



RECEIVED
24 JAN 2007
Minister for Transport
and Regional Services

MINISTER FOR PLANNING AND INFRASTRUCTURE

HON ALANNAH MacTIERNAN
BA LLB BJuris JP MLA

RECEIVED MPS

My Ref : 02-024524

25 JAN 2007

21 JAN 2007

Hon M Vaile, MP
Minister for Transport and Regional Services
Parliament House
CANBERRA WA 2600

Dear Minister Vaile

I refer to your letter of 12 December 2006 concerning Clause 12 of the AusLink Bilateral Agreement which has been amended to include rail projects and increase Western Australia's funding allocation accordingly.

I concur with the proposed changes to the Bilateral Agreement between the Commonwealth of Australia and the State of Western Australia 2004-2009.

As requested I have initialled each page of your letter and all pages of Schedule A. I have enclosed one copy of each for your information and action.

Yours sincerely

Hon Alannah MacTiernan, MLA

HON MINISTER FOR PLANNING AND INFRASTRUCTURE

Enc



RECEIVED

19 DEC 2006

MINISTER'S OFFICE

The Hon Mark Vaile MP

Deputy Prime Minister
Minister for Transport and Regional Services
Leader of The Nationals

Reference: 11773-2006

12 DEC 2006

The Hon Alannah MacTiernan MLA
Minister for Planning and Infrastructure
13th Floor
Dumas House
2 Havelock Street
WEST PERTH WA 6005

Dear Minister

I refer to Clauses 10 and 12 of the Bilateral Agreement between the Commonwealth of Australia and the State of Western Australia 2004-09 on the Implementation of the AusLink National Land Transport Plan (the Agreement) which refer to amendment of the Agreement.

On 1 December 2005, the Hon Warren Truss MP, the former Minister for Transport and Regional Services, wrote to you confirming an additional \$39.6 million in capped AusLink Investment Programme (AIP) funding had been allocated for three new rail projects in Western Australia.

The projects are:

- Daddow Road road/rail grade separation - \$11.5 million commitment towards construction of a new road overbridge;
- East-West rail link - a \$20.1 million contribution for re-sleepering 76 kilometres of track between Koolyanobbing and Kalgoorlie; and
- East-West rail link - a \$8 million contribution to extend eight passing loops between Kewdale and Kalgoorlie.

The level of Australian Government contribution to these projects is capped.

The Australian Government's commitment to these projects increased the total funding made available to Western Australia under the AIP to \$671.65 million (over the years 2004-05 to 2008-09). Of this amount, \$511.62 million is available for construction projects.

As a consequence of the increase, it is now necessary to formally amend the Agreement to incorporate the new funding limit and projects into the Agreement. This will provide a basis for project approvals and payments and enables Western Australia to have the same assurance in relation to these projects as other projects listed in the Agreement.

I propose that the Agreement be amended by:

- omitting "\$472.02 million" from clause 12 of the main text and substituting "\$511.62 million"; and
- substituting the existing Schedule A with the attached amended Schedule A, which details the new rail projects.

Subject to the terms of the Agreement, project cost increases and under expenditure (through savings or delays), are addressed separately, including in the programme figures provided at Budget time.

I am providing two signed copies of this letter and two initialled copies of the amended Schedule A. Subject to your agreement to the amendments, I would be grateful if you would initial all pages of this letter and Schedule A enclosed, and return one copy of each to me.

I look forward to your reply on this matter.

Yours sincerely



MARK VAILE



Schedule A - Projects in Western Australian being funded as part of the AusLink Investment Programme 2004-05 to 2008-09

Projects the Australian Government (AG) intends to fund in first 5-year Plan	Total Estimated Project Cost \$m	Allocated AG funding \$m	AG funding provided to 2003-04 inclusive \$m	AG base funding contribution 2004-05 to 2008-09 (out-turn dollars) \$m	Comment/Conditions
Continuing Projects					
Sawyers Valley to Lakes	35.00	35.00	5.98	29.02	Australian Government providing 100% of funding, subject to any revisions of cost and clauses 32-36 (cost increases) of this agreement.
Tammin to Walgoolan (including Walgoolan to Southern Cross)	45.25	45.26	12.29	32.97	Australian Government providing 100% of funding, subject to any revisions of cost and clauses 32-36 (cost increases) of this agreement.
Midland-Norham passing lanes	3.50	3.50	0.00	3.50	Australian Government providing 100% of funding, subject to any revisions of cost and clauses 32-36 (cost increases) of this agreement.
Replace single lane bridges (Bow, Fitzroy, Dunham Rivers)	60.00	60.00	16.53	43.47	Australian Government providing 100% of funding, subject to any revisions of cost and clauses 32-36 (cost increases) of this agreement.
Lennard St to Muchea	21.20	21.20	4.97	16.23	Australian Government providing 100% of funding, subject to any revisions of cost and clauses 32-36 (cost increases) of this agreement.
Muchea to Wubin Overtaking lanes and widening	14.00	14.00	0.00	14.00	Australian Government providing 100% of funding, subject to any revisions of cost and clauses 32-36 (cost increases) of this agreement.
Eyre Hwy - widening and rehabilitation	45.00	45.00	0.89	44.11	Australian Government providing 100% of funding, subject to any revisions of cost and clauses 32-36 (cost increases) of this agreement.
Roe Highway	76.00	76.00	56.00	20.00	The total Australian Government contribution is capped at \$76m.
Ravensthorpe Mine - roads upgrade	13.00	6.50	0.00	6.50	The total Australian Government contribution is capped at \$6.5m.
Expenditure on completing projects not budgeted for in the AusLink Programme	1.72	1.72		1.72	Further payments beyond this will require offset.
New AusLink Projects					
Great Eastern Hwy/Roe Highway Interchange	28.00	22.40	0.00	22.40	Australian Government contribution is 80% capped at \$22.4m.
Great Eastern Hwy - Clackline Bypass	3.00	3.00	0.00	3.00	Australian Government providing 100% of funding, subject to any revisions of cost and clauses 32-36 (cost increases) of this agreement.
Great Northern Hwy - Muchea to Wubin widening and overtaking lanes	51.10	51.10	0.00	51.10	Australian Government provides 100% of project costs for approved projects up to the limit of \$51.1m over the five year period.



Projects the Australian Government (AG) intends to fund in first 5-year Plan	Total Estimated Project Cost \$m	Allocated AG funding \$m	AG funding provided to 2003-04 inclusive \$m	AG base funding contribution 2004-05 to 2008-09 (out-turn dollars) \$m	Comment/Conditions
Peel Deviation and Kwinana Freeway extension (New Perth-Bunbury Highway)	450.00	170.00	0.00	170.00	Australian Government contribution is capped at \$170m. This contribution is being provided on the basis that WA will fund the remaining amount and that construction will commence in late 2006 as a continuous build and be sufficiently complete to enable the opening of the Peel Deviation and freeway extension in 2009.
Urban - Improve rail links between Kewdale intermodal precinct and Fremantle Port	28.00	14.00	0.00	14.00	Australian Government contribution is 50% and capped at \$14m. Should the cost of the project to government be below \$28m, the savings, including through private sector participation, are to be shared as per clause 37 of the bilateral agreement.
Urban - Daddow Road Grade Separation	11.50	11.50	0.00	11.50	Australian Government contribution is capped at \$11.5m. If there is additional funding required for this project this will need to be met by WA.
East-West Rail Link - Re-sleeping track between Koolyanobbing and Kalgoorlie	33.10	20.10	0.00	20.10	Australian Government contribution is capped at \$20.10m. This contribution is being provided on the basis that WA will broker all remaining funding requirements.
East-West Rail Link - Passing loops between Kewdale and Kalgoorlie	12.00	8.00	0.00	8.00	Australian Government contribution is capped at \$8.00m. This contribution is being provided on the basis that WA will broker all remaining funding requirements.
Base Funding					511.62
Maintenance Contribution		166.19*	6.43	159.76*	*Maintenance funding is \$23.37m in 2004-05 (\$29.80m less \$6.43m prepaid in 2003-04) and \$31.71m in 2005-06. Indicative funding is \$33.62m in 2006-07, \$35.53m in 2007-08 and \$35.53m in 2008-09. Funding in years 2006-07 to 2008-09 is subject to minor refinement in the light of revised data.

<p align="center">National Code of Practice for the Construction Industry</p>					<p>Australian Government funding is conditional on the application by Western Australia, to relevant projects, of the National Code of Practice for the Construction Industry and the Implementation Guidelines as set out in the Notes on Administration. All projects in the above schedule are approved projects and do not require application of the Code with the following exceptions where construction approval will require application of the Code:</p>
<p>Great Eastern Hwy/Roe Highway Interchange. Great Northern Hwy - Muchea to Wubin widening and overtaking lanes. New Perth-Bunbury Highway (Peel Deviation and Kwinana Freeway Extension). Urban - Daddow Road Grade Separation. East-West Rail Link - Re-sleepering 76km of track between Koolyanobbing and Kalgoorlie. East-West Rail Link - Passing loops between Kewdale and Kalgoorlie.</p>					

1. This schedule does not preclude the provision of additional funding to WA from AusLink national funds.
2. The figures in column 4 reflect outcomes for 2003-04 and may vary from the figures provided on 7 June 2004.
3. This schedule is a baseline document which does not reflect cost increases or project savings. Such variations will be separately accounted for on an ongoing basis. Any current and future requests for increased funding will be considered on their merits and the Australian Government may increase its level of contribution, provided overall funding to WA remains within the envelope specified in this agreement. They will, inter alia, be included in programme figures provided at the time of the Budget.
4. Where projects are approved to commence, and are commenced, during this first five year Agreement, Australian Government funding will continue to be available beyond 2008-09 consistent with agreed cash flow requirements.