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The Parliament of the Commonwealth of Australia

# **Back on Track**

**Progress in rail reform**

**House of Representatives  
Standing Committee on Communications, Transport and the Arts**

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## **Chairman's foreword**

After many years of neglect and, more recently, a decade of dramatic reform, Australia now has a vibrant rail industry – an industry poised to fulfil its considerable potential, particularly in freight operations.

Demand for rail freight services is increasing rapidly. Private operators now play a significant role in the industry. Productivity has increased significantly. Investment, particularly from the private sector, is on the rise. And, for the first time, the industry is beginning to be seen from a national perspective.

While these reforms deserve recognition, everyone associated with the industry believes further reform is needed if rail is to realise its full potential.

In this report we identify the key issues that remain to be addressed if rail reform is to stay on track.

While responsibility for ensuring the continuing development of the industry lies with many players, we believe that the cornerstone of the reform effort is political will.

It is up to transport ministers and the most senior policy-makers in governments around the country to cut through the red tape that binds the industry to its past inefficiencies.

For far too long the efficiency of interstate rail operations has been limited by parochial concerns and competing vested interests.

These considerations must not continue to dominate the industry.

The community wants safer, less congested roads; cleaner air; and more dispersed employment opportunities.

Businesses large and small want quick and reliable deliveries and cheaper freight rates, thereby enhancing their domestic and international competitiveness.

These outcomes are achievable if transport ministers commit themselves wholeheartedly to:

- a coherent national planning process for the rail industry;
- developing consistent track access and pricing arrangements;
- harmonising operational and safety standards; and
- developing integrated accreditation procedures.

These measures will not only generate substantial efficiencies for the industry, they will secure a stable operating environment - an essential precondition for attracting much needed investment into the industry.

While we remain of the view, as expressed in our 1998 report *Tracking Australia*, that the Commonwealth Government should take a lead by dramatically increasing its commitment to rail funding, we recognise that it is equally important for governments to establish predictable and consistent regulatory frameworks that attract rather than deter private investment.

We are generally pleased with the Commonwealth's response to the recommendations in *Tracking Australia*. It has established a number of reform benchmarks and timeframes with which we agree.

The challenge now facing the Commonwealth is to foster an environment where all transport ministers in the country are willing to meet these benchmarks and timeframes. If they are not met, and there are some worrying signs in this regard, it is essential that the Commonwealth put in place the national regulatory options it has foreshadowed.

The cornerstone of such action should be the declaration of a national track for interstate rail services. Declaration of a national track would allow for: more efficient network management; the creation of a stable private sector operating and investment environment; and the rationale and opportunity for significant Commonwealth investment in rail infrastructure.

As recommended in *Tracking Australia*, we believe the Commonwealth should be investing in rail at a rate that reflects its potential contribution to the national transport task. The rail industry will struggle to realise its potential if it continues to be regarded as the poor cousin of road when it comes to funding.

In our view, action on each of these three fronts (regulatory intervention, declaration of a national track and investment in below-track assets) is essential if rail reform is to be put 'back on track'.

The community, business and the industry all want further reform. Transport ministers must find the political will to deliver it now.

**Paul Neville MP**  
**Committee Chairman**



## **Membership of the Committee**

**Chairman** Paul Neville MP

**Deputy  
Chairman** Steve Gibbons MP

**Members**

Gary Hardgrave MP	Stewart McArthur MP
Colin Hollis MP (to 9 Oct 2000)	Frank Mossfield MP
Hon David Jull MP	John Murphy MP
Peter Lindsay MP	Stuart St Clair MP
Kirsten Livermore MP (from 9 Oct 2000)	

## **Committee Secretariat**

**Secretary** Grant Harrison

**Inquiry Secretary** Adam Cunningham

**Administrative Officer** Rada Paunoska





## **Terms of reference**

On 8 November 2000 the Committee resolved, pursuant to Standing Order 324 (b) which allows standing committees of the House to inquire into the annual reports of government departments and authorities, to inquire into and report on the 1999-2000 annual report of the Department of Transport and Regional Services in so far as it refers to the Commonwealth Government's activities in encouraging reform in the Australian rail industry.



## **List of abbreviations**

ARA	Australasian Railways Association
ARTC	Australian Rail Track Corporation
ATC	Australian Transport Council
NTC	National Transport Council
RAC	Rail Access Corporation (NSW)
RIC	Rail Infrastructure Corporation (NSW)



# Recommendations

## Recommendation 1

The Minister for Transport and Regional Services should take a leading role in continuing to reform the Australian rail industry by:

- legislating to establish a national rail network manager;
- legislating to establish a national rail transport commission, modelled on the National Road Transport Commission, to be responsible for strategic planning in the industry and establishing harmonised accreditation, operational and safety standards on the national network; and
- considering again the establishment of a single land transport commission (involving all States and Territories and incorporating the National Road Transport Commission and the rail transport commission proposed above) to ensure that national transport planning is conducted in a coordinated fashion across all transport modes (paragraph 3.15).

## Recommendation 2

The Minister for Transport and Regional Services should, when considering the package of reforms we have recommended, give the highest priority to declaring a national track for interstate rail services on the standard gauge network from Brisbane to Perth (paragraph 3.19).

## Recommendation 3

Upon receipt of the results of the Australian Rail Track Corporation's national infrastructure and performance audit, the Minister for Transport and Regional Services should urgently put in place a 10 year below track infrastructure re-development program of a magnitude comparable to that recommended in *Tracking Australia*. This program should be in addition to funding already made available to projects such as the Alice-Springs to Darwin rail link and the Sydney freight corridor (paragraph 3.34).

