

28 June 2017



Australian Transport Assessment and Planning  
Via email: [ATAP@infrastructure.gov.au](mailto:ATAP@infrastructure.gov.au)

### **Re: Updates to the Australian Transport Assessment and Planning (ATAP) guidelines**

The National Farmers' Federation (NFF) welcomes the opportunity to make a submission to the *Public Consultations – Updates to the Australian Transport Assessment and Planning (ATAP) guidelines*. The NFF is the peak national body representing farmers and, more broadly, agriculture across Australia. Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. These organisations form the NFF.

The NFF does not support the proposed Wider Economic Benefit (WEB) Analysis put forward by KPMG to feed into the ATAP guidelines for the simple reason that NFF considers it unreasonable in the Australian context to only look at metropolitan areas and to therefore exclude WB4 *Change in Competition* in the proposed WEB. While low baseline levels of accessibility of infrastructure might not apply in the UK context, as put forward in the KPMG study as a justification to exclude WB4<sup>1</sup>, they certainly do apply in Northern Australia and in very remote and remote areas of Australia in general.

The NFF has identified transport infrastructure downfalls, especially first and last mile issues, as one of the major risks to the competitiveness of Australian food and fibre in the global marketplace<sup>2</sup>. This finding is consistent with the 2014 Deloitte analysis *Positioning for prosperity* that emphasises the enormous economic potential of agribusiness in Australia. However, the analysis outlines that infrastructure shortfalls are a major challenge: “[...] within Australia much of our produce travels from farm to port on relatively inefficient roads, instead of by rail. Improving our transport mix and other infrastructure would greatly improve our competitiveness.”<sup>3</sup>

The rural location of agricultural production in Australia makes transport costs crucial to the revenue of farmers, determining profitability of Australian agriculture. At present, logistics are the largest single cost item in the production of many agricultural industries, amounting to as

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<sup>1</sup> KPMG, *Measuring WEBs in Australian cities* (Sydney: Deloitte, 2017), p.11.

<sup>2</sup> NFF, *Agricultural Transport Infrastructure – A Discussion Paper* (Canberra: NFF, 2016), available at: <http://www.nff.org.au/read/5328/discussion-paper-transport-infrastructure-report.html>

<sup>3</sup> Deloitte, *Positioning for Prosperity* (Sydney: Deloitte, 2014), p. 27, available at: <https://www2.deloitte.com/au/en/pages/building-lucky-country/articles/positioning-for-prosperity.html>

much as 48.5 per cent of farm-gate cost.<sup>4</sup> Further investment along the supply chain is needed to ensure that Australian produce remains internationally competitive. Well-chosen transport infrastructure projects can boost economic efficiency and raise productivity. As outlined in the Northern Australia White Paper, “[i]nfrastructure plays an integral role in unlocking economic opportunities globally, national and especially in the north”.<sup>5</sup> Consequently, it seems unreasonable to exclude WB4 *Change in competition* from all Wider Economic Benefit analyses and to solely focus on metropolitan Australia in this category of ATAP.

Given the magnitude of freight costs for farmers, it is important that there is a robust modelling tool for agricultural freight that provides baseline data and that can be used to test a range of infrastructure investment scenarios. It is important that this tool is integrated into the broader Australian Transport Assessment and Planning guidelines. As outlined in a previous submission to ATAP in 2016, NFF therefore suggests to add the TRANSPORT Network Strategic Investment Tool (TRANSIT)<sup>6</sup> to the Transport System Management Framework of ATAP.

TRANSIT is currently being developed by the CSIRO and calculates how pinch points and last mile access issues impact on agricultural supply chains, analysing which strategic regional projects will have the biggest impact for agribusinesses. In the NFF’s view, it would be a valuable addition to the suite of analytical and decision-support tools used to underpin assessment processes including cost- benefit and cost-effectiveness analysis.

TRANSIT is key to identifying infrastructure gaps and to set the agenda for new infrastructure projects in rural and remote Australia, using scientific evidence to assess all possible transport route combination. TRANSIT was, for example, instrumental to the project prioritisation for the Northern Australia Beef Roads Programme<sup>7</sup>. Including TRANSIT upfront in ATAP would enable the government to cater more holistically to rural communities by looking at entire supply chains instead of evaluating infrastructure projects in isolation.

The NFF would like to engage with ATAP going forward to discuss reporting, analysis and benefit mechanisms used to ensure regional and rural considerations are accounted for. Please feel free to contact us for further information.

Yours sincerely,



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<sup>4</sup> Garry Goucher, *Transport costs for Australian agriculture* (Surry Hills: Australian Farm Institute, 2011).

<sup>5</sup> Australian Government, *Our North, Our Future: White Paper on Developing Northern Australia* (Canberra: Commonwealth of Australia, 2015), p.84.

<sup>6</sup> CSIRO, *Transport Network Strategic Investment Tool*, (Canberra: CSIRO, 2016), available at <https://www.csiro.au/en/Research/LWF/Areas/Landscape-management/Livestock-logistics/TRANSIT>

<sup>7</sup> Department of Infrastructure and Regional Development, *\$100 million Northern Australia Beef Roads Programme*, (Canberra: Commonwealth of Australia, 2016), available at <http://investment.infrastructure.gov.au/funding/NABeef/index.aspx>