

**AgForce Queensland Farmers Limited**

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Deborah Jeffrey
Committee Secretary
Transport & Public Works Committee
Parliament House
BRISBANE QLD 4000By Post & by Email: tpwc@parliament.qld.gov.au

Dear Ms Jeffrey

Re: Inquiry into a Sustainable QLD Intrastate Shipping Industry

AgForce Queensland Farmers (AgForce) is the peak rural group representing beef, sheep & wool and grain producers in Queensland. The broadacre beef, sheep and grains industries in Queensland generated around \$7.2 billion in gross farm-gate value of production in 2016-17. AgForce's purpose is to advance sustainable agribusiness and exists to facilitate the long-term growth, viability, competitiveness and profitability of these industries. The producers who support AgForce provide high-quality food and fibre to Australian and overseas' consumers, manage around 40% of the Queensland agricultural landscape and contribute significantly to the social fabric of rural and remote communities.

Transport makes up to 40% of farmers' production costs¹ and therefore access to quality and affordable transport options is vitally important for growing the Queensland agricultural industry, as well as the sustainability of the communities that support it. There have been numerous inquiries and independently commissioned reviews relating to coastal shipping and sea freight tasks at both federal and state levels. AgForce has made a submission in the past in relation to coastal sea freight². AgForce is 'modally agnostic'; meaning primary producers should be able to procure the most sustainable and economically efficient freight transport outcome irrespective of mode.

With Queensland being the most road dependent state in Australia, to ensure competitiveness and reliability of the freight task, there must be multiple options available to primary producers including shipping and rail. AgForce believes that intrastate shipping could complement road and rail transport options to improve supply chain functionality. Simply, this would occur by increasing contingency (ie, flooding on the Bruce Highway), reducing road maintenance costs and improved safety and environmental outcomes.

¹ Available: <http://www.agriculture.gov.au/SiteCollectionDocuments/ag-food/publications/transit-agriculture-final-report.pdf>

² Available: https://www.parliament.qld.gov.au/documents/committees/THLGC/2014/INQ-CSF/submissions/010_AgForce.pdf

With Queensland's agricultural commodities for 2018-19 forecast to be \$18.54 billion, it is vital that our industry remains competitive to serve both domestic and international food and fibre demands. This is enabled by designing a logical, cost competitive, effective and efficient freight network that includes coastal shipping, or at a minimum considers all possible options.

Often Queensland's agricultural freight tasks involves goods being transported to the south-east corner for processing and/or value adding (eg, cattle from Northern Queensland going to feedlots or abattoirs or grain from Central Queensland to the Darling Downs for container packing) prior to export. AgForce believes that there are inefficiencies associated with this task and greater value could occur closer to point of origin if other transport options, like coastal shipping, allow freight to access the necessary international markets through regional ports.

End-to-end processing opportunities should play a greater role in determining transport and infrastructure opportunities, rather than relying on the south-east corner. For example, if alternative transport options such as increased coastal shipping and rail utilisation are made available, businesses may choose to establish operations in regional Queensland (such as processing facilities) rather than undertaking the current activity of transporting goods to the south-east.

AgForce thanks the Transport and Public works Committee for the opportunity to provide a submission to *Inquiry into a Sustainable QLD Intrastate Shipping Industry*. The agricultural industry has continued to provide significant contributions to the Australian and Queensland economy and this could be enhanced ensure the sector's ongoing competitiveness.

For any questions or further discussion on this submission, please contact Amelia Shaw, Policy Officer [REDACTED]

Yours sincerely



Michael Guerin
AgForce Chief Executive Officer