

RAIL FREIGHT NETWORK INFRASTRUCTURE

4710. Hon Ken Travers to the Minister for Finance representing the Minister for Transport

I refer to Note 24 on page 117 of the 2009–10 Annual Report, and ask —

- (1) How much of the 2010 'At Fair Value' figure of \$5,084,088,000 allocated to Freight Network Infrastructure relates to the —
 - (a) total narrow gauge rail network;
 - (b) rail lines that have been classified as tier one or two;
 - (c) rail lines that have been classified as tier three;
 - (d) rail line running from Bunbury to Manjimup;
 - (e) rail line running from Quairading to Bruce Rock; and
 - (f) rail line running from Katanning to Nyabing?
- (2) How much of the 2010 'Accumulated Depreciation' figure of \$3,710,930,000 allocated to Freight Network Infrastructure relates to the —
 - (a) total narrow gauge rail network;
 - (b) rail lines that have been classified as tier one or two;
 - (c) rail lines that have been classified as tier three;
 - (d) rail line running from Bunbury to Manjimup;
 - (e) rail line running from Quairading to Bruce Rock; and
 - (f) rail line running from Katanning to Nyabing?
- (3) How much of the 2010 'Carrying amount as at 30 June 2010' figure of \$ 1,373,158,000 allocated to Freight Network Infrastructure relates to the —
 - (a) total narrow gauge rail network;
 - (b) rail lines that have been classified as tier one or two;
 - (c) rail lines that have been classified as tier three;
 - (d) rail line running from Bunbury to Manjimup;
 - (e) rail line running from Quairading to Bruce Rock; and
 - (f) rail line running from Katanning to Nyabing?
- (4) How much of the 2009 'At Fair Value' figure of \$303,218,000 allocated to Freight Network Infrastructure relates to the —
 - (a) total narrow gauge rail network;
 - (b) rail lines that have been classified as tier one or two;
 - (c) rail lines that have been classified as tier three;
 - (d) rail line running from Bunbury to Manjimup;
 - (e) rail line running from Quairading to Bruce Rock; and
 - (f) rail line running from Katanning to Nyabing?
- (5) How much of the 2009 'Accumulated Depreciation' figure of \$37,122,000 allocated to Freight Network Infrastructure relates to the —
 - (a) total narrow gauge rail network;
 - (b) rail lines that have been classified as tier one or two;
 - (c) rail lines that have been classified as tier three;
 - (d) rail line running from Bunbury to Manjimup;
 - (e) rail line running from Quairading to Bruce Rock; and
 - (f) rail line running from Katanning to Nyabing?
- (6) How much of the 2009 'Carrying amount as at 30 June 2009' figure of \$266,096,000 allocated to Freight Network Infrastructure relates to the —

- (a) total narrow gauge rail network;
- (b) rail lines that have been classified as tier one or two;
- (c) rail lines that have been classified as tier three;
- (d) rail line running from Bunbury to Manjimup;
- (e) rail line running from Quairading to Bruce Rock; and
- (f) rail line running from Katanning to Nyabing?

Hon SIMON O'BRIEN replied:

Insofar as the Public Transport Authority is concerned:

- (1)
 - (a) \$3 062 924 678.00
 - (b) \$1 390 782 368.00
 - (c) \$494 660 006.00
 - (d) \$104 888 846.00
 - (e) \$60 670 737.00
 - (f) \$49 584 025.00
- (2)
 - (a) \$2 387 889 277.00
 - (b) \$991 079 983.00
 - (c) \$470 008 885.00
 - (d) \$104 888 846.00
 - (e) \$57 572 617.00
 - (f) \$45 591 433.00
- (3)
 - (a) \$675 035 401.00
 - (b) \$399 702 385.00
 - (c) \$24 651 121.00
 - (d) Nil
 - (e) \$3 098 120.00
 - (f) \$3 992 592.00

- (4)–(6) The valuation methodology adopted by the PTA to value the freight network infrastructure changed to a depreciated replacement cost methodology in 2009/10. Therefore the PTA's ability to respond to the Member's questions has been affected by this revaluation as detailed below.

The Freight Network consists of approximately 5 000 kilometres of standard and narrow gauge track constructed over a considerable time period with varying axle load and train speed capacities. The Freight Network asset is a unique asset with no comparable market based evidence. The asset was leased for a period of 49 years commencing in December 2000 under separate lease arrangements for standard and narrow gauge rail lines.

Prior to 30 June 2010 the PTA valued the network based on the lump sum lease payment made for the Freight Network in December 2000 adjusted for expired lease income recognised prior to 1 July 2003. The Freight Network Infrastructure asset was depreciated on a straight line basis over the remaining term of the lease and had a carrying amount of \$266 096 000 as at 30 June 2009. This methodology does not individually identify or value the assets that constitute the lease. Valuation of segments of the freight network infrastructure is therefore not possible based on this methodology. Subsequently it will not be possible to provide answers to questions four, five and six due to the valuation methodology used that financial year.