

6 May 2010

Mr Michael Deegan,
The Infrastructure Coordinator
Infrastructure Australia
GPO Box 594
CANBERRA ACT 2601

Dear Mr Deegan

The National Farmers' Federation (NFF) was established in 1979 and is the peak national body representing farmers, and more broadly, agriculture across Australia. The NFF's membership comprises of all Australia's major agricultural commodities. Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. NFF also has a number of associate members who participate in the agricultural supply chain. These organisations form the NFF.

Australian farming underpins domestic food consumption and is a significant export industry. In 2008, Australian farm exports were valued at \$31 billion, accounting for approximately two-thirds of Australia's agricultural production. Despite deep and widespread drought, over 2007-08, agricultural product accounted for 15% of Australia's merchandise exports. Exports are projected to grow to \$32 billion over 2009-10. Australia currently produces 93% all food consumed in Australia and 1% of all food consumed in the world. Our nation is responsible for 3% of global seaborne trade – in total Australia feeds 60 million people each day. Land transport infrastructure is an essential link for Australian farmers delivering produce to both domestic and international markets.

Over the last 30 recorded years (1974-75 to 2003-04), Australian farms have consistently achieved average multifactor productivity growth of 2.8%-a-year¹ and with this growth there has been an increased demand for freight transport from the sector. The challenge of moving the increasing volumes of food and fibre required by domestic and international markets will only continue to grow. Globally, over the next 50 years, nations will need to produce as much food as has been consumed over our entire human history. On top of this the 2010 Intergenerational Report suggested that the population of Australia by 2050 would be 35.9 million². Timely and efficient delivery of agricultural produce, in addition to the greater volumes required, need to be considered and planned for.

The need to make 'smart investments' in land-transport infrastructure has been highlighted to agricultural industries in recent months by the high value of the Australian dollar and the infrastructure rebuild effort after recent floods. The high value of the Australian dollar and the

¹ Australian Government Productivity Commission, Trends in Australian Agriculture 2005

² http://www.treasury.gov.au/igr/igr2010/report/pdf/IGR_2010.pdf

potential for energy price rises are causing the agricultural industries to focus on their costs, and the sector recognises that it needs to look at efficiencies in transport to minimise these costs. The recent floods have caused significant damage to transport infrastructure, and have highlighted the need to ensure that rebuilding efforts result in infrastructure that will be compatible with future freight needs.

It is likely that the constraints to freight transport infrastructure identified in the National Land Freight Strategy Discussion Paper will worsen without if they are not addressed. The constraints identified in the discussion paper included: restricted use of infrastructure; encroachment of freight activities; uncertainty about capacity for growth; and responsiveness of freight infrastructure to economic demand. The agricultural industries have experienced a number of these constraints to freight transport including a growing trend towards restricted freight movement through cities and towns (the impacts of urban development in cities and towns on freight corridors being an example) and a lack of transparency in freight infrastructure investment and planning. In reviewing the concepts underpinning the development of the national land freight network strategy to respond to these constraints (Section 7) the approach taken by Infrastructure Australia appears to be logical.

The NFF has continued to call for a structured approach to defining our current and future freight infrastructure needs, including a program of work to:

- Understand the current freight flows of agricultural production (and other freight flows in regional Australia);
- understand how and why these freight flows may change;
- consider deficiencies in existing infrastructure and additional infrastructure requirements; and
- from this analysis, clearly identify priorities and projects not being addressed by the current policy framework.

The worked proposed under the National Land Freight Strategy as part of its Next Steps (Section 9) is in line with the work advocated by the NFF, and the NFF supports Infrastructure Australia's work in this area.

Whilst the indicative map of the National Land Freight Network (Map 4 in the National Land Freight Strategy, Section 8) gives an indication of the road and rail routes to be included in the land freight network, it does not illustrate the complexity of the network by including the routes taken through towns and cities and does not include the arterial routes which feed into the network. It is evident that a significant amount of work is required to understand the network routes and to engage with stakeholders to understand where constraints exist in the network and develop plans for development and maintenance.

The discussion paper briefly considers the issue of freight off the network (Appendix 1, Priority Area 4) and 'ensuring fit for purpose infrastructure for low density, seasonal and remote freight'. The maintenance of this network, often referred to as 'the first mile', is of particular interest to the agricultural industries as it has implications for both productivity and safety. Whilst the National Land Freight Network is focussed on the primary network for moving land based freight it is important that there is a broader framework developed for

investment in land freight infrastructure which can address these issues now, rather than deferring the cost and causing further declines in productivity.

If you have any comments or questions regarding this submission, please contact Dr Sam Nelson on 02 6273 3855.

Yours sincerely



MATTHEW LINNEGAR
Chief Executive Officer