

Dear Loraine,

I hope all is going well.
It may be a bit late, but I had another thought.

You may be aware that there is standard and narrow gauge line to Avon, but no further. Government in the 1960s decided not to go to Merredin with the triple line due to cost. CBH were asked to put in transfer facilities to transfer grain from narrow gauge to standard line in Merredin. A contract was put in place (I think 1966 or 1969) whereby it was agreed that government would pay the cost of transfer per tonne as CBH had paid to put the facility in place. The agreement as I understand was for 50 years with an option for another 50 years. Another casualty of the privatisation of rail and lack of transparency. It would appear that the Merredin Transfer Fee instead of being paid by Government was passed back to growers.

Phil Gardiner along with Brian Christie did a huge amount of work on this, when Phil was a member of the Upper House. I wonder if the Parliamentary Committee could seek information from Phil Gardiner. My recollection is that in the region of \$30M is owed to growers. Due to the fact that there was no transparency in the freight cost until CBH bought trains, growers were unaware that the fee which should have been paid by Government to CBH was being passed on to growers. Not only did this of course add cost to growers, it also inflated the grain freight rate on Tier 3 into Merredin. The Transfer fee had risen to \$3.50/tonne. It was added to Tier 3 rail freight rate, but not included in road freight on Tier 3, thus artificially inflating the Tier 3 rail freight cost, compared to road.

A very sad day here - the last day that trains will be able to cart grain on Tier 3, as the trains have to be moved off Tier 3 lines before Brookfield close and clamp the lines.

Kind Regards,

Jane