

RAIL SYSTEM — BROOKTON STRATEGY

Statement

HON SIMON O'BRIEN (South Metropolitan — Minister for Transport) [9.28 pm]: Mr President —

Hon Ljiljanna Ravlich: He's all fired up now.

Hon SIMON O'BRIEN: No, I am not fired up. I just want to matter of factly respond to this debate so that we can then have the pleasure of listening to the other member seeking the call. I want my friend Hon Ken Travers to understand that there is more to this than can necessarily be gleaned by going to Narembeen and looking at some trucks out of a window. This is a very complicated matter, and those who have been involved, brought together by me, cover the full ambit of the field of the various sectors that are involved. The whole program of the future of bulk grain transport—road versus rail—in a range of areas across the Wheatbelt, and particularly so in Kwinana south, is still a dynamic matter. We are still yet to see all of the twists and turns that follow from the deregulation of the wheat market. Indeed, there will be regular changes not only with the pattern of movement of grain but with the further impact of good seasons and bad seasons; I am referring there to climatic conditions and the size of grain harvest. Further complicating matters arise with the relative cost differences of freight from year to year and the presence of other players apart from CBH in the grain logistics chain. Of course, there are other factors out of our control that will impact on the equation. For example, even though we have a bumper harvest in this current season, a lot of that grain is necessarily being stored on farm at the moment, and not simply to retain options for transport prices for individual farmers as happened a year ago. No, on this occasion, it is because there is a depressed price for wheat in the international market, so they are waiting to see what prices will ultimately be available. All of those things and more —

Hon Jim Chown: And most of that grain will be moved by truck.

Hon SIMON O'BRIEN: Possibly. All the grain is moved by truck at least once at some stage.

Hon Ken Travers: You support the Brookton strategy, do you, Hon Jim Chown?

Hon SIMON O'BRIEN: Please, Hon Ken Travers, we listened to you! All those things impact on the future, and there are some uncertainties that come to bear that are outside the control of government. What does government have to do? It does not grow the wheat or export it, but it has a responsibility to facilitate the trade and, as Hon Ken Travers pointed out, to concern itself with transport matters, road safety, community amenity and all those factors. That is what the government is addressing itself to.

Hon Ken Travers: So are you not implementing the Brookton strategy?

Hon SIMON O'BRIEN: Hon Ken Travers should not try to put words and an agenda in my mouth. The government is dealing with this. Hon Ken Travers is the one who is looking out of windows in Narembeen and thinking he is an expert!

Hon Ken Travers: Do not trivialise it.

Hon SIMON O'BRIEN: Hon Ken Travers is trying to trivialise this.

Hon Ken Travers: I gave that as an example of one of the things I was aware of. I did not suggest that was the only avenue of evidence I have got.

Hon SIMON O'BRIEN: Hon Ken Travers has had his say for now.

Hon Ken Travers: You had 10 minutes at question time. You could not explain it then and you cannot explain it now!

The PRESIDENT: Order! Let us hear from one member, who is the member on his feet, the minister.

Hon SIMON O'BRIEN: The government's approach to this has been to move quickly to secure the immediate situation when we received the report of the Strategic Grain Network Review Committee. Furthermore, other initiatives have been taken by the government through the state budget and in concert with the federal government more recently; and, as I have indicated, a business case is being worked up jointly between the state and the relevant parts of the federal government for our government to consider as the situation develops. At the moment there are other options to be considered and other matters to be taken into account, which have not yet been resolved. Therefore, it is important that government, on behalf of the people of Western Australia, preserves its options to see how those particular cards fall.

Hon Ken Travers: Is your parliamentary secretary wrong when he says you support the Brookton strategy?

Hon SIMON O'BRIEN: I am not going to be subjected to this sort of inane, one-dimensional debate. I have tried to assist the member.

Hon Ken Travers: It is about time you were honest with the people of Western Australia.

The PRESIDENT: Order! I would like Hon Ken Travers to stop interjecting.

Hon SIMON O'BRIEN: The major consideration at this time relates to the contracts that are being determined by the major freight mover, CBH Group, and the modes of transport that it employs in the various parts of the wheatbelt. That is something that the government has tried to influence only by providing a level playing field where there are those tier 3 lines to make sure that they are used during this current harvest and in the year that follows it. There are many more things to happen before we get to the end stage. For now it is important that we preserve our options. We can do that, and we do reserve the very real prospect that we may have to draw the line at the Brookton strategy, and think that something akin to that may well come to pass. I advise the honourable member to have a word with CBH and others involved in the logistics chain about where they might site new loading facilities that are needed to make the rail option work. In the meantime, we need to start at one end of the chain to make sure it is there, available and economic to use to the greatest extent that we can. We do that by working back from the ultimate destination. Let me put it to members this way: it does not make any sense to be spending Western Australian taxpayers' money now in upgrading tier 3 lines that are not otherwise going to be used. It has not been demonstrated that those tier 3 lines that Hon Ken Travers is talking about will be used.

Hon Ken Travers: They are getting used now.

Hon SIMON O'BRIEN: Please, listen to me! I have limited time. If the member goes to those communities and asks whether they want to see grain being moved largely on rail or on road, everyone will say on rail. If the member asked people in the city, which would be just as effective as the country in many areas, or in any hamlet he likes, they will all say that they want it moved by rail. They will all stand up and support that. I am telling the member that if someone has 1 000 or 5 000 tonnes of grain on his farm and he is told there is a \$10 per tonne price differential or even a \$15 per tonne price differential, all those sensibilities will go out of the window. The member for Central Wheatbelt, Hon Brendon Grylls, put it to angry public meetings of farmers—I have seen him—that they might say they support rail, but ultimately when it comes down to it, they will drive down some rickety old back road in their truck in the middle of the night if they can save a dollar a tonne. That is what he says to them!

Hon Ken Travers: Invest in the rail and make it competitive, and it will be cheaper than road.

Hon SIMON O'BRIEN: The way to make rail competitive is by bringing every aspect of the logistics chain to bear on making that the best option.

Hon Ken Travers: You have that fixed in your mind and you are going down that path.

Hon SIMON O'BRIEN: Of course, it will be attractive to anyone if we can spend a lot less by upgrading these rail lines to a fixed standard than if we had to upgrade the road network; it becomes a no-brainer. Where the problem is and where, with respect, Hon Ken Travers is possibly oversimplifying it, is to say that all the government has to do is upgrade the tier 3 lines and they will be used. There is a lot more to it than that. I do want to see those tier 3 lines used, but there is a lot more to do than that. A lot of other things have to be put in place before that can happen. That is why I am not going to respond to silly questions now about giving broad guarantees, which I am not in a position to give on behalf of government at this time, that we will be spending \$93 million or whatever on certain tier 3 lines until we have the rest of the package in place. Please, Hon Ken Travers should not accuse me of trivialising this, and he should not do that himself.

Hon Ken Travers interjected.

The PRESIDENT: Order! Hon Ken Travers interjects far too much and that may be a consideration in future members' statements time.

Hon Ken Travers: Is that a threat?

The PRESIDENT: Order! There may be other members who have a higher priority.