

## BRIEF MINISTERIAL STATEMENT

### MINISTER FOR TRANSPORT

#### ***Economics and Industry Standing Committee Report No. 3: The Management of Western Australia's Freight Rail Network***

I present today for tabling the Government's response to the Economics and Industry Standing Committee's Report No. 3, *The Management of Western Australia's Freight Rail Network*.

Consistent with the lease, the Government's position is that the maintenance of all leased railway infrastructure is the responsibility of Brookfield Rail and that investment in freight railways is primarily the responsibility of the private sector.

Any review of the *Railways (Access) Code 2000* is the responsibility of the Economic Regulation Authority, which is an independent statutory authority.

On 11 February 2015, a determination was made by an arbitrator under the *Railways (Access) Code 2000* in relation to CBH's proposal to access the Tier 3 and Miling grain freight lines operated by Brookfield Rail.

Resolution of the arbitration has cleared the way for CBH to negotiate with Brookfield Rail about the terms for access to the grain network.

The *Railways (Access) Code 2000* allows for a 90 day negotiation period between the parties which will commence in March 2015. The Government strongly encourages both parties to negotiate in good faith to bring this ongoing matter to a conclusion.

I have written to CBH and Brookfield Rail to express my willingness to work with them to determine whether a viable business case can be developed for the Tier 3 rail lines.

We will work within the current legal parameters to enhance freight efficiency and the utilisation of rail infrastructure, and will review and comment on industry grain freight rail proposals provided sufficient information is provided to allow an informed decision. The PTA will work with the lessee to specify the expectations for lines placed into care and maintenance.

It should be noted that as part of the Grain Freight Improvement Program, a \$352 million package for the grain supply chain over four years allocated by the State and Commonwealth governments, \$163 million was spent on the upgrade of commercially viable Tier 1 & 2 rail lines and \$118 million is being spent on state and local government road upgrades in Tier 3 areas, to encourage the funnelling of grain to viable rail lines for rail transfer to port and enhance road safety for local communities.

This is an unprecedented investment to help deliver a safer grain freight network and has enabled 63 improvement projects (17 projects on State roads and 46 projects on local roads) upgrading grain freight roads.

The road improvements involved include widening narrow seal to 8 metres minimum width on state roads, a standard of 7 metres minimum width is used on local roads, seals/reseals and intersection upgrades.

To date, 42 of the 63 road upgrade projects have been completed with the remaining local road upgrades scheduled to be completed in 2015-16.

In addition to the \$118 million for road upgrades, the State has provided a further \$40 million in other road construction funding to improve the road network in the Wheatbelt region over the period 2011-12 to 2014-15.

Main Roads also undertakes a weekly assessment of CBH haulage roads used to transport grain and is working with the various local governments to address any issues to ensure road safety is being maintained.

Record levels of grain were successfully transported during the 2014-15 grain season despite Tier 3 rail lines not being operational and record levels of grain were transported by rail with no apparent increase in trucks in the Perth metropolitan region as a result.

And the State Government continues to support operations on, and the funnelling of grain to, commercially viable rail lines.

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Recommendation number	Page	Recommendation	Response
1	54	The Western Australian Government not allow any further lines to be placed into care and maintenance.	Following the significant investment made by both the State and Australian governments in the dedicated grain lines through the recent re-sleeping program, no further lines are scheduled to be placed into care and maintenance.
2	54	The Western Australian Government work with the lessee to include a trigger mechanism that will allow the recommissioning of lines already placed into care and maintenance.	A trigger mechanism for the recommissioning of lines already placed into care and maintenance already exists, being Brookfield Rail and an access seeker agreeing on access arrangements for these lines. To date no party has agreed to make the required investment to make the Tier 3 lines operational again.
3	84	The Western Australian Government re-examine its grain freight strategy and develop associated policies to ensure the state's freight infrastructure will meet future requirements.	The Government regularly evaluates its strategies to assess whether infrastructure continues to meet requirements. Any review would include a cost benefit analysis of the options, and may consider road options, mitigation of the safety and degradation concerns in the infrastructure in terms of meeting future requirements. Government may also consider proposals/blueprints from industry about future transport needs where sufficient details are provided. The latter may also include funding mechanisms, but as the primary benefits of the grain freight network are private in nature, industry should therefore be responsible for meeting the full cost of services provided.
4	96	The Economic Regulation Authority's 2015 review of the <i>Railways (Access) Code 2000</i> (WA) include a critical evaluation of why so few access seekers have sought to use the Code.	A review of the <i>Railways (Access) Code 2000</i> (WA) is the responsibility of the ERA, an independent statutory authority. The ERA has been requested to consider the inquiry recommendations for the purpose of the review. The Transport Portfolio will provide input to the review as appropriate.
5	116	The <i>Railways (Access) Code 2000</i> (WA) review of June 2015 needs to include a review of its effectiveness in third party access requiring capital upgrades.	A review of the <i>Railways (Access) Code 2000</i> (WA) is the responsibility of the ERA, an independent statutory authority. The ERA has been requested to consider the inquiry recommendations for the purpose of the review. The Transport Portfolio will provide input to the review as appropriate.
6	116	Part 4A of the <i>Railways (Access) Code 2000</i> (WA) be amended to make it clear that while parties are free to negotiate outside the Code, they are not able to expressly prohibit the future operation of the Code under an access agreement.	A review of the <i>Railways (Access) Code 2000</i> (WA) is the responsibility of the ERA, an independent statutory authority. The ERA has been requested to consider the inquiry recommendations for the purpose of the review. The Transport Portfolio will provide input to the review as appropriate.

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7	128	Freight rail network capacity and performance reviews be tabled by the Minister for Transport as soon as practicable after their production.	Government agrees with the principle of transparency. However, the tabling of reports and reviews in Parliament should always be assessed on a case by case basis, taking into consideration sensitive commercial in confidence information contained in the documentation, as well as confidentiality clauses contained in the rail lease.
8	128	The Minister for Transport table the safety review report on Tier 3 rail lines in the Legislative Assembly.	The Minister for Transport will table the safety review report on Tier 3 rail lines ( <b>Attachment A</b> ) in the Legislative Assembly.
9	139	The Western Australian Government revises the lease instrument to ensure that lines are not able to be suspended from use without consequence.	While the Government is agreeable to reviewing the lease, it should be recognised that any significant changes such as changes to clause 16 'Surrender of Lines' would require negotiation with the lessee and agreement on consideration.
10	152	The definition of the term 'care and maintenance' should be amended to specify the obligations of the lessee and how lines placed into care and maintenance are to be maintained	Agreed.
11	161	The Public Transport Authority takes a more proactive approach to its responsibilities in managing the freight rail network lease.	The PTA manages the leased railway infrastructure in accordance with its obligations and requirements under the Lease. The PTA's 'light touch' referred to in the report refers to the Lessee's right of 'quiet use and enjoyment' of the leased railway infrastructure as stipulated in the Lease at clause 4.9.
12	164	The Western Australian Government work with the lessee to establish a process by which upgrades to performance standards achieved through private negotiations are maintained.	Any negotiations in relation to the Performance Standards are required to be managed in accordance with clause 15.21 of the Lease. The State has no legal ability to <u>impose</u> increased performance standards on certain lines where they have been upgraded with non-government funding. The fundamentals underlying the network Lease are that the lessee must return the network to the State at the expiry of the Term in "a condition no worse than the Return Condition" (refer clause 15.6), with "Return Condition" being defined in clause 1.2 as meaning "that each part of the Leased Railway

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13	172	The Public Transport Authority takes a leadership role in planning future land use along rail corridors.	<p>Infrastructure is Fit for Purpose at the expiration of the Term".</p> <p>The fact that a private third party may agree to fund upgrades to a particular line (e.g. Cliffs' Natural Resources funding of upgrades to Esperance line) means that the improved standard would necessarily apply for the life of that third party's project, and if there is no other party wanting to use the line to the same standard in future, it is not appropriate to compel the lessee to maintain the line to that higher standard. Market forces will determine whether the line is maintained to a higher standard or not – all the Lease does is ensure that it is returned to the PTA in no worse standard than the commencement date plus any improvements imposed by statute or any improvements effected through government funding. This reflects the intent of the Lease.</p>
14	178	The Western Australian Government addresses the issue of re-sleepering responsibility beyond the current phase of investment.	<p>The PTA and the Department of Transport will work with other relevant agencies and institutions to ensure the protection of major rail corridors, both with respect to established corridors with adjacent residential developments and proposed new corridors.</p> <p>Consistent with the lease, the Government's position is that the maintenance of all leased railway infrastructure is the responsibility of Brookfield Rail.</p>
15	190	The Western Australian Government conduct a cost impact study for local governments affected by the closure of grain freight lines	<p>Local governments are responsible for the management of their assets. The Government has indicated that it is willing to consider proposals from industry or local government. Any cost impact study should also include overall benefits to WA of closures.</p>
16	190	Main Roads Western Australia schedule a review of its allocation of roads to either state or local government jurisdiction, similar in scope to those conducted in 1976 and 1995, as a matter of priority.	<p>Main Roads will liaise with Local Government to identify the roads of greatest concern in the Tier 3 area and, if appropriate, undertake an assessment of the current road administration to ascertain if any local roads warrant becoming a State road under the care and control of Main Roads.</p>

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17	210	The uncertainty surrounding funding decisions relating to the State's investment in the freight rail network and the lessee's network maintenance and capital works obligations needs to be addressed as a matter of priority.	More than \$160 million has been invested in commercially viable rail lines and the associated upgrades were completed as scheduled in early 2014. In addition, the lessee's maintenance and capital works obligations as detailed in the lease are now publicly available. The lessee is responsible for capital investment which will occur if customer demand for rail operations is sufficient to pay for it.
18	210	The Public Transport Authority implement the necessary lease management procedures to ensure that the lessee will be able to meet its re-sleeping requirements on the entire freight rail network throughout the remaining term of the lease.	Consistent with the lease, the Government's position is that the maintenance of all leased railway infrastructure is the responsibility of Brookfield Rail. This position has been reinforced with Brookfield Rail.
19	214	The Western Australian Government undertakes urgent negotiations with Brookfield Rail to allow access to Tier 3 lines.	The trigger for access to the Tier 3 lines already placed into care and maintenance is for Brookfield Rail and CBH agreeing on access arrangements for these lines. To date neither party have agreed to make the required investment to re-activate the Tier 3 lines. The Government will continue to actively engage with Brookfield Rail and CBH to seek a mutually acceptable solution, which has not yet emerged.
20	214	In the absence of an agreement allowing access to Tier 3 lines, the Western Australian Government investigates and pursues all means to recover those lines.	Brookfield Rail has advised that it will not hand back any rail lines to the State. The State Solicitor's Office has advised that the State cannot require Brookfield Rail to hand back lines. In all likelihood it would require the expenditure of significant amounts of taxpayer's monies to buy back the Tier 3 lines. Several reports over the years have found that these lines are not economically viable.
21	214	The Minister for Regional Development clarify whether Royalties for Regions funding can be made available for upgrades to the freight rail network and, if so, what process is in place to allow access to that funding.	The Government may consider Royalties for Regions funding for the freight rail network if a business case is provided. However, this would be assessed against other potential project proposals submitted for consideration and prioritised accordingly.

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22	215	The lessons learned from the sale and lease of the freight rail network be taken into account in any future privatisation of State-owned enterprises, particularly those which could constitute a natural monopoly.	The agencies responsible for asset divestments endeavour to continually learn from previous experience and refine processes and policies.

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1	47	The decision to sell the marshalling yards to the then above rail operator acts as a barrier to entry to new above rail operators.	The marshalling yards are not a significant barrier to entry as operators have other opportunities to access the network and develop their own facilities, should commercial viability exist.
2	54	Placing a line into 'care and maintenance' means there is no longer a requirement to maintain that line to an operational standard. This results in minimal obligations for the lessee.	Given that the grain industry through the SGNC Report had determined that ' <i>There is no sound business case for upgrading the Tier 3 lines, as transport of grain will be cheaper by road regardless of rail upgrading; these will soon cease to operate</i> ' and there was a potential ongoing cost to the State of approximately \$2million per year to keep the Tier 3 lines in 'Care and maintenance', together with the associated liability, the Government determined that the Tier 3 lines and all associated costs and liabilities would remain with the Lessee for the duration of the Lease rather than transfer to the State. The PTA will work with the lessee to further clarify the definition of care and maintenance to specify the obligations of the lessee and how lines placed into care and maintenance are to be maintained.
3	54	The development of the reduced standard 'care and maintenance' in the July 2010 Project Agreement for Capital Works Dedicated Narrow Gauge Lines signals a significant shift in government policy.	The viability of the grain freight lines has been the subject of several studies and reports over the years with the most recent being the SGNC Report. Earlier reports provided clear recommendations/views that some lines should close and others required investment; generally Governments have not acted on the recommendations of these earlier reports. The SGNC Report was the result of a comprehensive review into the grain freight network by all major stakeholders in the grain industry, who agreed to the recommendations of the report which have now been largely

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			<p>implemented.</p> <p>In relation to the Tier 3 lines, the grain industry itself, through the SGNC Report had determined: <i>'There is no sound business case for upgrading the Tier 3 lines, as transport of grain will be cheaper by road regardless of rail upgrading; these will soon cease to operate'</i>.</p> <p>The closure of the Tier 3 lines is not only the result of market forces and the commercial realities of the grain rail freight business but it is in line with the findings of several reports into the grain freight network since 2004. Indeed there is still nothing preventing CBH and Brookfield Rail from negotiating an outcome to keep these lines open.</p> <p>Importantly, at the time the freight network was leased in 2000, it was expected that certain lines may not be economically viable and as such a specific clause was inserted into the Lease to provide for that eventuality.</p>
4	54	<p>There is no clear trigger mechanism in the lease or subsequent amendments for the government to recommission the lines placed into care and maintenance.</p> <p>The lease and the variations are unnecessarily complex, which has resulted in limited capacity to achieve the objectives and intent of the original government policy.</p>	<p>The trigger for the recommissioning of lines already placed into care and maintenance is Brookfield Rail and CBH agreeing on access arrangements for these lines. To date neither party have agreed to make the required investment to re-activate operations on the Tier 3 lines.</p> <p>The intent of the original government policy was that private industry would manage and operate the leased railway infrastructure in accordance with commercially prudent practices. This is being achieved.</p>
6	65	<p>The lease would have better served the interests of the state if it had had some of the characteristics of a State Agreement, including a greater level of transparency and accountability.</p>	<p>Government supports transparency and accountability across Government business and agreements, as well as the need to protect commercially sensitive information. The rail lease provides similar levels of transparency and accountability as State Agreements relating to rail, which also protects commercially sensitive information such as costs and conditions.</p>
7	83	<p>Failure to fully implement the Brookton Strategy has significantly reduced the effectiveness of the grain freight strategy outlined in the Strategic Grain Network Report.</p>	<p>The Brookton Strategy has not been fully implemented as it was dependent upon a tonnage and investment commitment from CBH (never given) and Commonwealth funding (Nation Building Program 1 funds, which expired on 30 June 2014). The minor elements of the Brookton Strategy not implemented are not essential for achieving the outcomes of the SGNR.</p>

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8	83	CBH Group's entry into the above rail operations market has fundamentally altered Western Australia's grain freight landscape.	To date no clear evidence has been presented to Government to suggest the Tier 3 lines are viable as a result of CBH's decision to enter the above rail operator market. CBH remains unwilling to fund the upgrades required to make these lines operational.
9	83	The Strategic Grain Network Report is no longer an appropriate document on which to base Western Australia's grain freight policy.	The SGNR, which was commissioned by the Freight and Logistics Council of WA, remains relevant as a long-term view of the grain transport network. It was based on long-term averages, so short-term digression from its assumptions can be expected when harvests, locations or commercial decisions change. No major stakeholder group objected to the final report or has provided an alternative comprehensive proposal/blueprint for the Government to consider. The grain market continues to change and in a period of flux caution should be exercised when making long term decisions.
10	88	The fact that parties to access agreements have not utilised the Railways (Access) Code 2000 (WA) does not necessarily indicate the existence of a robust, contestable market for access to Western Australia's freight rail network.	Agreed. The competitive tender process that facilitated privatisation of the rail network provided competition for the rail infrastructure, as opposed to competition within the transport market. Competition in the grain haulage market is provided by the substitute heavy vehicle haulage. Heavy vehicle haulage is a substitute in Tier 3 areas, which is part of the reason why the Tier 3 lines are not commercially viable.
11	90	The Western Australian Railways Access Regime does not allow the Economic Regulation Authority to have a role in establishing specific access prices. That is, the Economic Regulation Authority does not set prices for rail access in Western Australia.	Agreed. It sets a floor and ceiling price and facilitates an arbitration process and in that way facilitates a market response rather than specifically setting a price.
12	91	It is not possible to evaluate the usefulness of the Western Australian Railways Access Regime in resolving a dispute between an access seeker and the lessee as the arbitration process has never been completed for any access proposal.	Agreed. An arbitration process is underway.
13	91	The Economic Regulation Authority's regulation	Agreed. Rail infrastructure subject to road competition does not require the

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14	93	of the freight rail network differs significantly from its regulation of the state's electricity and gas networks.	same expansive heavy handed regulation that usually accompanies power generation monopolies. Rail freight has different supply chain characteristics, a different consumer profile and a different strategic role, when compared with electricity and gas markets.
15	96	Under the Railways (Access) Code 2000 (WA), the floor cost is calculated as the additional cost incurred by the operator in allowing access to a particular line for 12 months, while the ceiling cost is the cost of replacing that line with a newly constructed line that meets the expected level of service.	The Railways (Access) Code 2000 (WA) is the responsibility of the ERA, an independent statutory authority.
16	99	The Railways (Access) Code 2000 (WA) was clearly intended to be a fundamental part of the Rail Access Regime. Its dormancy should have been cause for an earlier review of its usefulness.	The Railways (Access) Code 2000 (WA) may remain dormant for the period during which there is no reason for it to be exercised. In such instance dormancy does not necessarily indicate market failure.
17	116	The value in seeking public submissions in the process of determining appropriate floor and ceiling costs for access to the freight rail network in Western Australia is questionable, particularly in light of the confidentiality provisions of the Railways (Access) Code 2000 (WA).	The Railways (Access) Code 2000 (WA) is the responsibility of the ERA, an independent statutory authority.
18	118	The Railways (Access) Code 2000 (WA) is not an adequate regulatory mechanism for access proposals requiring an upgrade to the network.	The Railways (Access) Code 2000 (WA) is the responsibility of the ERA, an independent statutory authority.
19	122	The Western Australian freight rail network, which is subject to a 49-year lease, is a natural monopoly.	The concept of monopoly relates to the service, not the mechanism. Rail haulage of grain is not a monopoly as road haulage is a substitute.
		The freight rail network is a natural monopoly	The PTA manages the leased railway infrastructure in accordance with its

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		and the lease instrument places the operation of that natural monopoly into private hands. The Public Transport Authority's approach to managing the lease does not recognise that more effective regulation is necessary to avoid abuse of market power by the lessee.	obligations and requirements under the Lease. The report fails to recognise that the ERA is the regulator of rail access, not the PTA. The PTA has no power to regulate market power by the lessee.
20	127	The lessee of the freight rail network is required to commission a review of its operational performance every five years—a process that requires a detailed assessment of the capacity and performance of the network.	The Lease requires the lessee to commission an independent and appropriately qualified expert to review the compliance by the lessee with the performance standards every 5 years. The next review is due to be undertaken during 2015.
21	127	Since 2000, two reviews of the capacity and performance of the freight rail network have been undertaken as required in the lease. Though the 2005 review was tabled in Parliament in 2007, the 2010 review has never been publicly available. There is no basis for this information not to be made public.	Government agrees with the principle of transparency. However, the public release of information should always to be assessed on a case by case basis, taking into consideration sensitive commercial in confidence information contained in the documentation, as well as confidentiality clauses contained in the rail lease..
22	138	The lessee's decision to not renew any access agreement for the Trayning to Merredin, York to Quairading, Katanning to Nyabing and Tambellup to Gnowangerup lines in June 2009 was, in effect, a withdrawal of those lines from service.	Brookfield Rail has stated it would be willing to keep the Tier 3 lines operational but CBH has been unwilling to pay the access price.
23	138	The lessee's withdrawal of the Trayning to Merredin, York to Quairading, Katanning to Nyabing and Tambellup to Gnowangerup was not undertaken pursuant to any specific provision of the lease.	Withdrawal of the lines was an operational decision by the lessee at the time. The lease provides the lessee with the sole right to grant third parties access to Leased Railway Infrastructure, including under the Access Regime.
24	138	The lessee's ability to suspend lines in June 2009 without consequence is an example of the inadequacy of the lease instrument to	The lease provides the lessee with the sole right to grant third parties access to Leased Railway Infrastructure, including under the Access Regime. When the State sold the rail freight business and leased the rail freight

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25	152	<p>protect the state's interests.</p> <p>The meaning of the term 'care and maintenance' gives no indication as to what is expected of the lessee.</p>	<p>infrastructure in 2000, it did so with the intent that private industry would manage the leased railway infrastructure in accordance with commercially prudent practices and as such relinquished full control of the operation of that infrastructure.</p> <p>The PTA will work with the lessee to specify the obligations of the lessee for lines placed into care and maintenance.</p>
26	161	<p>The Public Transport Authority's 'light touch' approach to managing the lease has proven inadequate for ensuring the freight rail network is adequately maintained.</p>	<p>The PTA manages the leased railway infrastructure in accordance with its obligations and requirements under the Lease.</p> <p>The PTA's 'light touch' referred to in the report is in accordance with the Lessee's right to 'quiet use and enjoyment' of the leased railway infrastructure as stipulated in the Lease at clause 4.9.</p> <p>In the past 14 years, the lessee (Brookfield Rail and its predecessor WestNet Rail) has spent over \$2.4 billion on the leased railway infrastructure, and freight volumes have increased from 30 million tonnes per annum to over 71 million tonnes per annum today.</p> <p>The management of the Western Australian freight rail network by the PTA is best judged by the current status of the rail freight network today that in all respects, except the Tier 3 lines which have succumbed to market forces and commercial realities, is in a far better state than when it was leased in 2000.</p>
27	164	<p>The process for securing performance standard upgrades achieved through private negotiations is inadequate for ensuring the freight rail network is maintained to a useful standard over the life of the lease.</p>	<p>Any negotiations in relation to the Performance Standards are required to be managed in accordance with clause 15.21 of the Lease.</p> <p>The State has no legal ability to impose increased performance standards on certain lines where they have been upgraded with non-government funding.</p> <p>The fundamentals underlying the network Lease are that the lessee must return the network to the State at the expiry of the Term in "a condition no worse than the Return Condition" (refer clause 15.6), with "Return Condition" being defined in clause 1.2.</p> <p>A private third party may agree to fund upgrades to a particular line (e.g. Cliffs' Natural Resources funding of upgrades to Esperance line) means that the improved standard would necessarily apply for the life of that third party's project, and if there is no other party wanting to use the line to the same standard in future, it is not appropriate to compel the lessee to maintain the</p>

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28	172	Protection of the private interests of parties who live or operate in close proximity to rail corridors is important. To date, planning has failed to recognise this.	Local government is largely responsible for development applications within their jurisdiction, although DoP and the WAPC is responsible for policy oversight and certain approvals. In most instances the rail lines were in place before the residential developments. State Planning Policy 5.4 (Road and Rail Transport Noise and Freight Considerations in Land Use Planning) already provides a framework for promoting mutually compatible sustainable land use and transport. The WAPC is currently considering the need for additional measures to adequately protect freight corridors.
29	178	Re-sleepering of the freight rail network will be required at least once more before the end of the lease term.	Consistent with the lease, the Government's position is that the maintenance of all leased railway infrastructure is the responsibility of Brookfield Rail. This position has been reinforced with Brookfield Rail.
30	190	There is a funding shortfall to deliver an economical, efficient and safe integrated road rail freight network.	Main Roads and Local Government negotiate the amount of funding which are allocated to regional roads. Funding the rail network is a commercial decision between Brookfield Rail and its clients.
31	190	Many local governments do not have the revenue raising capacity to allow them to generate sufficient income to meet required road upgrade and maintenance costs.	Agreed. This is the reason for State Government's Grain Freight Improvement Program investment of \$118 million in state and local government road upgrades in Tier 3 areas and why the Government has actively participated in attempts to reform the heavy vehicle charging and funding framework. MRWA needs to receive requests for funding from LG's if they require further capital or maintenance funding.
32	190	Failure to provide appropriate funding to local governments impacted by the closure of	The Government provided \$118 million in state and local government road upgrades in Tier 3 areas.

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33	190	<p>Tier 3 lines amounts to cost shifting on the part of the state government.</p> <p>The allocation of roads to either state or local government jurisdiction has not been reviewed since 1995.</p>	<p>While there has been no comprehensive review of the road classification, there has been a system in place where the classification of roads is reviewed if the Local Government or Main Roads believe circumstances have changed. Main Roads Guidelines for Determining and Assigning Responsibility for Roads in Western Australia allows for a review of the classification of existing roads by request from within Main Roads, the Minister for Transport, another government agency, local government, or some other party. Main Roads records show that since 2004 under these guidelines, 21 roads (or sections of roads) have been reclassified from Local to State administration, and, 40 roads (or sections of roads) have been reclassified from State to Local administration. Note this includes sections of roads realigned and the old alignment granted to the Local Government.</p>
34	210	<p>There is a lack of clarity surrounding the management and funding responsibilities of the State and the network maintenance and capital works obligations of the lessee.</p>	<p>More than \$160 million has been invested in commercially viable rail lines and the associated upgrades were completed as scheduled in early 2014. In addition, the lessee's maintenance and capital works obligations as detailed in the lease are now publicly available.</p>
35	215	<p>The natural monopoly status of the freight rail network together with the current regulatory regime promotes a cost plus approach to access pricing and less than optimal efficiency.</p>	<p>The Railways (Access) Code 2000 (WA) is the responsibility of the ERA, an independent statutory authority.</p>