



Auditor General critical of rail freight management

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The Auditor General has recommended changes to the management of WA's rail freight network (file). *(Tom O'Connor: Flickr)*

The Auditor General has recommended changes to the State Government's management of the lease of WA's rail freight network.

Colin Murphy has found the Public Transport Authority does not have a risk management plan for the lease with private operator Brookfield, although it is now working on one.

It comes amid debate over the future of the Tier Three network which had been due to shut down last year but will now remain in operation until at least October.

Mr Murphy says the Authority's method of assessing whether a line is uneconomic is also unclear.

"There's been some concern about accounting treatments and overheads and how capital costs are applied and we've suggested they need to be sorted out so that going forward, when there is a suggestion that a line's uneconomic, there's less of a debate or a concern about how that is actually measured," he said.

The State Opposition says the report highlights a concerning level of Government mismanagement of WA's rail freight network.

Transport Spokesman Ken Travers says the Government has neglected the network.

"This is a damning indictment of the way in which the Barnett Government has managed the rail freight debate," he said.

"Risk is one of the many issues, but there are also question marks about whether they have been getting good value for money for the state.

"There was a very poorly structured contract in the first place, there are real question marks about the way in which the contract has been administered, particularly by the current Liberal-National Government, and real question marks about some of the decisions which were taken in respect to the closure of the Tier Three lines."

In a statement, the Transport Minister Troy Buswell says the State Government supports the rail network but any decision over the future of the Tier Three lines would be a commercial one.