

TIER 3 RAIL LINES

Matter of Public Interest

THE SPEAKER (Mr M.W. Sutherland) informed the Assembly that he was in receipt within the prescribed time of a letter from the Leader of the Opposition seeking to debate a matter of public interest.

[In compliance with standing orders, at least five members rose in their places.]

MR M. McGOWAN (Rockingham — Leader of the Opposition) [3.07 pm]: I move —

That this house condemns the Premier for breaking his election promise to keep open the tier 3 rail lines thereby compromising road safety.

It seems that every week when we move a matter of public interest motion the debate is about the Premier breaking his promises and the honesty of the Premier's statements in the lead-up to the last election versus what he has done in the time since the election. That continues today and will continue for the next eight weeks of the parliamentary sitting, until the end of this year, because there have been so many broken promises and so many occasions when the government said one thing in the lead-up to the election but has done another thing in the time since.

Today we will talk about the tier 3 rail network throughout the wheatbelt of Western Australia and what will happen as parts of that rail network close and what that will mean to farmers and people who live in the wheatbelt, to people who drive on the roads in the wheatbelt and, indeed, to the road users and pedestrians of Perth roads, including the major arterial roads of Perth. These are incredibly important issues because they impact on safety on our roads and the livelihood of people in one of Western Australia's biggest industries.

We raise this issue because on 7 March 2013, two days before the state election, the Premier took out a full-page wraparound advertisement in *Farm Weekly*. That advertisement was to promote what the Liberal Party had to say about agricultural issues. On the back page of that advertisement was a photograph of a range of regional candidates who supported what the Premier had to say. On the front page of that advertisement was a big photograph of the Premier standing alongside a group of Liberal Party candidates in the wheatbelt, and the words, "Liberals support a viable Tier 3". The words underneath that photograph gave the impression to everyone in the community, city and country, who reads *Farm Weekly*, that this government will keep open the tier 3 rail lines in Western Australia.

Mr T.R. Buswell: If it is viable.

Mr M. McGOWAN: Yes. We will get to "viable". We will get to the minister's weasel words. The minister has a good track record for the use of weasel words. We will get to that excuse, and we will see whether the Premier of this state will try to use that excuse to get out of this commitment.

I want to explain to members exactly what is going on here. The tier 3 rail lines in the wheatbelt are used to cart grain from areas like Gnowangerup, Nyabing, Trayning, Quairading, Corrigin and Merredin. It was announced recently by Brookfield Rail, which is the lessee of the track from the state government, that two of these tier 3 rail lines—namely Quairading–York and Trayning–Merredin—will close on 31 October. These two lines are used to cart tens of thousands of tonnes of grain a year. That will mean that, instantly, there will be thousands of additional truck movements.

Mr T.R. Buswell: How many—thousands?

Mr M. McGOWAN: The minister will get his chance. He is the one who is breaking his promise. He should keep his mouth shut.

Mr T.R. Buswell: How many—thousands?

Mr M. McGOWAN: We all know that this minister talks a lot of rubbish; and other terms may well be used. He talks a lot of nonsense.

Mr T.R. Buswell: Thousands of trucks?

The SPEAKER: Treasurer!

Mr M. McGOWAN: What people in the wheatbelt and people in many parts of Perth know is that these rail networks are an important component of road safety. These rail networks are particularly important in the wheatbelt. I happen to have with me statistics from the Office of Road Safety for the district road fatality rates per 100 000 persons for 2012. In the wheatbelt, 50 persons per 100 000 died on the roads in 2012.

Several members interjected.

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Mr M. McGOWAN: Why are members opposite making fun of road safety and of people dying on our roads? They should be ashamed of themselves for interjecting while I am talking about road safety. They should be absolutely ashamed of themselves for making fun of an issue like this. What sort of people are they? Car accidents occur for a range of reasons. One reason is the narrowness of roads and the fact that larger vehicles on those roads may cause issues for other drivers on those roads. In the Peel region, which is in relative proximity to Perth, 6.9 people per 100 000 died on the roads in 2012. The death rate in the wheatbelt was almost 10 times as high as the rate in the Peel region. I expect that the figures for Perth were close to those for the Peel region. Indeed, from the latest figures I have seen, in the 10 years from 2000 to 2010, 740 people died or were seriously injured on the roads in the wheatbelt. The fatality rate in the wheatbelt of 50 persons per 100 000 was by far the highest in the state. It was two and a half times the rate in the midwest and the Gascoyne, which have the next highest death rate. Road safety is a serious issue in the wheatbelt. It is also a serious issue in Perth. As anyone who has suffered from a road accident would know, road safety is not an issue to be trifled with.

The fact that there will be more trucks on our roads as a consequence of the closure of the tier 3 rail lines is causing great angst in the wheatbelt. I have visited the wheatbelt and have met with some of the families who are worried about not only their own safety and the safety of other drivers, but also the safety of their husbands and sons who are driving grain trucks on these roads.

Ms M.J. Davies interjected.

The SPEAKER: Member for Central Wheatbelt!

Mr M. McGOWAN: Members opposite can pooh-pooh this issue and make out that it is unimportant. It is important, and members opposite should treat it with the seriousness that it deserves. The wheatbelt already has the highest road fatality rate in this state. The wheatbelt now faces the prospect of a greater number of truck movements as a consequence of the closure of the tier 3 lines. The impact on the metropolitan area of the closure of those lines is that there will be additional truck movements on Great Eastern Highway, Roe Highway and Thomas Road, and potentially also on Brookton Highway, with wheat trucks going to the Co-operative Bulk Handling Ltd grain terminals in my electorate or in Forrestfield.

Mr T.R. Buswell: What rubbish!

Mr M. McGOWAN: If members opposite are saying there will not be a greater number of truck movements, they are not telling the truth, because there will be.

Point of Order

Mrs M.H. ROBERTS: Mr Speaker, in question time you called to order and named quite a number of people on this side of the house for interjecting. Now we find the Treasurer interjecting —

Ms E. Evangel interjected.

The SPEAKER: Member for Midland, I am going to call the member for Perth to order for talking while you are raising a point of order.

Mrs M.H. ROBERTS: Thank you, Mr Speaker. I seek some clarification from you as to whether you will allow the Treasurer and others to continuously interject, or whether you will provide us with the same latitude when the Treasurer responds.

The SPEAKER: Thank you, member for Midland; point taken.

Debate Resumed

Mr M. McGOWAN: I think it is clear that this is a road safety issue in the wheatbelt and in some suburbs around Perth. It is also an economic issue for farmers in the wheatbelt who want to continue to transport grain by rail. It is also an issue in parts of the city; otherwise, why would the member for Swan Hills, in the lead-up to the state election, have posted a big advertisement, with a photo of himself —

Mr F.A. Alban interjected.

The SPEAKER: Member for Swan Hills, I call you to order for the first time.

Mr M. McGOWAN: Otherwise, Mr Speaker, if it was not an issue in the city, why was the member for Swan Hills in this advertisement standing in front of a wheat truck with a line above his head, “Tier 3 Rail to continue”? Why did we have this advertisement in the lead-up to the state election from the senior member of the government, the member for Swan Hills, out there telling this story if it was not a significant issue?

Mr F.A. Alban interjected.

The SPEAKER: Member for Swan Hills!

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Mr M. McGOWAN: Why was this advertisement out there, if the government did not regard it as an important issue —

Several members interjected.

The SPEAKER: Sorry, Leader of the Opposition. Member for Swan Hills!

Mr M. McGOWAN: I assume that what the member for Swan Hills said was authorised by him, although sometimes it is the Liberal Party office that does it—or just the Premier. It was that dastardly Ben Morton or the Premier who did it without his knowledge. He did not know about it before it went out! He stated —

The State Government will continue to work together with all parties to retain the Tier 3 network and establish the viability for this railway for the longer term.

“A great deal of scaremongering has taken place on this issue. There will not be an increase in grain truck traffic on Gt Eastern Highway particularly through Mundaring township”. Frank Alban said.

The only reason he said that was because the government promised to keep the tier 3 rail network open. That is the only reason. The Liberal Party advertised that it would do this in the lead-up to the state election with people such as the member for Swan Hills. I want to refer to the Premier’s advertisement, and this motion is all about the Premier and whether he will adhere to this promise in the *Farm Weekly*. I want to read the commitment headed “Liberals support a viable Tier 3” —

Premier Colin Barnett has announced that a re-elected Liberal Government would commit to keeping open viable Tier 3 railway lines.

The Liberals have already committed to keeping all Tier 3 lines open until October this year and by that time, there will be a clear picture of the state of the tracks, the volume of grain carried on those lines and the condition of the roads in the area.

The Liberals can then decide which lines need to stay open and will commit to adequate funding to maintain them.

The article then states —

The safety of road users and providing options for farmers to get grain from gate to port will be paramount in any decision making.

In other words, the safety of road users will be paramount. He said that the government will examine these issues in relation to things such as state of the tracks, the volume of grain carried and the conditions of the roads. As I understand it, based on the advice of farmers in the area, it is a bumper crop this season and the roads are not in good condition. I understand, based on figures released, that the death rate on those roads is the highest of any region in the state. Surely, in light of these figures, the government should be able to produce the analysis it so clearly committed to on whether these lines are viable. The government should be able to provide for us what it committed to the people of Western Australia in the lead-up to the election about the viability of these lines. I do not accept for a moment any weasel words that say that the government gets out of this commitment based on an argument about the meaning of “viable”. Unless the government can produce the analysis that it and the National Party clearly committed to in relation to these matters, it has broken a clear promise to the people of Western Australia. If a person reading *Farm Weekly* two days before the state election saw a photograph of the Premier standing out there in the region lauding the tier 3 rail, along with a member who would be affected by its closure, what conclusion would that person draw? The conclusion that person would draw is that the Liberal Party would preserve the tier 3 rail. That is the conclusion anyone would draw. The Premier needs to answer the question on whether he will produce that information and keep tier 3 rail open, and outline what work he will do with Co-operative Bulk Handling and Brookfield Rail to ensure that these lines are kept open into the future. This is because they are important. If the Premier makes a joke of these issues and pretends he did not make this commitment, every time there is a serious incident involving trucks in that area, we will remind him of that. People will notice when their family members suffer as a consequence of this decision.

The ball is now in the Premier’s court. What did this promise mean, will he deliver it and will he preserve the other tier 3 rail, particularly those around Merredin? Will the Premier preserve the other tier 3 rail as his promise so clearly indicated for the people of Western Australia?

MS R. SAFFIOTI (West Swan) [3.25 pm]: The tier 3 debacle is an example of what the Liberal and National Parties do best—failed privatisation and broken promises to the Western Australia public. In 1999–2000, the Court government privatised Westrail freight and made a number of commitments. I refer to a media statement from the then Minister for Transport, Murray Criddle, which states —

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Transport Minister Murray Criddle said today the sale of Westrail's freight business would be a catalyst for a major transfer of the State's freight tonnage from road to rail.

"We want to see as much freight as possible transferred from road to rail for environmental, economic and safety reasons and we see the sale of Westrail's freight operation as a unique opportunity for that to happen," ...

What did the opposition say at the time? A media statement from the then shadow minister, Alannah MacTiernan, reads —

Inevitably, smaller regional lines will be closed down as the new owners work to maximise profits for their shareholders.

This was said at the time and it is now happening. Some parts of the rail network have become very profitable and others have not. As a result, the taxpayers, road users and farmers of Western Australia have been left with the loss-making section while the profit-making section is going gangbusters. The Auditor General's report of January 2013 states that there has been an increase in the volume on mineral and general freight lines, about which it outlines —

The State does not obtain any direct economic benefit from this increase in volume.

Despite this, the report states that between 2000 and 2011 the state and commonwealth poured in over \$360 million to make some of those train lines viable in the short term.

This is a case of failed privatisation and, again, what happens when the Liberal and National Parties make quick deals to try to sort out their debt problem. The then head of the Institute of Public Affairs—IPA—said in a comment piece in *The West Australian* that the then government had to sell Westrail freight to manage debt. Where are we now? The debt gap has got out of control, and we are going to see more of these bad short-term decisions that ultimately result in a transfer from taxpayers to certain private sector entities. We know that in relation to the Westrail freight sale a significant change in the ownership structure has occurred since the initial sale.

I would also like to make the key point about the government's broken promise. The Leader of the Opposition stated that there was a clear intention to tell Western Australians that the tier 3 rail lines would remain open. I again refer to our good friend the member for Swan Hills. It is very clear in his advertisement "Tier 3 Rail to continue". The member for Swan Hills talked about scaremongering on this issue. His advertisement states —

There will not be an increase in grain truck traffic on Gt Eastern Highway particularly through Mundaring township". Frank Alban said.

Mr F.A. Alban interjected.

The SPEAKER: Member for West Swan!

Ms R. SAFFIOTI: I am here.

The SPEAKER: Member for Swan Hills!

Ms R. SAFFIOTI: Ha-ha! I know you have called me to order quite a few times, Mr Speaker, but I am on my feet—give me a break!

Mr T.R. Buswell: Easy mistake to make.

Ms R. SAFFIOTI: If the member was called to order a few times —

Several members interjected.

The SPEAKER: Members!

Ms R. SAFFIOTI: There was a clear intention to tell everybody in the metropolitan area and the regions that tier 3 would remain open. Anyone reading that advertisement would walk away with the clear impression that this government was committed to keeping tier 3 open.

I also refer to comments made by the Minister for Transport during the election campaign on 18 January 2013. I remember them clearly because they were absolutely absurd. He said on ABC on 18 January —

It is absolutely not true for Labor to suggest that any changes to the status of the Tier 3 rail line will have any impact on truck movements through the metropolitan area because CBH has told us that it won't.

Then we can compare that with the recent comments of the Premier on 10 October, when he said —

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“I am very conscious that there is a lot of concern about trucks on the roads during harvest time and that is why we have put an investment into the roads and more needs to be done in that area.

“If a farmer has a big truck they are going to use it, that’s the reality.”

That is what the Premier said just a couple of weeks ago. But the Minister for Transport said that there will be no impact on truck movements if there is a change in the status of tier 3 lines. That is what he said. I remember him saying it at the time. I checked Twitter because I think I tweeted at the time that it was ridiculous to say that if tier 3 rail lines were closed, there would be no impact on trucks. That is absolutely false. The minister can stand and tell us how many extra trucks will be on the roads. The shire president of Mundaring said that there will be a significant increase in the number of truck movements throughout the metropolitan area and, in particular, on Great Eastern Highway. The key issue is that farmers in that area have to make economic decisions. I have spoken to a number of farmers in that area about what they will be doing. Many of them will be bringing their wheat straight down to Perth for economic reasons. There are a number of other reasons they will do that. They have blatantly told me that.

Mr V.A. Catania: Who are they?

Ms R. SAFFIOTI: Members will be surprised who has friends in certain places in Western Australia.

The key issue is that the National Party is closing rail lines in regional WA. It does not care; it is laughing at this. The Liberal Party keeps breaking key promises around Western Australia. This was a key promise that both the National Party and the Liberal Party committed to around Western Australia and throughout the metropolitan area, and the government should be condemned for breaking yet another election promise.

MR M.P. MURRAY (Collie–Preston) [3.32 pm]: I have some brief additional remarks to make. With the grain season well and truly underway in some areas, the extra trucks we will see on the roads are certainly a recipe for disaster. I ask the following questions about the crossovers between grain trucks and school buses and other users with all sincerity. Has any work been done at all to see whether there will be curfew times when school buses are on the road and the trucks must pull off to the side? Has any work been done to ensure that all trucks and school buses are on the same wavelength with their radios? If not, we are in for a disaster and the government will be at fault. We need areas for trucks to pull off the road and the government has to make solid decisions to ensure that school buses are not on the roads at the same time as the trucks. We all know that those roads were never built for multi-trailer trucks. Anyone who has lived in the country knows that many of the bitumen roads are narrow, single lane roads with drop-offs on the sides. Sometimes the shires do not have enough money to grade them. When a truck goes over the edge, we know what happens. Anyone who has lived in the country knows about those issues. I am very concerned about whether the government has done that work or whether it has just said, “Close the rail lines, let the trucks onto the road and so be it.” Over three consecutive weeks, three wheat trucks tipped over—I think that tells its own story—let alone the minor accidents that we had. Who would forget the multi-accident that we had with the GM crop? It was a different issue but there was a fire in a truck that blocked the road.

Let us look at what we have done and what we will do. My view is that we should keep the trains on the rail lines, keep the wheat off the road and make sure we have every safety issue in place before we make any hard decisions.

MR T.R. BUSWELL (Vasse — Minister for Transport) [3.34 pm]: Last year I looked into a couple of those incidents in which a truck had rolled over. One truck carrying wheat rolled over on the road between Quairading and York alongside the railway line, which was open. In many ways, that highlights a dilemma. There was an open railway line and, for a range of reasons, a truck was carrying grain on the road right next to the railway line. In many ways that captures the essence of the challenge we have. One of the reasons the tier 3 railway lines are not viable, especially those in the Kwinana south zone, is that over time farmers and Co-operative Bulk Handling Ltd have exercised their rights as individual businesses to use the method of transport that gives them the best outcome, and in a lot of cases it is the truck.

I thought I would step back through the history of this issue because there are a lot of new members in the house.

Mr D.J. Kelly: What about two days before the election?

Mr T.R. BUSWELL: I am going to talk about that as part of this retrospective. As the member for West Swan read out, I was asked whether any extra wheat trucks would be on metropolitan roads because of the decisions around tier 3 rail. My answer to that question was no because that is exactly what CBH has told me. When we read this report and understand the Brookton strategy, which is part of this report, we understand that that was identified as a potential issue and a solution was put in place. I will go through that in a second. I think it is really important for members to understand that this issue around the use of tier 3 rail lines is a small but important part

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of a broader solution to the challenge of transporting grain in Western Australia. In an average year, we have a wheat crop of 10 million to 11 million tonnes. From CBH's point of view, WA is broken up into a number of areas—the Albany zone, the Kwinana south zone, the Kwinana north zone, the Esperance zone and the Geraldton zone. Those zones generally relate to the ports through which that grain will be shipped. My recollection is that the Kwinana south zone, which effectively is where the railway lines in contention are, has a production and average yield of about 1.2 million or 1.3 million tonnes. I could stand corrected on that but I think that is about right. There was a big issue. Historically, about 60 per cent of our grain is transported by rail and about 40 per cent is transported by road, but that is an average across the state. In the tier 3 area, the Kwinana south zone, that ratio was much higher in terms of road to rail. I will get onto the reasons for that later.

Mr B.S. Wyatt interjected.

Mr T.R. BUSWELL: There was more road than rail. The reason for that, if we look at the map, is that a lot of those railway lines run backwards. They are slow railway lines. We are paying to take the grain 100 kilometres extra in some cases to get it to a particular point. Also, on a couple of the railway lines, the grain has to be transhipped off narrow gauge onto standard gauge. There are a range of economic reasons why farmers chose that method of transport. There were clearly some issues around the grain freight challenge right across the wheatbelt. I was not the minister at the time—Hon Simon O'Brien was—the government appropriately decided to get the Freight and Logistics Council of Western Australia to develop a strategic grain freight network for the state. This is a publicly available document. If members have a genuine interest in this area, rather than come in and make emotive statements, they should read it. It is a very good document. I re-read a range of sections this morning ahead of the matter of public interest debate. This document basically states that across the state we will have strategies for each of the zones. There is not so much a strategy for the Esperance zone because that was pretty much left alone, but there is a strategy for the Albany zone, the Kwinana south zone, the Kwinana north zone and the Geraldton zone. Off the back of those strategies, a range of rail and road investments had to be made to deliver on those strategies. I will not go through the Albany strategy in particular, only to say that the two railway lines, being the ones that have historically serviced Gnowangerup and Nyabing, both sit within that zone. For the information of members, those railway lines have not been used for a long time simply because the rail was not competitive with the trucks. I am not entirely sure how that sits with the Leader of the Opposition's argument around the impact of the closure of those lines on road trauma, as important as that is —

Mr M. McGowan: I merely said that the tier 3 —

Mr T.R. BUSWELL: The Leader of the Opposition said we are closing lines that have not been used for years.

Mr M. McGowan: Yes, I just talked about Trayning, and I talked about —

Mr T.R. BUSWELL: No, the Leader of the Opposition talked about Nyabing and Gnowangerup.

Mr M. McGowan: You asked me which lines —

Mr T.R. BUSWELL: Because I nearly fell out of my chair laughing, because they have not carried grain for donkey's years!

Several members interjected.

Mr T.R. BUSWELL: I move on.

The investment strategy, which was supported by the commonwealth I should say, involved a significant amount of additional funding into rail. It was probably the largest single investment in the grain rail network in the history of the state. It was a huge investment in the rail network; in terms of the exact dollars into rail, it was \$188 million. That is a massive investment in the rail network. As I said, a big chunk of that came from the commonwealth—about \$135 million—with the balance provided by the state and Brookfield Rail. There was also a massive investment of \$118 million into the road network.

If we dig down into the view of the strategy in this report, the important component of the strategy for us here is the Brookton strategy, which is the wheatbelt south strategy. That is the critical area of concern; that is where the five tier 3 lines will effectively cease operation. They are not going to close, but they will cease operation. Those lines are the Merredin–Bullaring–Yilliminning–Narrogin line; the Kulin–Yilliminning line; the Trayning–Merredin line; the Kondinin–Merredin line; and the York–Quairading line. The strategy developed through this process identified that those lines were not viable and would have to close. I should also say that participants in this strategy, and companies that signed off on it, included CBH—not that it is a company; it is a cooperative—and the Western Australian Local Government Association. They were involved in this from day dot. The strategy was that those five lines in that area would be closed, but there would be other significant investments in rail and road right across the wheatbelt area.

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The report rightly identifies that if that is all that is done, then it would run the risk of transferring grain onto freight, and for that freight to move then into the metropolitan area. It acknowledges that. But the report also states that to deal with that, a strategy needed to be developed, which is the Brookton strategy. Effectively, the Brookton strategy is that those trucks have to be channelled out of that particular area, towards Brookton and up onto the Eastern Goldfields Railway that runs, effectively, from Perth to Kalgoorlie, passing towns like Kellerberrin and others, many of which have wheat bins. Simply, the strategy is to invest more money in Brookton in particular and invest money into the road networks that service those particular bins; those farmers would then transfer their grain through to those bins, and that grain would then be transferred by rail through the city at the appropriate time. I did not make that up: it is all here in a publicly available document. It was adopted by the government and has been the basis for the discussion we have had around the transport of grain in this state ever since. I think it would be fair to say that at the time everybody understood it to be a sound strategy. As I said, CBH signed up to it.

Ms S.F. McGurk: Why didn't you tell us about it before the election?

Mr T.R. BUSWELL: This was brought out in 2009, member for Fremantle. I did not talk about it before the election because it was made public in 2010. The investment decisions were made in 2010 and 2011. This strategy has been known for donkey's years!

Several members interjected.

Mr T.R. BUSWELL: Hid? What does the member mean by "hid the information"? The information has been known for donkey's years.

Mrs M.H. Roberts: But you didn't publish it in here!

Mr T.R. BUSWELL: I am going to get on to that.

There has been no hiding of any information. The member for Fremantle can get it on the website—I will print her off a copy. She should have a read; it is very interesting. We are not going to have, as the Mayor of Fremantle thinks, truck after truck after truck going through Fremantle. Bulk grain has not been exported out of Fremantle for a long time. It is just not going to happen.

Mr B.J. Grylls: That is why the argument from the Mundaring shire president that Great Eastern Highway will see a huge amount of trucks coming down is completely false —

Mr T.R. BUSWELL: Correct.

The SPEAKER: Leader of the National Party, you can speak afterwards if you would like to; thank you.

Mr T.R. BUSWELL: That is the issue. It is important to note that this is a part of a broader strategy to deal with the challenge of transporting grain freight in Western Australia. A part of it is contentious, but it was a well-thought-out solution.

So what did the government do? It went out, as I said, and partnered with the commonwealth to deliver \$187.9 million—the single biggest investment in the grain rail network in the state's history. I am pleased to report to the house that the rollout of that investment is proceeding well. The first stage of that investment is the re-sleepering of the line effectively from Avon down to Albany. That is pretty much done. I have some very happy timber millers in my electorate who are supplying nice timber sleepers.

Mr M.P. Murray: What about the \$20 million that was supposed to go on the Donnybrook line?

Mr T.R. BUSWELL: That is being done, member for Collie–Preston, and I will get on to the \$50 million on the Collie Coalfields highway for the member shortly if he wants me to.

Secondly, there is stage 2 and stage 3 re-sleepering, which is also now well underway. That process of rolling out that rail investment has happened. As I said, there was also an acknowledgment that there would be an impact. Five railway lines, even though they are in declining use, cannot be shut without an impact on the roads. That is why the state committed \$118 million to a road upgrade package. The things the member for Collie–Preston talked about have been addressed and dealt with.

I am the first to admit there were some challenges in the early days in getting the wheels rolling to roll out that road upgrade program. I would also be the first to admit that I think we missed out on a couple of roads, such as the Quairading–York road. When I met with the Shire of York, it raised that issue and we used money out of the safer country roads fund to upgrade the road to the shire's satisfaction because I think it was missed out. There was another one in the north between Bunjil and Carnamah, and I will talk about that in a second.

So, there was \$118.3 million of road investment to implement the strategy. Of that road investment, \$51.2 million was spent on state roads and \$67 million on local roads, so the local government roads that the

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member for Collie-Preston talked about have been addressed. I am pleased to report to the house that as at the end of August, the state road projects were 95 per cent complete on the rollout of that funding. I am also pleased to report that some of that work was actually done by local governments. When we went out to regional areas, local governments asked whether they could have a piece of the action in roadworks. Secondly, 58 per cent of the local government road funding allocation has been spent, and local governments around the wheatbelt are on track to deliver those upgrades. This solution delivers, I think, a very balanced, well-planned outcome.

Mr D.J. Kelly: It's a broken promise.

Mr T.R. BUSWELL: It has been delivered, member for Bassendean. The rail upgrade program has been delivered, the state roads have been delivered, the local roads have been delivered and the strategy is being implemented.

One of the major things that changed following the strategy was that CBH went out and bought its blue trains, which is fine. When it bought its blue trains, it fully understood that the tier 3 lines were going to go out of operation. Everybody understood that. I think CBH bought these shiny new locomotives, thinking that if it can cart a little more grain on those tier 3 lines, it will get a bit better return on its investment, which it probably will. It would be fair to say that it started a fairly aggressive campaign over the past couple of years in and around tier 3; in fact, it has been a very aggressive campaign. It clearly, in my view, wants to make sure that it gets a reasonable return on the locomotives it invested in. CBH has come back to the government with a couple of proposals, one of which is that we give it the railway lines. Certainly the advice I have is that contractually we cannot do that. The second proposal was that we invest a whole lot of extra money —

Mr M. McGowan: What was its offer if you did?

Mr T.R. BUSWELL: Its offer was that we would give it the railway lines and it would look after them.

Mr M. McGowan: The tier 3?

Mr T.R. BUSWELL: Yes. We have talked about that publicly, and I have said we are not in a position to do that. CBH has also come back with a request for us to invest a whole range of money with a whole lot of assumptions —

Mr M. McGowan: It will keep them operating if you give them to them?

Mr T.R. BUSWELL: They are not ours to give. I have just explained that the legal advice I have had is that we are not in a position to do that. CBH has also come back to us —

Mr M. McGowan: Because of the deal in 1999.

Mr T.R. BUSWELL: — with a range of options in terms of state investment to keep those lines open; I am not convinced that that stacks up. We have said to CBH that it has to broker an arrangement with Brookfield to operate those railway lines. It has arrangements with Brookfield to operate tier 1 and 2 railway lines. All over the state, above-ground rail operators have arrangements with Brookfield to use rail. This is not actually unique. At the end of the day, with the system in place, if any points of difference cannot be resolved, the economic regulator will look at it. CBH Group seems to think that the way to resolve what I believe is a commercial issue is to get the government involved. That is not the government's role.

Mr M. McGowan: On the basis of your advertisements.

Mr T.R. BUSWELL: My view is that is not a role of government.

Mr M. McGowan: They will have read that.

Mr T.R. BUSWELL: Part of the definition of “viable”, Leader of the Opposition, must surely be that the user can come to an arrangement with the owner so that the operator of the asset can use and operate the asset, and that has not yet happened. I have been very firm in my conversations with Brookfield Rail and CBH. I have had them in my office a number of times and have said that the government will not respond just because CBH thinks it can run these commercial arguments publicly. I told them to go away and try their damndest to sort out the issue. I have not heard from them in a while on that particular issue but I have heard that they are almost ready to come back and talk to me. That is a matter they need to work through together. From my point of view, to simply get government to provide them with free capital to help resolve a commercial problem does not cut it. They have to do a lot more work to convince me that we have a role to play in that equation. That is the question I always ask of CBH when it mounts the argument about putting trucks on roads because of the state of the rail.

I have been to Perenjori, which has a great primary school. Its colours are the same as the West Perth Football Club, and the kids can even sing *It's a Grand Old Flag*, which is great. Perenjori has a wheat bin on a railway line. When I asked the Shire of Perenjori what road investment it needed, it said that the number one road in

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Perenjori and Carnamah that needs upgrading is the Bunjil–Carnamah Road. I said that surely, all of the farmers around here come into the CBH bin in Perenjori, and they said no. CBH’s pricing strategy forces those farmers to drive their trucks to Carnamah to drop off the grain. I asked CBH how it could be that in one area it says the government must invest in rail for road safety outcomes, yet in another area CBH’s pricing strategies force farmers to transport grain by road even when there is a rail head in the town just up the road. I cannot understand that. I have to be honest: that causes me some concern and to doubt the sincerity of some of the arguments CBH and its supporters have put to me. The government paid to upgrade the Bunjil–Carnamah Road, because, as I said, the advice I had was that that was where the farmers in the Perenjori district, especially around Bunjil, had to drive, even though it was easier to drive up to Perenjori. I think CBH’s argument is not so much about road versus rail; it is about an economic return for the blue locomotive. My advice to CBH is to do what a lot of other businesses in the state do, including a lot of businesses that use rail operated by Brookfield Rail to access our ports—that is, work hard and come to a commercial arrangement.

I want to deal with a couple of the issues raised by the opposition.

Mr M. McGowan: Hold on. Where’s the Premier’s explanation for these ads? Where is he?

Mr T.R. BUSWELL: Who is talking?

Mr M. McGowan: You might be going to become the Premier, but you are not currently the Premier.

Mr T.R. BUSWELL: Sit and listen. I am trying to provide some factual advice to the Leader of the Opposition, which I am doing, and I will be followed by someone who lives in and represents the constituencies that the Labor Party pretends to care so much about, when we all know that it does not. The Labor Party comes in here and cries crocodile tears and goes on about road safety in the wheatbelt, but what did it do in government about investing in roads in the wheatbelt? Nothing. Opposition members come in here and insinuate that transporting grain by trucks on roads, which has been happening forever, will lead to poor road safety outcomes, fatigue and single vehicle run-off. Where is the opposition’s data? It does not exist.

My view is that the definition of “viable” is that a commercial arrangement is needed between the operator and the user. If the operator and the user cannot come to a commercial arrangement, how can it possibly be a viable asset? That process is not yet complete and I encourage, here in the Parliament, as I have repeated publicly, CBH and Brookfield Rail to resolve those issues, because they are their issues.

MS M.J. DAVIES (Central Wheatbelt — Parliamentary Secretary) [3.55 pm]: I rise to add the National Party’s position to this matter of public interest. Members will be aware that this was a hotly contested issue in the Central Wheatbelt during the run-up to the state election. Every day in my electorate I heard again and again the opposition peddle this rubbish about grain on rail. It is crystal-clear to me from its display today that the opposition has no understanding of this issue. I, on the other hand, spent nearly every day of the election campaign dealing with this issue. I have an intimate understanding of it because I spend most of my time driving on these roads and dealing with my constituents, who are mostly farmers. I spend a lot of time talking to CBH Group and Brookfield Rail about how we can make sure that we have an effective grain freight network that delivers the outcomes that our growers want and allays the community’s concerns about safety.

The National Party’s stated position going into the state election was that it supported the retention of as much grain on rail as possible. We stated that again and again. Since the election, that position has remained the same. The emotion that comes into this debate—there is no shortage of it—overlooks the facts that have been laid out by the Treasurer today about the economic realities that have to come into play. We have to deal with the facts. When people are asked whether they would prefer grain to be transported on either rail or road, of course they say rail. One of the examples provided today was about perfectly good rail that is open and available for use and has been in operation. I have had calls to my office from shires and community members who say that they are really worried about the number of trucks out-loading from the CBH bin. They ask again and again what we are going to do about it and say that we are closing the rail. That is not happening. A rail line was in operation yet CBH made the economic decision to utilise the road because the way grain is shifted around the state has changed. Things have changed in the past 100 years since the rail was built. Farmers have used advancements in technology and transport methods have also advanced. We must understand that the industry has changed significantly, and that impacts on how farmers, CBH and other stakeholders transport grain to the port.

Deregulation and the loss of the Australian Wheat Board are probably the key changes to the way wheat is now marketed. In 2009, the state government commenced a review—the Treasurer spoke about it—to look at the most effective freight network system. A number of key industry stakeholders were involved in that report, primarily the users of the said rail. Off the back of that report, a \$350 million state and federal government investment in rail and road was made, when CBH stated that it would be utilising the rail and the road would otherwise not be viable in the future without that investment. The Treasurer is correct: since that report, CBH

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invested in new rolling stock—new locomotives—and entered into an arrangement with Watco Companies LLC. For those members who are not aware, Watco has good experience in the United States of running on lines similar to the tier 3 lines. CBH entered into an entirely new business relationship. Since that report, the National Party has said, “Let’s go back and actually have a look and do an audit of the infrastructure involved.” That was the position we took to the state election—let us go back and have a look at whether this is a game-changer that requires us to revisit our decision around tier 3. There is also a \$75 million infrastructure fund contained in the \$300 million agriculture policy, and we committed to the audit, so that work is being done at the moment. We are working through rolling out the agricultural policy and the audit will come. I urge Co-operative Bulk Handling Ltd and Brookfield Rail to make sure that the government has in front of it the information it needs to make decisions about their intentions for the rail going forward. It concerns me that in the intervening period —

The ACTING SPEAKER (Mr I.M. Britza): Excuse me, member. There are too many conversations going on in the house. I ask members to either keep it quiet or leave the chamber. Thank you, member.

Ms M.J. DAVIES: It concerns me that, in the seven or eight months since the state election, CBH and Brookfield have not, to my understanding, got back to the government with a plan for what they would like to do with those tier 3 lines. Are they going to use them? From my perspective, it would be completely irresponsible for the government and the opposition to promote the spending of hard-earned taxpayers’ dollars on a line that CBH will not use. That is completely unreasonable. We do not resile from the commitment we made to the retention of as much grain on rail as possible, but there is no point in the government investing in a line if the only user of the line is not going to utilise it. That would mean spending taxpayers’ dollars on a line, while the road next to it—which will be used—crumbles and falls apart, which would result in safety issues for the community.

Several members interjected.

Ms M.J. DAVIES: CBH, the only user of the line, has not got back to the government to tell us what it wants to do with the line going forward, since it made this investment in its rolling stock and locos. We were concerned, and the voters backed us. They backed me in Central Wheatbelt because we had a sensible position, unlike the opposition, which promoted unreasonable expectations and made absolutely emotive, ridiculous statements all through the election campaign, and no-one believed it—not one person—and the Labor Party has not been back since. We have not seen hide nor hair of the opposition; it cared so much about this that it decided it would not talk about it until now!

Several members interjected.

The ACTING SPEAKER: Members! Member for Collie–Preston!

Ms M.J. DAVIES: I will quote an article from *Farm Weekly* to back up my statement about the fact that CBH and Brookfield need to make their case to government; I do not have the date of the article, but it was last week, when Paul Larsen from Brookfield —

Ms R. Saffioti interjected.

The ACTING SPEAKER: Member for West Swan!

Ms M.J. DAVIES: Paul Larsen made an announcement that Brookfield had decided to close the Trayning–Merredin line, which, by the way, had no grain carried on it during the last harvest, so the impact will be no different from last year. Members should do their research before talking about truck movements; we are talking about 78 000 tonnes on the York–Quairading line. The article states —

Mr Larsen said it would now be incumbent on Brookfield and CBH to convince the government that maybe it should reconsider its decision not to offer funding to the Tier 3 lines.

“But government doesn’t have anything from us yet,” he said.

“Quite rightfully they would ask that the proposal be something that CBH and Brookfield Rail both agree to.

“It doesn’t want two different proposals. It wants one proposal and (CBH CEO) Andy Crane and I have agreed to work on one together.

It is actually saying that; the industry that is using the lines is saying that it is incumbent upon it to come back to government and put the case for us to make an investment. On the back of that, we went into the election saying that we would put \$75 million into an infrastructure fund and that we would do an audit once we had the information from industry to make a decision about whether we invest going forward. The opposition should

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stop peddling the emotive, irrational arguments of people who do not know anything about this industry. It is absolutely ridiculous.

In the short time I have left, I am putting on the record today that there is a need for greater transparency for an understanding of the lease terms; there is angst in the community about not fully understanding those terms, so I am putting this on record in Parliament. In the interim, while waiting for information, we have got on and done what every stakeholder asked us to do, which was to invest in and upgrade tier 1 and tier 2 lines, and, in the absence of any information for government to consider, that is exactly what we have done.

MRS M.H. ROBERTS (Midland) [4.05 pm]: We have heard some interesting comments from the government today in trying to justify its position and the decisions it has taken. However, neither the Treasurer and Minister for Transport nor the member for Central Wheatbelt have actually addressed the motion before the house, which is that this house condemns the Premier for breaking his election promise to keep open the tier 3 rail lines, thereby compromising road safety. It is not about the whys and wherefores; it is about the honesty and integrity of the Premier and the government he leads, because it promised one thing during the election and is doing another thing now. However justifiable the government thinks what it is doing now is, it is not what it promised to do during the election campaign. It duped, tricked and conned the people of Western Australia in its election advertising, and that is what this is about. It is absolutely shameful that the Premier did not even speak to the motion and account for his dishonesty in promoting one thing at the election and then doing another thing afterwards.

Members should look at the smiling photos in *Farm Weekly*; this will not surprise members, but guess what? It was fully funded and fully costed! The list of the government's election campaign commitments included a commitment to keeping open commercially viable tier 3 rail lines. The Liberal Party's plan for agriculture was fully funded and fully costed—what a con! The Minister for Transport has now left the chamber, but he tried to argue with the opposition and say, "What are you talking about—tier 3, Mundaring and Great Eastern Highway? You people don't know what you're talking about." Well, if we do not know what we are talking about, guess what? The member for Swan Hills did not know what he was talking about when he took out an advertisement in a local paper. What was it about? The advertisement said quite plainly that there were no ifs and no buts: tier 3 rail was to continue. What is the context of that advertisement? It was placed in a local newspaper in Mundaring, yet the Treasurer and Minister for Transport says that tier 3 has nothing to do with Mundaring. The member for Swan Hills' advertisement said that the state government would continue to work together with all parties to retain the tier 3 network. It said that a great deal of scaremongering had taken place on the issue, but that there would not be an increase in grain traffic on Great Eastern Highway, particularly through the township of Mundaring. So, guess what? The ad is all about Mundaring, Great Eastern Highway and the tier 3 rail. Perhaps the member for Swan Hills is actually the person who the Treasurer needs to convince that it is a tier 1 area and has no relevance whatsoever to Mundaring.

I would like to have asked the Treasurer about some of the comments he made in the context of this debate, because I do not think they are actually true. We shall see if he reappears within the next three minutes while I deal with the issue of road safety. I was appalled when the Leader of the Opposition was on his feet talking about road safety in the wheatbelt, and government members were asking, "What's caused the accidents? What's the problem?" Members opposite may not take any notice of us, but they might take some notice of Troy Pickard, the president of the Western Australian Local Government Association. He said, on behalf of local governments in that area, that this will increase truck movements in those regional areas and that this is a concern for road safety. The figures in the wheatbelt are already damning. Road safety in Western Australia is widely assessed on the basis of the number of deaths per 100 000 people. Australia-wide, that figure is 5.8 deaths per 100 000. In this state, shamefully, we are two per cent above that figure at 7.8 deaths per 100 000. In the Pilbara, the figure is closer to 20 deaths per 100 000, and in the midwest—Gascoyne there are 20 deaths per 100 000. In the wheatbelt, the figure is 50 deaths per 100 000. I put it to members that that is probably the worst rate for anywhere in Australia.

Mr M.P. Murray: It's shocking.

Mrs M.H. ROBERTS: It is shocking and the people opposite are about to make it worse. The Treasurer has come back here, so I want to ask him whose decision it is to shut down or subsidise the tier 3 rail freight network. Is it Brookfield's or is it the state's policy?

Mr T.R. Buswell: It's Brookfield's.

Mrs M.H. ROBERTS: Is the Treasurer saying it is Brookfield's and not the state's decision whether to subsidise or shut down the marginal lines?

Extract from Hansard
[ASSEMBLY — Tuesday, 15 October 2013]
p4824c-4835a

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Mia Davies

Mr T.R. Buswell: Brookfield just made the decision.

Mrs M.H. ROBERTS: Let us look at page 18 of the Auditor General's report "Management of the Rail Freight Network Lease: Twelve Years Down the Track" highlighted in pink. It reads —

The lease was designed to use competitive market forces to deliver the best possible rail freight network, while leaving the policy decision to either subsidise or shut down marginal lines in the hands of the State.

Mr T.R. Buswell: We made a decision —

Mrs M.H. ROBERTS: The Treasurer has misled the house, otherwise the Auditor General is not right.

Division

Question put and a division taken, the Acting Speaker (Mr I.M. Britza) casting his vote with the noes, with the following result —

Ayes (20)

Ms L.L. Baker	Mr W.J. Johnston	Mr M.P. Murray	Mr C.J. Tallentire
Dr A.D. Buti	Mr D.J. Kelly	Mr J.R. Quigley	Mr P.C. Tinley
Mr R.H. Cook	Mr F.M. Logan	Ms M.M. Quirk	Mr P.B. Watson
Ms J. Farrer	Mr M. McGowan	Mrs M.H. Roberts	Mr B.S. Wyatt
Ms J.M. Freeman	Ms S.F. McGurk	Ms R. Saffioti	Mr D.A. Templeman (<i>Teller</i>)

Noes (36)

Mr P. Abetz	Ms M.J. Davies	Mr C.D. Hatton	Mr N.W. Morton
Mr F.A. Alban	Mr J.H.D. Day	Mr A.P. Jacob	Dr M.D. Nahan
Mr C.J. Barnett	Ms W.M. Duncan	Dr G.G. Jacobs	Mr D.C. Nalder
Mr I.C. Blayney	Ms E. Evangel	Mr R.F. Johnson	Mr J. Norberger
Mr I.M. Britza	Mr J.M. Francis	Mr S.K. L'Estrange	Mr D.T. Redman
Mr T.R. Buswell	Mrs G.J. Godfrey	Mr R.S. Love	Mr A.J. Simpson
Mr G.M. Castrilli	Mr B.J. Grylls	Mr W.R. Marmion	Mr M.H. Taylor
Mr V.A. Catania	Dr K.D. Hames	Mr J.E. McGrath	Mr T.K. Waldron
Mr M.J. Cowper	Mrs L.M. Harvey	Mr P.T. Miles	Mr A. Krsticevic (<i>Teller</i>)

Pair

Mr P. Papalia

Ms A.R. Mitchell

Question thus negatived.