

GRAIN RAIL NETWORK — TIER 3 LINES

566. Mr M.P. MURRAY to the Minister for Regional Development:

I refer to the grain rail freight issue.

- (1) Is the minister aware that the Minister for Transport has announced that three grain rail lines will close and the grain currently moved on these lines will be carted by road to railheads on the Great Southern and eastern Goldfields railways from next year's harvest?
- (2) Is the minister aware that no funding has been allocated to upgrade roads to handle this increased task?
- (3) Does the minister stand by his comments, reported in the *Countryman* in August 2008, that he believes the state component of the rails rescue package should be funded through the royalties for regions scheme and that, further, he would prioritise the grain rail network over the railway extension to Butler?
- (4) Will any funding be allocated from royalties for regions to upgrade the grain rail network?

Mr B.J. GRYLLS replied:

I thank the member for Collie–Preston for the question.

- (1)–(4) We have prioritised the grain rail network over the railway extension to Butler; we are already investing in that network. As we speak, the Albany line is being upgraded to handle the volume of grain that moves on the line from the Avon to Albany. In addition, we have put in place a transitional package to encourage more grain to stay on rail as we move our way through the strategic rail report. This government responded to the major changes in the industry by commissioning that report to get a clear understanding of which rail lines would be used by CBH in future years and which rail lines would become uneconomic based on CBH's understanding of the way in which grain would travel from the farm to the port. Those issues substantially changed after deregulation. This is a major issue in my electorate of Central Wheatbelt. Many of the rail lines that have served the region well have been labelled by CBH, the only user of the lines, as not being a candidate for investment; that is, even if the government invests in the lines, CBH will not use them.

The premise of the question put forward by the member for Collie–Preston relates to the Wheatbelt region, which his side of politics has attacked and denigrated over the past two days in Parliament. The member is suggesting that the taxpayers in his electorate should fund an upgrade to the rail lines in my electorate, which CBH, the only user of the lines, has said it will not use. I suggest that good management of taxpayers' money in Western Australia indicates that, if we are to upgrade the rail line, it would be fairly handy if CBH, the user of the line, planned to use it. In those areas that CBH has indicated it will use rail lines because there is an economic case to use them—that is the tier 1 and tier 2 lines—the government has already begun its commitment to upgrade those lines, with the first investment in that rail in Western Australia in the past 10 years. The member for Collie–Preston will recall that for eight years he sat in Parliament as a member of a government with multiple billion-dollar surpluses and never mentioned rail in the Wheatbelt. It is amazing that it took the member going into opposition to understand that the Wheatbelt actually exists.

Let me be crystal clear about what is happening. Tier 1 and tier 2 rail lines, as identified in the strategic rail report, are candidates for state and federal government investment. The state is already committed to that and the re-sleepering of the Northam–Albany line is underway. In the meantime, a subsidy package is in place to encourage more grain to stay on those rail lines. It will be very interesting to see at the end —

Several members interjected.

Mr B.J. GRYLLS: Listen to this! It will be very interesting to see at the end of the first year of the subsidy how much of the grain has stayed on rail using the benefit of that subsidy in place on the tier 3 rail line. We will see how much of the grain available to be carted on those lines has been transported on those lines when CBH provides its figures to the government. Those figures will clearly indicate for both the government and the opposition the viability of those tier 3 rail lines. We would all love for every rail line to be economically competitive into the future, but we know that farmers will make the decision to move their grain to port by the most economic means possible. Many of them have their own trucks and find that it is cheapest to move their grain to port with trucks. It is a complex issue and one that the member needs to take a little more time to understand if he is prepared to ask questions here.

Several members interjected.

Mr B.J. GRYLLS: Again, it would be unwise to invest taxpayers' money—money from the constituents of the member for Collie–Preston—in the railway lines in the Wheatbelt region that CBH, the only user of those lines, has said are not a candidate for investment.

Several members interjected.

Mr B.J. GRYLLS: I think that I have been very, very clear about my position on this; that is, taxpayers' money should be used to its best possible effect.