

REGIONAL BENEFITS REALISED

MAKING THE CASE FOR REGIONAL INFRASTRUCTURE INVESTMENT

When it comes to transport infrastructure, funding appraisals tend to focus on travel time reductions, congestion relief, safety and environmental improvement metrics to assess whether a project is worthy of investment.

While these metrics can provide strong evidence for urban transport business cases, relying on them to evaluate projects in regional areas can make investment seem less worthwhile – at least on paper.

To ensure viable regional projects aren't undervalued or overlooked, RPS has developed an assessment framework to help those developing and evaluating regional transport business cases to better understand and communicate the value that transport infrastructure can bring.

We provide economic evaluation and modelling that incorporates the broader benefits that transport can generate for regional communities and economies, including:

- Tourism benefits
- Industry benefits
- Social benefits.



Lee Jollow

National Lead – Economics
lee.jollow@rpsgroup.com
+61 432 285 384



Kapil Kulkarni

NSW Lead – Economics
kapil.kulkarni@rpsgroup.com.au
+61 2 8099 3200



Mark Wallace

QLD Lead – Economics
mark.wallace@rpsgroup.com.au
+61 7 3539 9685

CONTACT US

RPS ROADMAP FOR REGIONAL ECONOMIC BENEFIT ASSESSMENT



Tourism benefits

Benefits	Assessment considerations
<ul style="list-style-type: none"> Induced tourism benefits Tourism can comprise a large proportion of regional economic activity in terms of direct tourism businesses and the broader supply chain 	Project assessments should consider the potential redistribution of tourist activity in other parts of the state/country.
<ul style="list-style-type: none"> Tourism-related transport benefits Peak congestion on transport infrastructure occurs at different times/seasons. 	Project assessments should use adjusted expansion factors.



Regional social benefits

Benefits	Assessment considerations
<ul style="list-style-type: none"> Reduced health costs (physical and mental) Transport infrastructure enables better access to health services, facilitating earlier intervention and better treatment outcomes. It also reduces the mental health costs of social exclusion. 	Project assessments should consider the role of transport infrastructure compared to other factors that contribute to health and inclusion outcomes.
<ul style="list-style-type: none"> Improved human capital Transport infrastructure enables better access to education and employment services, improving the productivity and employment prospects of the labour force. 	Project assessments should establish a meaningful counterfactual, and focus on improvements in structural unemployment or cyclical unemployment, depending on the type of assessment.
<ul style="list-style-type: none"> Improved housing supply and amenity Connecting cities to regions provides more affordable housing options for the population, improved amenity and quality of life for people who would have otherwise remained in the city due to a lack of connectivity. 	Project assessments should include housing supply and amenity benefits and the offsetting costs of regional housing. Offsetting costs include greater pressures on local infrastructure and higher emissions from heating and cooling larger dwellings.



Industry benefits

Benefits	Assessment considerations
<ul style="list-style-type: none"> Productivity uplift and export expansion A reduction in transport and logistics costs can increase productivity and induce greater exports. 	Project assessments should consider historic growth, comparative advantage and the potential redistribution of resources from elsewhere in the state.
<ul style="list-style-type: none"> Avoided decline/collapse of critical of local industries The decline or collapse of a local industry can result in long-term unemployment, retraining costs and stranded assets. 	Project assessments should consider the risk of decline/collapse, industry structure and the mobility of factors of production.