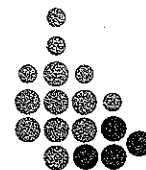


19 July 2006



Council of Mayors

South East Queensland

Mr Gary Banks
Presiding Commissioner - Freight Inquiry
Productivity Commission
Locked Bag 2, Collins St East
Melbourne VIC 8003

The Council of Mayors (SEQ)
69 Ann Street
Brisbane Qld 4000
GPO Box 1434
Brisbane Qld 4001
Telephone (07) 3403 6690
Facsimile (07) 3403 9945

Dear Commissioner Banks

On behalf of the Council of Mayors (SEQ), I am pleased to respond to the Productivity Commission's Review of Economic Costs of Freight Infrastructure and Efficient Approaches to Transport Pricing.

The Council of Mayors (SEQ) is a political advocacy organisation comprising the Mayors of the 18 local government areas in South East Queensland - from Noosa south to the New South Wales border, and west to Toowoomba. This area is the fastest growing region in Australia, with 2.8 million people, or 1 in 7 Australians, currently calling SEQ home. Over 63,000 people migrated to the region in the 12 months to June 2004, surpassing the population growth of New South Wales and Victoria. An estimated 3.7 million people are expected to live in SEQ by 2026.

The Council of Mayors (SEQ) works closely with the Local Government Association of Queensland (LGAQ) on issues which impact on SEQ communities, and would like to offer support to the LGAQ submission forwarded to the Productivity Commission inquiry in May.

A research report, "The Drive for Better Roads in South East Queensland", recently released by the Council of Mayors (SEQ) also identifies that congestion is set to rise significantly in South East Queensland, and that freight movement will be severely impacted by the increase in congestion.

Congestion costs in Brisbane are estimated to rise from \$2.6 billion per year in 1995 to \$9.3 billion by 2015 (\$4,600 per capita), representing an increase of almost 260%. This compares with a per capita cost of \$2,000 for both Sydney and Melbourne.

Estimates of lost productivity for road freight to be \$5 billion per annum by 2020. In Brisbane, overall vehicle kilometres are expected to increase by 51.3% by 2020 compared with 42.5% growth in Sydney and a 36.5% growth in Melbourne.

These issues, and other points raised in the LGAQ submission, will need to be considered for the determination of road and rail freight infrastructure pricing. The Council of Mayors (SEQ) looks forward to the release of the draft report from the Productivity Commission later in 2006, following considerations of submissions from the LGAQ and other interested stakeholders.

Yours sincerely



Jon Black
EXECUTIVE DIRECTOR