



AUSTRALIAN COTTON SHIPPERS ASSOCIATION

February 7, 2014

Transport, Housing & Local Government Committee
Parliament House
BRISBANE QLD 4000
thlgc@parliament.qld.gov.au

Dear Sirs

Inquiry into rail freight use by the agriculture & livestock industries

The Australian Cotton Shippers Association wishes to advise the logistics requirements of, and offer intelligence regarding the requirements of the Australian cotton industry, specifically those organisations involved in the export of cotton to the Transport, Housing & Local Government Committee.

The Australian cotton industry in 2013 produced 4.4 million bales of cotton which generated approximately \$2.4 billion in export income. Approximately 40% of the Australian crop is grown in Central Queensland, Southwest Queensland, the Darling Downs and MacIntyre Valley.

49% of that crop was exported from the Port of Brisbane. This equates to 2.156 million bales (or 479,000 MT) of cotton transported from regional Queensland and North West NSW to the Port of Brisbane.

The cottonseed market is also a growing export business and in 2013 some 50% of containerised cottonseed (approximately 500,000 MT) was also exported through the Port of Brisbane.

Only 5% of cotton bales and 3% of cotton seed was transported on rail to Port of Brisbane. In excess of 500,000 MT of product was transported on road.

Brisbane is an obvious port of choice for Queensland-grown cotton but cotton grown in North West NSW can just as easily be exported through Sydney. Key issues in determining port of export are proximity to port; road/rail freight cost; rail access and reliability; availability of containers and availability of trucks (weight restrictions and truck turnaround times); and port ancillary charges.

There are significant impediments to maintaining and improving this infrastructure – the biggest being rail access for containerised cotton and cottonseed over the Toowoomba Range. We understand that Treasury has allocated funds for upgrading that is inclusive of tunnel/bridge height adjustments, but a further issue that requires consideration is the profile of the track itself. The ability to attract competition on rail is hampered by the equipment needed to fit the track profile. It is imperative that a competitive environment is provided to increase the capacity for cotton and cottonseed to move on-rail efficiently and economically.

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Road and rail transport over the Toowoomba Range is key to many agricultural exports and we believe this capacity must be greatly improved if the aspirational target of doubling the value of Queensland agricultural output by 2040 is to be achieved.

The Australian cotton industry is viewed within agricultural circles (both within Australia and worldwide) as an extremely efficient industry and our supply chain assets are operated by cotton merchants to enable quick and efficient movement of our cotton into export markets.

The Australian Cotton Shippers Association would welcome the opportunity to participate in any discussions and/or considerations for current and future freight strategies.

Yours faithfully



EIMEAR McDONAGH
Chair