W.S. (Bill) Cummings - Cummings Economics
29th July 2011  Ref J2456
Historical Importance of Transport Infrastructure Development

- 1880’s - Cairns to Herberton Railway – Dredge channel into Trinity Inlet
- 1930’s/40’s - Range Roads
- 1960’s - Beef Roads Program
- 1970’s - Last link in Bruce Highway sealed
- 1980’s - Upgrading Cairns Airport

“Where do we go from here?”
Changed World Economic Environment

- China / India (BRIC)
- Fossil Fuel Penalties
Three Phases of Impact

- Minerals and basic industrial commodities
- Primary products – basic to proteins
- Tourism
In First Phase

- High mineral & commodity demand & prices
- Evidence second phase commencing
- High dollar tourism being suppressed
Need to Reassess Infrastructure Needs

- Tourism infrastructure good
- Road, rail & seaport neglected
### COMPARATIVE SEAPORT TONNAGES 2009/10

<table>
<thead>
<tr>
<th>Region</th>
<th>Tonnage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mackay Region (Incl. Abbott Point)</td>
<td>99m tonnes</td>
</tr>
<tr>
<td>Fitzroy Region (Incl. Gladstone)</td>
<td>79m tonnes</td>
</tr>
<tr>
<td>Brisbane / South East QLD</td>
<td>32m tonnes</td>
</tr>
<tr>
<td>South Australia</td>
<td>25m tonnes</td>
</tr>
<tr>
<td>Cairns / Far North</td>
<td>22m tonnes</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>21m tonnes</td>
</tr>
<tr>
<td>Tasmania</td>
<td>19m tonnes</td>
</tr>
<tr>
<td>Townsville/ Northern Region</td>
<td>10m tonnes</td>
</tr>
</tbody>
</table>
Agricultural Development
Prospective Future Mineral Freight

Chillagoe/Mareeba Area
- Base metal concentrates
- Tungsten
- Lime
- Marble
- Perlite

Mt Garnet / Etheridge Area
- Base metal concentrates
- Magnetite
- Diatomite
- Bauxite
- Silica
Major Population / Industry / Freight Nodes

Cairns

Missing link
No B-Double Route

Tablelands
- Mareeba
- Atherton
- B-Double Route

Innisfail
- B-Double Route

Atherton
- B-Double Route
Addressing the Missing Link

Previous

- No initial cost benefit assessments
- No assessments of additional capital costs imposed by Wet Tropics
- A “Ferrari” instead of a “Kingswood”
- Cost – killed by Treasury
- Anti lobby – Kuranda

Counter Proposal

- Alternative

Need to Face Realities
Plan of Cairns Harbour
Maximum Heights Above Sea Level of Transport Routes

<table>
<thead>
<tr>
<th>Route</th>
<th>Feet</th>
<th>Meters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kuranda Range Rd</td>
<td>1140</td>
<td>347</td>
</tr>
<tr>
<td>Rail</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Road</td>
<td>1520</td>
<td>463</td>
</tr>
<tr>
<td>Rex Range Rd</td>
<td>1524</td>
<td>465</td>
</tr>
<tr>
<td>Gillies Hwy</td>
<td>2740</td>
<td>829</td>
</tr>
<tr>
<td>Palmerstone Hwy</td>
<td>2814</td>
<td>853</td>
</tr>
</tbody>
</table>
## Proportion of Population in Cairns Area

<table>
<thead>
<tr>
<th>Area</th>
<th>Government Projections</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2008</td>
</tr>
<tr>
<td>Cairns</td>
<td>64%</td>
</tr>
<tr>
<td>Tablelands</td>
<td>17%</td>
</tr>
<tr>
<td>Cassowary Coast</td>
<td>12%</td>
</tr>
<tr>
<td>Douglas</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Source: Cummings Economics from ABS data.
Mourilyan Upgrade Still Important

- Forest products
- Other sugar industry based, eg. bioplastics
- Minerals especially bulk from near hinterland
- Dangerous goods port
Portsmith - Woree - Trinity Inlet
Port Still Major Freight Hub

- General freight inward, consumer goods/building products
- Fuels and fertiliser inward
- Outbound sugar, bioindustrial & minerals from immediate hinterland
- Outbound container, general cargo to near north & potentially Asia
Range Road AADTS Heavy Vehicles

<table>
<thead>
<tr>
<th></th>
<th>Palmerston</th>
<th>Gillies</th>
<th>Kuranda</th>
<th>Rex</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>163</td>
<td>143</td>
<td>407</td>
<td>166</td>
</tr>
<tr>
<td>2009</td>
<td>212</td>
<td>177</td>
<td>701</td>
<td>110</td>
</tr>
</tbody>
</table>
### Comparative Western Hinterland Populations

<table>
<thead>
<tr>
<th>Region</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cairns Tablelands/Gulf/Cook</td>
<td>60,177</td>
</tr>
<tr>
<td>Townsville Charters Towers to Mt Isa</td>
<td>41,932</td>
</tr>
<tr>
<td>Mackay Isaac</td>
<td>22,629</td>
</tr>
<tr>
<td>Rockhampton Central Highlands/Banana/Central West</td>
<td>43,554</td>
</tr>
</tbody>
</table>
Kuranda Range Road *Time to Act*

- Define cost benefit realities
- Define cost of conventional upgrading
- Define additional environmental cost that Commonwealth should pay
- A “Kingswood” instead of a “Ferrari”
Railway

- Containers will pass through the tunnels
- New cost effective second tier operators
- 2 containers per wagon to Arriga, 1 to Almaden
- Worth exploring