

Railways and Public Ownership



- We already have the most expensive fares in Europe.
- Since privatisation, the cost of rail fares has risen by 23% in real terms.
- Many UK rail franchises are operated by foreign state owned railways but, for political reasons, UK state owned companies are prevented from bidding against them.
- The cumulative cost of privatisation has been more than £11 billion of public funds. "If all unnecessary costs were eliminated and the resultant saving was used entirely to reduce fares, it would equate to an across-the board cut in fares of 18%."
- In Europe, between 80% and 100% of passenger train services are provided by the public sector.
- Chief Executives at train operating companies and at Network Rail typically receive remuneration packages of £640,000 to £1.35 million per year.
- At the same time, train operators pay tax at a rate far below the headline 30% corporation tax rate. In 2005 they paid an average of just 3.8% tax.
- Train Operating Company (TOC) franchises are a "low-cost option on upside profits with downside risks passed to the State" which acts as the guarantor as "the operator of last resort" should the TOC fail.
- The publicly owned East Coast Mainline has returned nearly £1bn to the government since 2009.
- Private companies only invested £423 million in the railways in 2013-14
- By contrast, between 1997 -2012 Virgin Trains' West Coast Mainline paid £499 million in dividends after pocketing £2.5 billion in subsidies.
- Most investment in big rail projects – HS2, Crossrail, Great Western Electrification, InterCity Express Project, etc – are state funded even if they go on to be operated by the private sector.
- In the same period, Government and tax payer support to the rail industry was £5,287 million (£5.3 billion); this is at its highest level since 2007-08
- Virgin has tried to let people think they invested in the £9bn upgrade of the West Coast Route – but it was Network Rail and the tax payer who did.

Sources: 'Rebuilding Railway' report. (2012);
Office of Rail Regulation 2013-14 Annual Statistical Release

ACTION FOR RAIL
is the campaign led by the TUC and the rail industry trade unions fighting cuts to jobs and services and promoting the case for a national, integrated railway under public ownership.

ACTION FOR RAIL
PEOPLE BEFORE PROFIT

For more information, email actionforrail@tuc.org.uk or go to www.actionforrail.org

THE ARGUMENTS FOR PUBLIC OWNERSHIP ARE OVERWHELMING

INVESTMENT IN JOBS!

- In some ways, the model for what we want is what happened in World War II. During the war all the great powers of the world took control of their economies and directed industry to make as many weapons as possible and as quickly as possible. The Second World War rearmament boom did not bankrupt governments, Instead, it created jobs and lifted the entire world out of the Great Depression.
- We need massive investment in Public Transport, including high speed rail powered by renewable energy and serving the needs of all of the UK, not just the London based business class.
- Increasing passenger and freight use on rail will reduce the levels of HGVs and other vehicles on our roads, which will help us combat climate change, and it will create jobs!

The environmental case

Scientists overwhelmingly agree that the threat from man-made climate change is enormous. As Sir David King, until recently the Government's chief scientific advisor stated: 'Climate Change is the biggest threat to humanity that we have ever known, bigger than terrorism'.

So what does this have to do with railways? Rather a lot, actually, as transport is responsible for almost a quarter (23%) of global greenhouse gas emissions.

85% of global CO₂ transport emissions come from cars, planes and trucks.

Planes produce eight to eleven times the CO₂ of high speed rail and lorries emit about six times more CO₂ than trains for every ton carried.

Investing in trains

In order to combat global warming it is necessary to invest in alternatives to cars, planes and trucks. Trains are especially useful for replacing air and road travel. High-speed trains can replace many domestic and European flights. Transferring freight from road to rail will play a key role in building a sustainable future. Important improvements to the railway infrastructure, including electrification sourced by renewable energies, and gauge clearance, will be required.

The government needs to take responsibility once again.

For sources see the latest IPCC reports, the *One Million Climate Jobs Now!* booklet and *All and Board* by Compass

Invest in our planet

85% of global CO₂ transport emissions come from cars, planes and trucks. It is necessary to invest in railways to protect our environment. If our railway were publicly owned it could reduce fares by 18%, making it an affordable alternative.

tssa



Support Public Ownership of Rail

“Public money going to railways has more than doubled since privatisation, not including fares”

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Campaign Against Climate Change

www.campaigncc.org

CCC Trade Union Group

www.climate-change-jobs.org

Compass

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