



**Hon. Diane Evers MLC**  
Member for the South West Region

Hon Matthew Swinbourne MLC  
Chair, Standing Committee on Environment and Public Affairs  
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Dear Committee Members,

### **Petition No. 166 – Closure of Tier 3 rail lines**

Thank you for the opportunity to provide a written submission to the Standing Committee on Environment and Public Affairs regarding this petition. I confirm that I wish the Committee to inquire into the matters raised in the petition. To the best of my knowledge, the issues described in this petition have not been taken to the Parliamentary Commissioner for Administrative Investigations (Ombudsman).

Like the petitioners, I am opposed to the closure of important state-owned Tier 3 rail by the lessee. I support the State Government's commissioning of an engineering assessment of the cost and time required to bring the grain freight Tier 3 rail lines back to operational standard, and urge the Government to consider the petitioners' requests when developing policy about the rail lines in future. This is particularly important since the grain freight task is likely to continue to increase.

The Legislative Council should consider the petitioners' requests to recommend that the State Government makes a pre-election commitment to the upgrade and re-opening of Tier 3 rail lines; ensures transparency in all future contracts relating to rail line access so that less powerful users are not disadvantaged, addressing issues identified in the Economics & Industry Standing Committee Report *The Management of Western Australia's Freight Rail Network (2014)* (the Blayney Report)<sup>1</sup>; and explores options to return the control of Tier 3 lines to the State when the lessee declares them to be uneconomical.

I also urge the Government to consider expanding the existing Tier 3 network, addressing gaps and identifying opportunities to improve the efficiency of the intermodal freight transport network. At the moment there are many instances of poor rail to road distance alignment which should be addressed. For example, a high productivity line to current 'black hole' areas could improve below-rail competition and limit lessees' ability to charge unreasonably high prices.

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[https://parliament.wa.gov.au/Parliament/commit.nsf/\(Report+Lookup+by+Com+ID\)/197314BAD95DD73348257D730007F270/\\$file/34351108.pdf](https://parliament.wa.gov.au/Parliament/commit.nsf/(Report+Lookup+by+Com+ID)/197314BAD95DD73348257D730007F270/$file/34351108.pdf)



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The existing lease agreement is an example of government allowing corporations to privatise profits and socialise losses. Western Australia's Tier 3 rail assets have been run down because of the terms of the lease agreement, a situation that we need to rectify immediately. The Blayney Report emphasises the fact that "Governments' respective efforts at privatising railways have generally not succeeded over entire networks and some States have either bought back leases or provided substantial rescue packages"<sup>2</sup>. Governments, including Labor governments, are buying back and taking control of privatised rail networks and infrastructure to better support sustainable economic development. The Victorian Government bought back Pacific National's lease on the state's country rail network for around \$134 million. The Queensland Government recently announced an election promise to buy back the Rockhampton railyard which was sold by the Bligh Labor Government. Queensland Labor's push for privatisation, and consequent running down of the asset, is widely believed to have been the main driver of their subsequent election loss. The Labour-led Government in New Zealand bought Toll New Zealand's rail and ferry business in 2008 to provide 21<sup>st</sup> Century infrastructure to support the transformation of their economy and build a sustainable transport network.

Clearly each of these examples was driven by business cases reflecting regional circumstances and are not necessarily replicable in Western Australia, however I urge the State Government to develop policy that makes full use of Tier 3 rail infrastructure. Stakeholders have explained that it is well over 100 kilometres from Kwinana Port to the nearest grain-growing paddock, whereas a significant percentage of grain is grown within 20 to 30 kilometres of the ports in Albany, Geraldton and Esperance, which means that nearby growers can deliver directly to them. However, most of the Tier 3 rail is in the Kwinana port zone, which is the highest producing zone, growing close to 50% of WA's grain. A significant percentage of Kwinana zone's grain is grown in excess of 250 kilometres from port, with some grain grown more than 400 kilometres from port.

The associated transport and environmental costs of these freight distances impact on growers such as those in the central wheatbelt, but also on the entire state. Costs include freight costs, increased health and safety risks of grain trucks travelling on urban and rural roads; wear and tear on roads and the need to maintain and upgrade them; greenhouse gas emissions; and the need to dispose of millions of truck tyres and other parts. These costs also impact negatively on our grain industry's international competitiveness. Environmental and transport costs could be further reduced by upgrading the lines to 19 tonne axle loading enabling speeds of up to 80 kph, minimising fuel consumption and therefore reducing greenhouse gas emissions even further.

This petition is indicative of the strong community sentiment towards reinstating Tier 3 rail lines that Minister Saffioti has noted. I urge the Committee to consider the petitioners' recommendations and to advise the Government to do so.

Yours sincerely,



Hon Diane Evers MLC