

New freight rates may squeeze out producers

Anger on Kangaroo Island

Aden Hill

Farmers on Kangaroo Island are worried that rising transport costs may force smaller agriculture producers out of the industry, with drastic measures including a "blockade" being suggested to raise more attention to the issue.

For the last three years, AgKI has been in discussion with ferry operator SeaLink and the state government over new livestock freight rates, due to be implemented at the end of 2026.

The Advertiser understands SeaLink advised the farmers livestock would be charged at the same rate as dangerous goods – 1.5 times the base rate.

This would increase the cost per linear metre for stock crates from \$39.60 to \$45.53.

These increases raised concerns in the industry, with AgKI saying they had not been consulted and that the increase would have a compound effect on a strained industry.

"We have been pushing over the last three years for improved communication and transparency in the decision-making process for our community's lifeline, the SeaLink ferry," AgKI chair Peter Cooper said.

Agriculture is the largest industry on Kangaroo Island, employing more than 530 people and worth \$236.3m.

Mr Cooper said that this "grace period" gave farmers an opportunity to work on getting a "permanent change".

"There'll be no segregation of livestock trucks from general freight, and they can travel on any boat," he said.

"We don't believe the freight rate should be any different."

Farmer Anna Osman is one the small producers who said she was potentially at risk if price rises continued.

"Just the cost of production

overall and then getting our stock off to market, you know, it'll squeeze us out in time," she said.

"If we start losing the small producers like my husband and I, and that's what this community's been built on, this is where we start seeing small towns die."

Tim Salmon manages several farms on KI, having come across from New South Wales two years ago.

Mr Salmon said there had been a "lack of transparency" from SeaLink and DIT during the negotiation on the new contract, and that there was "no economic justification" for charging the same rate as dangerous goods.

"The intent of the contract was for cheaper, more affordable transportation for Kangaroo Island as a whole," he said.

"So whilst that might be coming for passenger fares, we don't feel that livestock producers should have to pay a substantially higher rate than they have in the past."

SeaLink said in a statement on Thursday that the current freight fare would remain in place until June 1, 2026, and to give livestock producers time to prepare for the new rate, the 1.5 multiplier would commence on January 1, 2027.

A spokeswoman said SeaLink responded to a competitive tender process for the Kangaroo Island ferry service released by the South Australian state government.

"The freight rate per liner metre under the deed is controlled by the Department for Infrastructure and Transport," she said. "Both livestock and dangerous goods freight under the deed with the department has a 1.5 multiplier applied to the freight rate to account for the additional requirements, such as deck cleaning and loading time."



"We don't believe the freight rate should be any different," says KI farmer and AgKI chair Peter Cooper.