in transformative road and bridge upgrades that would activate northern Australia via an alternative Queensland Inland Highway and encourage establishment of processing and value-adding facilities and logistics hubs along the Queensland Inland Highway.

Action 4: Investigate the feasibility of a mode neutral corridor to the Port of Brisbane with a Truck-Way to complement the rail link.

9.0 Truck-Way to Complement Rail Corridor

By 2045, container trade at the Port of Brisbane (PBPL) is forecast to increase by 300%, representing an increase of 4.8% per year. The 2015 Australian Infrastructure Audit identified that growth at the Port of Brisbane is likely to become constrained by the lack of a dedicated rail freight connection. Population growth in South East Queensland is creating congestion on both the road and rail networks, negatively impacting on the productivity of greater Brisbane and the Queensland economy.

9.1 Establishing a Freight Corridor

The preservation and, ultimately, construction of a dedicated freight rail corridor would allow more freight movements to be removed from the road network, which would help alleviate congestion. However, QTA contends that this corridor (Acacia Ridge/Port Link) also represents an opportunity to establish a complementary dedicated **Truck-Way to the Port**. Currently there are four million truck movements, and this is forecast to increase to 13 million by 2050. Rail is unlikely to be able to fulfil this future demand.

Figure 3: Port of Brisbane Freight Corridor

Source: Infrastructure Australia

9.2 Mode Neutrality

Modal choice is determined by a variety of factors including reliability, price, timeliness, type of good, geographic circumstance and other economic and social factors. A Truck-Way would seek to improve connectivity between the Port of Brisbane and freight terminals in the Brisbane region through preserving and, ultimately, delivering a dedicated corridor. This would aim to supplement and meet the projected increase in freight volumes, while facilitating neutrality, choice, and competition between transport modes.

9.3 Utilisation of Future Technology

A Truck-Way is a controlled environment that offers a unique opportunity to utilise future heavy vehicle technology improvements such as automation, electric powered, hydrogen and other alternatives, specialised prime movers in multi-trailer combinations in a fully controlled and dedicated environment. These options offer a reduced footprint in emissions, substantially quieter operations, and significant flexibility, as well as creating a safer, more efficient, and productive freight route.

The next Queensland Government should investigate the feasibility of a primary (mode neutral) Truck-Way to the Port of Brisbane from the proposed Inland Rail project.

Action 5: Incentivise the use of toll roads with calibrated heavy vehicle classes to enable the extension of off-peak toll prices and multiple-use discounts.

10.0 Reducing the Disincentive of Tolls

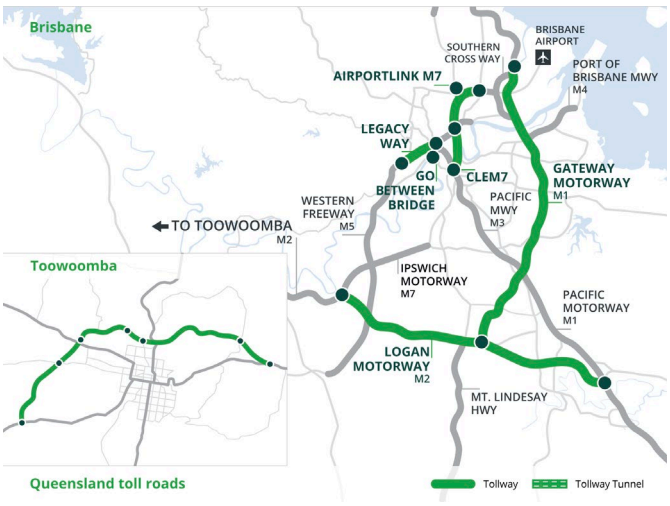
Currently Queensland's toll roads form an integrated network of roads, bridges, and tunnels across SEQ that provides greater connectivity, efficiency, and reliability for our State's road freight task. The Queensland road freight industry is a key user of the south east Queensland (SEQ) toll roads, including the new Toowoomba Bypass.

However, many tolling assets are currently underutilised by the road freight industry due to toll prices that are too high. This is cascading traffic volume to non-toll roads, that in turn are causing congestion and contributing to significant delays to motorists, other transport operators and foregone productivity for our economy. In addition, in some instances the road freight industry is forced to use a toll road due to heavy vehicle restrictions on adjacent state roads.

10.1 SEQ Toll Network Usage

Each day approximately 99,169 heavy vehicle trips are taken on SEQ's toll network with 36.2 million trips in 2018-19. As impressive as this usage sounds, it is potentially only a fraction of what is possible. QTA analysis confirms that multiple assets of Queensland's toll road network are not extensively utilised by road freight operators. This is due to the commercial toll road manager's costs regarding their usage which dictates the toll price making some tolls too high. In short, time savings and heavy vehicle operating cost savings are regarded as insufficient to cover the high toll price.

Figure 4 - SEQ Toll Network



Source: Linkt

Table 3: SEQ Toll Route Usage – Freight Vehicles

Type	Name	State	Length	Total Average Daily Traffic	Total Average Daily Heavy Vehicle Traffic	% Heavy Vehicle Traffic
Harbour / River Cross	Go Between Bridge	QLD	0.3	11,000	1,441	13.1
Tunnels or roads with tunnels	Clem 7	QLD	6.8	29,000	5,481	18.9
	Airport Link	QLD	6.7	63,000	10,962	17.4
	Legacy Way	QLD	5.7	21,000	4,221	20.1
Intra-city links long	Gateway Motorway	QLD	23.1	118,000	26,904	22.8
	Logan Motorway	QLD	38.7	165,000	50,160	30.4
Regional	Toowomba Bypass	QLD	41	na	na	na
TOTAL				407,000	99,169	24.4

Source: QEAS

10.2 SEQ Toll Network Pricing

At present there exists considerable variation in toll prices per kilometre with price per kilometre ranging from $0.14 to $16.17 for light commercial vehicles and $0.38 to $32.33 for heavy commercial vehicles. However, when it comes to using a toll road it is not just the price that influences its usage but the time savings that can be achieved in comparison to using the free road network.

Table 4: SEQ Toll Road Prices

Type	Name	State	Length	$ toll for LCV	$ toll for LCV / km	$ toll for heavy vehicle	$ toll for heavy vehicle / km
Harbour / River Cross	Go Between Bridge	QLD	0.3	$ 4.85	$ 16.17	$ 9.70	$ 32.33
Tunnels or roads with tunnels	Clem 7	QLD	6.8	$ 7.78	$ 1.14	$ 15.57	$ 2.29
	Airport Link	QLD	6.7	$ 8.34	$ 1.24	$ 14.73	$ 2.20
	Legacy Way	QLD	5.7	$ 7.79	$ 1.37	$ 13.76	$ 2.41
Intra-city links long	Gateway Motorway	QLD	23.1	$ 11.02	$ 0.48	$ 19.44	$ 0.84
	Logan Motorway	QLD	38.7	$ 8.40	$ 0.22	$ 14.83	$ 0.38
Regional	Toowomba Bypass	QLD	41	$ 5.70	$ 0.14	$ 22.85	$ 0.56

Source: QEAS

10.3 Time Savings

Analysis confirms time savings range between 2.4 minutes through to 34.8 minutes during morning peak hour and 1.8 minutes through to 25 minutes for non-peak times during the day. Peak afternoon and evening time savings fall in between these.

Table 5: Average Time Savings from using toll road compared to adjacent non-tolled route

	Peak AM	Peak PM	Non Peak PM
Go Between Bridge	2.4	2.8	1.8
Clem 7	9.0	10.0	3.2
Airport Link	5.6	5.0	4.4
Legacy Way	8.0	7.6	4.2
Gateway Motorway	20.6	18.0	13.8
Logan Motorway	12.2	9.2	6.0

Source: QEAS

10.4 Cost Savings to Transport Operators

Gross time benefits to road freight operators do not infer a net operational cost saving once a toll price is factored into consideration.

In summary toll prices significantly influence the decision by a road freight operator to use a toll road. As there is no competitive pressure in the market, it is important for tolling arrangements to be actively considered by the Queensland Governments and other key stakeholders.

The next Queensland Government should enter negotiations with the toll operator to reach agreements to reduce the toll price for some toll roads and establish a commercial proposition for their usage by road freight operators. In addition, the next Queensland Government should encourage the toll operator to consider the establishment and/or extension of peak and off-peak toll prices, multiple use discounts and reconsideration of heavy vehicle classes to better align toll price with vehicle operating costs.

Action 6: Fund several strategically positioned heavy vehicle wash down facilities across the State.

11.0 Investing in Queensland Freight Vehicle Wash-down Facilities

QTA is aware of several Queensland regional councils experiencing difficulties with disposing of effluent from trucks and over recent years, this has posed a growing environmental risk. Truck wash facilities built to the correct standard provide the opportunity for road freight operators to keep their vehicles and trailers clean and presentable, and serve as a vital first line of defence for Queensland's regional biosecurity. An unwashed truck can carry weeds and disease in livestock effluent, which damages stock health and agricultural productivity, and hampers biosecurity efforts.

A series of strategically placed heavy vehicle wash down facilities would provide a solids removal system installed at each truck wash, allowing liquid waste from the washed down trucks to be transferred off site to nearby sewerage treatment facilities. By directing this water into the sewerage system, council will be better able to fully treat, and then recycle back, throughout its network. Accompanying driver amenities should also be built with toilets and showers for use by truck drivers that will strengthen hygiene practices amid the new COVID-19 operational environment and provide much needed amenities for drivers for rest and fatigue purposes.

An Access Economics report by the Australian Government (Department of Agriculture, Water and Environment) estimates direct Full Time Equivalent (FTE) employment per 10 000 tonnes of waste is 9.2 for recycling and 2.8 for landfill disposal. (*Source:* *https://www.environment.gov.au/protection/waste-resource-recovery/publications/employment-waste-management-and-recycling*)

QTA estimates that this strategic investment would create economic benefits for regional centres through local employment and could generate an estimated 50 jobs across the region.

Washdown Facilities

- Toowoomba Wash Down Facility (ideally Charlton) – The closest is in Dalby not Toowoomba.
- Charters Towers facility upgrade to include another lane.
    - This facility is used frequently when washing down for live export Biosecurity requirements ex. Townsville. Some ships have over 20 triple road trains working on them
- There are no wash facilities in the Gulf, with Croydon or Normanton as preferred.
- Roma facility upgrade to include another lane.

Several western towns (Hughenden, Richmond, Julia Creek) have wash-down facilities at the sale yards.

QTA encourages the next Queensland Government to fund up to four strategically positioned freight vehicle wash down and driver shower facilities across the State to improve biosecurity

12.0 Conclusion

QTA's election blueprint identifies six key actions and these recommendations lay the foundations for the state to build a reputation for productivity. QTA is encouraging constructive debate in the forthcoming State Election. This blueprint will shape a better future for road freight efficiency and the Queensland economy.

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