



**Eyre Peninsula Rail  
16 February 2006**

Member for Flinders Liz Penfold is furious that the State Labor government is contributing less than half the cost of a new Adelaide tram to help upgrade the 670 kilometre rail network on Eyre Peninsula" Mrs. Penfold said

This week American Company Genesee & Wyoming acquired Westfarmers share of the railway network on Eyre Peninsula.

The President of Genesee & Wyoming Australia, Jack Hellman was present at a Parliamentary Public Works Committee hearing held in Adelaide on Wednesday regarding the proposed \$30 million Eyre Peninsula Railway network upgrades, which included \$5million for the gypsum line to Ceduna.

The hearing received a written presentation from Member for Flinders Liz Penfold.

Committee member Mark Brindle said he was indebted to Mrs. Penfold for the quality of the local perspective provided in her submission.

Mrs Penfold expressed her concern about the rail closures on Eyre Peninsula and also that farmers could be levied for part of the cost, when the railway had been run down by successive governments both State and Federal before being sold.

"I am outraged that sections of the rail are closed and that the farmers, having made that line profitable for many decades, are now being required to pay a second time because adequate maintenance was not undertaken by successive governments."

"The value of Eyre Peninsula's grain is estimated at \$420 million in an average year."

"The Federal Government has committed \$15 million towards what is really only essential maintenance of the remaining lines however this is subject to matching funding and I consider the \$2 million from the State Government is pathetic particularly when compared with the \$5.5 million they are paying for each of the 11 trams for Adelaide."

"For the cost of \$60.5 million for trams and \$21 million for the tram line extension to North Terrace we could upgrade the whole system on Eyre Peninsula and go well toward connecting the railway into the BHP narrow gauge system near Whyalla creating wealth and jobs for the nation."

An additional \$187.17 million is also being considered to extend the tram line to Port Adelaide and North Haven which instead could be used to provide about 12,478 kilometres of new bitumen road." Mrs Penfold said

"An upgraded and well maintained railway system will save the Government on road maintenance and make the roads safer for the travelling public. In addition significant greenhouse gas savings will be made in line with government strategies."

"I would like to see the millions of dollars that the State Government is putting into the new German trams, put into upgrading roads and railway instead," Mrs Penfold said.

Consideration should also be given to the future needs of the mining industry which would be one of the major users of the railway lines in the future.

The mining industry will need heavy duty lines.

Mrs. Penfold said railway lines should be connected through to Whyalla from Kimba to enable iron ore to be processed and provide access to the National rail network.

"I continue to be amazed that the strategic importance of linking these lines has not been acknowledged" she said.

The railway line from Wudinna to Ceduna and Buckleboo to Kimba has been closed forcing many more road trains onto the roads however the funding being provided will not be used to assist these lines.

At the request of Mrs. Penfold, Mr. Keith Yates, Executive Chairman of Adelaide Resources Ltd, appeared before the Public Works Committee and provided a power point presentation on the expected requirements of his and other mining companies future needs.

"A suitably upgraded railway will provide greatly increased incentive for potential mineral investors," Mr. Yates said.

"In considering the necessary scale of an upgrade of the Eyre Peninsula Railway it would be short sighted to disregard potential mineral development in the region," he said.

Mr Paul Holloway in his press release of the 7<sup>th</sup> February 2006 stated, "The Gawler Craton remains one of the most prospective provinces in the world for mineral exploration..."

The Gawler Craton mineralisation covers Eyre Peninsula.

A copy of Mrs. Penfold's submission "Eyre Peninsula Railway Upgrade Issues" is on the reports page.