



# Media Release

**FINAL**

Friday, 29 May 2009

## **GRAINCORP WELCOMES STATE GOVERNMENT BROADACRE TRAIN DECISION**

GrainCorp today confirmed that it had reached an agreement with the NSW State Government for the ownership and management of the NSW branch line ('broad acre') trains. This agreement will commence immediately.

The arrangement between the NSW State Government and GrainCorp involves the transfer at no cost of eighteen 48 Class locomotives and 180 wagons to GrainCorp. These trains will be used to consolidate grain from silos on the branch lines into Werris Creek, Parkes, Temora and Junee sub-terminals, for transfer to main line trains to the Newcastle and Port Kembla port terminals.

The branch line trains will also service grain storage sites managed by other grain handlers.

GrainCorp Managing Director Mr. Mark Irwin said, "The deal provides long term security for the branch line train operations and to growers delivering grain to silos on these lines. Under GrainCorp management we are confident that the efficiency of the branch lines trains can be improved, underpinning the long term viability of the lines. GrainCorp will, over time, upgrade the 48 class locomotives, and maintain the wagons, to ensure their continued operation."

"Day to day operation of the trains will be contracted to Pacific National, the operator of these trains since 1 July 2008 under an agreement with the NSW Government. The branch line trains have the capacity to handle an above average crop from their catchment areas, and in the past 6 months the branch line trains have moved over 400 kt into GrainCorp sub-terminals," Mr Irwin said.

"We would like to applaud the State Government, and the Minister, The Hon. David Campbell MP, for entering into this agreement with GrainCorp. We look forward to continuing to work with the State and Federal Government on rail infrastructure related matters."

"We also look forward to continuing to provide a sustainable branch line grain freight service to grain growers, buyers and consumers across NSW. GrainCorp supports the transport of grain by rail, as it is more cost efficient than road freight. Our investment and commitment to rail in NSW will ensure that rail continues to be the transport mode of choice for our grain logistics activities," Mr Irwin said.

**Contact: David Ginns - Corporate Affairs (02) 9325 9132 or 0419429943**

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*GrainCorp's vision is to be Australasia's leading handler and supplier of agriproducts and bulk products.*

**GrainCorp Limited ABN 60 057 186 035**

PO Box A268, Sydney South NSW 1235

Telephone: (02) 9325 9100 Facsimile: (02) 9325 9180 [www.graincorp.com.au](http://www.graincorp.com.au)