

GRAIN FREIGHT NETWORK — FUNDING

945. Hon KEN TRAVERS to the Minister for Transport:

I refer to the government's announcement on Monday that it has allocated funding for the grain rail network.

- (1) In developing the business case for the allocation of this funding —
 - (a) was an assessment of externality costs made;
 - (b) did these externalities include a value being allocated for the cost of deaths, vehicle repairs, medical treatment and hospitalisations for each of the rail and road options; and
 - (c) if yes to (b), what was the value allocated for each of these items for each option?
- (2) In developing the business cases for road and rail funding for the areas serviced by the tier 3 lines in the grain rail network —
 - (a) did the state government do a comparative safety analysis of road and rail options;
 - (b) if yes to (a), will the minister table the results of that analysis; and
 - (c) if no to (a), why not?
- (3) Does the government accept that rail freight is safer than road freight; and, if so, by what factor does the government consider it is safer?

Hon SIMON O'BRIEN replied:

I thank the honourable member for some notice of this question.

- (1) (a)–(b) Yes.
 - (c) The analysis undertaken in the Strategic Grain Network Committee report used a single value for all externalities. The values adopted were \$43.80 per thousand net tonnes kilometres for road freight in urban areas and \$10.70 for rural areas. For all rail freight, the costs are \$6.90 and 80c respectively. These figures were derived from the National Guidelines for Transport System Management, ATC 2006, and Austroads' report "Valuing Emissions and other Externalities", dated 2000 and updated in 2005.
- (2) (a) The consideration of safety was incorporated in the analysis of all externalities.
 - (b) The results of the analysis are included in tables 28, 30, 31 and 32 of the Strategic Grain Network Committee report, available on the Department of Transport's website.
 - (c) Not applicable.
- (3) Rail is generally considered to be safer than road. However, transport decisions by those undertaking a freight task will often be based on economics and pricing. To achieve the best economic and safety outcome, the government has invested in those rail lines that will compete with the cost of road transport with this investment.