



Temporary reprieve but permanent solution needed

By COLIN BETTLES

AFTER several months of public and private argy bargy, the major stakeholders of the WA grain rail network appear to have become best friends again; at least for the time being.

Westnet Rail, led by general manager Paul Larsen, and the State Government, represented by Transport Minister Simon O'Brien, announced they were both committed to working together and would keep all of WA's grain rail lines open this harvest.

The announcement provides short term certainty for the network's users.

However, there is still no long term solution nor a strategy for reaching it.

Those issues will be thrashed out behind closed doors by the Strategic Grain Network Committee (SGNC).

WAFarmers transport spokesperson Colin Nicholl said he was pleased the State Government and WestNet Rail had made a commitment to work together and subsequently led to the re-opening of four grain rail lines which had previously been shut by WestNet Rail.

Mr Nicholl, a Hyden graingrower, said growers would be pleased for the time being, because it was a step in the right direction.

However, he said more work needed to be done to secure the grain rail network's long term future.

How the Government responds to the SGNC's recommendations, and whether they are adopted, is the key to solving any long term problems, he said.

"At the end of the day the rail rates have to be a cheaper option than road and attractive enough for growers, to keep grain on rail," he said.

"When the track was privatised in 2001, the State Government assured us that freight rates would become cheaper under a privatised system through increased competition and that the new operator would grow the business, but that has not happened.

"This outcome is a step in the right direction but we have to take a good hard look at the efficiencies in the grain rail network and see what can be done to improve on them.

"It will be interesting to see what rec-

ommendations are made by the Strategic Grain Network Committee at the end of July and if they get implemented.

"The existing track needs to be maintained but we need to improve the efficiencies also and look at increasing the train load capacities and the train turn-around times; to save costs and ultimately bring better savings to growers.

"We don't want to see any rationalisation done on the rail network, or the CBH sites attached to it, if costs go up and growers lose out."

CBH grain logistics manager Tim Collins said last week's agreement between WestNet Rail and the State Government provided CBH with urgently needed certainty regarding the capacity, extent and operation of the upcountry grain rail network for the 2009-10 season.

Mr Collins said it also allowed CBH to receive the harvest, maximise grain on rail and effectively operate the export clearance program on behalf of the buyers of WA grain.

"The CBH Group welcomes any outcome that will keep grain on rail as it is critical to minimising the cost of freight and executing the export clearance program," he said.

"The CBH Group has a heavy investment in rail related storage and handling infrastructure and therefore, the future health of the rail network is very closely aligned to the efficiency of our bulk grain storage system."

The Pastoralists and Graziers Association (PGA) also welcomed WestNet Rail's decision to keep narrow gauge rail lines open for the coming season and to join the formal process of finding a better future solution to WA's rail and road transport structure.

"We are pleased that the Minister has held to his promise that there will be no strategic rail closures," PGA Western Graingrowers chairman Rick Wilson said.

"PGA is fully supporting the process Mr O'Brien has started via the Strategic Grain Network Committee under Professor Fred Affleck for a major review of WA's rail and road system."

Mr Wilson, a Katanning graingrower, said the Federal Transport Minister needed to release a Federal Government report to the SGNC, which provided the Government's response to the Grain Infrastructure Group's proposal.

He said the report would help identify the Government's attitude to future funding for an integrated transport system in WA.

Local government, which had previously made threats to not approve permits for large trucks to transport grain this harvest, because of WestNet Rail's withdrawal of four lines from service due to a lack of State Government funding, said common sense had prevailed.

The end to the deadlock prompted a positive response from WA Local Government Association president Bill Mitchell.

▼ Continued on page 4



Westnet Rail general manager Paul Larsen.



▲ Continued from page 3

Mr Mitchell welcomed the creation of the SGNC and the “sign of good faith” by WestNet Rail in recommencing operations on the four lines previously shut.

He said WALGA was also pleased to be part of the SGNC to provide advice to government on the immediate, medium, and long term future of the state’s grain rail network.

“While councils will still need to carefully consider the allocation to large trucks of concessional load permits, the reopening of the four lines is by far the best way of ensuring the longevity of our local roads,” Mr Mitchell said.

“This is the most sensible outcome to what was heading to become a standoff between industry and State Government that could have had dire consequences for growers and local communities.

“Local government is committed to grain transport being on rail as the alternative is to use local roads which would require greater investment by councils in repairs and maintenance to local roads.

“Some local governments already spend up to 60pc of their revenue on local roads and it would be unfair for local communities to be expected to pay even more if the rail network was allowed to fall into greater decline.”

Agricultural Region MLC Philip Gardiner said he was very pleased to see the two parties reach agreement

well in advance of this season’s grain harvest.

“This is positive news for WA’s graingrowers, many of whom have had an average start to the growing season,” Mr Gardiner said.

Agricultural Region MLC Brian Ellis welcomed WestNet Rail’s commitment to recommence train operations on all lines, including the four lines previously withdrawn from service.

Mr Ellis, whose family has grown grain at their Bindi Bindi property for three generations, said that the compromise made sense and would provide certainty for producers.

“As a former deputy president of the Moora Shire Council, I am sure that local governments will be relieved that there will be no extra pressure on regional roads, in terms of both traffic and maintenance,” Mr Ellis said.

Mr O’Brien said the SGNC had the knowledge, expertise and experience to ensure that WA’s grain rail network was best placed to service the sector well into the future.

“I am confident that the SGNC will provide the government and the sector with productive and credible recommendations before the end of 2009 that will enable all parties to constructively plan for the future,” he said.

“By the end of July, the council will advise me of the full impacts of current service deficiencies and ways in which the industry and governments

can work together to ensure the grain transport system can continue to do the job we all need it to do, both for immediate harvests and for the longer term.

“This will include looking at the line that runs from Northam to Albany.

“By the end of the year, the council will also give me additional advice about the further changes to the rail system that will be required to meet industry’s medium term needs over the coming 10-15 years.”

Mr O’Brien said meeting the industry’s immediate and medium term needs was of fundamental importance, as well as establishing a vision for a sustainable grain freight system in the 40-50 year long term future.

This SGNC process will see the Strategic Grain Network Committee identify the sections of the rail network that will be upgraded over the coming years with the financial support of government.

Mr Larsen said that WestNet Rail would continue to work closely with the State and Federal governments and with the Strategic Grain Network Committee to make a renewed assessment of the investment needs for the network, and build a clear business case and strategy for the allocation of funds in future years to ensure the maximum volume of grain remains on rail.