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**Title:**

Statement: Rail transfer

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# STATEMENT

from the Premier

Date..... August 10, 1976.  
Embargo.....

State Administration Centre,  
Victoria Square, Adelaide,  
South Australia 5001  
227 2688

## RAIL TRANSFER

It appears that Mr. Fraser is attempting to use some legal chicanery to break a solemnly recognised contract which was approved and ratified by both the South Australian and Federal Parliaments last year.

In fact, in Federal Parliament, all the members of the then Liberal-National Country Party Opposition voted for the railways transfer agreement. They did so after a State election had been fought on the issue and the people of South Australia had clearly supported the transfer.

The terms of the agreement are clear. It protects the advantages South Australia gets on its railways operations, and ensures that no employee of the South Australian railway system is disadvantaged by the transfer.

Mr. Fraser knew the terms of agreement when he voted for it last year. The advantages which came to South Australia were well known and were clearly stated in both Parliaments but despite this, Mr. Fraser is now apparently thinking of reneging on the agreement, or threatening to do so in order to force us to agree to changes in the conditions.

Mr. Fraser is trying to bludgeon South Australians out of rights which they have insisted on. Those rights are that our competitive position in freight should not be altered, that railways employees should be protected and that services to country areas should not be stopped or cut back without the State Government's consent or the order of an arbitrator, who must take into account community and social factors as well as economic ones.

The issues involved in the transfer, and the terms of the agreement, were fully debated at the time. The agreement is a legal, valid and binding one. It appears that Mr. Nixon has acknowledged that but Mr. Fraser seems to be suggesting that the Federal Parliament should unilaterally alter the legislation in order to avoid what was a solemn contract and undertaking ratified by both Parliaments. If this is the way that Mr. Fraser proceeds, no State Government would ever be safe in making any agreement of any kind with the Commonwealth Government, nor indeed would any private



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organisation, because Mr. Fraser would be supporting the principle of opportunist repudiation.

The benefits which South Australia has gained from the transfer are great. In the short term, the State Budgetary situation is better than any other State's, and this has enabled us to lessen the impact of Mr. Fraser's cuts in Federal Government funds for housing, roads, hospitals and so on.

As I said at the time this issue was exhaustively and publicly debated, the long term benefits to South Australia are very substantial. Without the railways transfer, South Australia would have faced a deficit on its country and interstate railways of more than \$800 millions over the next ten years.

Not only have we avoided that deficit, but under the terms of the agreement South Australia gains \$600 million over that time.

It is a very good deal for South Australia. As I said at the time, it is the best financial deal in the State's history.

Most importantly, it is a solemnly recognised contract between the two Governments.

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