

CUMMINGS ECONOMICS

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ECONOMIC IMPACT & JUSTIFICATION ANALYSIS

CE Ref J3377 | June 2021

ECONOMIC IMPORTANCE TO REGIONAL ECONOMY

PRIME REGIONAL CONNECTOR

- CAIRNS – MAIN REGIONAL PORT, AIRPORT, RAILHEAD, ROADHEAD
- MANUFACTURING, DISTRIBUTION, SERVICE HUB

WITH

- MAREEBA, TABLELANDS, PENINSULA & GULF –
 - POPULATION ~ 78,000
 - GRP ~ \$4.5 BN PER ANNUM

ECONOMIC IMPORTANCE IN THE STATE

BIGGEST NON-COASTAL HINTERLAND POPULATION

- CAIRNS..... 78,000
- TOWNSVILLE.....37,000
- MACKAY..... 46,000
- ROCKHAMPTON..... 56,000

ECONOMIC IMPORTANCE TO REGIONAL ECONOMY

CAIRNS SITUATED ON LIMITED COASTAL PLAIN WITH ENVIRONMENTAL CONSTRAINTS

- IMPORTANT TO DECENTRALISE SOME FUNCTIONS TO TABLELANDS
(ALREADY
 - LOTUS GLEN
 - AVIATION MAINTENANCE & TRAINING
 - MAIN DAFF OFFICE
- IMPORTANT SPREAD RESIDENTIAL POPULATION TO TABLELANDS

EFFICIENT TRANSPORT LINK VITAL

CURRENT RANGE ROAD INEFFICIENCIES

- **REDUCED TRAVEL SPEEDS (WORSENING)**
- **ACCIDENTS AND HOLDUPS (INCREASING)**
- **CANNOT TAKE STANDARD NATIONAL FREIGHT EFFICIENT TRANSPORT VEHICLES B-DOUBLES**

Note – No alternative rail freight link (cf Townsville, Rockhampton)

ECONOMIC IMPORTANCE IN THE STATE

BUSIEST INLAND CONNECTOR ROAD

TNQ	AADT
KURANDA	8800
REX	1000
GILLIES	2250
PALMERSTON	1400
TOWNSVILLE FLINDERS	2470
HARVEYS RANGE	200
MACKAY – NEBO	4030
ROCKHAMPTON - EMERALD	3420
ROCKHAMPTON – MT MORGAN	2490

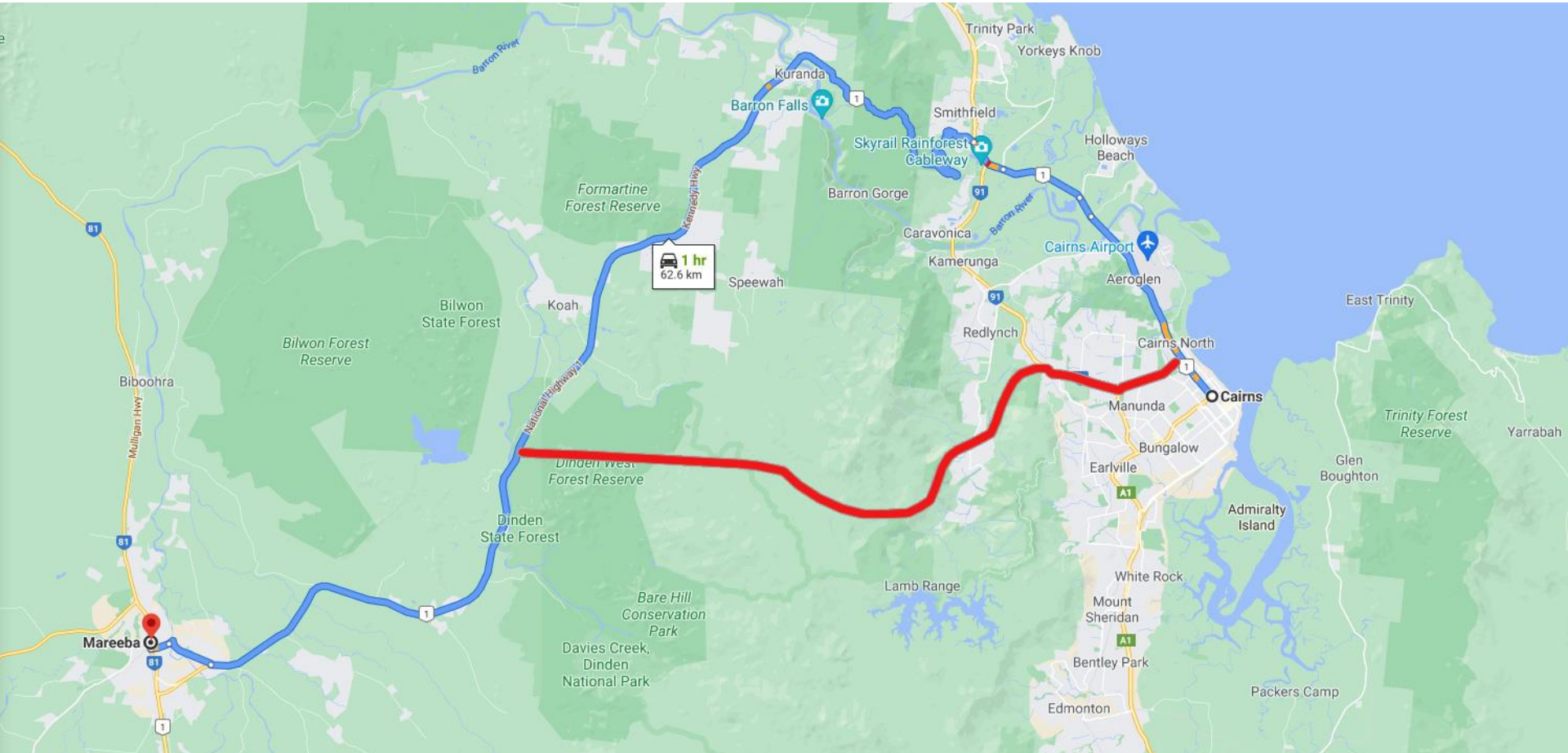
COST BENEFIT ANALYSIS

- **EFFICIENCY ANALYSIS**
(Benefits to Users/ Providers)
- **ECONOMIC IMPACT**
(Aggregate Impacts on Economy)
- **OTHER IMPACTS**
(e.g. Social, Environmental)

COST BENEFIT ANALYSIS

- **BASE CASE – EXISTING ROAD**
- **PROJECT CASE – PROPOSED NEW LINK**
- **PROJECT PERIOD – ROADS USUAL 30 YEARS**
- **FUTURE BENEFITS DISCOUNTED TO GIVE PRESENT VALUE (PV)**
- **BENEFIT COST RATIO**
- **NET PRESENT VALUE (NPV)**

DISTANCE SAVINGS



PRELIMINARY ANALYSIS

CURRENT TRAFFIC – OF 8,800 OVER RANGE, PROBABLY ABOUT 5,500 THROUGH-TRAFFIC

**ESTIMATED - CUTS OFF ABOUT 20 MINUTES IN TRAVEL TIME
CAIRNS MAREEBA**

ALSO DIVERT SOME TRAFFIC

- **CAIRNS – ATHERTON & BEYOND VIA GILLIES**
- **CAIRNS PENINSULA VIA REX RANGE ROAD**
- **B-DOUBLES TO TABLELANDS VIA PALMERSTON HWY**

INITIAL TRAFFIC PROBABLY ABOUT 6,000

GROWTH RATE – SAY 2% PER ANNUM

VALUE OF TRAVEL TIME SAVINGS

- ESTIMATE – 20 MINUTES
- PRESENT VALUE AT STANDARD PARAMETERS
4% PER ANNUM DISCOUNT RATE
- PRESENT VALUE OF SAVINGS -
~ \$700M

VEHICLE OPERATING COST SAVINGS

- AT STANDARD PARAMETERS,
ESTIMATE AT 4% DISCOUNT RATE,
PRESENT VALUE OF SAVINGS -
~ \$500M

SAFETY SAVINGS

NOT TRIED TO CALCULATE

CONCLUSION

- **ROUGH PRELIMINARY CALCULATIONS ONLY**
 - **INDICATES VERY LARGE SAVINGS OF MORE DIRECT ROUTE**
- **NO ACTION KURANDA RANGE CLOGGING UP**
- **EFFICIENCY ANALYSIS ONLY – OTHER FACTORS**