



MEDIA RELEASE

Public Service Association of SA Inc

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TRAIN AND TRAM PRIVATISATION WILL LEAD TO WORSE NOT BETTER PUBLIC TRANSPORT SERVICES

Steven Marshall's government is putting corporate profits ahead of ensuring an affordable, reliable and safe public transport system for South Australian commuters, the Public Service Association said today.

"Steven Marshall's announcement today that we are one step closer to the privatisation of our public train services is bad news for public transport users," said PSA General Secretary Nev Kitchin.

"It's the responsibility of the state government to provide an affordable, reliable and safe public transport system. Instead they are handing our trains and trams over to wealthy multinational corporations who seek to exploit a publicly funded resource for corporate gain."

"Each one of the three consortia shortlisted have operating revenues in the hundreds of millions, if not billions. These companies don't make that kind of money through provision of affordable public services."

"All the evidence from interstate and overseas shows that fares go up, services are reduced or become unreliable and safety is compromised when private operators take control of public rail," Nev Kitchin said.

"Steven Marshall says that privatising our trains and trams will lead to better services but he's trying to fix a problem that doesn't exist — a recent national survey showed that South Australian train services are leading the nation, both in commute time and on-time departures," Nev Kitchin said.

"Steven Marshall says that the companies bidding for the South Australian train contract have proven records when it comes to providing services interstate. The truth is, privatisation of public transport has led to poorer and fewer services and increased prices for passengers, and state governments have handed over billions of dollars in taxpayer subsidies to private operators all too eager to reap the benefits," said Kitchin.

The track record of Keolis Downer, one of the multinationals bidding for the South Australian rail contract, is a case in point.

Transport for NSW statistics show passengers in Newcastle, where Keolis Downer was recently contracted to provide train services, took 220,000 fewer Opal card trips in 2018 compared with the year before. This equates to a 4.6 per cent drop in patronage, or 4.1 per cent if the 21,157 customers of the new on-demand service in Lake Macquarie are included.

Further, the cost to NSW taxpayers rose from \$450m to \$534m, an extra \$84m after the original contract with Keolis Downer was signed.

“How much more taxpayer money could South Australians be handing over if Keolis Downer is the successful bidder?” Nev Kitchin asked.

“Transport Minister Stephan Knoll cites Melbourne as an example of where public transport privatisation has worked well. Perhaps the Minister is too young to remember the complete debacle which led to the state government putting train operations in the hands of receivers in 2002? Under a private provider, the cost of a Melbourne train trip is 50 percent higher than it is in Adelaide, yet we’re being told fares won’t go up. It’s nonsense,” said Kitchin.

“In Germany, over one quarter of trains ran late in 2018 yet the state government has included Deutsch Bahn in the list of consortia bidding for the South Australian train contract.”

“The state government’s own survey shows that overall, the majority of South Australians — 84 percent according to a recent Australian Tourism and Transport Forum survey — are happy with the current train and tram service. There’s simply no need to hand over more public assets to underperforming private operators who will simply increase fares, cut routes and services and compromise safety.”

“The PSA has opposed privatisation of public assets from the outset. All the evidence shows that private companies simply cherry-pick the most profitable parts of a service and let the rest slide into decline. There’s absolutely no doubt we can expect a reduction in routes, services and an increase in cost to the public if this decision goes ahead,” Kitchin said

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