

Regional Development Australia – Barossa. Submission to the Inquiry into National Freight Supply Chain Priorities

Position in the Industry: RDA Barossa is one of 55 regional development bodies nationally, is financially supported by three spheres of government and has an industry led board. RDA Barossa adds value to the region and its economy by assisting industry to expand and invest, to innovate and to take up opportunities. It helps policy work “on the ground”. Part of this role is to work with government and industry to identify infrastructure issues and opportunities including issues that affect the freight task for local commodities. Working with regional business in many contexts, RDA Barossa is able to bring many perspectives to the table.

Summary of the Freight Task: For the Barossa, regional freight tasks are critical for export and to add value downstream to regional produce consumed within Australia and overseas. Key commodity types are wine and grape related products, grain and hay export, stockfeed and livestock distribution in the domestic market and some livestock export. Future growth areas identified are horticulture produce for domestic and overseas consumption. The centralisation of wine manufacturing in the Barossa continues to grow the freight task with grapes, grape juice and grapemarc coming into the region and bottled wine, bulk wine and other finished wine or spirit products being exported. Stockfeed, primarily hay and chaff also continues to see growth in the export market to Asia. Processed animal feed involves an influx of raw materials from around South Australia of which the majority of processed feed (value added product) is consumed within South Australia and Victoria at feedlots for protein production (pigs, cattle, chickens and some aquaculture).

Summary of Priority Issues:

- **Infrastructure:** first mile last mile access for wineries of various scales to high efficiency vehicles; safety and fitness for purpose of the Barossa Commodity Freight Route with increase in volume, weight and size of the freight task. The improvement in road infrastructure has moved mineral freight from rail to road transport between the Barossa and Port Adelaide. This includes processed cement products from Adelaide Brighton Cement. First mile last mile access is also important for other producers, particularly food producers, seeking renewal of EPA certification for production and packaging facilities on unsealed roads.
- **Regulation:** permits for movement of oversized equipment (wind towers, broad acre farm machinery, grape harvesters). Physical and regulatory restrictions on movements of B Double and A Triple rigs is impeding productivity both currently and into the future.
- **Productivity:** demand for freight exchange/trailer hitching point to allow coupling/de-coupling of trailers to improve the efficiency of the freight task using high efficiency vehicles from Barossa to Port Adelaide and other intermodal points. Intersection redesign is required at a number of points to facilitate B Double and A triple movements.
- **Technology:** the future of driverless vehicles and GPS tracking of produce to plate are two developments that have not been advanced in product development in our region but expected with international investment in our regional supply chain.

What is moving where, when and how?

The following commodities within our region have a relatively defined freight path with an increasing volume of higher value products going via Penfield road/rail intermodal to the Port of

Melbourne rather than the Port of Adelaide due to frequency of shipping and competitive prices out of Melbourne.

Grapes: 50-60% of grapes processed come to the Barossa from outside of the region as corporate winemaking consolidates processing in the Barossa. Points of origin for grapes and crushed juice include Riverland, Adelaide Hills, Langhorn Creek, Coonawarra, Padthaway, Mildura, and Griffith. Processed goods (bulk wine and bottled wine) go to NSW and Victoria but greatest volume is exported by road, rail and airfreight via Adelaide/Pt Adelaide to UK, China/Hong Kong, USA, Canada, New Zealand and Europe.

Grain: grain for export is increasingly held on-farm or private brokers (private silos) but the bulk is transported to Roseworthy, Balaklava and Port Adelaide grain holding facilities. Transport movements are by road freight using Sturt Highway, Port Wakefield Road, Balaklava Road, Barrier Highway, Horrocks Highway, Traeger Road, Theile Highway and Redbanks Road.

Hay/Stockfeed/Chaff: stockfeed is consolidated and exported from Adelaide Plains, Kapunda, Daveyston and Greenock via road freight to Port Adelaide and Penfield Intermodal. Domestic sales are via road to Brisbane, Sydney, Murray Bridge and South-eastern Australia via Gawler to Murray Bridge freight routes (via Williamstown, Mt Pleasant and Tungkillo).

Livestock: stockyards at Mallala are the primary collection point for Barossa, Light and Mid North livestock sales. The greatest volume of livestock is transported for processing in Adelaide and Murray Bridge via the same freight route as hay/stockfeed/chaff.

Horticulture: fruit, nuts and vegetables grown in the Adelaide Plains are transported by road to Melbourne and Adelaide with an increasing interest in export to Asia via Adelaide Airport. With expansion of this industry thanks to a proposed new waste water irrigation scheme on the Northern Adelaide Plains, a reconsideration of freight route opportunities, including the potential for access to Edinburgh Airforce base runways may be called for.

Important Regional Freight Infrastructure

Freight Network - the completion of the Northern Expressway and programmed work for the Northern Connector and South Road Corridor is the most significant road investment for freight transport for the RDA Barossa Region to the Port of Adelaide, Adelaide Airport and Metropolitan Adelaide for export and value-adding through processing. This is also an important corridor for freight to Melbourne although the alternative route, via Truro and the proposed North Eastern Bypass of Adelaide is also an opportunity for the region.

Inter-modal facilities are important for cost effective freight network and to be competitive in the destination market place. Penfield is the closest intermodal facility for the Barossa Region and the capacity to expand and augment services to be compatible for future configuration of freight infrastructure is critical. How this facility may link the 'Globelink' proposal needs consideration.

Port Adelaide sea freight terminal needs to become competitive and configured to provide an alternative to the Port of Melbourne for export for South Australia to be more competitive. This needs to be considered alongside Naval ship building and the increase in Cruise shipping through the same maritime channel at Outer Harbour. The multiple landside use is not always compatible and future expansion and interface issues need to be considered alongside old and outdated landside uses set up for mineral export that may need to be decommissioned.

First mile – last mile access for efficiency in the freight task remains a challenge for wine, grain and hay export. Commodity freight routes use existing networks that were never built for the current freight task with resulting road safety issues. Ongoing investment in freight routes also need to consider both high volume first mile – last mile points in the network and the supplement of trailer hitching points to check loads and change configuration of loads to improve efficiency along trunk routes to ports, silos and intermodals. The Barossa region has a challenge with the foregoing and has a need for an open access hitching point and trailer storage areas within the region for interstate and inter-regional vehicles. See above re challenges for B double and A triple movements.

Airfreight – commodity air freight with 24-hour access is limited in South Australia. The anticipated growth in large scale intensive horticulture will increase the demand for 24-hour air access to Southeast Asia. Current airports are land locked by residential development which restricts the capacity to export perishable goods 24-7. Thus the need to consider access to Edinburgh Airforce base for freight uses.

National Supply Chain Integration – the proposed North East bypass of Adelaide connecting Monarto, Truro, Two wells and Port Adelaide with national freight routes (and the variation, Globe-link supported by the South Australian Liberal Party) address the question of how best to configure the National Freight task between South Australia, Western Australia and Victoria for long term productivity gain and improved road safety. Additional work is needed to determine the high priority components to deliver the national freight task in future decades. This may include capacity forecasting on the current Adelaide Hills rail-line and scenario planning for global changes in the freight market such as port access for bigger ships and double stacking containers on rail cars. The Adelaide Hills option is generally considered short term with alternatives required for future enabling higher and more frequent freight volumes.

A challenge for wine export is that poor performance of bulk wine in bladders in containers and loss of stock on rail freight due to shunting (bladders splitting) results in preference for road freight to ports. The magnitude of this issue may be modified as rising wine prices and a preference for provenance bottled product reduce the amount of bulk available to the market.

In summary:

First Mile Last Mile issues for freight dominate the local agenda. An East/West link is also a priority and should be at least partially addressed with the completion of the Northern Connector, provided that a north turning onto Port Wakefield Road is included in the final design. With on average 10 per cent of local roads unsealed, there are barriers to value adding of prime, high value agricultural produce. Even for raw product, freight onto these minor unsealed roads is limited.

The Adelaide/Darwin rail link aimed to provide ready access to Asian ports. However the cost of access has limited the opportunity presented by construction of the rail. As FTA protocols for fresh food are established, this route may be viable at least for products of longer shelf life. Alternatively, upgrades to Port of Adelaide are required to move food freight by sea.

Light Veg and meat would benefit from access to Edinburgh Airforce base runways – and there is precedent for successful viable models for such access.

All major freight transport proposals need to maximise linkages for access – Northern Connector to intermodals as well as port and airport; North Eastern bypass with Gawler North East Connector for Hills and Barossa Freight. Recurring freight passages need simpler pass and permit requirements for use. In the medium term, intersection design and engineering requires revision for B2 and A3 rigs.