



RAIL FOR REGIONAL SOUTH AUSTRALIA (**BACKGROUNDER**)

OCTOBER 2017

The South Australian March 2018 State Election is looming, and as a result **the South Australian Regional Rail Alliance (SARRA) gives notice to all SA incumbent politicians, those seeking office, and the parties they represent, that regional South Australians demand the return of regional rail freight services, and the reinstatement of key regional-rail passenger services.**

History clearly shows that regional South Australia has for decades, been totally ignored by SA governments, particularly (but not restricted to) regional rail freight and public passenger transport services.

Rural South Australians are now saying NO MORE!!

This campaign, being mounted by SARRA, is aimed not just at the State Labor Government, but *at all political parties and their candidates.*

Why are we doing this?

Regional South Australia has been forgotten, or perhaps more accurately, blatantly ignored by successive State governments.

This is not a fanciful statement: By way of example, the current Labor government, with the exception of support for the Iron Triangle towns (which effectively are mini-metropolitan working-class Labor-held seats anyway), has demonstrated that it does not give a tinker's cuss about any other electorate outside the greater metropolitan area.

Rural health services are failing, regional communities are crumbling for the want of support, regional infrastructure is literally in tatters, and regional transport services are non-existent. The lack of employment and meaningful existence in rural towns has become the proven catalyst to drug and crime-related activities.

While we clearly support groups pushing for improvements in rural social repair, **we believe a cornerstone commitment by government must be the reinstatement of SA's regional freight services, and the reinstatement of selected regional rail public transport services.**

This commitment, ***which must be made by all parties and candidates***, will have the following positive effects on the State's economy:

The movement of the State's highly-productive crops and other rural produce by rail will reduce the transport of those goods and services over the State's crumbling road network.

The current State government acknowledges that it cannot keep up sufficient maintenance to the State's rural road network as it is, let alone into the future. As well, increasing heavy-vehicle B-Double and other multi-bogey road-train movement significantly increases road safety risks, leading to increased death and injury on rural roads.

Reinstating public-transport rail services on selected regional routes is critical to the State's economic future. Whatever its make-up after March 2018, ***the new State Government needs to look to the long-term future of the whole State.***

Doing so will not only have substantial benefit to regional South Australia by increasing economic activity in regional areas but will also generate considerable economic flow-on effects for metropolitan Adelaide as well.

This action would have clear positive impacts for an incoming State Government, post 2018.

The present Government has acknowledged that pressure on and the increasing failure of metropolitan essential services infrastructure would be alleviated in part by making it attractive to workers and their families to move from near-city areas to near-rural locations.

This would boost regional economies, lighten the load on essential services in the metropolitan area - and importantly, would create 'less stress' living for families and the ageing. **BUT these benefits ALL RELY on better regional public transport and access to a road network under less stress from heavy transport movement, which will lead to better road safety.**

The greatest impediment to bringing about these much-needed transport reforms has its roots in the startlingly inept contractual arrangements which placed South Australia's *regional* rail lines in the iron grip of a private company, *Genesee Wyoming Australia* (GWA), a company with its historical roots in the Wild West of America.

And like an old-fashioned poker player in the saloons of the Wild West, GWA won exclusive control over SA's rural rail infrastructure for **JUST ONE DOLLAR**, in 1997.

Yes, you read right! GWA bought SA's rural rail network *for JUST one lousy dollar!!*

There was one caveat: Under the terms of the contract, GWA was made bound, by the Contract, to keep regional rail lines in such condition that trains could be operated on those rural lines, at two weeks' notice.

This condition-of-contract is no fiction. The existence of this clause has been officially acknowledged by the current Labor Government, notably, in a letter dated 13/8/2014, from the Minister for Transport & Infrastructure, the Hon. Stephen Mullighan MP. In this letter, he stated: *"The rail infrastructure is not a South Australian Government asset, however, Genesee & Wyoming Australia is obligated to maintain it to a requirement to ensure the network is in such condition that trains could be operated [over those lines] at two weeks notice"..... "This requires that the infrastructure is maintained to a level which is reasonably practicable to re-open ...for all rail traffic of a similar volume and nature as was operated on the line before it was closed."*

GWA has NOT MET those contractual obligations, nor has successive State governments held GWA to account. *GWA controls what rail lines will be maintained (and therefore which lines can carry 'traffic' - the 'few') and which ones have been effectively abandoned - the many.*

And if that is not enough, GWA charges exorbitant access fees to companies who wish to use those few rail lines it does maintain!

This further impediment to the use of rural lines was acknowledged by no less than the independent Commonwealth Government agency, the **Productivity Commission, in a report released on 22/3/2010, where it stated that current contractual arrangements:**

“...have put unreasonable controls on rail-lines in South Australia [resulting in the]...charging (of) exorbitant fees.”

The Productivity Commission further noted in its report that: ***“This pricing structure virtually precludes any other company....from using rail in South Australia, easily, and cost effectively...”***

So.....Not only has GWA (on current evidence) abrogated its contractual responsibilities to maintain regional rail lines, it has been exposed by a Federal Government agency for charging exorbitant prices for the use of the lines it does maintain!

In any event, the State government has NO EFFECTIVE CONTROL over the State's regional rail network, and stands condemned for not holding GWA to account, on behalf of the people of SA.

At this point, GWA has demonstrated, by its lack of action, that it apparently has no intention to repair the State's regional rail lines, despite its contractual obligation to do so.

Further, this breathtakingly stupid deal has resulted in the loss of SA jobs, in their hundreds and perhaps thousands, over the years - jobs of those who worked either directly or indirectly in the rail industry in SA and/or those who benefited from that network - a travesty still being felt today.

WHAT THE SOUTH AUSTRALIAN REGIONAL RAIL ALLIANCE WANTS

- 1. Due to the failure of GWA to meet its contractual obligations regarding this matter over many years - and to end its monopoly control over the exorbitant charges it levies for access to the rail network, we call on the current State Government (or the Government elected to office at the March 2018 Election) *TO IMMEDIATELY FORCE THE CANCELLATION OF THE CONTRACT (OR THAT PART OF THE CONTRACT WHICH GOVERNS CONTROL OVER DISUSED LINES) SO THAT THE STATE CAN IMMEDIATELY REGAIN CONTROL OF THOSE LINES TO THE BENEFIT OF THE STATE'S REGIONAL RAIL NETWORK.***
- 2. The State Government immediately establishes an oversight body, nominally titled the 'SOUTH AUSTRALIAN REGIONAL RAIL NETWORK' (SARRN) to oversee the rejuvenation/rebuild of the rural rail network, SARRN to be directed by a Board of five, three to be rural-based representatives, the remaining two members nominated by the SA Transport Minister. SARRN is to be fully funded by the SA Government. SARRN is to report direct to both the Transport Minister and the Premier.**
- 3. The State Government, through SARRN, calls for EXPRESSIONS OF INTEREST from investors or consortia both local or international who can demonstrate a commitment, in association with SARRN, to resurrect, repair, restore or build the necessary rail infrastructure to provide a 'backbone' rail freight network to service Regional SA.**
- 4. The State Government, through SARRN, immediately begins restoration of rail lines sufficient to reinstate or commence regional public transport passenger rail services as soon as practicable to Mount Barker, Murray Bridge, Victor Harbor, the Barossa, the Iron Triangle, the Mid North and Mount Gambier.**

- 5. The State Government, through SARRN, immediately renegotiates current 'access' contracts with users of the (currently serviceable) regional rail freight network** to significantly reduce the current costs of freight by rail over the regional rail network. Further, the State Government assesses the safety, suitability and operational capability of those lines over which Genesee & Wyoming Australia has control. This particularly includes the rail freight lines on the Eyre Peninsula which are currently in a state of disrepair which restricts freight movement over those lines to less than 25 kph, and in some cases to less than 15 kph. If GWA cannot or does not want to bring these lines to full operational capacity, these lines too must return to State Government control and the lines/services also put out to Expression of Interest, seeking new players in the rail infrastructure supply/operate cycle.

NOTES:

So with the election looming closer, it is time to speak up and be heard!

No matter whether you live in the city or the country, you need to express your concerns about regional public rail transport, and insist on the immediate reinstatement of regional rail services.

Forcing the incoming 2018 State Government (however it is comprised) to collectively acknowledge its duty to regional South Australia will not only ensure the reinstatement and return of services that never should have been abandoned, but also provide vital transport and passenger links to grow Rural South Australia - and create hundreds of new jobs.

This effort should be given 'major project' status by both the State and Federal Governments and should be regarded a 'Nation Building' exercise.

FREQUENTLY ASKED QUESTIONS

Has the State Government acknowledged that Genesee Wyoming Australia has a contractual obligation to maintain SA's rural rail network?

YES. In a letter dated 13/8/14 from the Minister for Transport & Infrastructure, the Hon. Stephen Mullighan MP stated: *"The rail infrastructure is not a South Australian Government asset, however, Genesee & Wyoming Australia is obligated to maintain it to a requirement to ensure the network is in such condition, that trains could be operated (on the network) at two weeks notice".....*

It is interesting to note that Mullighan states clearly that...*"The rail infrastructure is not a South Australian Government asset..."* **YES IT IS, MINISTER!** The land on which the rail lines are situated and the physical 'in situ' assets associated with the network ***belong irrevocably to South Australian taxpayers!***

How was government conned into believing regional rail passenger services were not viable and should be abandoned in the first place?

When the abandonment of regional passenger services was imminent, a then senior officer within the State railways bureaucracy has told us that:

"The (Australian National) Board was not happy about the positive performance of the passenger business. The Board's aim was to "...get rid of the business at any cost". Knowing, for political reasons, that the electorate would oppose the sale of a profitable Government owned business, the aim was to "make the passenger business appear unfavorable and to be making a substantial loss".

When a positive advertising campaign was planned for a Christmas period, the officer commented that it was made clear by those who had oversight over the rail system that *“there was not to be any advertising of passenger trains (running on regional tracks).”*

So did the then operator of regional rail services fabricate the appearance of a loss-making enterprise?

YES. They deliberately had regional rail services run at a loss by (among other things)....

Changing the timetables of trains so that it became inconvenient for the public to use the services. For example, Victor Harbor trains were arriving back into Adelaide station at 1:10am, resulting in the trains running empty.

Trains to Mt Gambier, Broken Hill and Whyalla for example, ran less carriages as to ensure the trains were not able to pay their way and subsequently ran at a loss.

This contributed to the abandonment of regional rail passenger services, supposedly on economic grounds.

Is there solid evidence that GWA is charging exorbitant fees for the use of those rail lines it does control and maintain?

YES. The Productivity Commission report of 22/3/2010 found that controls over, and costs leveled, to run trains on GWA-controlled rail lines *“were unreasonable”*. It noted that *“unreasonable controls and (an) exorbitant pricing structure “...virtually precludes any other company....from using rail in South Australia, easily and cost effectively....”*

This meant that GWA could close unused railway/branch lines that became (under its fee structure) unaffordable for it or other prospective operators to use. GWA then had an excuse not to honor its contractual agreement *“....to maintain the network is in such condition that trains could be operated at two weeks notice”*.

Has the current Weatherill Government been embarrassed by its lack of action over regional rail public transport services?

YES. On 19/2/17, between 5:30pm to 7:30pm, a Government hotline was open for people to have their say on Public Transport in SA.

The call-in was very successful, but no word has ever come out on the results to the phone-in survey. The question has to be asked: Why?

The government was clearly pilloried over the wide dissatisfaction with the state of public passenger transport services, including, as it can be assumed, that there were too many callers expressing their unhappiness that regional passenger rail services had been abandoned - and calling for the lines to be reinstated.

Further, The Advertiser published a story (17/6/09) “Inquiries into a passenger rail service from the Barossa Valley to Adelaide’s city centre are being kept secret by the State Government”. The story pointed to a survey by the State Government, which examined reopening the Barossa passenger services by rail. **The government refused to disclose the results of this survey even though in the final report it was stated that it was “highly recommended that a rail passenger service to the Barossa should be trialed for at least 6-12 months - and would be very feasible to do so”.** At the time, The Advertiser asked the then Transport Minister Patrick Conlon for the survey results but he refused to release the findings, presumably on the basis that the government’s own internal investigation fully supported and recommended that a trial service go ahead.

In another survey by the Advertiser (24/2/14), the paper published the results of an election survey. In the ‘transport’ section, the question was asked: ... ‘Should a Country Passenger train network be reintroduced’? 79.8% of the respondents agreed that it should, yet the government once again refused to acknowledge the people’s request.

Why has State Labor governments refused to even entertain the reintroduction of key regional passenger train services?

Well, for starters, rural SA is not where Labor wins elections. In the 'bubble' of the metropolitan area, it's more politically profitable to spend tens of millions of dollars to save 3 minutes on the O-Bahn track ride to the city for the Labor voters in the northeastern suburbs. It's better to spend over \$2 million just advertising how 'great' the Weatherill Government is with its 'Power Plan'.

...And in the meantime, it's critical to the current State Government to save as much taxpayers' money as possible to pay the million-dollar **per day (!)** interest bill on the New RAH....

Why should revitalising regional rail passenger and freight services happen now, and what positive effects would it have on South Australia?

It is commonsense that it is better to upgrade regional rail and public transport services *now*, rather than wait another 10-20 years when the price tag will have doubled or tripled – *an investment is needed to be made now, and one with the added benefit of creating hundreds of jobs now, when they are needed the most*. And let there be no mistake: A functional and effective regional rail network WILL be needed sooner rather than later.

Further, by reinvesting in freight rail opportunities on regional lines to carry grain, produce or other goods, SA rural roads will be made safer by reducing heavy vehicle movement which infrastructure experts say is increasingly having an exceptionally damaging effect on rural roads. Further, SA's economy would benefit from the added commercial and tourism opportunities revitalised regional rail services would bring.

Housing, land values, tourism and other commercial opportunities would also benefit from better public transport and rail freight opportunities in regional areas. Greater transport amenity in regional areas would encourage families to seek a better lifestyle by being able to access housing at a fraction of the cost of housing in metropolitan Adelaide.

Have your say!

Regional voters are taxpayers but are missing out on vital rail transport and infrastructure support in country areas.

This is a form of discrimination.

Do you want to see rail reinstated in regional South Australia?

Are you fed up with governments turning a blind eye to the lack of rail transport in our country towns and surrounding districts?

The time to act is now!

With the 2018 election looming, we at the **South Australian Rail Alliance** urge you to write or send an email to your local Members of Parliament expressing your concerns over the non-existence of public passenger and freight rail services in regional SA.

Express your concern to the various media outlets both local and State, and call radio stations demanding better public transport in regional SA.

It's time we are heard!

Send us an email (sarailalliance@outlook.com) with your concerns and comments and we will forward them on to our contacts in government.

You should also communicate your concerns direct to current politicians and political parties, ie:

Dan van Holst Pellekaan MP Member for Stuart, PO Box 345, 44 Main Street, KAPUNDA SA 5373 Ph: 8566 2099 | Fax: 8566 2077 |
www.danvhp.com.au stuart.portaugusta@parliament.sa.gov.au

Steven Marshall State Liberal Leader

Parliament House, North Terrace, Adelaide, SA, 5000, Ph: 8237 9295 Fax: 8237 9126 www.stevenmarshall.com.au http://www.stevenmarshall.com.au/contact_steven_marshall

Nick Xenophon Team: Senator.Xenophon@aph.gov.au

Contact the (current) Premier's office: Postal Address: GPO Box 2343, Adelaide SA 5001: Ph: 08 8463 3166 Fax: 08 8463 3168, or go to: <https://www.premier.sa.gov.au/index.php/contact>

Greens Leader Mark Parnell.... mark@markparnell.org.au

Australian Democrats Peter Smythe peter@reevers.com.au
Ph: 0400777284

Australian Conservatives: CLF House, 28 King William Street, Kent Town SA 5067 <https://www.conservatives.org.au/contact>

Also, find the contact details of all candidates running for election in your electorate. Ring them, email them, send them a letter by post, and go to their public appearances in the run-up to the election. Ask them questions out loud so other voters get to hear about the need for urgent action over the rural rail network.

We highly recommend you share this document with your family and friends so they can read the facts and have their say too. Include this link to the South Australian Rail Alliance Facebook page - <https://www.facebook.com/SARailAlliance>

LET'S APPLY THE PRESSURE NOW! THIS OPPORTUNITY TO BE EFFECTIVELY HEARD ONLY COMES AROUND EVERY FOUR YEARS!