



SEPTEMBER 2018

AgForce Queensland Farmers Submission

Transport Technology Inquiry – Queensland Transport and Public Works Committee

INTRODUCTION

AgForce is the peak rural group representing the majority of beef, sheep & wool and grain producers in Queensland. The broadacre beef, sheep and grains industries in Queensland generated around \$6.8 billion in gross farm-gate value of production in 2015-16. AgForce exists to facilitate the long-term growth, viability, competitiveness and profitability of these industries. Our members provide high-quality food and fibre products to Australian and overseas consumers, manage around 40 per cent of the Queensland agricultural landscape and contribute significantly to the social fabric of rural and remote communities.

Transport makes up to 40 per cent of farmers' production costs, and therefore access to quality and affordable transport options is vitally important for growing the Queensland agricultural industry, as well as the sustainability of the communities that support it. Through this submission AgForce will make comments on the readiness of the transport network for increasing electrification of vehicles in coming years.

AgForce thanks the committee for the opportunity to provide input into this inquiry and for its consideration of the agricultural industries needs within the context of the future transport network.

RECOMMENDATIONS

Recommendation 1: Establishment of a consistent benchmark to assess Queensland road network performance that consider future load and vehicle requirements, rather than just current usage.

Recommendation 2: Investment and support for the Inland Queensland Roads Network Strategy (IQ-RNS), as a means of prioritising investment in key trade routes across inland Queensland.

Recommendation 3: Regional transport projects (maintenance and investment) should include supply chain modelling in the cost-benefit analysis evaluation. This could be achieved through the adoption of CSIRO TRANSit modelling.

FUTURE NETWORK READINESS

A recent report by KPMG indicated that 'Australia [is] not yet prepared for driverless car revolution'¹ mainly due to quality of roads, availability of 4G and very few electric charging stations.

The Australian maintenance deficit for road and rail infrastructure has received ongoing attention by various sources (Infrastructure Australia and Grattan Institute). While investment spending is high by the standards set by the OECD, maintenance spending is low relative to GDP². By deteriorating investment in maintenance, jurisdictions are not only neglecting the effectiveness of that asset for users but also risking additional expenses on remedial work and premature replacement. It is critical that road assets are ready

¹ KPMG. (2018). *Autonomous Vehicles Readiness Index*. [pdf]. Retrieved by <https://assets.kpmg.com/content/dam/kpmg/xx/pdf/2018/01/avri.pdf>

² Grattan Institute. (2016). *Road to riches: better transport investment*. [pdf]. Retrieved from <https://grattan.edu.au/wp-content/uploads/2016/04/869-Roads-to-Riches.pdf>

for the vehicles of the present day, and critically, are maintained to a standard that ensures readiness of the future network. The majority of infrastructure that will be used in the next 50 years has already been built, therefore investment in maintenance activities is paramount. While new infrastructure to suit future needs would be ideal, it is neither cost effective or likely to occur. Given that context, maintaining the current network must form a significant part of any future strategy.

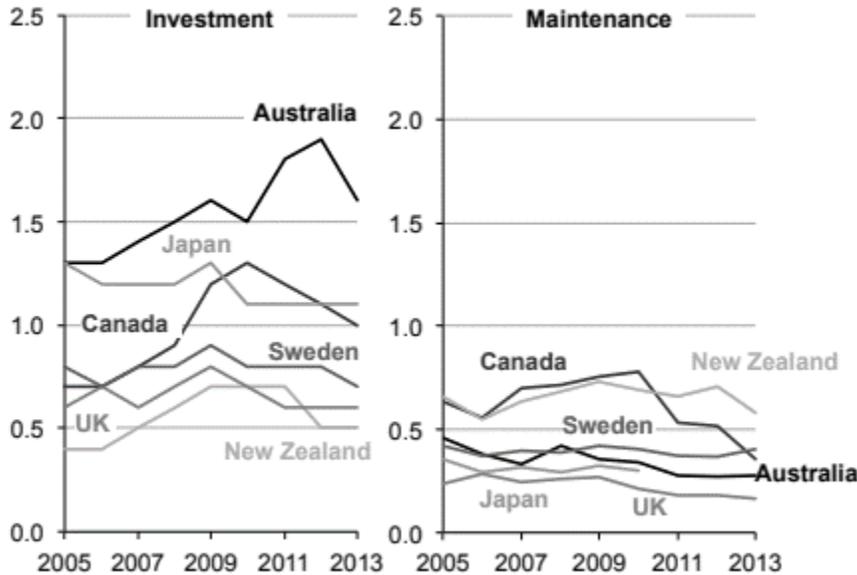


Figure 1 Australia’s spending on investment is relatively high by OECD standards, but maintenance spending is relatively low [Source: Grattan Institute 2016]

The lack of maintenance data along with an established evaluation framework limits a jurisdiction’s ability to effectively prioritise and strategically allocate resources. In conjunction, when a framework for assessment is adopted, it often fails to incorporate a method of assessment that looks beyond the current vehicle access allowances. For example, the recent Priority Bridge Project by the Department of Transport and Main Roads sought to assess the Queensland bridge inventory based on the bridge’s ability to safely handle allowable combinations. In doing so, the report identified bridges that are of significant priority for replacement/improvement along with highlighting those that are fit for purpose. While the scope of the study was to assess the inventory against current access provisions, it failed to consider if the asset could handle higher masses of Freight Efficient Vehicles (FEV) or the next generation of heavy vehicles. This was an opportunity missed as the review could have also been proactive rather than just reactive.

Recommendation 1: Establishment of a consistent benchmark to assess Queensland road network performance that consider future load and vehicle requirements, rather than just current usage.

Queensland’s wealth-producing centers are vastly spread across the state. Historically, traffic volumes and investment have focused on the Bruce Highway as a single coastal link with east-west ‘ribs’ servicing the west³. This approach has resulted in congestion on the network and is victim to disruptions during

³ Inland Queensland Roads Action Project. (2018). *Inland Queensland Road Network Strategy*.

extreme weather events. The current coastal route is not suited nor designed for FEVs, which maximise the productivity of the freight task, but which aren't compatible with high volume, passenger vehicles.

As Queensland seeks to increase its economic competitiveness domestically and globally, it is critical that the trade network is resilient and addresses the efficiency and safety needs both now and into the future. While Queensland supply chains are the cornerstone of the state's economy ⁴ they do not always receive the investment, they need or deserve. The risk of climate events such as sea level rise and increasing intensity of weather events place considerable pressure upon the industries that are moving primary resources. An inland trade route has been identified to increase resilience, necessitated by the current dominance of the natural-disaster-vulnerable Bruce Highway.

Industries in Western Queensland are continuing to flourish yet as they do they place pressure on the transport network. An inland trade route would interlink economic growth strategies for regional Queensland with existing networks and corridors, providing access to interstate markets and global export markets

Significant work has been undertaken by the Inland Queensland Road Action Project (IQRAP), now the Inland Queensland Road Network Strategy (IQRNS), and Queensland Transport and Logistics Council (QTLIC) to identify strategic routes for investment and a proposed pipeline for investment. AgForce is seeking that this committee consider the significance investment into these routes would have in future-proofing the network along with assisting in the growth of the Queensland economy.

<p>Recommendation 2: Investment and support for the Inland Queensland Roads Network Strategy (IQRNS), as a means of prioritising investment in key trade routes across inland Queensland.</p>
--

Efficiencies of the transport network are of significant interest to the agricultural industry due to the strong correlation and effect it has upon the production costs of farming. When considering the readiness of the Queensland transport network and the evolving fleet of vehicles (both heavy and light) it is important to look at the technology advancements that may see the transition to electric vehicles and the transport technology being used at present.

Currently, there are fleets of vehicles being used across the transport industry from large national operators to smaller farming enterprises that are having a positive influence on productivity gains and ultimately contributing to the state's economy. The conventional cost-benefit analysis (CBA) favor economies of scale, which has ultimately led to an underinvestment in less densely populated regions. To address this dilemma, governments of all levels in Australia consider regional equity issues when using CBA methodology. A challenge is the consideration of potential growth forecasts, including opportunities that arise from better access to markets.

⁴ Queensland Transport and Logistics Council. (2015). *A focus on freight on Queensland's Inland Highway*. [pdf]. Retrieved by http://www.qtlc.com.au/wp-content/uploads/2012/07/QTLC_FocusOnFreight_QldInlandHwy_web.pdf

Growth opportunities for agriculture should be included in the CBA by comparing cost of transport (borne by farmers) to projected gains from improved infrastructure which results in adoption of new vehicle types that are more efficient and thus leading to better profit margins. The CSIRO TRANSit model has been developed as a tool to assist decision markers in this process.

AgForce believes, that this model should be incorporated into the decision-making process of all levels of government when assessing the benefit of maintenance and investment to ensure that the activities benefiting the current demand levels while considering future needs.

Recommendation 3: Regional transport projects (maintenance and investment) should include supply chain modelling in the cost-benefit analysis evaluation. This could be achieved through the adoption of CSIRO TRANSit modelling.

Other considerations

Advances in technology, including electric and autonomous vehicles, poses a range of changes for rural Australia which will need to be considered carefully to ensure positive outcomes for all regions, not just cities or traffic corridors. For instance, access to recharge points, repair and mechanical services, GPS accuracy and unmarked/unpaved surfaces all present challenges that will need to be addressed for applicability in rural areas.

CONCLUSION

AgForce thanks the committee for the opportunity to provide input into this inquiry and for its consideration of the agricultural industries needs within the context of the future transport network. It is critical that the regional, rural and remote communities' unique needs and challenges are considered in this inquiry.

For any questions or further discussion on this submission, please contact Amelia Shaw, Policy Officer (shawa@agforceqld.org.au) on 07 3236 3100.