

MY VIEW



South Queensland Law member
Meibusch explains why the
Bypass Project needs Federal

Bypass must be 'sold' as vital to nation's interests

EVERYONE seems to want to put their tuppence into the ring regarding the Toowoomba Bypass Project.

The latest contribution from the LNP spokesperson for Toowoomba North tosses \$150m into the ring — as if that is the silver bullet to assure project delivery.

This contribution ignores the accepted common ground that major federal funding is an absolute minimum for this project to advance.

There are a few others truths about the funding of the Toowoomba Bypass Project that need clear explanation.

In the period of the Howard Government, 1996-2007, the Federal Government had an unprecedented opportunity from the resources boom but chronically failed to invest in nation-building infrastructure.

At the tail end of this chronic failure, in 2007, the Howard government commissioned the Queensland Main Roads Department to conduct a business case study for the Toowoomba Bypass Project.

At the same time, the Federal Member for Groom spoke publicly of the need for a public private partnership (PPP) to fund the construction of the project.

In April 2009, the business case study was released, reporting:

- the project had a projected capital cost of \$1.75b based on construction scheduled between 2010 and 2013;
- the upfront government contribution required under a PPP would render the project commercially unattractive to government — regardless of the vehicle tolling strategy adopted.

The unstated conclusion from the business case study was that private enterprise will be unlikely to invest in a project found to be "commercially unattractive".



A crash on the Range crossing causes traffic chaos. PICTURE: NEV MADSEN

On May 29, 2009, the Federal Member for Groom, when speaking at a local financial planning breakfast, admitted that the Howard government knew that the business case study would not support a PPP before they left government.

Notwithstanding this knowledge, in 2007, the Howard government made an election promise of \$700m to kick start private investment in the project.

The Federal Member and our mayor continue to trumpet the project but still fail to say how the project parameters have changed from those upon which the business case study were based.

The Toowoomba Region has many developers, many national building contractors and many large financial institutions capable of taking a leading role in the fast tracking of the Toowoomba Bypass Project.

The problem remains that no contractor, no investor, whether local, national or international will support a project recently labelled

by government as "commercially unattractive".

Speaking in Toowoomba recently, Everal Compton, the promoter of the inland rail project, remained pessimistic of the prospects for the Toowoomba Bypass Project, saying: "the bypass won't be built whilst the Groom Federal electorate remains a safe seat". Compton only said what history has taught us.

The present Member for Groom was a cabinet minister in the Howard Government for close on seven years with electoral majorities from 13 per cent to 19%.

From his maiden speech in 1998 to his 2007 election campaign, the Member for Groom spoke long and loud but no serious money was committed to the project.

Land was bought, pilot tunnels dug, funding was promised but it was only after the 2007 election that the Toowoomba community were told the truth in the business case study.

As a Federal cabinet minister, the Member for Groom failed to deliver the project.

What hope has the Member for Groom to deliver the project as a member of the Federal Opposition?

The business case study referred to the proposed construction of an Inland Rail link terminating at Toowoomba as presenting a strategic opportunity for the effective integration of road and rail freight activities in the region.

The business case study made scant reference to the regional development of the Surat Basin that will be the real growth driver for our region over the next 20-30 years.

The Business Council of Australia (BCA) last week released a report warning that "as economic growth returns ... infrastructure bottlenecks that appeared towards the end of the last boom are certain to reappear"

<http://www.bca.com.au/Content/101613.aspx>

Of course, the BCA was referring to the port bottlenecks such as Dalrymple Bay and Newcastle but the same principle applies when considering the development of the Surat Basin.

Local politicians need to start adopting the BCA's line when describing the Toowoomba Bypass Project.

The Toowoomba Bypass Project should be spoken of in terms of national governments investing across the board to address national infrastructure requirements into the 21st Century.

Local politicians need to convince the Federal Government that the Toowoomba Bypass Project is an integral part of national infrastructure projects such as the Australian Inland Rail Project and the Surat Basin Development.

Only then will the Toowoomba Bypass Project be likely to receive the national government funding priority it deserves.