

FARMERS 'KEPT IN THE DARK'

Secret deal hands PTA slice of grain rail profit

Brad Thompson

The State Government is under pressure to come clean about a secret profit-sharing deal it struck with the private company holding an exclusive lease over WA's entire rail freight network.

The deal creates the potential for the Government to make millions of dollars on access fees paid by farmers if Brookfield Rail returns a profit on selected grain freight lines.

Farmers were not told of the deal between Brookfield and the Public Transport Authority, which is responsible for managing the rail network lease.

It was negotiated in secret as part of a package of measures which paved the way for Brookfield to close 500km of lines known as Tier 3 earlier this year in a move rural communities warned would create trucking hell on country roads.

Under the deal, the Government-run PTA is entitled to 15 per cent of profits Brookfield makes on the Tier 1 and Tier 2 lines used to cart grain following maintenance work largely funded by the Commonwealth.

The arrangement kicked in on June 30 and is scheduled to run for the next nine years, according to documents exposed by a parliamentary committee.

WAFarmers president Dale Park said it was a disgraceful situation and a scandal of the highest order that grain growers and rural communities were kept in the dark.

Brookfield and CBH, a co-operative controlled by 4300 WA farm-

ers, are locked in a dispute over the future of the Tier 3 lines and fees for a long-term access deal on Tier 1 and 2 lines. The Government has repeatedly said the

long-running row was a commercial matter for Brookfield and CBH. It has never acknowledged the PTA's financial interest in the rail access deal.

Brookfield and the PTA tried to stop the parliamentary committee tabling the sensitive documents as part of a report into management of the grain freight network. Transport Minister Dean Nalder was accused of failing to co-operate with the inquiry.

Mr Nalder and the PTA refused to answer questions from *West-Business* about the deal, including how much the Government hoped to make.

A succession of Liberal Party transport ministers and the PTA also opted not to notify CBH and farmers about a clause in the agreement with Brookfield which ties access fee increases on selected lines to the annual CPI rate until 2016.

CBH, which has been paying up to \$50 million a year to use the rail network, claims Brookfield is trying to increase access fees by about 30 per cent.

Brookfield chief executive Paul Larsen said the profit-sharing and CPI clauses applied to lines carrying about a third of the millions of tonnes of grain CBH moved on rail. He said Brookfield was working within the CPI cap on relevant lines and would do so for the next two years.

Labor transport spokesman

Ken Travers said it was outrageous the Government had kept the deal secret.

"What we have now is the potential for farmers to pay more than they should and more trucks on the road," Mr Travers said.

"It is not just mismanagement but mismanagement the Government has tried to cover up."



Commercial benefits: The Public Transport Authority will collect 15 per cent of profits Brookfield makes on the Tier 1 and Tier 2 lines. Picture: Mogens Johansen