

Business case to be prepared for Tier 3 grain lines

Thursday, 24 September 2020

- McGowan Government to investigate viability of restoring some Tier 3 grain lines
- Tier 3 Grain Lines Engineering Review Report released today outlining costs to re-open lines
- Business cases for rail freight investment proposals on Tier 1, 2 and 3 rail to be prepared and submitted to Infrastructure Australia for consideration
- Business cases could lay groundwork for potential future funding partnerships with Federal Government

Transport Minister Rita Saffioti today released an independent engineering assessment outlining the estimated cost of restoring each section of the Wheatbelt's Tier 3 rail network.

The Tier 3 Grain Lines Engineering Review Report, undertaken by Agonis Group, provides detailed estimates of the cost to restore each line section of the Tier 3 network to a suitable condition for commercial operation, including the potential to upgrade some sections from narrow to standard gauge.

The Tier 3 rail lines, built in the early 1900s, were previously used to transport grain. They were privatised in 2000 as part of the freight rail network by the previous Liberal National Government and are now held by Arc Infrastructure.

Arc closed the Tier 3 rail lines in 2014 on the grounds that they were not commercially viable.

Since the closure of the Tier 3 rail lines, there has been an increase in freight volumes on local roads, compounding challenges in maintaining the roads to an acceptable standard.



Hon Rita Saffioti BBus MLA
Minister for Transport;
Planning

The Tier 3 lines are in variable condition and any line section would need to be upgraded before being brought back into service.

The State Government's Revitalising Agricultural Region Freight (RARF) Strategy identifies investment opportunities in the freight rail line network and outlines a list of prioritised rail and intermodal projects on the Tier 1 and 2 networks, which remain in use.

Since the release of the RARF Strategy, the State has been in discussion with Arc Infrastructure and the CBH Group to establish a shortlist of high priority projects on the Tier 1 and 2 rail networks.

Consultation while developing the Strategy showed strong sentiment among grain growers and local communities towards reinstating the Tier 3 railway lines.

Consultation with stakeholders will now also include the viability of potentially investing in the Tier 3 rail network, pending Infrastructure Australia assessment.

Subject to further discussions with stakeholders, the first upgrade proposals for the Tier 3 line currently being considered for business case preparation are:

- Quairading to York (estimated cost \$110.91 million);
- Kulin (via Yilliminning) to Narrogin (estimated cost \$164.41 million); and
- Kondinin (via Narembeen) to West Merredin (estimated cost \$210.67 million narrow gauge or \$238.08 million standard gauge).

The State Government has already lodged a submission with Infrastructure Australia to have improvements to Western Australia's agricultural supply chain added to its Priority List.

Further work will now be undertaken to prepare business cases, for submission to Infrastructure Australia, assessing rail freight investment proposals on the Tier 1, 2 and 3 rail networks.

A copy of the engineering report is available here:

<https://www.transport.wa.gov.au/Freight-Ports/freight-on-rail.asp>

Comments attributed to Transport Minister Rita Saffioti:

"Every time I visit the Wheatbelt I hear from the local community and local councils about how important the Tier 3 rail lines are to them.

"We are committed to investigating any initiatives that could increase public safety by reducing the number of trucks on roads in regional WA, so earlier this year we commissioned an engineering report into the viability of re-opening the Tier 3 lines.

"While the engineering report confirms restoring the entire network would involve significant costs, there are arguably specific lines where the cost of investment could be offset by ongoing commercial and community benefits such as reduced truck volumes on local roads and cost savings to farmers.

"We'll now work, in collaboration with CBH Group and Arc Infrastructure, on business cases to Infrastructure Australia examining the full suite of costs and benefits to government and industry of rail investment proposals on Tier 1, 2 and 3 lines.

"Submission of business cases to Infrastructure Australia could lay the groundwork for potential future funding partnerships with the Federal Government for rail freight investment.

"Significant funding contributions from the Federal Government - as per other major regional infrastructure projects - would be required for any potential Tier 3 restoration work in the future."

Minister's office - 6552 5500

Govt yet to submit Tier 3 bid

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The State Government is still up to six months away from making its first official plea for Federal funding to upgrade WA's shuttered Tier 3 lines.

Countryman can reveal a bid for funding to reinstate three of the lines is being rolled into a broader business case for Federal cash to overhaul WA's agricultural supply chain.

The business case is expected to urge for major upgrades to roads and rail in WA to be included in Infrastructure Australia's February or August update to its priority list.

The priority list is a live document updated once or twice a year and provides a guide to prioritise Federally funded infrastructure investments in Australia.

WA Transport Minister Rita Saffioti said the business case would argue upgrading WA's agricultural

supply chain was of "national significance". It would also argue the cost of upgrading roads and rail, including three of the Tier 3 lines, would be justified by the economic and community benefits.

"Assessment by Infrastructure Australia is a precondition for potential future funding partnerships with the Federal Government for rail freight investment," Ms Saffioti said.

"Implementation of the proposals is likely to involve contributions from industry and all tiers of government."

The plea for funding to upgrade the Tier 3 lines comes after a powerful new report found it would cost \$1.09 billion to repair and reopen all 509km of the Tier 3 lines.

The State has set its sights on securing \$500m in Federal cash to reopen three of the lines — Quairading to York; Kulin to Narrogin; and Kondinin to West Merredin.

TIER 3 LINES FLAGGED FOR UPGRADES

“We are committed to investigating any initiatives that could increase public safety by reducing the number of trucks on roads in regional WA.

Transport Minister Rita Saffioti



Ms Saffioti said the State had already been in discussions with Arc and CBH to establish a short list of high-priority projects along WA's Tier 1 and 2 networks.

But she said those discussions and the funding bid would now be expanded to include the three Tier 3 lines.

"Since releasing the Tier 3 engineering report several weeks ago, we have begun work on the business case submission for Infrastructure Australia," Ms Saffioti said. "While still in the early stages, we expect to progress a combined business case for the WA agricultural supply chain.

"The case will consider the Tier 1, 2, and 3 rail lines, State roads and the secondary freight network or local government roads." How-

ever, Ms Saffioti said the "agencies" would create a short list of projects, but would not confirm whether that could exclude the Tier 3 lines.

"During the process, the agencies will initially consider a long list of options that will then be shortlisted for detailed evaluation," she said. "Each option will represent an integrated package of infrastructure upgrades."

The State Government has already lodged one submission to Infrastructure Australia to have upgrades to WA's agricultural supply chain added to the Infrastructure Priority List.

But Ms Saffioti said a bid to reinstate three of WA's Tier 3 lines was now being added to an updated "stage two" submission. "Infra-

structure Australia's business case development process involves a series of submissions," she said.

"The transport agencies have already submitted a Stage 1 Problem Identification and Prioritisation submission with the aim of having WA's agricultural supply chain added to the next priority list.

"We are aiming to submit the preliminary Stage 2 business case within the next six months."

Ms Saffioti said the transport agencies working on the submission would engage with transport infrastructure operators and users across the agricultural supply chain. She said they would also contact affected communities and advocates to demonstrate the community benefits of upgrading the road and rail networks.