

SOLD - but has South Australian taxpayers been SOLD-OUT?

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South Australia's rural rail lines are to be sold to a Dutch pension management group and an Australian investment conglomerate in a deal which tramples on SA taxpayers' ownership of the State's rural rail assets, according to SA's peak rural rail lobby.

The South Australian Regional Rail Alliance (SARRA) reports that Genesee Wyoming Australia (the current owner of the State's regional rail infrastructure) is being sold as part of an international deal which will see its parent company Genesee Wyoming (GW) passed to the Canadian investment group Brookfield Investment Partners (BIP).

SARRA's Convenor, Mr Paul Henley says the sale of GW to BIP (for a reported \$8.4 billion) has required GW to clean up its 'rats and mice' holdings in other parts of the world.

"As part of that clean-up, GWA is to be sold to the Dutch investment group (PGGM) which will hold 51.1% of (the former) GWA's assets, while its 'minor' shareholder, Macquarie Infrastructure and Real Assets (MIRA), will continue to hold its (former) 48.9% stake in GWA.

"This means that South Australia's non-metropolitan rail infrastructure will be owned and controlled by a pensioner investment company in the Netherlands - a company with no experience in rail operations - and to be frank, no interest in SA's regional rail assets.

"This is just a 'paper' financial transaction with no thought to the impact on or improvement of South Australia's rural rail network.

"Regional South Australia risks being trodden on by the dead clogs of the Dutch," Mr Henley said.

"PGGM is an investment company. Its *modus operandi* is make money for its investors.

"With this deal, it will hold control over SA's regional and rural rail network as did GWA - and we all know how that organisation did nothing to improve SA's regional rail network for the benefit of the State.

"That 'paper' deal, we understand, is likely to be concluded within days.

"The result is that SA taxpayers are being sold-out - and we call on the Marshall Government to step in and protect the State's non-metropolitan rail assets," Mr Henley said.

This includes, Mr Henley said, the State taking action against the outgoing GWA entity for the non-compliance of its Lease over SA's non-metropolitan rail assets - signed in 1997 - in which hundreds of kilometres of State's rail corridors were handed to GWA for the sum of just \$1 per annum.

“That sale put in place a legally-binding Lease with the State, which still today requires GWA to maintain regional and rural rail lines in operational order - along with all buildings and ‘above ground’ infrastructure, including railway stations, existing rail platforms and so on.

“This requirement has been confirmed in writing by both the current Transport Minister Stephan Knoll, and the former (Labor) Transport Minister Stephen Mullighan.

Mr Henley says the Marshall Government has a duty to ensure that GWA meets its contractual obligations to the State before GWA as a legal entity ceases to exist as part of the sale to PGGM.

“But historically GWA has steadfastly refused to comply fully with its Lease obligations - and successive state governments have not held GWA accountable,” Mr Henley said.

“Why the political and bureaucratic arms of the State have not enforced the Lease can only be guessed at - but the result is that valuable State assets have been left to go to ruin.

“This abject failure by the State has severely disadvantaged regional and rural South Australia.

“But with the sale of GWA, South Australia has a unique opportunity to ‘take back the farm’, for the benefit of all South Australian taxpayers.

“At the very least, the current Lease held with GWA becomes null and void under PGGM’s ownership - and therefore we call on the State to make public any new Lease agreement on the table with the new owner - BEFORE it is signed. As ‘owners’ of the rail corridors, we taxpayers must be consulted.

“We acknowledge that GW has the right to divest itself of GWA - but **NOT** before GWA meets the Lease obligations it holds legally with the State.

“GWA **MUST** bring back SA’s regional rail lines to operational order as required under the Lease, and we call on Transport Minister Stephan Knoll to enforce the Lease with GWA, prior to its sale.

“If GWA does not meet its Lease obligations, we call on the Minister to take legal action against GWA to recover the cost to the State of bringing the lines back to operational order, as is must do as Lessor of these non-metropolitan rail-lines.

“A functional non-metropolitan rail network is vital to the future of regional South Australia and would lead to the revitalisation of rural SA and the creation of hundreds of jobs across the State, including in the metropolitan area.

“It would also take the pressure off a crumbling rural road network, and vastly increase road safety by taking hundreds of heavy B-double and B-triple road-trains off the roads.”

Mr Henley said GWA had recently paid lip-service to its obligations by cleaning up a short section of track near Hanson in the Mid North, where mature pine trees were growing through a very visible portion of the Mid North rail corridor under its care.

“On SARRA’s website,we published damning photos of the trees growing through the Hanson track - and also on the Barossa Valley line, near Concordia - earlier this year.

“We can only assume that by publicising GWA’s failure to meet its legal obligations in these two areas, GWA reluctantly acted to do some ‘weeding’.

“But removing trees growing through the tracks in these instances does not comply with GWA’s Lease requirements: the tracks are NOT operational, as the Lease demands.”

Mr Henley said there were very many other examples of GWA’s failure to maintain regional and rural rail lines.

“In only the past week, we have photographed many areas where the rail corridors are in a state of total ruin - and we attach those photos here as evidence of GWA’s failure.

“Simply, GWA must not be allowed to get away with its Lease non-compliance.

“But will this current anti-rail Liberal government do anything about it?”

“South Australians no matter where they live must stand up and insist these State assets be returned in operational order, as per its Lease with the State - AND before the new ownership arrangements come int to effect.

“Let’s not get sold-out!” Mr Henley said.

The pictures below were taken in SA's Mid North in the week commencing August 5, 2019



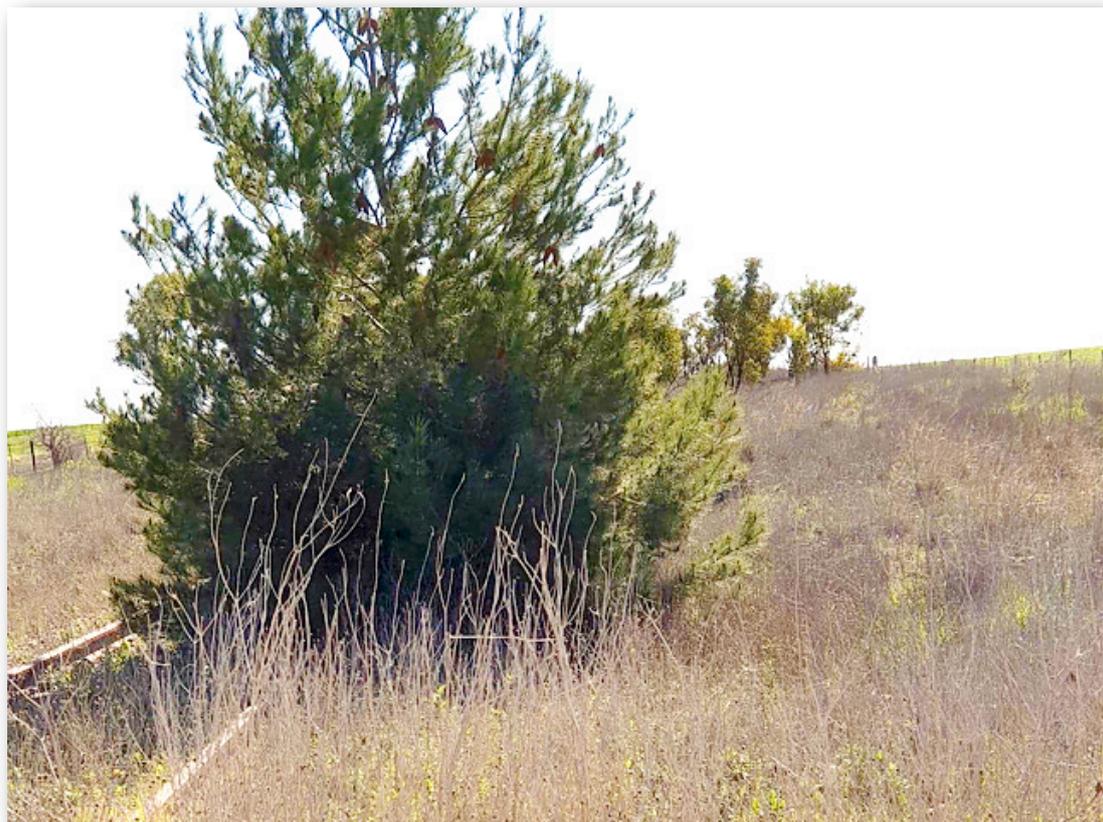
RIVERTON



MANOORA RAILWAY STATION - obscured by trees



MANOORA STATION



SADDLEWORTH



SADDLEWORTH



SADDLEWORTH



SADDLEWORTH



SADDLEWORTH



NEAR RIVERTON

(below) GWA's COSMETIC CLEAN-UP OF LINE NEAR HANSON, WHERE MATURE PINE TREES WERE GROWING THROUGH THE TRACK. This proves GWA acknowledges its Lease conditions - otherwise it would not be doing this cosmetic work. (these pics taken in the third week of July 2019)





