

WA Agricultural Supply Chain Improvements ("ASCI") Community Meetings

**Albany, Dalwallinu, Esperance, Geraldton, Merredin,
Northam, Wagin 2021**



Agenda

Forum purpose:

- Raise awareness of proposed regional Agricultural Supply Chain Improvement road and rail investments;
- Seek community comment and identify associated implications; and
- Inform future investment assessments and investigations.

Description	By
Arrival	
Welcome, process and introductions	Linton Pike
Existing Agricultural supply chain transport infrastructure investment commitments	Des Lock
Potential future Agricultural supply chain transport infrastructure investment	Tim Hoffman
Questions & Answers	All
Workshop Session #1 – Suggested Package 1 infrastructure investment inclusions: <ul style="list-style-type: none"> • Comment on proposed priorities • Associated local area impacts 	All
Workshop Session #2 – Longer Term infrastructure investment considerations: <ul style="list-style-type: none"> • Suggested inclusions • Associated local area impacts 	All
Next steps	Des Lock
Close	

Forum Participants

WA Government Project Team Representatives:

Des Lock

Tim Hoffman

Guests:

Community

Southern Ports

CBH

Local Govt

Recent consultation

- Arc Infrastructure – rail network manager
- CBH
- WA Local Government Association (WALGA)
- Livestock & Rural Transporters Association (WA)
- Western Roads Federation
- Transport Workers Union (TWU)
- Rail Tram and Bus Industry Union (RTBU)
- Wheatbelt Railway Retention Alliance (WRRRA)
- Regional Development Commissions

My Say Transport

- Feedback can be provided at the My Say Transport website.
www.mysaytransport.wa.gov.au
- Online survey, FAQ's and notifications registration
- Comment period closes 13 August 2021.

Committed Infrastructure Investments

Des Lock

Department of Transport

Agricultural Supply Chain Improvement (ASCI) funding program

- A proposed \$200m “Package 1” of this program, to be jointly funded by the State and Commonwealth, has been announced in May 2021.
- This first package will be allocated across four years to a group of approved projects, to be decided by the WA and Federal Governments.
- A commitment by the Federal Government to a larger, longer term program of investment will require the investment program to be critically assessed by its advisory body, Infrastructure Australia.
- Infrastructure Australia requires a comprehensive four-stage evaluation process. We are now engaged in Stage 2 – development of a Business Case to meet identified problems or needs.
- This meeting is part of the consultation the WA Government has committed to, to inform the assessment process

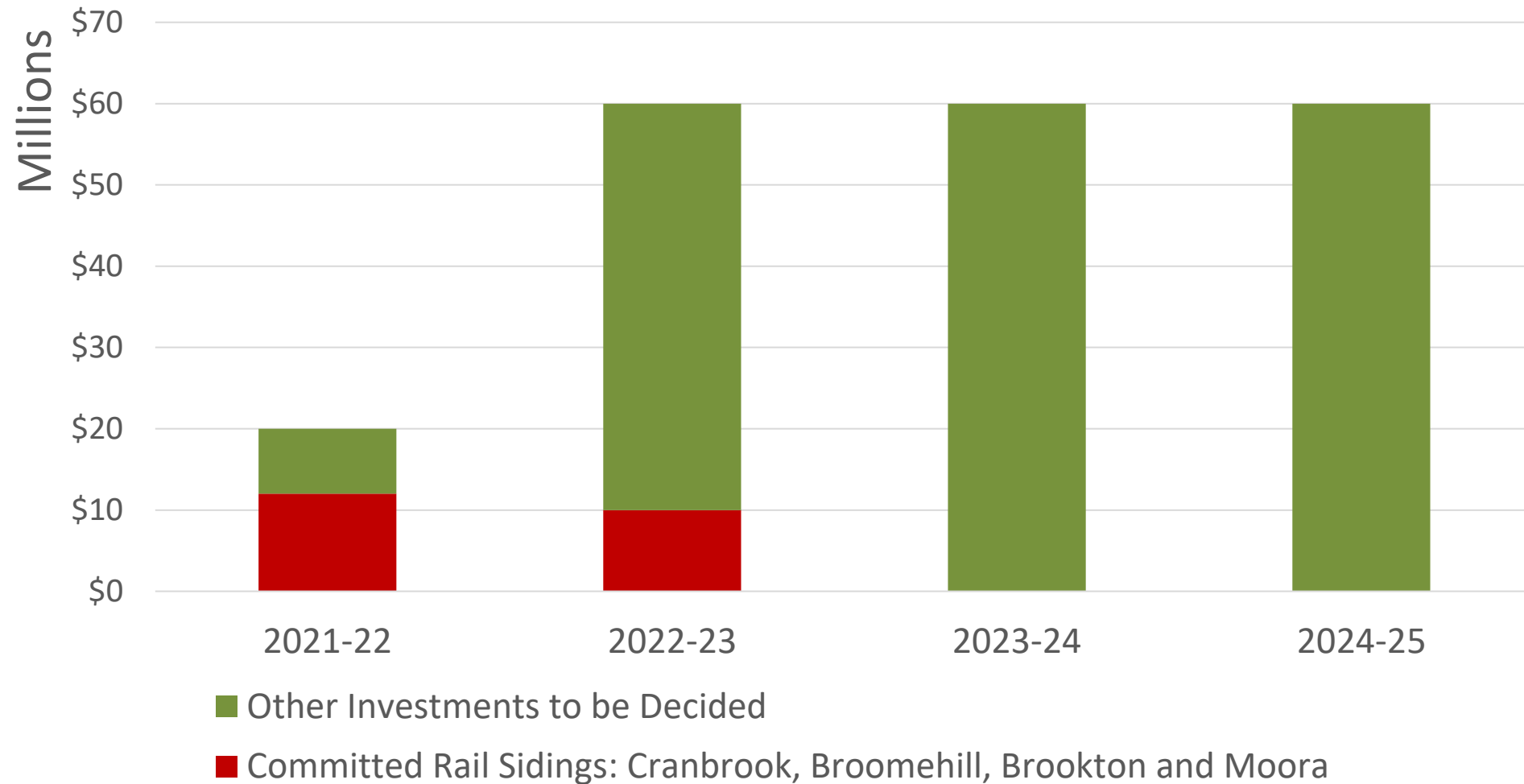
Infrastructure Australia Stage 1 Submission Lodged

- Revitalising Agricultural Region Freight Strategy (RARF)
- Wheatbelt Secondary Freight Routes
- Combined documents into an IA Stage 1 submission “WA Agricultural Supply Chain Improvements (WAASCI)”
- Listed on the Infrastructure Priority List in February 2021.
- Stages 2 – 4: Next Steps
 - WA now has to identify and assess improvement option proposals to put forward the best package of solutions that deliver safety, environmental, social and economic benefits.

“Package 1” ASCI Funding Program

- \$200m “Package 1” of ASCI program is the sole current public funding source for regional rail network investment
 - \$160m from Commonwealth (over 4 years)
 - Proposed \$40m (i.e. extra \$18m) from the WA Government – to be confirmed in its September budget
- 2021 State Election Commitment of \$22m to four rail sidings:
 - Cranbrook;
 - Broomehill;
 - Brookton; and
 - Moora.
- Up to \$178 million remains unallocated under Package 1
- Governments are working towards additional future funding packages under this program

"Package 1" - WA Agricultural Supply Chain Program Assumed Cashflow (for Consultation Purposes)



Road Upgrades Underway on Grain Freight Roads

- Local Government Roads
 - Wheatbelt Secondary Freight Network Program
 - \$187.5 million allocated to upgrade local government roads forming part of the agricultural supply chain
- State Roads and Main Roads
 - Regional Road Safety Program (\$455m by 30 June 2022)
 - Works totally \$258m have been underway in 2020-21 on State roads within the agricultural supply chain network throughout WA.
 - When complete, up to 50% of WA's regional road network will be upgraded, including many roads within the agricultural grain freight road network.

Funding Programs

Regional Road Safety Program - \$900m required over 9 years

State and Commonwealth Black Spot Program - \$40m pa

Road Trauma Trust Account - \$75m* pa

Safer Roads - \$20m pa

Heavy Vehicle Safety & Productivity Program - \$2m pa

Royalties for Regions – 25% to Regions including transport

Roads of Strategic Importance (ROSI) – C'wealth program

State Road Funds to Local Government

SRFLGA covers:

- State Road Funds to Local Govt funding.

- SRFLG Advisory Committee (SAC).

- Regional Road Group process.

- Transfer of roads between MRWA/LG.

Future Potential Infrastructure (Rail Focused) Investments

Tim Hoffman

Department of Transport

Rail network upgrade general principles

- Rail upgrade project aims:
 - Move more grain freight from trucks to trains
 - Generate freight cost savings for growers
 - Build improved sustainable network for future
- Focus on investments with strong local and network-wide benefits.
- Recognises CBH as sole current user of grain rail network.

Rail system investment

CBH

- Completed and planned CBH investment
 - ~\$1 billion invested in network capex and maintenance in the last 5 years, with \$200M in storage expansion at key rail sites including Moora, Broomehill, Cranbrook, York, McLevie etc.
 - Additional 2.7m tonnes of storage capacity
 - ~\$80m on rail loading infrastructure to complement the \$22m in committed Government funding on rail siding infrastructure.
 - Further investment in rail loading to complement ASCI funding

Rail system investment

Arc Infrastructure

- Arc Infrastructure is well progressed through a \$100M+ investment program in the grain network, with a specific focus on the Midland Railway and Miling Lines.
- These works will result in a significant improvement in the impact of temporary speed restrictions and improved reliability of operations on these sections and will include:
 - Replacement of approximately 150,000 timber sleepers between Narngulu and Millendon Junction on the Midland Railway;
 - Replacement of approximately 30km of rail between Bolgart and Miling on the Miling line; and
 - Replacement of approximately 25,000 timber sleepers on the Miling line.

Rail network upgrade priorities

A. Grain sidings

- ASCI Package 1 contributes \$22m towards first four upgrade projects
- CBH funds associated grain handling and loading equipment
- Benefits
 - Creates longer sidings at major CBH bin sites
 - Allows longer trains to move more grain quickly
 - Rapid loading bins and equipment speeds up train loading
 - Applies downward pressure on CBH freight rates/deductions
 - Increased export earnings for growers
 - Reduces dependence on trucking to port during early season export demand peak

A. Grain siding projects

Zone	Upgrade existing		New
	Committed	Proposed	Proposed
Geraldton		Mullewa	Perenjori Nth
Kwinana (Nth)	Moora	Cadoux Konongorring	Muchea Dowerin
Kwinana (EGR)		Kellerberrin Cunderdin	Avon
Kwinana (Sth)	Brookton		
Albany	Broomehill Cranbrook		Mirambeena

Rail network upgrade priorities

B. Corridor upgrades

- Upgrade of certain railway lines to increase train load limits
- Lines are built to varying standards (limiting load mass and train length)
- Some corridors can be upgraded to significantly improve train efficiency
- Benefits
 - Heavier trains means better asset utilisation
 - Greater capacity at peak times
 - Ability to standardise usage of the current fleet
 - More operational flexibility
 - Increases export earnings for WA growers

B. Corridor upgrades

16 TAL line candidates

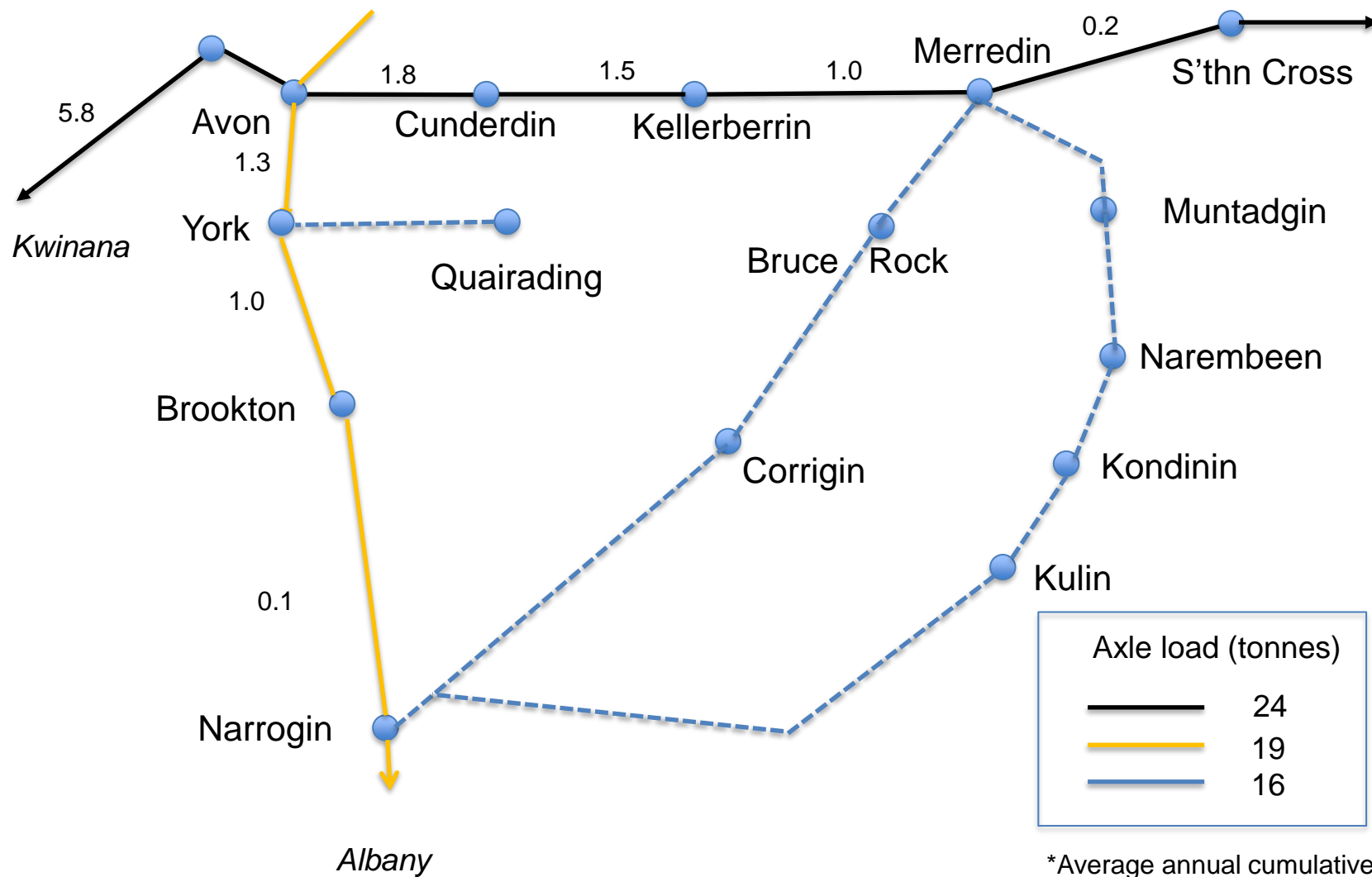
- Initial modelling shows upgrade of 16 Tonne Axle Load (TAL) lines to 19 TAL offers greatest advantage
- Allows 25% greater train loads
- Relatively low capital cost in most cases

Zone	Line section
Geraldton	Mingenew - Marchagee
	Morawa - Perenjori
Kwinana	Watheroo - Mooliabeenie
	McLevie Line
	Miling Line
	Beacon Line

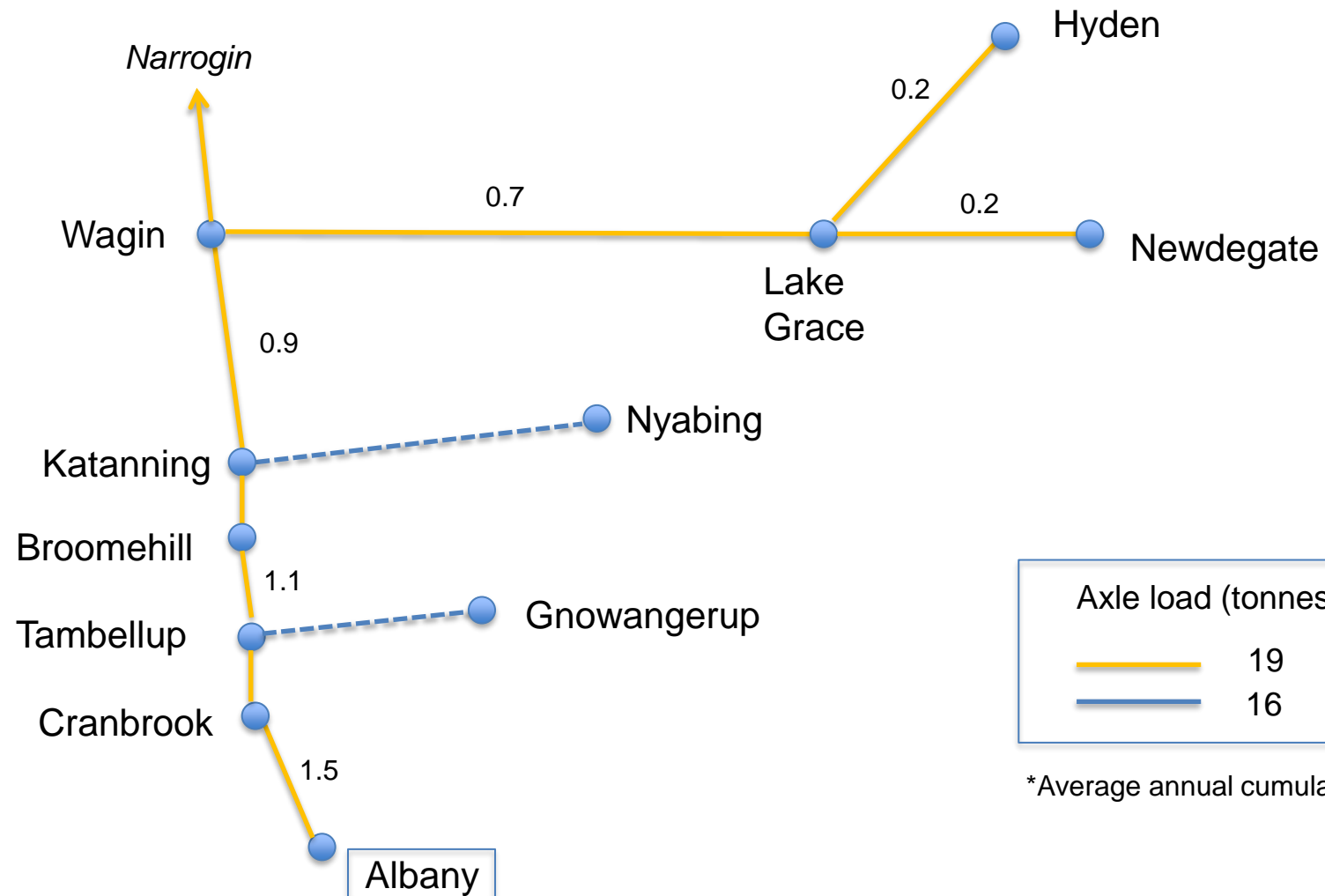
Northam meeting – CBH average receivals

Port Zone	Region	receivals (mt)	principal mode
Kwinana	Miling - Moora	0.7	rail
	McLevie Line	0.7	rail
	Goomalling - Kalannie	0.8	rail
	Beacon - Mukinbudin	0.3	rail
	Merredin - Southern Cross	0.6	rail
	Cunderdin - Kellerberrin	0.6	rail
	Calingiri - Quairading	0.8	road-rail
	Bruce Rock - Narembeen	0.3	road-rail
	Brookton - Wickepin	0.7	rail
	Corrigin - Kulin	0.5	road-rail
	Kwinana Port	0.2	
	Total Port Zone		
	Kwinana North	3.7	
	Kwinana South	2.7	

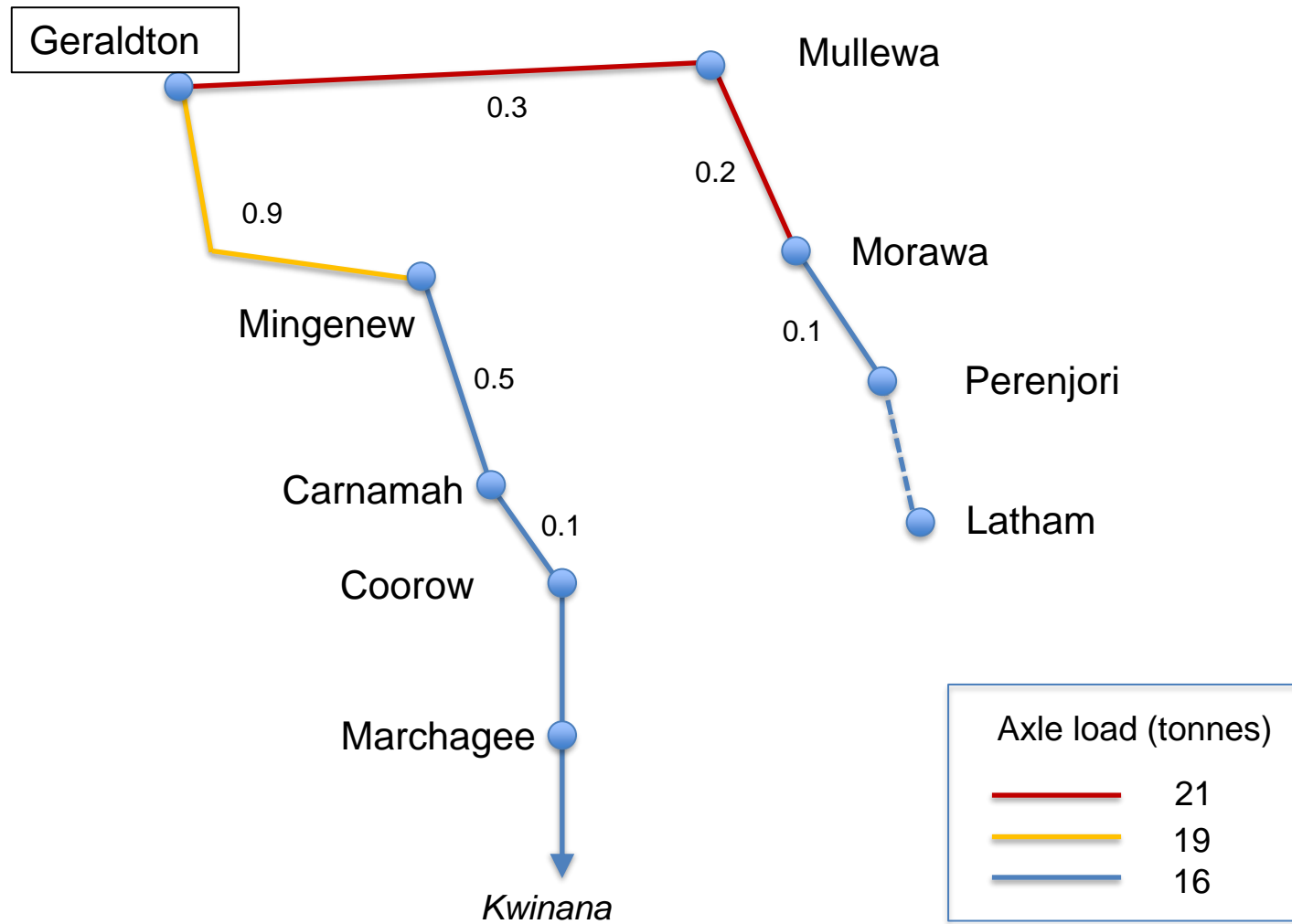
Track standard and grain freight* – Kwinana (Sth) Zone



Track standard and grain freight* – Albany Zone

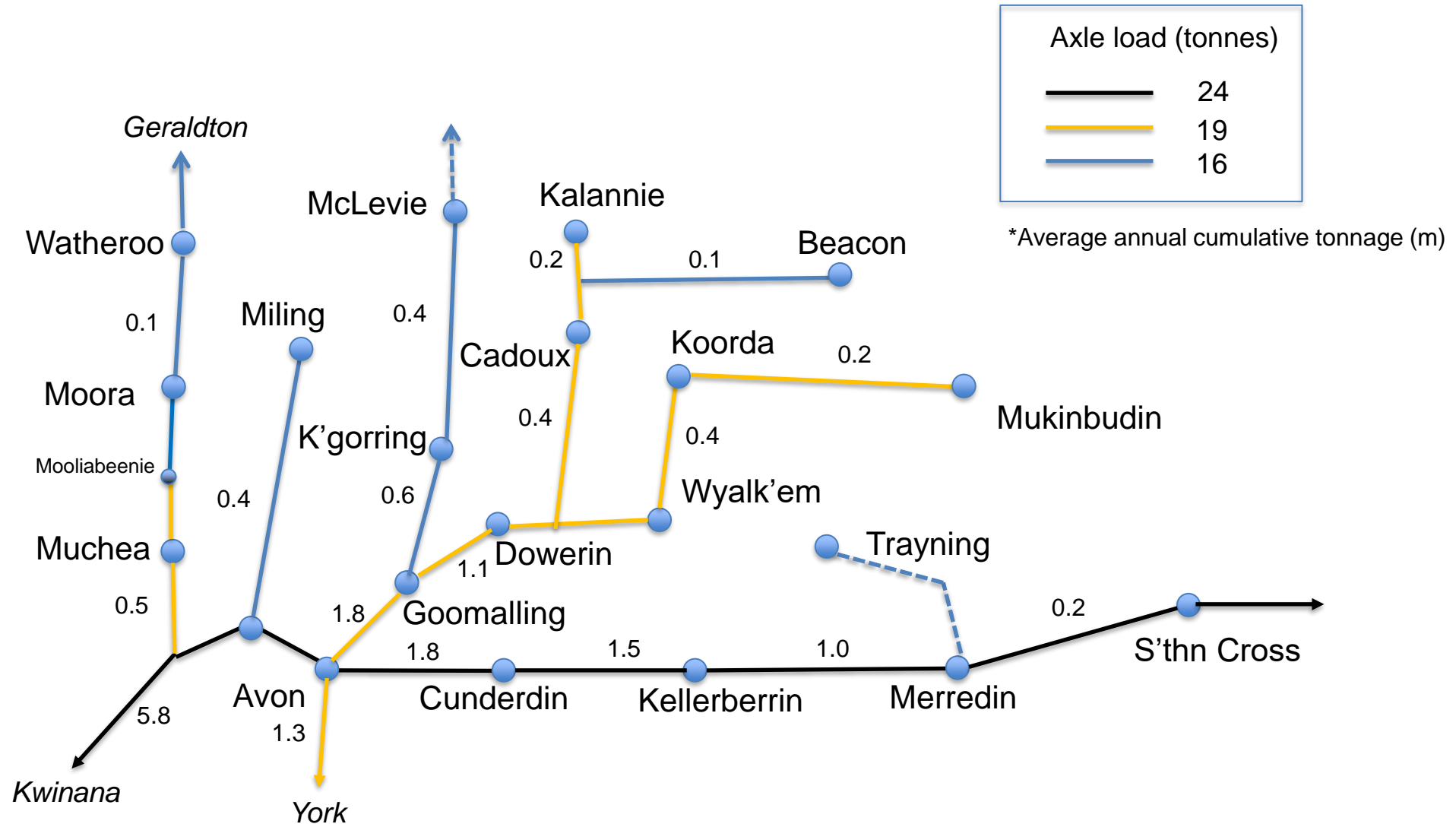


Track standard and grain freight* – Geraldton Zone



*Average annual cumulative tonnage (m)

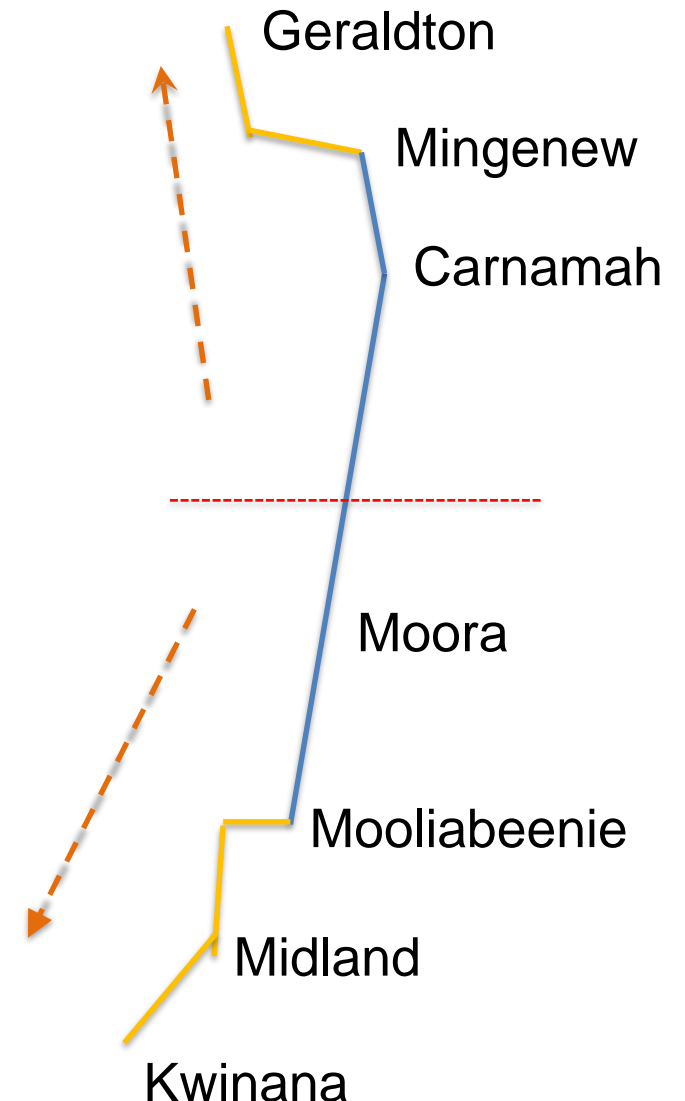
Track standard and grain freight* – Kwinana (Nth) Zone



B. Corridor upgrades

Example – Midland Line

- Links Perth with Geraldton
- Carries grain in both directions
- Also available to mineral products
- Likely to offer strong benefits to grain industry and the state
- 300km 16 TAL section
- Relatively low capital cost/km
- Complements Arc work already committed
- Could be done in separate sections



Rail network upgrade priorities

C. Tier 3 line projects

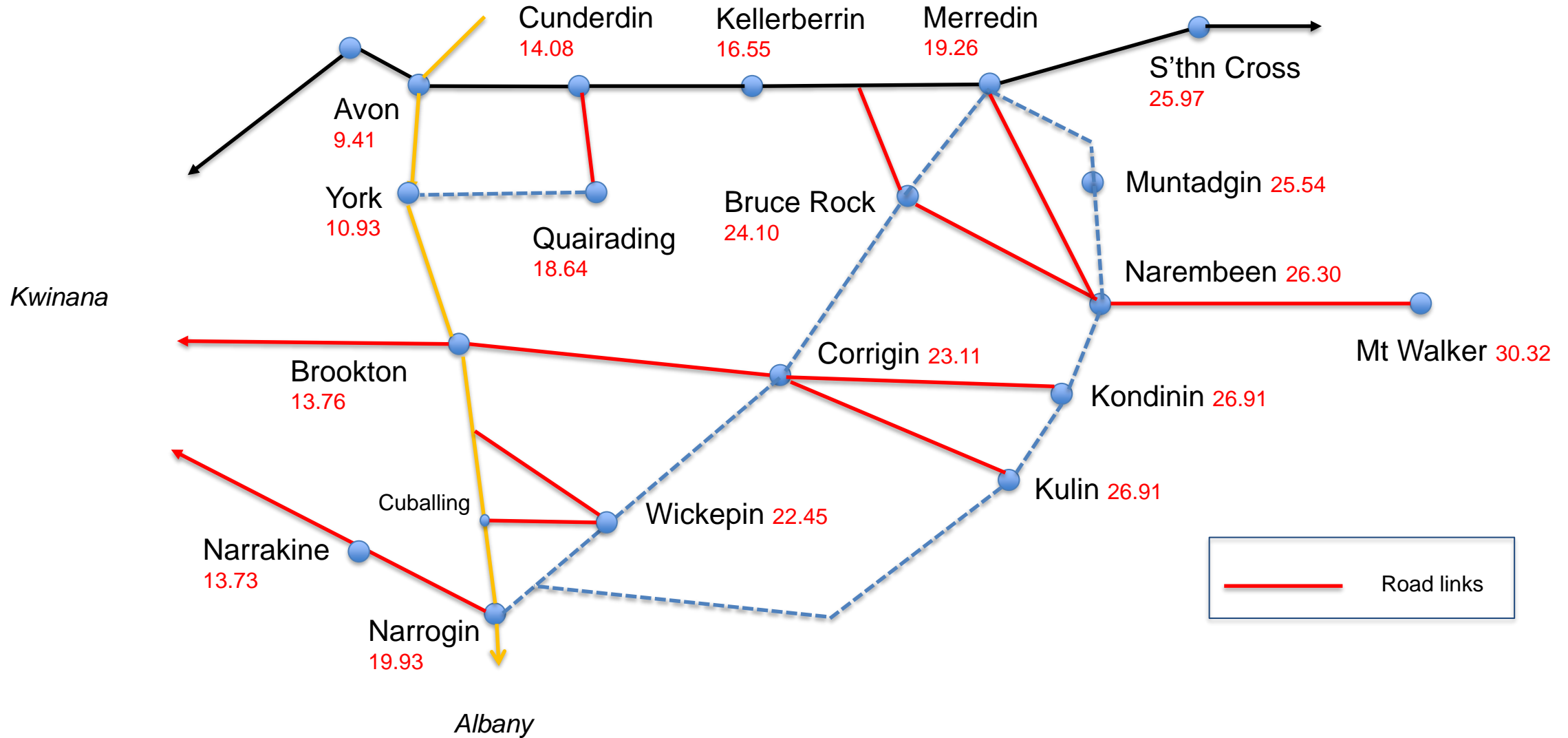
- Agonis report identified high cost of reinstatement of closed Tier 3 lines
- However, several proposals serving the area are worthy of examination, eg
 - Extension of EGR line into Bruce Rock or Muntadgin
 - Extension of 19 TAL line from Narrogin to Wickepin.
 - Reinstatement of individual Tier 3 lines eg to Kulin, Quairading
 - Development of grain train loading facilities on Great Southern Railway (eg Cuballing)
- Other freight traffic, eg minerals, would greatly improve a business case for reinstatement

C. Closed Tier 3 lines

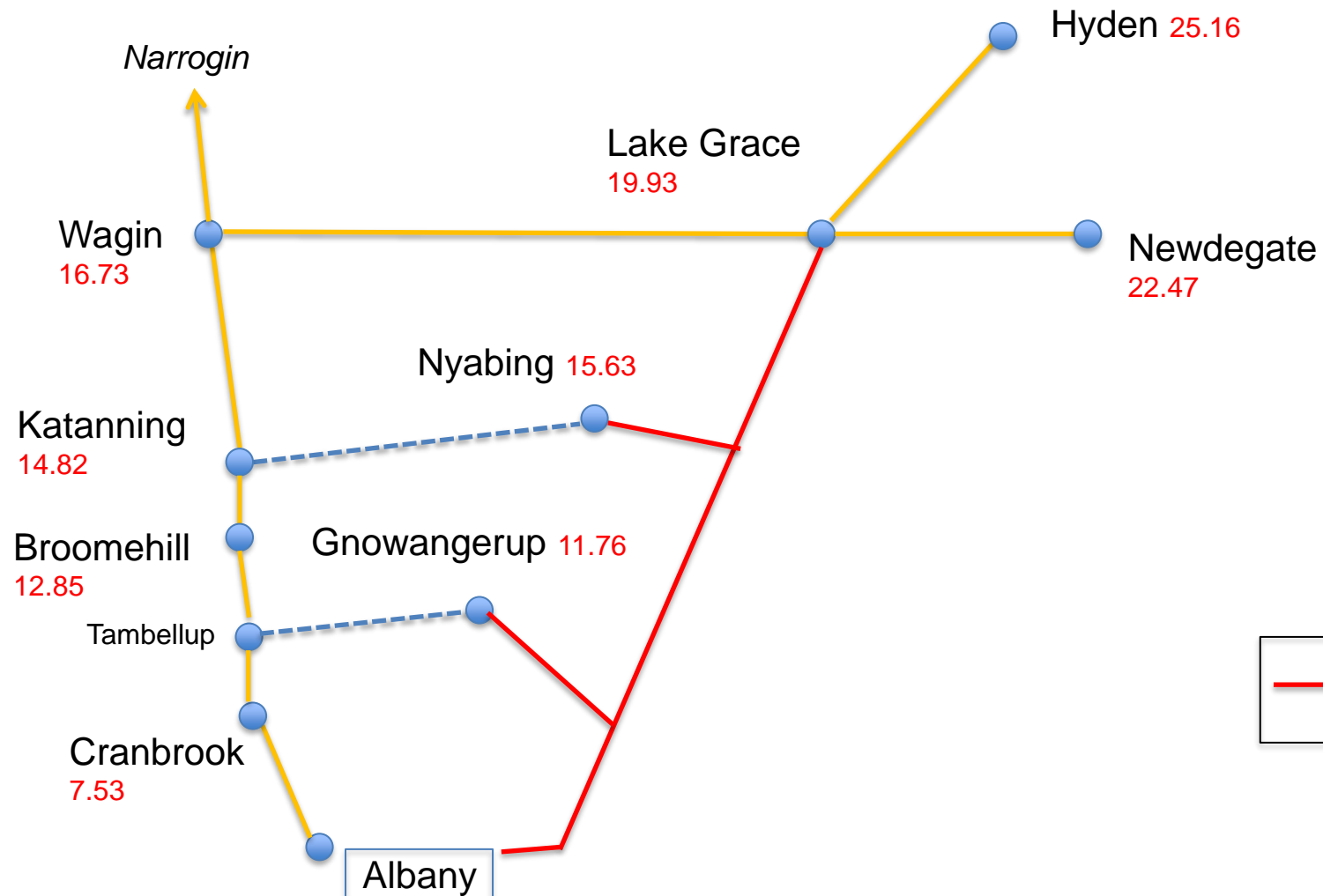
Zone	Line section	km	Upgrade cost*
Geraldton	Perenjori - Latham - Maya	56	\$78m
Kwinana	York - Quairading	74	\$110m
	Merredin - Trayning	73	\$105m
	Merredin - Bruce Rock	48	\$76m
	Bruce Rock - Corrigin	60	\$78m
	Corrigin - Narrogin	108	\$151m
	Merredin - Narembreen	91	\$140m
	Narembreen - Kondinin	51	\$71m
	Kondinin - Kulin	28	N/A
	Kulin - Narrogin	118	\$130m
Albany	Katanning - Nyabing	61	\$88m
	Tambellup - Gnowangerup	38	\$56m

** Agonis Report – costs to reinstate lines to 19 TAL standard (mostly)*

CBH 2020/21 freight deductions (\$/t) – Kwinana (Sth) Zone



CBH 2020/21 freight deductions (\$/t) – Albany Zone



Rail network upgrade priorities

D. Other projects

- Port terminal rail system improvements
- CBH initiatives to improve overall system performance eg Avon NG/SG transfer station
- Road upgrades necessary to support rail upgrades generating more local truck traffic
- Intermodal terminal to support containerised exports such as hay and mineral products

Next Steps

Des Lock

Department of Transport

Assessment Process and Next Steps

- Full assessment as per Infrastructure Australia process for major infrastructure project proposals
- Development of economic modelling led by WA Treasury Corporation, with input from CBH and Arc
 - Estimated freight rate benefits
 - Impact on future road use resulting from rail upgrades
- Alignment with CBH operational needs
- Full consideration of social and environmental factors including:
 - Road safety and pollution
 - Community amenity
- Prioritisation of short listed projects
- Recommendations to state and Commonwealth Ministers

Multi-criteria assessment (MCA)

- Project assessment must take into account all costs and benefits of a project proposal, including:
 - Economic – impacts and benefits for direct users and the broader community
 - Social and environmental – eg community amenity, heritage, noise, air pollution impacts etc
 - Safety – eg road and rail safety
 - Project deliverability – approvals, access to skills and resources for successful project completion within budget

\$200 million “Package 1”: Prioritisation Methodology

- Short-listed projects will be:
 - Sufficiently “shovel ready” - can be completed by 2024-25.
 - Capable of leveraging private sector funding co-contributions.
 - Able to demonstrate benefit to WA for the investment.

My Say Transport

- Feedback can be provided at the My Say Transport website.
www.mysaytransport.wa.gov.au
- Online survey, FAQ's and notifications registration
- Comment period closes 13 August 2021.