



National Farmers'
FEDERATION

B-triple Road Network

NFF Submission

August 2007

Table of Contents

The National Farmers' Federation.....	3
Introduction	3
B-triple Network Expansion Needs	4
North South-Railway	4
Grain Lines.....	4
Newell Highway	5
Victoria access.....	5
Newcastle Port Access.....	6
Queensland livestock industry needs	7
Conclusion	7

The National Farmers' Federation

The National Farmers' Federation (NFF) was established in 1979 and is the single national voice for Australian agriculture.

The NFF's membership comprises all of Australia's major agricultural commodities. NFF does not have individual farmer members, but through its members represents the interests of approximately 100,000 farmers. Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. These organisations collectively form the NFF.

Each of these state farm organisations and commodity councils' deal with state-based 'grass roots' issues or commodity specific issues, respectively, while the NFF represents the agreed imperatives of all at the national and international level.

Introduction

The current Heavy Vehicle Pricing Determination process has highlighted the urgent need for improved productivity of the Australian road transport sector. As discussed in the NFF's recent submission to the National Transport Commission's (NTC) Draft Regulatory Impact Statement for the Heavy Vehicle Pricing, it is our view that Australian farmers would possibly accept paying an additional 2.2 per cent¹ in trucking costs emerging from the draft determination on the condition that assurance was given that these costs would be made up by efficiency gains attained from improvements to the road network.

The NFF agrees with the NTC that improved access to the road network for higher productivity vehicles such as B-triples would be a key to unlocking such productivity gains, offsetting additional costs and improving Australian farmers' competitiveness on domestic and global markets.

This submission highlights some of the key immediate and strategic needs of the Australian farm sector with regards to broadening the B-triple network.

¹ NTC 2007 Heavy Vehicle Determination Draft RIS July 2007

B-triple Network Expansion Needs

North South-Railway

The NFF supports the development of a North-South Railway, using the far western sub-corridor as the preferred route. In our view, it is a genuine nation building project that will give farmers and the rural economy a greater capacity to get their produce from farms to markets in the most efficient manner possible.

However, while we recognise the benefits of the line, we are also cognoscente that the line may feature only limited access points to load agricultural produce - including grain and cotton. Therefore it may be unlikely that all existing transport infrastructure, such as grain branch lines, will link into the North-South rail line. As such it is crucial that improvements in road efficiencies leading into these access points are achieved.

The NFF is confident that B-triples will play a key role in transporting agricultural produce to the access points of the North-South Railway in order to maximise the efficiencies and utilisation of the project.

While the NFF recognises that a scoping study is soon to be undertaken by the Australian Rail Track Corporation, we encourage the NTC and the Department of Transport and Regional Services to factor the B-triple access needs into this planning phase. This analysis should pay particular attention to the B-triple access to roads leading to and from the proposed rail line access points.

Grain Lines

The NFF understands that for many agriculture and food businesses, trucking is the only option available for transporting goods and will remain so.² However, traditional rail user commodities such as grain - which uses rail for approximately 84 per cent of its total export freight task - is increasingly being transported by road freight. NFF notes that this is in part due to the current state of repair of many branch lines, most of which were built in the late 19th or early 20th century, creating serious concerns about the reliability and flexibility of the lines.³

² Creating our future – agriculture and food policy for the next generation 2006

³ ABARE, Australian Commodities, June Quarter 2006

The NSW and Victorian Governments are in the process of reviewing the investment needs of their grain lines, with the prospect of line closures being floated to industry stakeholders. In NSW alone, approximately 750,000 tonnes of grain could potentially be shifted to road freight should we see the closure of the nine remaining restricted branch lines.⁴ The NFF is adamant that any line closures should not be able to occur without substantial upgrades to the affected roads, ensuring that viable alternatives are provided to growers delivering the outcomes required by industry. B-triple access must be included as a potential alternative that within the mix.

Therefore, the NFF would encourage the NTC and the Department of Transport and Regional Services to factor in B-triple access needs to this strategic planning process.

Newell Highway

The Newell Highway is the major freight route between Melbourne and Brisbane and currently carries an estimated 1,400 heavy vehicles per day.⁵ The Newell Highway also intersects key areas of agricultural production, providing a valuable freight network for the sector, particularly for grains and cotton.

While the North-South Railway is expected to provide some relief to the growth in the freight task utilising this route, the current commitment is for a completion date of 2019 for this project.⁶ Increased freight productivity cannot wait that long and it is therefore vital that B-triple access is provided to the complete Newell Highway as a matter of urgency.

Victoria access

Despite the gross value of Victorian agricultural production, at \$8.8 billion, being almost 25% of the total value of Australia's total agricultural production, no B-triple road access exists in that state.⁷ As discussed above, the importance of the north-south route between Brisbane and Melbourne has been identified as a key strategic route that requires improved efficiencies.

⁴ Grain Industry Proposal to the NSW Ministry of Transport, May 2007

⁵ <http://www.parkes.nsw.gov.au/files/5683/File/Parkes-HUBTour.pdf>

⁶ Media Release, The Hon Mark Vaile MP, Pressing Ahead with the Inland Railway, 15 June 2007

⁷ ABS - 7501.0 - Value of Principal Agricultural Commodities Produced, Australia, Preliminary, 2005-06

In order to maximise any efficiencies that may be gained by freeing up the Newell Highway to B-triple access, the Goulburn Valley Highway should also be considered in order to bring the final link down from the grain belt into Melbourne and its key port. Vital efficiencies would also be gained in the dairy and horticulture sectors who are heavily reliant on that particular freight route.

The Western Highway, linking Melbourne and Adelaide, is another key route for agricultural freight. Cutting directly through the grain belt, B-triple access to this highway would give Victoria key strategic access for the agricultural sector and reduce the burden of the deteriorating grain branch lines in that state.

Newcastle Port Access

The problems experienced by the Newcastle Port have been well documented, with a very public queue of up to 46 ships building up in early 2007 due to a backlog of produce caused by severe supply chain inefficiencies. The coal industry comprises of over 90% of the total throughput of the Newcastle Port and as such was the industry most transparently affected.⁸ However, it should also be noted that Newcastle is also an important Port for grain exports, particularly out of the North and North-West NSW.

Coal exports out of the Newcastle Port have grown exceptionally, in 2005-06 a new record of 80.2 million tonnes of coal export was achieved. This compares with 37.8 million tonnes exported during the 1991-92 financial year, equating to an increase of 112% in that 14 year period.⁹ The implications of this growth on freight infrastructure supplying the Newcastle Port has been significantly masked in the past five years by poor weather conditions resulting in a considerable reduction of total grain production. Should Australia's grain farmers return a good crop this harvest, the fast emerging bottleneck will cause substantial problems.

The NFF believes that B-triple road access from the Newcastle Port through to the Central West of NSW will provide much needed relief to the congested freight route. The Golden Highway from Dubbo to Newcastle and the Kamillaroi/New England Highway from Narrabri to Newcastle are two possible routes that would benefit from the additional B-triple access.

⁸ Standing Committee on Transport and Regional Services, The Great Freight Task, July 2007

⁹ Newcastle Port Corporation, http://www.newportcorp.com.au/page_default.aspx?pageID=105

Queensland livestock industry needs

Producers in Queensland enjoy significantly greater B-triple access than their counterparts in NSW and Victoria. However, problems still remain, particularly surrounding major livestock processing plants and feedlots. The below examples demonstrate how limitations on even small stretches of road have significant ramifications on production efficiencies.

The Australia Meat Holdings (AMH) meat processing plant just outside Townsville, QLD, is AMH's second largest meat processing facility, sourcing cattle from the Northern Territory and Northern and Central Queensland.¹⁰ However, when approaching the meatworks on the Flinders Highway, B-triples must stop when they reach the Bruce Highway (approximately 6-8 km away from the meatworks) and split their loads, as B-triples are not allowed on the Bruce Highway. This poses a major inconvenience for cattle producers and crates a significant time and cost impost on the complete supply network. The NFF believes that B-triple access on this small portion of the Bruce Highway will have significant benefits to that meatwork's operations.

Similarly, the Roma cattle saleyard in Queensland is the largest cattle saleyard in the Southern Hemisphere, yet B-triples entering Roma from the west along the Warrego Highway must unhook their third trailer at Mitchell to make the final 90 km of the journey into the Roma Saleyards.

Conclusion

A broadening of the B-triple access to the national road network is vital to ensure that efficiencies are delivered to the Australian agricultural sector and that international competitiveness is maintained. The growing influence of the minerals sector, development of new infrastructure projects, deterioration of existing freight infrastructure and the need to break-down specific freight bottlenecks must be taken into account in the decision process. The above examples highlight a number of the key B-triple needs for the farm sector that must be addressed through the NTC's review process.

¹⁰ Australia Meat Holdings, <http://www.amh.com.au/>