

RAILWAYS, FUNDING OF NEW INITIATIVES

399. Hon Jim Scott to the Parliamentary Secretary representing the Minister for Planning and Infrastructure  
Since the sale of the freight division of Westrail what individual financial contributions have the Australian Railway Group, the State Government and the Commonwealth Government made to the following -

- (1) Completion of the rehabilitation of the Kalgoorlie to Esperance Railway line?
- (2) Construction of the new rail spur to service the Albany Plantation Export Company (APEC) woodchip mill near Albany?
- (3) Extension of eight passing loops on the interstate line to permit the free movement of 1800 metre trains?
- (4) Replacement of timber sleepers with concrete sleepers between Jaurdi and Bonnie Vale on the east-west line?
- (5) Upgrades to the grain lines as part of the Grain Line Strengthening Plan?
- (6) Re-sleepering and rehabilitation of the Worsley line?
- (7) Replacement of the life expired signalling at Midland and Forrestfield?
- (8) Optic fibre installation from Kalgoorlie to Bunbury?
- (9) Purchase of additional grain wagons and woodchip wagons?

Hon GRAHAM GIFFARD replied:

The conditions of the Network Lessee concerning the maintenance of the standard of the railway are performance orientated and are defined in terms of maximum speed, axle loads, train lengths and running times, not quantity of dollars spent. Provided these requirements are met the Network Lessee is not obliged to report on the actual financial investment made.

The Network Lessee is a private sector company and declined to provide the information requested.

Since the Westrail cost estimates in particular date from before the sale, the figures provided here should not be used to draw any conclusions about how much the Australian Railroad Group may or may not have spent on the rail system.

- (1) The rehabilitation of the Kalgoorlie to Esperance line commenced in 2000 and was estimated to cost \$42 million. Pre-sale Westrail spent approximately \$13 million. The work has been completed and the final cost is unknown.
- (2) In 1999 the previous Government approved assistance to Westrail in the form of a \$2.1 million loan from Treasury Corporation for the capital cost of the rail infrastructure to service the APEC woodchip mill near Albany with interest costs of \$124,000 per annum to be met through a direct grant from the Consolidated Fund to cover the non-commercial aspects of the project for the lesser of either four years or until the rail freight task exceeded 500,000 per annum. Post-sale the current Government agreed to honour this commitment in a modified form. Under the current agreement the Australian Railroad Group would finance the cost of rail construction (estimated to be approximately \$1 million) and the State would subsidise the interest on the loan at a maximum rate of \$87,000 per annum for four years while the rail freight task is uncommercial. At the end of that time the State will purchase the railway at construction cost less the interest assistance already provided (approximately \$652,000) and then lease the railway back to ARG for an annual rental equal to the Government's cost of capital.
- (3)-(4) Westrail initially estimated the cost of the extension of eight passing loops on the interstate line and the replacement of timber sleepers with concrete between Jaurdi and Bonnie Vale at \$45 million. About \$2 million was spent by Westrail pre-sale on design work and \$18 million was provided by the Commonwealth as a non-recourse loan over 30 years. The upgrade has been completed but the final costs are unknown.
- (5) The Grain Line Strengthening Plan was initially a Five-Year \$125 million project which commenced in 1996. It was expanded in 1998 to include work in the period 2001-2004. At the time of the sale approximately \$120 million had been spent and Westrail estimated that the remaining work would cost about \$50 million. The work is due to be completed in June 2004 but no updated cost estimates are available.

- (6) No work was carried out or funded by the State pre-sale on the resleepering and rehabilitation of the Worsley line. All work has been done by WestNet Rail and is essentially complete with clearing of the site to be finished by the end of March 2002.
- (7) The signalling at Midland and Forrestfield was part of the wider Processor Based Interlocking System. I am advised there is, and was, no life expired signalling at Midland. Modifications to the Midland signalling equipment was done to separate the freight and urban systems and to allow for changes to the passenger platform road. The estimated cost was approximately \$1.4 million and was primarily a passenger issue. At Forrestfield the original contract estimate to replace the signalling was \$3.4 million with approximately \$2.2 million spent pre-sale. The work is now completed.
- (8) The optic fibre installation from Kalgoorlie to Bunbury is expected to be completed in late 2002 and was initially estimated to cost \$19 million. Although the tender was called pre-sale no significant costs were incurred by the State. This project is still in progress and the final costs are unknown.
- (9) The Government is not aware if the Australian Railroad Group has purchased any additional grain and/or woodchip wagons. The State and Commonwealth has made no contribution to any such purchase.