

Overview of ITSRR Divisions

The following outlines the services, key results and forward strategies for ITSRR's five Divisions which were the:

1. Transport Safety Regulation Division (includes a Technical Panel);
2. Service Reliability Division;
3. Corporate Strategy Division;
4. Business Services Division;
5. Office of Transport Safety Investigations (OTSI).

With the separation of OTSI to become a separate statutory authority, from July 2005, ITSRR will establish an Interagency Agreement to ensure information flows between the two agencies continue to occur regularly and as appropriate.

1. Transport Safety Regulation Division

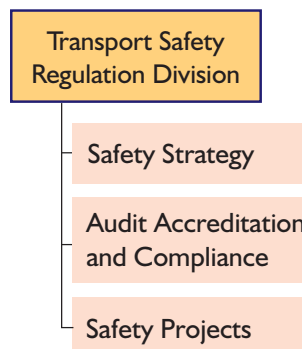
The Transport Safety Regulation Division of ITSRR oversees the safety of the NSW rail industry through the implementation of the *Rail Safety Act 2002*, and associated regulations and guidelines.

The Act requires all railway operators – which includes organisations that build and maintain rail infrastructure and rolling stock – to be accredited by ITSRR. In order to obtain accreditation, an operator must have a suitable risk-based safety management system in place. ITSRR conducts periodic audits of railway operators' safety management systems and undertakes regular inspections of railway operator premises. ITSRR safety officers also investigate reported incidents.

For an overview of the rail industry see the Industry Overview section on page 32 and for a report on rail safety performance, see the Annual Rail Industry Safety Report on page 38.

The Transport Safety Regulation Division develops and implements policy and guidance for the rail industry, including input to the national policy process. Specific rail safety projects are also undertaken.

Following a restructure during the year, the Division has the following branches:



The Division also incorporates a Technical Panel comprising five staff to provide specialist technical advice and guidance on technical standards or processes, such as risk management, human factors, and the physical infrastructure of the network.

The following activities are based on the divisional branch structure in the Transport Safety Regulation Division.

1.1 Rail Accreditation

ITSRR accredits rail operators under rail safety legislation. A list of accredited operators of railways in NSW is provided in Appendix 1.

To obtain and keep their accreditation, railway operators must implement and maintain comprehensive risk-based safety management systems. This includes notification to ITSRR of any significant changes for its review and approval.

The focus during the 2004-05 year was on monitoring the progress of RailCorp in achieving its safety milestones following the granting of provisional accreditation; processing major variations to accreditations; and the implementation of the Waterfall inquiry's recommendations.

Significant results of rail accreditation services during 2004-05 included:

- managing the accreditation of the Australian Rail Track Corporation (ARTC) for the Designated Interstate Rail Network (the "DIRN");
- varying the accreditations of relevant rail operators to implement new Health Assessment Standards; and
- increasing the understanding by operators of accreditation requirements.

1.2 Rail Audit

Once a rail operator is accredited, ITSRR conducts periodic audits to check the operator's compliance with its accreditation conditions. The findings from these audits resulted in actions by operators on:

- change management
- Safety Interface Agreements
- risk management procedures.

ITSRR's accreditation activities as outlined below:

ITSRR service	2004 ⁶	2004-05
No. of new accreditations	2	2
No. of ongoing accreditations reviewed	1	5
No. of variations made to accreditations	25	80

As ITSRR's staffing capacity and skill base increases, it expects to undertake both a wider range and an increased number of audit and inspection activities.

1.3 Rail Security Audit

ITSRR audits rail operators specifically on rail security to ensure rail infrastructure and networks maximise passenger security.

During 2004-05, ITSRR has participated in the development of nationally consistent guidelines for the protection of surface transport security. ITSRR was an active participant in the, Standing Committee on Transport (SCOT) Transport Security Working Group and the development of the Intergovernmental Agreement on Surface Transport Security which was signed by the Council of Australian Governments (COAG) in

June 2005.

A number of workshops and forums were held with representatives from a range of rail operators who were provided with security guidelines and advice in relation to the changing security environment.

Key results for ITSRR's rail security audit activities during 2004-05 included:

- the introduction of specific security requirements in the Rail Safety (General) Regulations;
- the conduct of 12 rail security inspections, identifying relevant issues for the rail operator to improve its readiness on network security;
- participation in nine exercises to monitor government and industry response to potential threats to network operations;

and

- commencement of ITSRR's random drug and alcohol testing regime. ITSRR also reviewed and assessed 128 drug and alcohol notifications, of which five were investigated in detail.

1.4 Safety Strategy

ITSRR develops policies, procedures and strategies to assist it in complying with the *Rail Safety Act 2002*. This strategic work also feeds into the national reform process.

Supporting this work in safety strategy is data management, reporting, and analysis based on investigation and compliance data. ITSRR also conducts national and international research into safety issues and corrective strategies adopted by other regulators and operators.

During the year, ITSRR issued the following notices:

Type of notice	Purpose of notice	2004 ⁷	2004-05
Emerging Safety Concern	Requests rail operators to respond to a specified hazard	13	12
Improvement	Requires specified remedial action by the rail operator within a specified timeframe	5	7
Prohibition	Prohibits specific activities by the rail operator	0	39
Penalty	Imposes a financial cost for the breach of compliance	0	0 ⁸

⁶ Includes only 1 Jan 04 – 30 June 04

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⁸ To date ITSRR has focussed on achieving compliance with the Act through a facilitative rather than statutory penalty approach. This is partly a result of assisting operators to initially understand how to comply, as well as the recognition that the range of matters on which a penalty notice may be issued is relatively narrow (see ITSRR's Compliance and Enforcement Policy).

ITSRR was the lead agency in the development of the National Accreditation Package which updated existing NSW accreditation processes, providing a comprehensive framework for safety management systems and an audit checklist.

The Safety Strategy Branch also worked closely with industry and other regulators to undertake a review of the requirements for rail operators on major health issues including drug and alcohol programs and management of fatigue.

Significant input was also provided to the work of national rail safety reform through the National Transport Commission and Rail Safety Regulators Panel.

Key results for safety strategy for 2004-05 included:

- the delivery of an endorsed National Accreditation Package, which provides clear guidance on requirements for operators on accreditation process and a framework for the submission of safety management systems;

- working with industry on guidance material for drug and alcohol and fatigue management;
- providing secretariat support for the national reform process which delivered policy reform for risk management, safety management systems, institutional frameworks, fatigue management and drug and alcohol prevention programs;
- the development and implementation of the compliance and enforcement manual to promote consistency in compliance activity, and
- a policy and process to exempt certain categories of rail operators from accreditation.

1.5 Safety Projects

ITSRR has a dedicated team working on specific safety projects. This work incorporates monitoring the implementation of recommendations arising from significant investigations such as the Special Commission of

Inquiry (SCOI) into the Waterfall Rail Accident.

The projects undertaken by the Safety Projects branch are established through consultation with the Executive Management Team.

Significant projects undertaken in the 2004-05 year included: the overview of the implementation of the NSW Government's response to the SCOI Final Report into the Waterfall Accident; train radio communications; and development of a standard for emergency evacuation of rolling stock.

Key results for safety projects for 2004-05 included:

- the development and implementation of a transparent and rigorous process to review and report on the implementation of the NSW Government's response to the SCOI Final Report into the Waterfall Rail Accident;
- the publication of a report titled "Train Door Emergency Egress and Access and Emergency Evacuation Procedures". The Report reviewed findings from rail accident investigations that had occurred both within Australia and overseas, and reviewed certain standards that are in place in some overseas countries; and
- participation in national forums to ensure the compatibility and interoperability of train radio standards across Australia.



ITSRR participated in inter-agency emergency management exercises during the year

Divisional Case Study

Waterfall Inquiry Implementation

Divisional Case Study

Just after 7a.m. on 31 January 2003, a State Rail Authority (SRA) passenger service, travelling from Sydney to Port Kembla, overturned at high speed and collided with stanchions and a rock cutting approximately two kilometres south of Waterfall NSW. The train was carrying 47 passengers and two crew. As a result of the accident the driver and six passengers were killed.

Following the accident, a Special Commission of Inquiry (SCOI) led by retired Supreme Court Justice, the Honourable Peter McInerney, was established. The SCOI released its Final Report on 17 January 2005. In total there were 127 recommendations with an additional 50 sub-elements, each of which requires the implementation of a safety action. Consequently, ITSRR is reporting on the implementation of 177 safety actions.

To enable this reporting, ITSRR has developed a comprehensive reporting method to follow up on each accepted recommendation, as set out below.

Firstly, ITSRR analysed the SCOI Final Report and determined the action required to implement each recommendation and identified which company or agency has responsibility for that action. This formed the basis for determining whether the response put forward by a company or agency satisfies the recommendation.

ITSRR then assigned indicative timeframes for actions relating to its responsibilities and reviewed

those timelines put forward by other agencies for each safety action. These must be realistic and achievable and agreed with the responsible company or agency. A classification system based on accepted international practice was developed to determine the status of each recommendation. This system provides a consistent approach to the verification of submissions and reporting of actions for close-out.

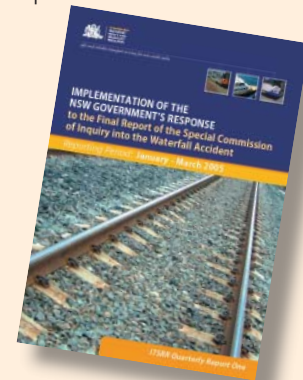
The verification process for closure of recommendations in most cases involves a field compliance inspection and/or audit by ITSRR. Once verification has taken place, the recommendation status is changed to indicate it is "Closed - Verified". Progress on actions to close-out these recommendations is reported to Parliament each quarter.

RailCorp is the operator with accountability for implementing most of the SCOI recommendations. RailCorp submitted its first action plan with timeframes to ITSRR on 31 March 2005. It provides ITSRR with a report and an updated action plan each quarter. Other agencies with accountability for implementing recommendations also provide reports on progress towards implementation. ITSRR itself is responsible for implementing recommendations from the SCOI. The same methodology is used for all agencies and for ITSRR, to assess the status of recommendations for which they have accountability.

ITSRR has also briefed rail regulators in other Australian jurisdictions concerning industry implementation of Waterfall at a national level.

ITSRR has also provided information through seminars and briefings to industry. For example ITSRR held an

Executive Safety Seminar to explain to senior executives of accredited rail companies, the Government's response to the SCOI Final Report, the recommendations arising from the SCOI Report and their applicability to all rail operators, and ITSRR's expectations of industry in responding to the findings of the SCOI. ITSRR also held a workshop targeted at safety and operational managers in rail companies. It outlined in greater detail the implications for the rail industry of the Government's response to the SCOI Final Report.



Forward directions for Transport Safety Regulation in 2005-06

In the 2005-06 financial year, the Transport Safety Regulation Division will focus its activities in the following areas:

- the development of functional standards for train radio communications;
- the review and implementation of the NSW Government's response to Final Report of the Special Commission of Inquiry into the Waterfall Rail Accident; and
- an analysis of the issues associated with the introduction of technologies for automatic train protection.

2. Service Reliability Division

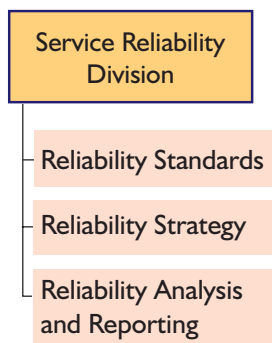
The Service Reliability Division monitors and reports on the reliability performance of publicly funded transport services including passenger rail, bus and ferry services. Reliability includes all aspects of transport service quality, not just on-time running.

There are three dimensions to the Division's monitoring and reporting role:

- advising Government on performance against the standards set out in the contracts under which the Ministry of Transport provides funding, or grants operating rights to transport service providers (rail, bus, and ferry);
- advising Government on the asset sustainability of its rail businesses; and
- identifying performance issues

in Government rail businesses which may indicate potential safety issues.

To deliver these services, the Division is set up as follows:



ITSRR's reliability function is one of analysis and reporting. ITSRR does not set standards for use in transport operator contracts; nor does it fund the services provided through those contracts.

The Division's activities during 2004-05 focused on providing reports to the community and Minister on rail issues. These issues included advice on: customer views

via the Survey of CityRail Customers; advice on the proposed CityRail timetable; and the Rail Performance Agreement. The Division also undertook some monitoring of the Government's Bus Reforms and commenced research into rail transport performance standards monitoring practices.

Key results for the Service Reliability Division in 2004-05 included:

- RailCorp acceptance of ITSRR comments on and analysis of CityRail reliability; and
- publication of the first ITSRR Survey of CityRail Customers.

Divisional Case Study

Survey of CityRail Customers 2004

In June and July 2004, the Service Reliability Division conducted a survey to identify the service issues of most importance to current and potential CityRail customers. The survey results were released in report form in February 2005.

The survey was the first of a series of independent monitoring surveys being conducted by ITSRR. It canvassed more than 3000 people in suburban Sydney and in regional areas such as the Central Coast, Blue Mountains, Wollongong and the Southern Highlands.

The survey found that train delays and cancellations, punctuality and crowding are the areas of greatest concern to train users. This was not a surprising finding given CityRail's poor on-time running performance. It did note some positive aspects of CityRail services such as information services, removal of litter from stations and politeness and friendliness of station staff.

The results of the survey were positively received by Government and CityRail's parent company, RailCorp, and will inform their policy and strategy development.



ITSRR conducted a survey of CityRail customers in mid-2004 (photo courtesy of Taverners Research Company).

3. Corporate Strategy Division

The Corporate Strategy Division is responsible for legal services, business strategy, strategic information technology, policy formulation (state and national) and communication functions that support strategic initiatives and decision making.

Accordingly, the Division is structured as follows:



During the year the major focus for the Division included:

- providing legal and policy support for State and national legislative rail safety reform processes;
- heightening rail safety awareness with industry, other regulators and NSW agencies through ongoing liaison, seminars and publications;
- creating information networks for internal staff;
- establishing a corporate planning and reporting cycle with an agreed reporting framework, including developing a Corporate Plan for 2005-06;
- strengthening the data and information capacity of ITSRR and OTSI to support core regulatory and investigation functions.

Key results for the Corporate Strategy Division in 2004-05 included:

- implementing a rigorous internal performance reporting framework;
- preparing the first quarterly progress report on implementation of recommendations of the Waterfall Commission of Inquiry;
- leading the establishment of ITSRR's cross-transport agency forum (TREC), which achieved 80% of its ambitious workplan, including a review of the implications from the Waterfall Inquiry for other passenger transport agencies;
- advising government on the *Transport Legislation Amendment (Waterfall Rail Inquiry Recommendations) Act 2005* which implemented a number of the key

Divisional Case Study

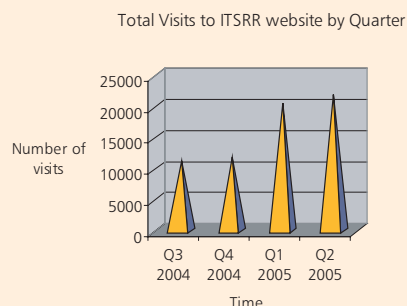
Website Services

A key vehicle for communication with ITSRR stakeholders is its website. Since the first quarter of 2005, ITSRR has been sending email alerts to industry with a hyperlink to the relevant area on the website that has newly posted material. The link may be to a new report, to a Transport Advisory Weekly, to an Information Alert, or to a press release.

During the 2004-05 financial year ITSRR revised its website to tailor it to industry needs and to present the information ITSRR has to offer in a clear, concise and easy to navigate fashion. ITSRR monitors the number of visits to its website and used this information in planning the revision of its website.

In monitoring visits to its website, ITSRR discovered that the new method of email alerts to industry significantly increased the level of traffic to its website. A graphical representation of visits to

ITSRR's website on a quarterly basis is below:



As the above graph demonstrates, visits to ITSRR's website have doubled in the period from July 2004 to June 2005. In the 2004-05 year the total number of visits to the ITSRR website was 64,930.

recommendations contained the Special Commission of Inquiry Final Report into the Waterfall Accident;

- providing leadership and policy input to the national rail safety reform process;
- managing the IT development program, including the acquisition of an electronic document management system, and development of a centralised database system to manage rail safety information;
- achieving positive stakeholder feedback on communication services, with a doubling of website patronage from last year, (see Divisional Case Study on previous page) and positive feedback from industry and agencies on rail safety seminars;
- completing the legislative review required under section 42W of the *Transport Administration Act 1988* which was tabled in Parliament in June 2005.

Forward directions for the Corporate Strategy Division in 2005-06

In the 2005-06 financial year, the Corporate Strategy Division will focus its activities in the following areas:

- reporting on the implementation of the NSW Government's Response to the SCOI Final Report into the Waterfall Accident;
- continuing participation in the national reform process, with a focus on developing regulations to support the

principal legislation;

- heightened and tailored communication activities to support legislative and regulatory functions;
- ongoing review of strategic coordination of transport safety through the Transport Regulators Executive Committee to facilitate information sharing on development of policies and guidance for industry and public reporting;
- consolidation of gains made in developing data and information systems; and
- preparation of necessary regulatory instruments to support implementation of *Transport Legislation Amendment (Waterfall Rail Inquiry Recommendations) Act 2005* including regulations for notifiable occurrences and implementation of the National Accreditation Package.

4. Business Services Division

The Business Services Division provides the administrative, financial and human resource services required for ITSRR to operate effectively. The Division undertakes record and document management and manages employee relations, including personnel policies, industrial arrangements and the learning and development function.

During the 2004-05 year, the Business Services Division focused its activities in the following areas:

- developing a centralised document management system;

- undertaking mapping of critical business processes;
- establishing human resource policies;
- developing training programs; and
- general administrative functions covering financial, records management and office management.

Key results for the Business Division in 2004-05 included:

- the completion of substantial training to upskill and equip staff to undertake regulatory functions including compliance officer training for all authorised officers;
- the commencement of the Professional Development Program in Transport Safety with some 30 staff participating;
- the development and implementation of important human resource policies, including performance development, equal employment opportunity, harassment, occupational health and safety and learning and development;
- the recruitment of staff to a range of different roles to ensure capacity to deliver required results; and
- finalisation of the framework for the Corporate Management system in alignment with ISO 9001:2001.

Forward directions for 2005-06

In 2005-06 Business Services Division will focus its activities in the following areas:

- effective management of staff and associated training and development requirements;
- the finalisation and deployment of the Corporate Management System;
- the full operation of the electronic document management system;
- the development of a strategy to address the information contained in critical paper files to ensure continued access via electronic means; and
- financial management including management of capital allocation and assets.



Mr Ron Christie, *Chairman of ITSRR Advisory Board* presenting Authorised Officer certificate to Steven Ford, *Senior Audit & Compliance Officer*



ITSRR Authorised Officers at graduation presentation .

Divisional Case Study

Electronic Document Management System

In 2004-05, the Business Services Records Unit worked to deliver an electronic document management system to ITSRR that would manage records, reviews and approvals all within the same application.

Substantial work was conducted in ensuring the smooth transition from the current records system and to ensure the new system was configured to comply with the document management standards and approval policies already in place.

Deployment of the system is due to commence in August 2005. Confidence of a successful deployment is high due to the diligent manner in which application and business process interface protocols were tested in the development phase.

5. Office of Transport Safety Investigations (OTSI)

OTSI undertakes investigations into serious rail, bus and ferry accidents and incidents and related transport safety issues. OTSI investigations do not seek to attribute blame, but rather establish the factors and sequences of events which have contributed to causing the incident. They may contribute to identifying systemic issues that need to be addressed.

OTSI also manages a Confidential Safety Information Reporting Scheme for employees of public passenger train, bus and ferry companies and freight rail operators. The Scheme enables employees to report information regarding safety occurrences

and safety concerns they may be reluctant to report officially within their company, or where they have been unsuccessful in having previous internal reports addressed to their satisfaction. The guiding principles for the Scheme are that it is voluntary, confidential and non-punitive. These activities are reflected in the table below.

Key results for OTSI in 2004-05 included:

- the completion of recruitment of Transport Safety Investigators. All investigators completed the in-house Human Factors and Investigations Techniques training package, in addition to the mandatory safety qualifications for rail safety officers, and five of the investigators are undertaking the industry graduate program in Safety Science being conducted

for ITSRR and OTSI by the School of Safety Science at the University of New South Wales;

- the acquisition of "Tools of Trade" equipment kits for each investigator, including "confined space" detection kits;
- the ratification of the incident reporting system for rail, bus and ferry operations which now represents a comprehensive and effective process with a clear distinction between those matters which are reported to OTSI and those which go to the regulators;
- the review, test and validation of Standard Operating Procedures for the deployment of OTSI investigators to accident sites and the techniques for "at scene" information gathering;
- in-house training in report writing and the standardisation

OTSI investigations 2004-05				
OTSI action	2004 ⁹		2004-05	
	Initiated	Completed	Initiated	Completed
No. of OTSI Investigations				
Rail	5	1	7	4
Bus	2	-	2	2
Ferry	3	2	2	1
Total	10	3	11	7
No. of Rail Operator Investigation Reports reviewed by OTSI (<i>s66 Rail Safety Act 2002</i>)	na	25	na	79 (and 149 legacy reports) ¹⁰
Total CSIRS reports received by OTSI	na	54	na	72
No. of CSIRS Safety Valve Notices ¹¹ issued to operators	na	17	na	41
CSIRS action completed and case closed				
Rail	na	25	na	80
Bus	na	6	na	3
Ferry	na	-	na	3
Total	na	31	na	86

⁹ Includes only 1 Jan 04 - 30 June 04.

¹⁰ Report inherited from the previous rail safety regulator.

¹¹ Similar to a Notice of Emerging Concern.

of the format and presentation of OTSI reports; and

- contribution by OTSI to the review of the Waterfall Special Commission Of Inquiry recommendations and provision of proposals for amending legislation and regulations, particularly in relation to the functional responsibilities of the independent Chief Investigator and the establishment of boards of Inquiry.

Forward directions for OTSI in 2005-06

As a result of the recommendations of the Waterfall SCOI, the following matters will attract OTSI priority in 2005-06:

- reorganisation of the investigation and administration structures of the Office;
- relocation of the Office to new premises, configured as an operational base for transport safety investigations; and
- establishment of MOUs with regulators, police and emergency services to enhance OTSI's investigatory capability.

In addition, to ensure effective remediation of transport safety deficiencies, OTSI will focus on:

- timely notification of safety critical information to regulators, operators and Government;
- timely completion of accident investigations and submission of reports; and
- analysis of transport safety incidents in other jurisdictions to inform the rail industry in NSW of relevant trends and remedial action.

Divisional Case Study

Review of Shunting Safety Procedures

On 1 July 2004, a shunter was fatally injured when he fell through the skeletal decking of a flat top container wagon during shunting operations in the Port Botany Yard.

The factor which contributed most significantly to this tragic accident was the absence of any safety restraining device or protection which would have prevented the shunter from falling from the wagon. Factors which contributed to the accident included the lack of specified procedures for riding on wagons and the absence of training in acceptable shunting practices.

Among the 15 safety actions which were identified to prevent recurrence, it was recommended that competencies for shunting should be formally established and training of shunting staff should be carried out in accordance with defined procedures that are then subjected to a system of regular worker supervision to improve understanding and compliance.



The Office of Transport Safety Investigation (OTSI) investigated a derailment at Bethungra, NSW that occurred in December 2004.