

Ingham to Cardwell Range Planning Study

Economic Impact Summary

As part of a planning study to improve the flood immunity of the Bruce Highway, the Department of Transport and Main Roads has identified potential realignment options between Ingham and the Cardwell Range. In addition to improved flood immunity, a new alignment would also boost traffic safety within Ingham. The department commissioned an Economic Impact Assessment, to better understand the potential economic impacts if the Bruce Highway was realigned out of the centre of Ingham.



This fact sheet summarises the findings of the Economic Impact Assessment report and highlights strategies that could be used to maximise local benefits and mitigate risks from the construction and operation of a new highway alignment.

Methodology

In 2009, community engagement consultants from EBC met with all retail businesses located on Townsville Road, Lannercost Street, Herbert Street and Palm Terrace. A total of 115 businesses agreed to participate in a survey that gathered information about the nature of their business, employees, clientele and financial structure. Interviews were also conducted with six owners of major commercial properties in the same area.

This information was provided to an independent economic consultancy who used it to establish an economic model of the central Ingham business district.

This model was then used to assess the economic impacts of reduced traffic through the town centre as a result of a bypass.

The report identified the key economic impacts during and after construction, as well as opportunities that would become available as a result of the highway realignment. It also provided a summary of findings from studies of other towns that had experienced the development of a bypass.

Impacts during construction

The report identified a number of key impacts on employment and accommodation, which would arise during the construction phase.

Employment

The report estimates that the construction phase could generate between 400–600 full-time jobs and between \$29 million to \$41 million each year in additional wages. Much of this could be earned by local residents working on the project as construction will require a mix of skills, ranging from highly technical engineering skills through to basic unskilled labour inputs.

The construction phase is expected to place significant demand on employment in the region which may result in increased labour costs.

Accommodation

The economic impact assessment report indicates that demand for accommodation will increase significantly during construction. It is possible that the temporary workforce may absorb the existing rental accommodation, which may in turn limit availability for others and increase prices. However, there are likely to be significant opportunities for the construction phase (for example, cabins within the caravan park).

Key strategies to manage employment and accommodation during the construction include:

- establishment of a register of key skills in the local community to inform contractors of local labour availability and capabilities
- targeted training of the local community to enhance their employment capabilities for the project
- the development of registers and capability statements for the local business community to increase the involvement of local businesses
- the development of a central accommodation register to coordinate accommodation needs in the area.

Impacts after construction

- The report tells us that the most likely economic impact would be a decrease in business turnover of around 1.7%. The bulk (76%) of business turnover in central Ingham is attributable to local customers and this would not be affected by the bypass.

- The sectors most directly impacted by reductions in through-traffic would be retail businesses such as cafes, restaurants and service stations. Based on current ratios of employment to turnover, the most likely outcome would be a loss of around 25 full-time positions. However, because of the dominance of part-time and casual employees in these sectors, it is likely the impacts would be reductions in the hours available for part-time and casual employees, rather than full-time job losses.
- Analysis of survey results shows that virtually all through-traffic reliant businesses that may face a downturn in trade, should be able to adjust to the lower revenue stream by reducing labour costs.
- The bypass has the potential to impact on property prices. While there is likely to be a positive spike in demand (and potentially rents and prices) during the construction phase, the bypass may contribute to a downward trend on demand in the longer term, particularly for commercial premises.
- The impact on the sugar industry should be relatively minor within the broader Herbert River region, as the expected loss in production as a result of property resumption would be less than 0.3% of the volume processed annually at the Herbert River mills.



Key strategies for the post-construction phase include:

- investigating options to reinvigorate the central Ingham retail precinct to improve road safety, amenity and increase use of the precinct amongst residents and visitors
- planning for signage prior to the start of the bypass at all exit/access points along the proposed route. This will ensure travellers are directed to Ingham and other tourist destinations off the main highway
- investigating options to diversify the commercial base of the central Ingham retail precinct
- providing information to businesses to manage transition (for example, understanding where cost structures can be adjusted to offset lower turnover)
- assisting businesses with a high reliance on passing traffic to diversify products and services toward alternative customer bases
- assessing alternatives for the diversification of economic activity and employment opportunity in Ingham.

Opportunities

Income, employment and training opportunities during construction

- The construction phase is expected generate between \$29 million to \$41 million per annum in additional wages.
- There will be a significant increase in direct and indirect employment opportunities and opportunities for businesses to provide services during the construction phase.

Enhanced amenity and road safety in the centre of Ingham

- Reductions in heavy vehicle movements should enhance road safety and amenity in central Ingham. Currently, heavy vehicle movements through town are significant and are as high as 1000 trucks per day at the busiest points. This translates into a heavy vehicle moving through Herbert Street near Rotary Park and Townsville Road north of Rutledge St every 90 seconds. This creates a significant negative impact on amenity and safety in the retail and commercial hub of Ingham and may constrain commercial growth opportunities.
- Enhanced amenity and increased road safety is likely to attract more businesses and major events to Ingham, such as the Italian Festival.

New commercial opportunities

- New commercial opportunities on Lannercost Street could be investigated, as an increase in traffic would be expected if the new highway intersects with Fairford Road/Abergowrie Road.
- The realignment of the highway would remove some constraints on commercial development and diversification within the centre of Ingham. Options could be considered to reinvigorate the retail precinct as a more attractive destination for locals and tourists through landscaping and the redesign of the streetscape.
- Consideration should be given to establishing new commercial opportunities on the proposed bypass route such as a service station to offset any loss of business in central Ingham.

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Review of other highway bypasses

A review of existing bypasses highlighted a number of key findings about the impacts on small towns.

- Highway bypasses can have both positive and negative impacts on the towns they are bypassing.
- Impacts can be classified as short-term (up to two years after the bypass was completed), medium term (two to five years after bypass completion) and long term (five to ten years after bypass completion).
- Most negative economic impacts are experienced only in the short term, with the positive impacts far outweighing any negative impacts in the medium and longer terms.
- Most negative economic impacts are experienced in the retail sector through a decrease in turnover, particularly amongst highway related businesses such as fuel providers and food outlets.
- In most cases the negative impacts are able to be mitigated through improved marketing, signage and business re-structure or re-focus.
- Very few businesses fail due to bypasses and, for many businesses, restructure and change of focus results in better turnover than before a bypass.
- Accommodation providers are often not as negatively impacted as anticipated.
- Some accommodation providers experience an increase in business as they are able to market their quieter location, while others are able to mitigate the impacts through marketing and signage.
- Negative economic impacts from highway bypasses are more likely to affect smaller towns (with less than 2500 people) than larger towns.
- Most negative impacts can be largely mitigated through prior planning and consultation with businesses likely to be affected.
- Clear exit signage along the bypass, development of a marketable focus for the town and revitalisation of the CBD is essential for the continued health of a recently bypassed town.
- Increased safety, amenity and community cohesion are immediate positive impacts from highway bypasses.
- Bypasses can introduce new business opportunities both along the bypass and in the bypassed town.

This summary provides an overview of the key findings from the Economic Impact Assessment.

For more information, the report can be accessed on the department's website www.tmr.qld.gov.au or www.ebc.net.au. To request a copy, or if you have any questions, please contact EBC, who conducted the study on behalf of the department.

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