

Secret rail deal broke election grain vow

■ **Brad Thompson**

The company with a 49-year lease over WA's rail freight network offered to surrender lines used by the grain industry during negotiations which led to the State Government brokering a secret profit-sharing deal.

The offer is part of confidential correspondence between Brookfield Rail, formerly known as WestNet Rail, and then transport minister Simon O'Brien in the lead up to the deal in July 2010.

A parliamentary committee tabled all of the correspondence between Brookfield chief executive Paul Larsen and Mr O'Brien with the exception of the crucial last letter in the chain.

A copy of the letter leaked to *WestBusiness* reveals the Government agreed to reduce performance standards set out in the original rail lease. It also ticks off on the closure of lines known as Tier 3 on a mutually agreed date.

Farmers and rural communities said they were struggling to reconcile this week's revelations about secret deals tied to the closure of Tier 3 lines on June 30 with front-page advertisements in local newspapers days before the last State election.

In advertisements featuring Premier Colin Barnett, the Liberal Party said it would keep viable Tier 3 lines open and provide funds to maintain them.

Wheatbelt Railway Retention Alliance deputy chairman Bill Cowan said farmers and local governments hit by the Tier 3 closure and rising rail freight costs

had been left in the dark about the Barnett Government's secret deal with Brookfield.

The correspondence between Mr Larsen and Mr O'Brien shows the Government backed down on insisting Brookfield invest \$238 million on ageing grain lines after Brookfield challenged its interpretation of the rail lease. Mr Larsen also warned the Government that if the cost of rail access became uncompetitive, industry would use "an extra 300,000 trucks per annum" to cart grain.