



After 100 years of
talking about rail reform...

Commonwealth must take over interstate rail

You could be forgiven for thinking that after 100 years of nationhood, Australia's States might have sorted out how to run an efficient interstate rail network. But that's definitely not the case, according to the House of Representatives Transport Committee. And it's costing the Australian community.

Following an investigation into progress in rail reform - a subject it has examined closely over the last three years - the House Transport Committee says there is now no option but direct and forceful Commonwealth intervention to advance Australia's interstate rail network.

The Committee says despite State and industry stakeholders being aware of changes required, they have failed to reach reform benchmarks, leaving Australian communities, consumers and businesses worse off.

As a result, the Committee has made four key recommendations to Parliament:

- declare the existing standard gauge rail network from Brisbane to Perth a 'National Track';
- establish a National Rail Network Manager to ensure a consistent access regime;
- establish a National Rail Transport Commission to ensure coherent planning; and

- fund a significant infrastructure redevelopment program to overcome chronic deficiencies in rail infrastructure.

The Committee has outlined its position in a report to Parliament, *Back on Track*.

“Cut through
the parochial
concerns, vested
interests and
red tape.”

The Committee Chairman, Paul Neville, Member for Hinkler (Queensland), said the evidence left little room for any conclusion other than “after 100 years of talking about interstate rail reform it is time for direct and forceful Commonwealth intervention”.

“The debates that took place in the Constitutional Conventions of the 1890s are full of exhortations about the need for

colonial railways to be extended, upgraded and better integrated,” Mr Neville said.

“It is quite an indictment that the calls for action are much the same now. After 100 years, State Transport Ministers and the Commonwealth must display political courage and political will to finally cut through the parochial concerns, vested interests and red tape that bind the industry to its past.

“This is all about providing a stable and consistent regulatory and operational framework for rail operators and businesses using the interstate rail network and thereby allowing the industry to reach its full potential.”

Mr Neville said the result of rail reform would be better outcomes for the community - less congested roads, cleaner air and more dispersed employment opportunities - and better outcomes for business - quick and reliable deliveries at cheaper freight rates.

Continued on page 2

Context of the Report

Over the last three years there have been three major reports on rail reform:

- *Tracking Australia*, House of Representatives Transport Committee (1998);
- *Revitalising Rail: the private sector solution*, The Rail Projects (Smorgon) Taskforce (1999); and
- *Progress in Rail Reform*, Productivity Commission (2000).

Each of these reports acknowledged that reforms introduced throughout the 1990s had transformed the structure and operation of the rail industry. They also universally concluded that further reform was essential for the survival of most Australian railways.

The Commonwealth Government responded to these three reports in 2000.

In its response the Commonwealth acknowledged the need for continuing reform and set a number of reform benchmarks to be met by the rail industry.

The Commonwealth said:

- if track access arrangements, as pursued through the Australian Rail Track Corporation (ARTC), were not working effectively by mid-2001, a new institutional framework would need to be developed. This could involve a network manager based on Commonwealth legislation, if necessary and practicable;



Members of the House of Representatives Transport Committee present their Back on Track report to Speaker, Neil Andrew (second from right). The report release coincided with the Centenary of Parliament celebrations in Melbourne. Photo: AUSPIC

- \$250 million would be allocated over four years to upgrade interstate rail infrastructure, conditional on the achievement of a single point for access to the interstate infrastructure; and
- if current State-based arrangements for the mutual recognition of accreditation were not effective in achieving national consistency by mid-2001, the Commonwealth would consider establishing a new regulatory body for accreditation, standard setting and safety regulation on the national network.

Back on Track (2001) concludes that none of these requirements will be achieved without direct and forceful Commonwealth intervention. For a copy of the report, Visit: www.aph.gov.au/house/committee/cta, Call: (02) 6277 4601 or Email: cta.reps@aph.gov.au

Key Evidence from *Back on Track*

The following excerpts from evidence given to the *Back on Track* inquiry highlight the reform challenges facing governments and the industry.

The importance of national strategic planning

"We need integrated transport planning ... we need a national plan ... so that we can structure the various investments that we need to make in order to achieve the sort of outcomes we want as a nation from our transport industry."

John Kirk, Australasian Railway Association

The need for consistent national regulation

"Moving freight from regional Queensland to Melbourne is a regulatory shambles ... an intrastate movement from regional Queensland to Brisbane is under one set of terms and conditions, pricing and train control. Then it is an interstate movement from Brisbane to the border, under different terms, conditions and pricing ... Then it is an interstate movement from the [NSW] border to the [Victorian] border

with terms and conditions, pricing and train control all different. Then it is an interstate movement from the border to Melbourne, under ARTC's terms and conditions, pricing and control ... The resounding view from industry is that it wants a single regulatory framework with a single regulator."

Robert Jeremy, Toll Rail

"In the rail industry, the rules can change from one place to another overnight. The safety regime can change in one State practically instantaneously ... If you want private sector investment, give them clarity of rules. That is not only rules of economic charging but rules about safety ... the rail industry is at the whim of every politician in every State and then they want to pretend it is a national industry."

David Marchant,
Australian Rail Track Corporation

Lack of political will the biggest problem

"The rail industry has constantly been chided by governments about having to 'get its act together'. The reality is that governments need to substantially lift their performance to enable rail to contribute to a more sustainable and internationally competitive transport system ... It is quite clear that the States have been unwilling to forgo the responsibilities and powers they have got and it is time for the Commonwealth [to act]."

John Kirk, Australasian Railway Association

"We have a clear inability at the political and bureaucratic level between State and Federal to overcome differences that exist ... [these differences] are impeding the progress of this industry."

Lucio Di Bartolomeo