

Issue:

The Federal Senate Rural and Regional Affairs and Transport Legislation Committee invited The NSW Farmers Association (The Association) to present issues of concern and relevance to the proposed AusLink Legislation.

The Association notes that this Senate committee was formed to examine the following aspects of the AusLink Bills:

- Changes to the Commonwealth Government's funding for construction and maintenance of road, rail and other transport infrastructure.
- The establishment of a national council, involving stakeholder and expert representation and input into planning.
- Examine the extension of the criteria for Roads to Recovery projects to include public transport, cycling, walking infrastructure and regional airport runways.

Background

The Association has been concerned about the possible closure of 15 restricted rail branch lines in regional NSW following the sale of the former state government owned FreightCorp to Pacific National in 2000.

These rail lines handle over 3million tones of grain each year and their closure will result in massive a shift in the dynamics and cost of grain haulage in NSW. An extra 79 000 B double trucks will be forced to move grain over narrow and crumbling regional roads each year, this raises serious safety and infrastructure damage concerns.

Current road freight rates offered by some companies to attract grain into super sites do not reflect the actual cost of moving grain and are not sustainable over the longer term.

Australian grain producers are also at a considerable freight disadvantage when compared to US, South American and Black Sea producers of grain. Producers of oilseeds in the eastern states of Australia pay around US \$31 to transport their grain to ocean ports; 100% more than US counterparts in the Mississippi region who pay US \$15 per metric tonne. While Brazilian farmers freight to port costs are on par with those of Australian farmers, these costs are likely to reduce as significant expenditure on transport infrastructure is currently being undertaken by their government.

Without significant transport infrastructure planning, investment and spending, such cost disadvantages will compound and Australia's international competitiveness into vital grain markets will deteriorate.

Recommendations to the Committee

- The Association recommends that this Senate Committee investigate broadening the current lease arrangements of Australian Rail Track Corporation (ARTC) to include more NSW rail infrastructure. (Recent findings from the NSW Grain Infrastructure Advisory Committee found the ARTC was 40% more efficient than the NSW Rail Infrastructure Corporation (RIC) when managing below rail infrastructure).

- The proposed AusLink legislation should recognize that efficient and well managed rail services are essential to the continued viability and competitiveness of Australian farmers. Specifically, the legislation should address anticipated increases in production and the changing paths to markets and export terminals.
- The Association supports the proposal to form a national council to address transport planning issues provided rural producer stakeholders are offered the chance for direct involvement where relevant. With total grain production averaging almost 40 million tones per annum, it is vital that the rural production sector be given the opportunity for input into transport planning issues.
- The proposed AusLink legislation should address the deficiencies of essential rail and road transport services prior to an extension of criteria for the criteria for the Roads to Recovery program.

The Association notes that foot paths bicycle paths, lighting and other roadside amenities are already eligible for funding under the Roads to Recovery Program. While these amenities provide the community with useful recreational and safety facilities, an extension of the criteria to include other areas of related infrastructure should not be undertaken until the deficiencies of essential rail and road transport services are addressed.

Angus Macneil

Chairman – NSW Farmers Association Grains Committee
NSW Farmers Association
Level 10 – 255 Elizabeth Street
Sydney
Ph: 02 8251 1805