



# Ai Group Industry Snapshot

## Infrastructure issues in Queensland: industry's views

The provision of high-quality infrastructure is a key driver influencing economic activity, and helps companies to grow and prosper. The Queensland Government is investing heavily in infrastructure – as a means to improve our state's future economic capacity and in meeting the needs of our growing population, as well as a buffer against poor economic conditions and maintaining employment.

In late March 2009, Ai Group sought the views of companies in the manufacturing, construction and related sectors on infrastructure. This included their satisfaction with local infrastructure, as well as what they believed were the most critical areas of infrastructure provision that would positively impact on business success. A total of 214 companies responded to the survey in Queensland, in addition there were 337 respondents from New South Wales and Victoria.

### 1. Most important infrastructure issue for Queensland – roads issues

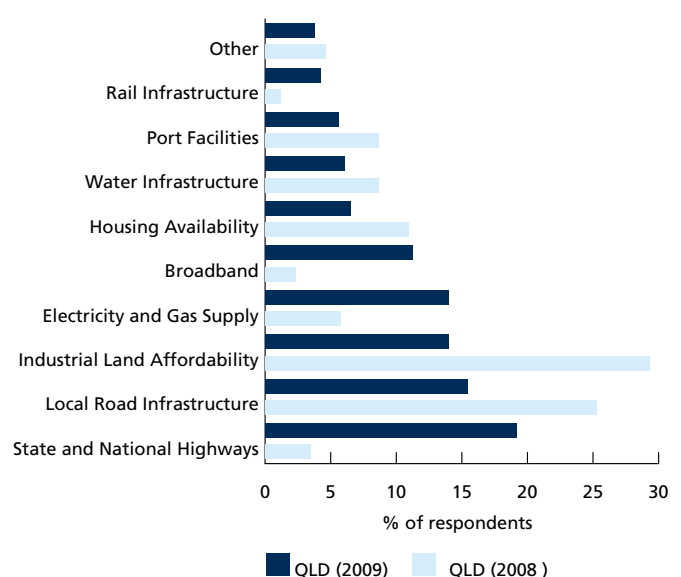
In terms of priority infrastructure issues, state and national highways are viewed as the major infrastructure issue that requires more attention in terms of aiding business growth, with almost 1-in-5 businesses (19.2%) nominating it as the single most important issue.

The next tier of important infrastructure issues includes local road infrastructure (15.4%), industrial land affordability (14.0%) and electricity and gas supply (14.0%).

Compared to 2008, more respondents were likely to nominate roads issues in 2009 as being the most significant infrastructure issue – whether it be state and national highways, or local roads.

Also in 2008, the most significant infrastructure issue concerned industrial land, where almost 30% of respondents indicated this as the most important infrastructure issue. Whilst the issue has eased somewhat, it is still the most important infrastructure issue for many businesses.

### WHAT DO YOU SEE AS THE MAJOR INFRASTRUCTURE ISSUE IMPORTANT TO BUSINESS GROWTH? (QLD – 2009 AND 2008)



**TABLE 1: HAVE SATISFACTION LEVELS CHANGED IN QUEENSLAND SINCE 2008?**

	Local roads		State and national highways		Ports		Water		Industrial estates/land		Broadband		Electricity and gas supply	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
<b>Very Satisfied</b>	3.7	4.2	1.9	3.6	4.2	5.7	2.3	4.2	1.9	2.6	0.9	3.6	7.5	7.3
<b>Moderately Satisfied</b>	31.3	16.1	26.6	15.1	23.8	14.6	29.4	9.4	23.4	14.6	20.6	13.5	31.8	16.7
<b>Neither</b>	15.9	20.3	15.0	24.0	53.7	58.9	35.0	37.5	45.3	44.8	25.2	38.0	36.4	45.3
<b>Moderately Dissatisfied</b>	35.5	39.6	37.9	24.5	14.0	13.5	22.0	27.1	20.6	21.9	30.8	30.7	16.8	18.8
<b>Very Dissatisfied</b>	13.6	19.8	18.7	32.8	4.2	7.3	11.2	21.9	8.9	16.1	22.4	14.1	7.5	12.0
<b>Grand Total</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

## 2. Satisfaction with infrastructure – broadband and road infrastructure biggest areas of concern

In general, Queensland companies expressed varying levels of satisfaction with the quality of infrastructure in their local region.

Over half of respondents expressed dissatisfaction with broadband (53.3%) and road infrastructure (56.5%), and just under half expressed dissatisfaction with local roads (49.1%). The areas of greatest satisfaction was in relation to electricity and gas supply (39.3%) (though noting that a quarter of companies still expressed dissatisfaction).

In relation to 2008, companies generally expressed increased levels of satisfaction across most infrastructure areas, and corresponding lower levels of dissatisfaction, with the exception of broadband which showed increased levels of dissatisfaction. The infrastructure area which showed the biggest increase in satisfaction levels was water (18.2% increase in satisfaction levels).

## 3. Satisfaction with selected infrastructure – comparisons with New South Wales and Victoria.

### BROADBAND INFRASTRUCTURE

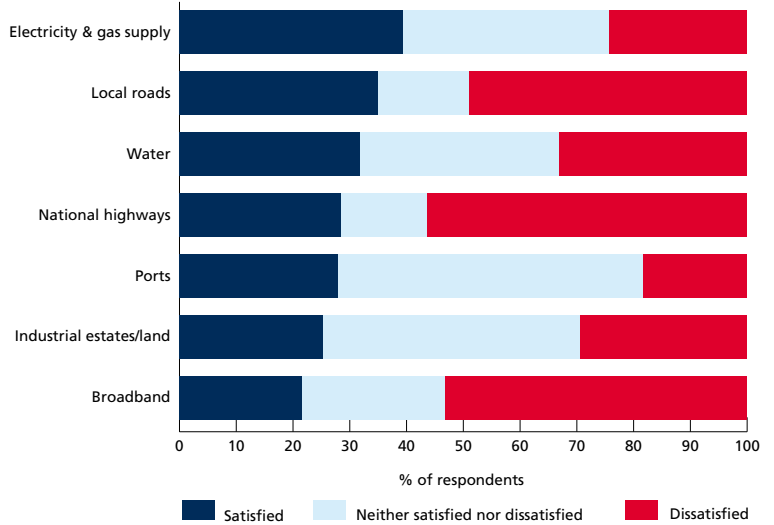
One of the highest areas of dissatisfaction, across all states, is in relation to broadband. Just over 1 in every 2 is dissatisfied with the state of the broadband network. This differs only marginally across States, with Queensland expressing slightly higher levels of dissatisfaction (at 53.3%).

### WATER INFRASTRUCTURE

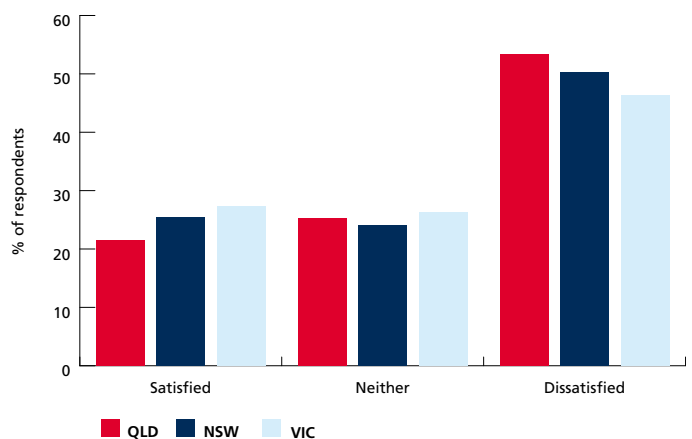
In the past 12 months, Queensland's water issues have become much less critical and, thanks to a very large investment in the water grid and other supply infrastructure, it is very much on the way to 'futureproofing' the State for the next 20 years. Satisfaction levels in Queensland have increased to 31.7% (from 13.6%) in the space of a year.

The issue of water infrastructure is of more consequence in Victoria (16.3%), most likely a reflection of recent problems with water supply and demand in the State.

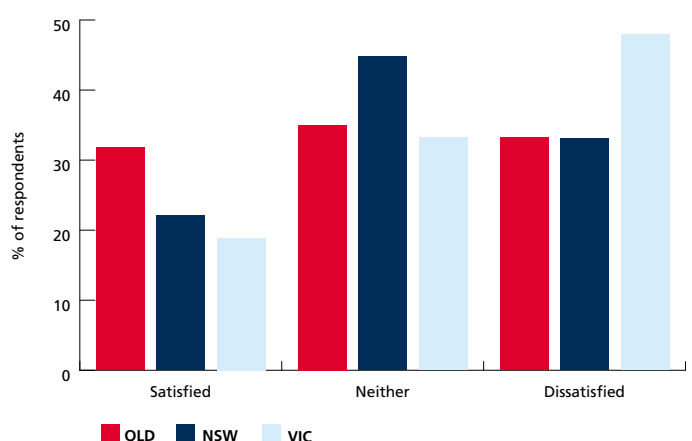
### CAN YOU RATE THE QUALITY OF INFRASTRUCTURE IN YOUR REGION?



### SATISFACTION WITH BROADBAND INFRASTRUCTURE



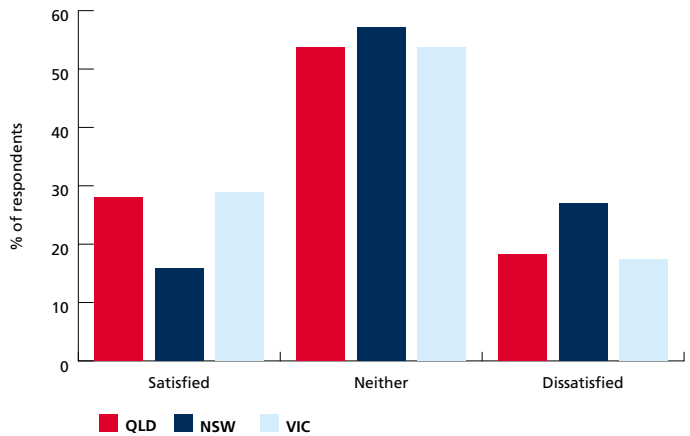
### WATER INFRASTRUCTURE



**PORTS INFRASTRUCTURE**

In the area of ports infrastructure, dissatisfaction is again highest in New South Wales, with more than 1 in 4 dissatisfied with the State's ports compared to 18.2% in Queensland and 17.3% in Victoria. The overall importance of the issue comparative to other areas of infrastructure, however, varies little from state to state.

**PORTS INFRASTRUCTURE**

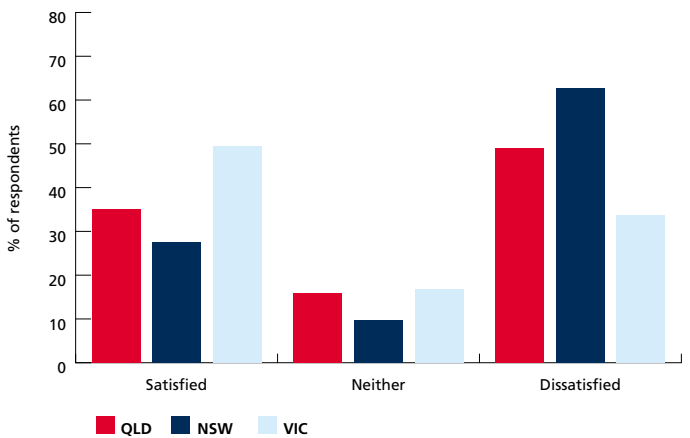


**LOCAL ROAD INFRASTRUCTURE**

High levels of dissatisfaction were evident in relation to local roads infrastructure in Queensland (49.1%) – though not as high as in New South Wales, where over 3 in 5 expressed dissatisfaction (62.8%). Victorians are most contented with their local roads with almost 1 in 2 satisfied.

Although it is worth noting that Queensland spends three times more per capita on roads than Victoria, reflecting the problem of geography faced by the state.

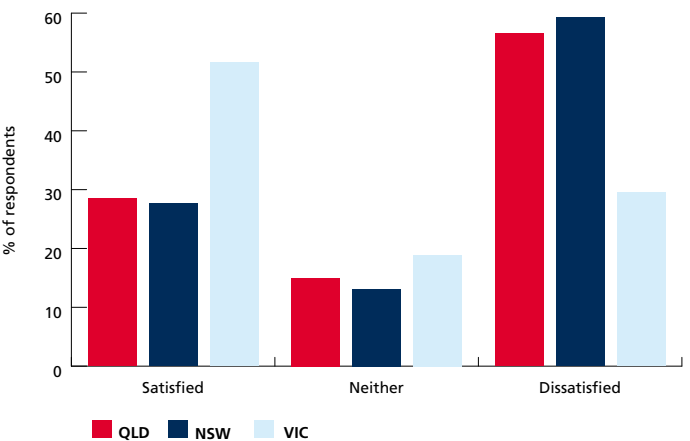
**LOCAL ROAD INFRASTRUCTURE**



**STATE AND NATIONAL HIGHWAYS**

For both Queensland and New South Wales, strong levels of dissatisfaction were evident with state and national highways. In Queensland, well over half (56.3%) expressed dissatisfaction, marginally less than New South Wales (59.3%). These high levels of dissatisfaction underline the importance of the recent Federal Government announcements on this critical piece of infrastructure.

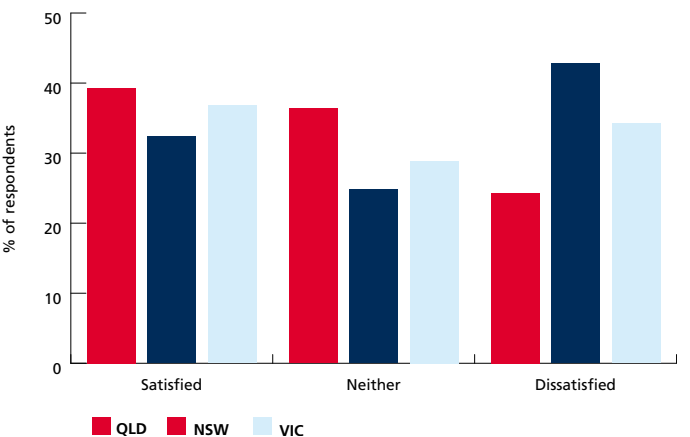
**STATE AND NATIONAL HIGHWAYS**



**ELECTRICITY AND GAS SUPPLY**

Compared with their counterparts in New South Wales and Victoria, Queensland businesses are more likely to express satisfaction (39.3%), and less likely to express dissatisfaction (24.3%) with electricity and gas supply. It should be noted, however that across the three states, electricity and gas supply is viewed as the single biggest impediment to business growth.

**ELECTRICITY AND GAS SUPPLY**

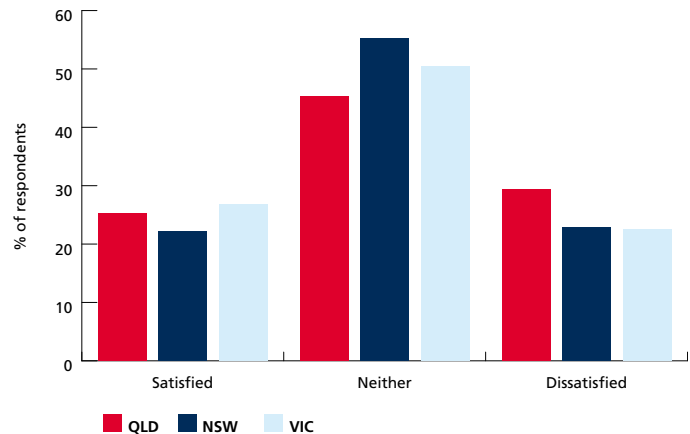


**INDUSTRIAL ESTATES/LAND**

Compared with both other states, Queensland businesses are more likely to express dissatisfaction with industrial estates. Dissatisfaction sits at 29.5% in Queensland, significantly higher than in Victoria and New South Wales.

However, considerable progress has been made in the past year on industrial land in Queensland. In 2008 almost 30% cited this as the single biggest infrastructure impediment to growth. This has dropped markedly.

**INDUSTRIAL ESTATES/LAND**



**Conclusions and recommendations**

**1. Road infrastructure issues** – State and national highways, and local roads, are clearly identified as the significant infrastructure issue for the state’s industry. Not only were these items identified as the most important area of infrastructure provision, but were also the areas where dissatisfaction was the highest – whilst noting there has been some increase in satisfaction levels since 2008.

These views on road infrastructure underscore the importance of Federal, State and Local Governments investing heavily in road networks as part of their recent infrastructure packages. Not only do improved road networks open up improved transport networks to support supply chains and allowing goods to market more quickly, their building provides opportunities for local firms within the supply chain.

**2. Broadband** – More than 1 in every 10 Queensland companies cite this as the most important infrastructure issue. Moreover broadband infrastructure stood out as being the area of highest dissatisfaction. This highlights the critical importance of government efforts to modernise Australia’s broadband network in building Australian industry.

**3. Comparisons with New South Wales and Victoria.** While electricity and gas supply is the No.1 infrastructure issue, Queensland companies were more likely than their counterparts in other states to nominate state and national highways, local roads, and industrial land affordability as being critical issues.

**4. Queensland’s growing pains** – Despite slowing economic conditions, the state is still faced with “growing pains”. Industrial land affordability and housing availability are still identified by many companies as being the most important infrastructure issue for business growth – identified by 14.0% and 5.8% of companies respectively.

**Contact Details**

**SYDNEY**

51 Walker Street  
Nth Sydney NSW 2060  
Tel 02 9466 5566  
Fax 02 9466 5599

**MELBOURNE**

20 Queens Road  
Melbourne VIC 3004  
Tel 03 9867 0111  
Fax 03 9867 0199

**CANBERRA**

L2, 44 Sydney Avenue  
Forrest ACT 2603  
Tel 02 6233 0700  
Fax 02 6233 0799

**BRISBANE**

202 Boundary Street  
Spring Hill QLD 4004  
Tel 07 3244 1777  
Fax 07 3244 1799

**AFFILIATES**

**ADELAIDE**  
136 Greenhill Road  
Unley SA 5061  
Tel 08 8300 0133  
Fax 08 8300 0134

**PERTH**

180 Hay Street  
East Perth WA 6004  
Tel 08 9365 7555  
Fax 08 9365 7550

**REGIONAL OFFICES** • Newcastle • Wollongong • Albury/Wodonga • Ballarat • Bendigo • Geelong

[www.aigroup.com.au](http://www.aigroup.com.au)

© The Australian Industry Group, 2009

The copyright in this work is owned by the publisher, The Australian Industry Group, 51 Walker Street, North Sydney NSW 2060. All rights reserved. No part of this work covered by copyright may be reproduced or copied in any form or by any means (graphic, electronic or mechanical) without the written permission of the publisher.