

31st May 2024

SUBMISSION RE: NSW FREIGHT POLICY REFORM

Outlook Ag Pty Limited is an agronomic service provider based in Narrabri NSW. Our team of skilled agronomists and support people oversee more than 100 agricultural businesses encompassing small to large family farms through to corporate owned properties utilising a land area of approximately 400000ha. The map illustrates our area of influence in the NW of NSW. The Walgett and Narrabri Region alone have a gross agricultural production value of more than \$2 billion which is made up of the main ag commodities such as milling wheat, chickpea, grain sorghum and cotton. Our products are largely exported using a mix of bulk and containerised methods. We commonly observe containerised commodities travelling 700km to the Port of Brisbane via Moree and Goondiwindi to avoid the congestion at Port Botany. We also know that a portion of ginned cotton travels each year to the Port of Melbourne (1130km) to avoid the difficulties of dealing with Port Botany. In favourable seasons the Walgett LGA alone can produce greater than 1.5m tonne of grain across all commodities.

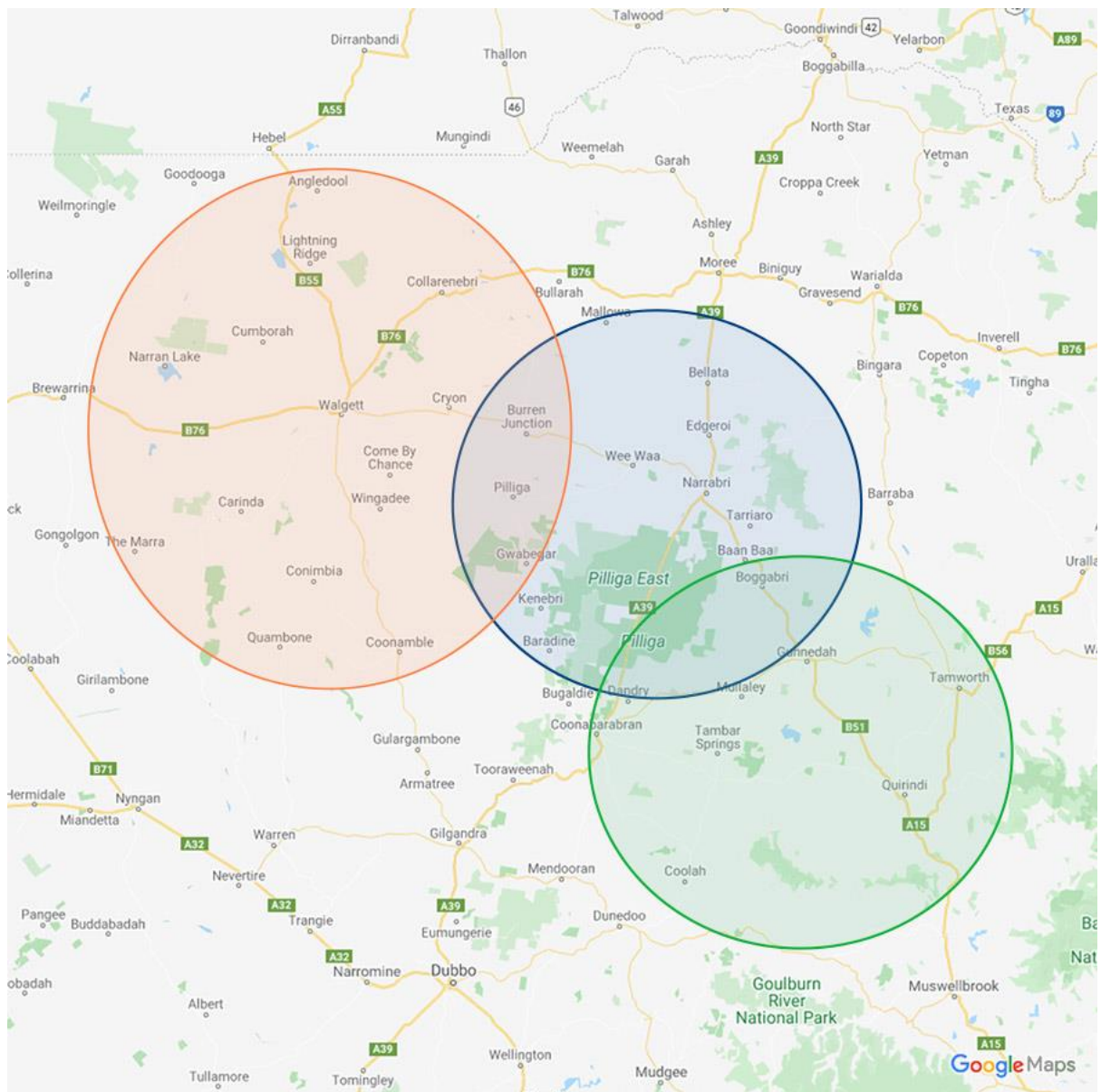
Our understanding is that container trade from the Port of Newcastle (580km) has been prevented for many years due to anti-competitive legislation, but this restriction has now been removed and let there be no doubt that the north-west of NSW sees Newcastle as the most important Port in NSW for the export of our product.

Under the NSW freight policy reform, If Newcastle was recognised as the NSW highest priority container terminal through Government policy it would provide a significantly more direct 580km freight route to Newcastle utilising the Kamilaroi Highway through Narrabri & Gunnedah, which then merges into the New England Highway leading directly to the Port of Newcastle. This would not only lower emissions from freight but provide a substantial cost saving to producers. Better still, access to the Port of Newcastle has distinct advantages over Brisbane in that excellent rail access along the Hunter Valley Coal Chain (HVCC) at 30TAL from Narrabri to the Port of Newcastle is currently operational.

A few key facts about our region and our clients grain production business.

- Currently the Walgett LGA has 5 bulk grain depots along the rail network that have a combined storage capacity of greater than 1.3m tonnes. There is a cotton gin on the Merrywinebone line in the Walgett LGA and a further 5 cotton gins in the adjoining Narrabri LGA.

Outlook Ag area of service



- Walgett LGA is consistently one of the largest grain producing regions in NSW. Further advances in grain technologies will see this bulk tonnage continue to increase over the coming decades despite large seasonal due to the combination of available land resources and improvements in management and technologies.
- Producers currently face significant cost path challenges shifting the mode of transport from road to rail freight – eg. the Walgett Branch line and current loading facilities force customers onto road from farm direct to Narrabri rather than from farm to local depot. The unaccounted cost of this is road damage on both local and regional roads as well the main road routes into Narrabri. Walgett needs more efficient intermodal receival sites to get this product onto the rail infrastructure and then direct to port.
- Our clients aspire to pack containers and pass quarantine (AQIS) upcountry, they are currently doing this for chickpeas at some sites, and keen to expand the volumes across all grains to increase market penetration.

From a future infrastructure perspective, to make the Port of Newcastle function efficiently we would need to see the following changes up-country.

- Additional passing loops and implementation of technology that allows an increase in the number of train paths per hour and to accommodate more grain trains alongside the coal trains.
- As coal decreases over coming years, the paths for grain need to be prioritised particularly in the HVCC.
- The rail line from Walgett to Narrabri including the Merrywinebone branch line needs to be upgraded from 21TAL to 25 TAL to better support the freight logistics once entering the HVCC.
- The completion of Inland Rail, particularly Narromine to Narrabri. Our producers need confidence from government that this will happen to allow continued investment into on-farm storage.
- Interfaces between Inland Rail and the Hunter Valley Coal Chain (HVCC) at Narrabri need to be adequate and efficient, trains from the north and south need to turn onto the HVCC with a diamond junction at Narrabri.
- Current restrictions lifted to allow future online loading of grain trains at suitable sites on the branch lines such as the Wee Waa, Burren, Walgett, and Merrywinebone.
- Vehicles complying to Performance Based Standards - 2B and other appropriate high-performance vehicles allowed on local, regional and state roads to access intermodal terminals and the port of Newcastle.
- If the policy settings are sound, then grain production businesses will plan for expanded intermodal operations over the next decade.

I am also a Councillor on the Walgett Shire Council and have discussed this submission with our general manager and fellow councillors. From a local government perspective, we would welcome the following changes,

- Walgett and other LGA's require frequent or just-in-time reclassification and implementation of local roads to regional or state classification to access greater funding. For example, when changes occur in the district, such as new loading, industrial or intermodal facilities, the reclassification needs to be triggered. Upgrading the road to regional or state will allow Council to access appropriate funding sources to make capital improvements ahead of increase heavy vehicle traffic. Road reclassification currently is too slow a process and does not happen in real time when there are zoning changes.
- The creation a competitive rail network from Walgett to Port of Newcastle, compared to road, and realise freight efficiencies, cost savings and a lower carbon footprint compared to Port Botany and Port of Brisbane. Our rural industry, which is our largest source of GDP needs to become the least cost producer to retain market access on the global scene. Currently, freight from farm gate to port is the single largest cost for producers and costs approximately \$75/tonne. In an average season this cost equates to more than \$200/ha!
- Completion of the Special Activation Precinct at Narrabri and Moree.

From an agronomic and grain producer perspective the closing date of submissions has coincided with a very busy time of season with the winter crop planting in full swing. Despite encouragement I have been largely unsuccessful at getting clients to put pen to paper and

lodge submissions. However, I urge that you do not take that as a sign that we are not interested! This is a key part of shaping the future in one of the most productive regions in NSW. Furthermore, I would like to extend an invitation to members of the freight policy reform panel to come out to the Walgett and NW plains region later this season where we can introduce you to key producers and illustrate to you first hand the restrictions that current infrastructure, or lack thereof, places on the competitiveness of our businesses. I urge you to reach out and make contact and will be more than happy to organise an itinerary to illustrate these key points.

Yours sincerely

