

2012 – 2013 Assessment Brief

Recommended rating:	Threshold
Status in 2012 report to COAG:	New submission
Initiative Name:	Ipswich Motorway – Rocklea to Darra
Geography:	South East Queensland
Proponent:	Queensland Department of Transport and Main Roads
Project description:	
<p>The Queensland Government is seeking \$558 million in Commonwealth funding for the upgrade of the Ipswich Motorway between Rocklea and Darra. The Rocklea to Darra section of the Ipswich Motorway is the final stage of the six-stage upgrade of the Ipswich Motorway.</p> <p>This is the first time Infrastructure Australia has received a submission for the sixth stage, Rocklea to Darra. The fifth stage, Dinmore to Goodna, was previously submitted to Infrastructure Australia in 2009. It was assessed as a priority project under the theme of a 'National Land Freight Network' and received funding from the Nation Building Program and the Building Australia Fund.</p> <p>Objective:</p> <p>The stated primary objective of the project is to improve travel times and reliability for freight travelling on the Ipswich Motorway between Rocklea and Darra. In particular, the upgrade aims to support the expansion of the existing Acacia Ridge freight intermodal terminal and the planned development of the "Western Corridor", an initiative for economic and urban growth between Brisbane and Ipswich, 15–20 kilometres south-west of Brisbane's CBD.</p> <p>Problem:</p> <p>It is stated that the Rocklea to Darra section of the Ipswich Motorway currently experiences significant travel time delays (between 20 and 25 minutes in the AM and PM peaks) and poor travel reliability, particularly during peak periods. Without any upgrades, it is stated that the operational performance of the motorway will worsen as traffic demand increases in line with significant population growth anticipated for the region.</p> <p>The submission notes that in the absence of upgrading this final section of the Ipswich Motorway, the road network benefits of previous project upgrades will not be fully realised.</p> <p>Solution:</p> <p>The identified solution is a suite of road upgrades, including:</p> <ul style="list-style-type: none"> • widening to three lanes between Oxley Road and Suscatand Street; • a northern service road across Oxley Creek; and • ramp rationalisation and smarter motorway treatments for the entire seven kilometre Rocklea to Darra section length. 	
Proponent's capital cost estimate (\$M, nominal):	\$558 million
Contribution sought by Proponent including requests for project development funding (\$M):	\$558 million
Project timing Start/Completion by Proponent (month/year):	2016 – 2019
BCR stated by proponent:	3.2 (4.4% discount rate, P90 costs)

Strategic alignment summary

Alignment with Infrastructure Australia's strategic priorities

The Ipswich Motorway is part of the proposed National Land Freight Network and the National Land Transport Network. The stated objective of improving the efficiency of freight transport is aligned with a number of Infrastructure Australia's strategic priorities, including: to 'increase Australia's productivity' with a more efficient freight network, to 'expand Australia's productive capacity' and to 'build on Australia's global competitive advantages'.

Major beneficiaries of the project will be private car users and as there is no public transport component currently proposed, it is likely that the project will have a detrimental impact on the theme of 'Transforming our Cities'.

Alignment with state strategies

The Queensland Government has not published infrastructure strategies since taking office in March 2012.

The project was identified as a priority in a number of strategies of the previous government, in particular the *South East Queensland Regional Freight Network Strategy 2007–2012*, *South East Queensland Regional Plan* and *Connecting SEQ 2031*. However, the status of these plans under the current government is not yet clear.

Problem assessment summary

The submission identifies inefficient freight movement as the primary problem to be addressed. The Ipswich Motorway is one of the three busiest freight corridors in Queensland. The section between Rocklea and Darra is used by 10,000 -12,000 heavy vehicles a day, representing 15–18 percent of all traffic. It services the rail freight terminus at Acacia Ridge (Queensland's largest road-rail intermodal terminal), the Archerfield Airport (which currently has a masterplan proposed which includes 75,000 m² of industrial land development and up to 500,000 commercial flight passengers per year), the primary produce markets at Rocklea, and large industrial including: Salisbury, Acacia Ridge, Coopers Plains, Archerfield, Rocklea, Oxley, Darra, Sumner and Wacol.

It is stated that the lack of capacity on the road is leading to increased congestion, extensive delays and poor reliability for freight. The submission specifically identifies a high number of on/off ramps (23 in seven kilometres) which encourage local trips onto the motorway contributing to congestion and traffic delays, particularly in the morning and evening peaks. Travel time delays of up to 25 minutes are experienced during peak periods. The eastern section of the Ipswich Motorway between Rocklea and Darra is already at capacity and the western section is expected to reach capacity in approximately five years.

Other problems relate to congestion for commuter transport, safety and the provision of public and active transport options. The submission would benefit from further analysis of the origin and destination data for users of the road to understand the extent to which the problem is one of inadequate public transport provision in the corridor.

The root cause of the problem is identified as regional economic and population growth that has increased the demand for travel.

The submission states that without the completion of the final stage of the Ipswich Motorway upgrade, demand for road capacity will continue to increase and congestion will worsen.

Solution assessment summary

The proposed solution is a suite of road upgrades including widening to three lanes between Oxley Road to Suscatand Street, a northern service road across Oxley Creek, ramp rationalisation and smarter motorway interventions.

The options assessment does not consider a range of options beyond the proposed motorway upgrade. Broader options such as governance and regulatory reform are not considered, nor is there any assessment of public transport options to address the identified problems.

BCR appraisal conclusion

Core economic results are presented with a discount rate of 4.4%, whereas other submissions apply a 7% discount rate consistent with Infrastructure Australia guidance.

Results of sensitivity testing were not presented for the Stage 1c Option (the subject of this submission). However, the final business case notes:

- BCR (P50) is 2.7 at 7% discount rate
- BCR (P90) is 2.4 at 7% discount rate.

A BCR of 3.2 at a discount rate of 4.4 percent with P90 costs (2.4 at a discount rate of seven percent) is provided by the proponent using relatively robust methodology and assumptions. It is likely that the project will deliver a BCR greater than 1.0 in the absence of road pricing. The proponent should investigate whether the project would retain strong economic merit in the presence or road pricing.

Infrastructure Australia Priority List Recommendation

The Office of the Infrastructure Coordinator supports the submission's objective to improve travel times and reliability for freight and commuter travel on the Ipswich Motorway.

It is recommended that the proposal be included at **Threshold** on the Infrastructure Priority List with the following conditions:

- The proponent provides demand models to determine whether the project would still be economically viable in the presence of efficient road pricing, and includes user charging at a rate that reflects efficient pricing as part of any road based solution. These demand models should include projections to incorporate an additional forecast year (currently only 2021); and
- The proponent takes into account a broader range of reform and investment options in future long term infrastructure strategies, including public transport alternatives.

Attachments

Figure 1: Project area

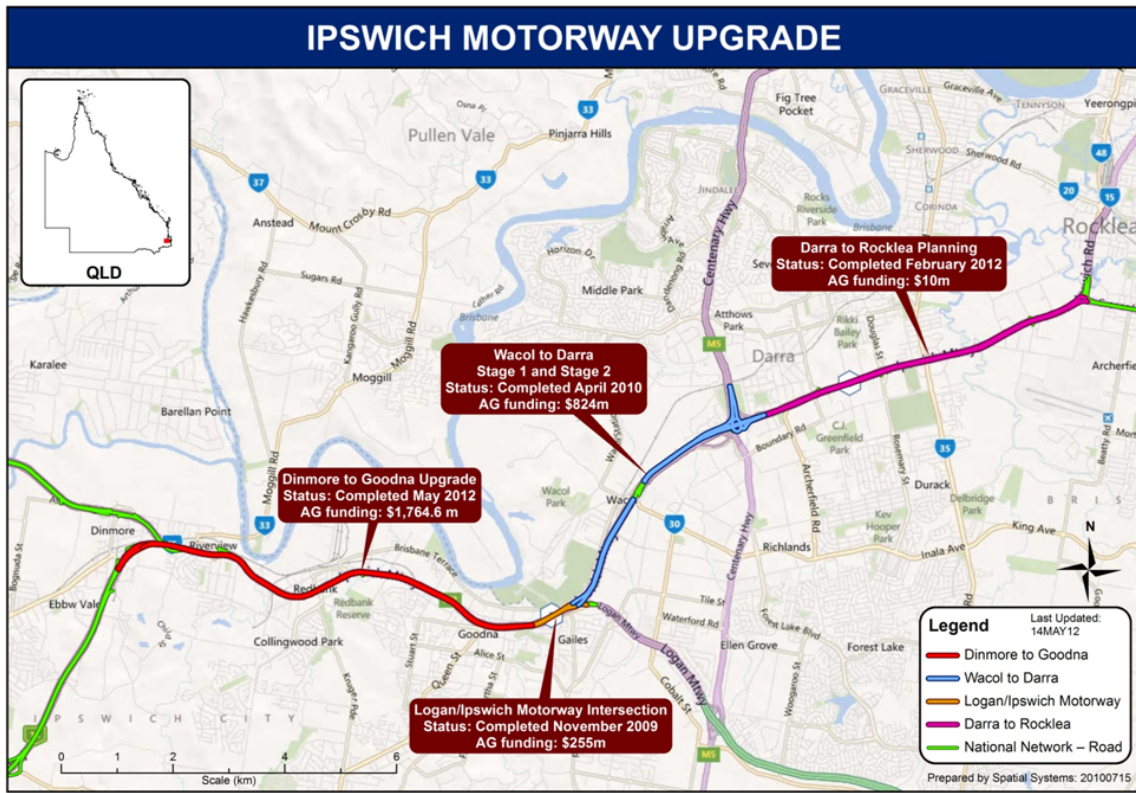
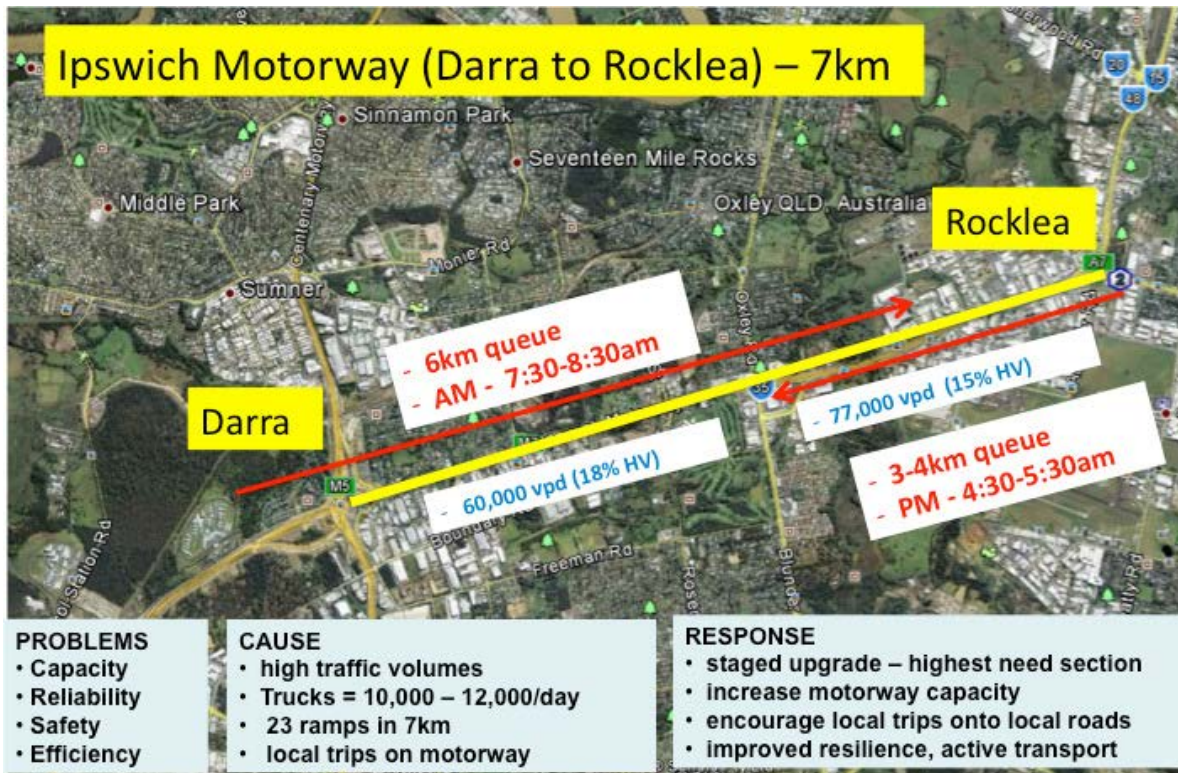


Figure 2: Traffic volumes



This assessment brief was prepared by the Office of the Infrastructure Coordinator in June 2013.