

Industry Overview

Rail Sector

Introduction

In NSW there are about 60 million train kilometres travelled by passenger and freight trains each year. This represents about one-third of all train kilometres travelled in Australia¹².

These journeys traverse about 8,500 km of track and associated infrastructure such as stations, bridges and supporting structures, tunnels, overhead wiring, signalling, communication and train control systems. There is an additional 1,200km of track which is not operational.

Around 1,760 km of the NSW rail network is electrified including for the Sydney Metropolitan Area, Central Coast, Blue Mountains and Illawarra. This part of the network is owned and maintained by RailCorp.

The NSW *Rail Safety Act 2002* covers all railway operations within NSW, including:

- metropolitan, regional and interstate rail passenger services;
- passenger services on self-enclosed networks such as Sydney Light Rail and Monorail, and Perisher Blue Ski-tube;
- freight rail services;
- heritage railway operators and railway museums; and
- NSW-based manufacturers, constructors and maintainers of rail infrastructure and trains (including rolling stock).

Infrastructure developments in 2004-05

In the year to 30 June 2005 considerable structural changes in the management of rail infrastructure in NSW have been implemented.

The non-metropolitan interstate and Hunter Valley rail lines previously under the control of the Rail Infrastructure Corporation (RIC) were leased to the Commonwealth-owned Australian Rail Track Corporation (ARTC) in September 2004.

RIC continues to manage the remaining non-interstate, non-Hunter Valley regional rail network, and contracts ARTC to provide maintenance services and the network control function.

A detailed infrastructure investment program is an integral component of the lease arrangement with ARTC. In the first half of 2005, planning commenced on a four-year upgrade of the north-south rail network which includes the main rail corridors from Brisbane to Sydney, and Sydney to Melbourne.

The changes are part of the integration of NSW into the national rail network to create a unified freight rail network from Western Australia to Queensland.

In metropolitan Sydney, the NSW Government Clearways Plan is a \$1 billion initiative to increase capacity and service reliability and frequency on the Sydney rail network. The project will create five separate clearways from the existing 14 interconnected metropolitan rail lines.

The Clearways project is being managed by the Transport Infrastructure Development Corporation (TIDC) in conjunction with RailCorp. TIDC is a State-owned Corporation, which has been established to develop major transport infrastructure projects for the NSW Government. Substantial work has been completed during 2004-05 on the Bondi Junction Turnback which is one component of the Clearways Plan.

Other major metropolitan NSW rail infrastructure projects which have progressed during 2004-05 include completion of tunnelling for the Epping to Chatswood line; completion of the Macdonaldtown turnback; finalisation of a Development Application for a transport interchange at Chatswood station; and commencement of work on the Parramatta station upgrade.

Passenger Rail Services

RailCorp is the major provider of rail passenger services in the Sydney metropolitan area via its CityRail business unit, and in regional NSW through its CountryLink business unit.

The CityRail fleet carries over 265 million passenger journeys each year. On an average weekday there are about 2,600 services carrying over 900,000 passenger journeys from 306 stations.

The CountryLink fleet carried some 1.9 million passenger journeys (in 2004-05) to regional NSW and interstate destinations.

¹² Australian Transport Safety Bureau's rail transport activity in Australia 2003 data.

Great Southern Railway Ltd, operator of the Indian Pacific, also provides an interstate passenger service between Sydney and Perth.

Outside of the main NSW network, but covered by the *Rail Safety Act 2002*, are other passenger rail services on self enclosed networks. The Connex operated Sydney Light Rail consists of around seven kilometres of track and 14 stations from Lilyfield to Central Station. It carries about 2.5 million passenger journeys each year. Connex also

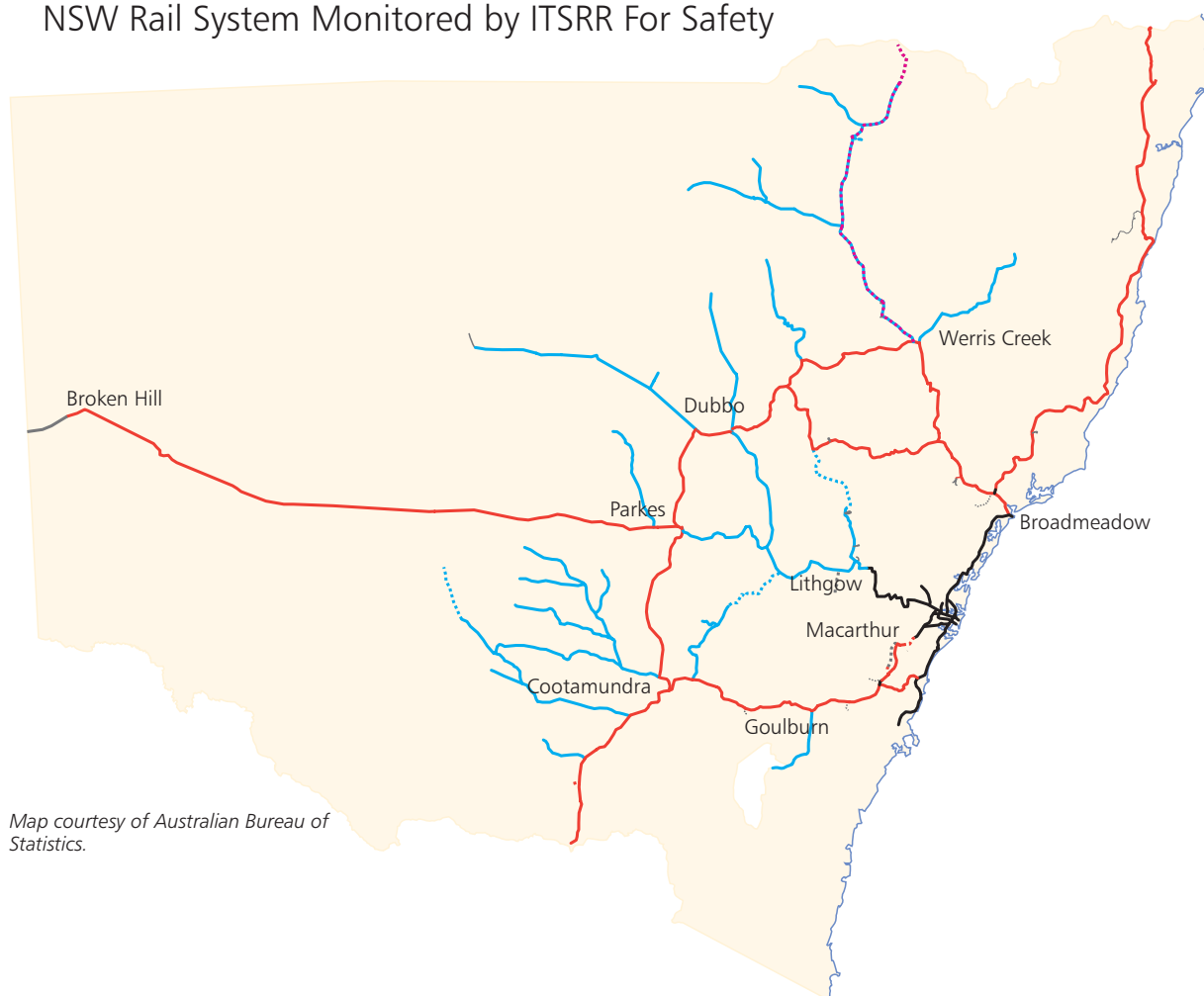
operates the Sydney Monorail from Darling Harbour to the Sydney central business district carrying around 2.7 million passenger journeys per year.

The Perisher Blue Skitube alpine railway transports passengers 8.2km from Bullock's Flat (the main car park) into Perisher Valley and Blue Cow Mountain resorts during the ski season. Six kilometres of the track is underground, making it one of the longest train tunnels in Australia.

Freight Rail Services

Rail is a significant mode of freight transport in NSW and the number of freight movements is increasing each year¹³. The haulage of coal in the Hunter Valley is the single largest freight task in NSW. Of the 90 million tonnes of freight hauled in NSW, some 74 million was coal¹⁴. Other rail freight services operating in NSW include the transport of general freight interstate and between major metropolitan and regional centres,

NSW Rail System Monitored by ITSRR For Safety



Map courtesy of Australian Bureau of Statistics.

¹³ Australian Bureau of Statistics. Rail Freight Movements, Australia.

¹⁴ Rail Infrastructure Corporation Annual Report 2003/04

and the transport of grain and mineral products to manufacturing and port facilities.

In 2004-05 there were sixteen accredited freight rail operators in NSW. Notable developments were the acquisition of Freight Australia by Pacific National (PN) in August 2004 and preparation for the commencement of operations in the Hunter Valley by Queensland Rail National (QRNational) Coal and Freight Division scheduled for July 2005.

In addition to operators whose core business is rail freight such as Pacific National, Queensland Rail, Silverton Rail and Lachlan Valley Freight, many accredited operators are industrial companies such as Grain Corp, Blue Scope Steel, Manildra Group and Blue Circle Southern Cement, where the railway is a component of their overall operations. A proportion of these railways are isolated from the main railway line.

Infrastructure and rolling stock service providers

According to the *Rail Safety Act 2002*, organisations that manufacture, construct or maintain railway tracks, other rail infrastructure or rolling stock are defined as "railway operators" and are required to be accredited.

In 2004-05 there were 15 accredited manufacturers/constructors or maintainers of infrastructure or rolling stock.

RailCorp and ARTC are the largest maintainers of rail infrastructure.

In addition to the in-house facilities

provided by major operators, there is substantial outsourcing across the industry of infrastructure and rolling stock services to contracted service providers.

Accredited railway infrastructure contractors include:

- major civil construction and engineering contractors such as John Holland Pty Ltd, and Barclay Mowlem Construction Ltd;
- organisations involved in the construction of major infrastructure such as the Thiess Hochtief Joint Venture for the Chatswood-Epping rail link; and
- specialist engineering contractors such as Alstom Transport Australia Ltd and Speno Rail Maintenance Australia.

Private sector operators of railway stations that do not operate trains are also required to be accredited. These include:

- Airport Link Pty Ltd – which

operates Green Square, Mascot, Domestic Terminal and International Terminal stations; and

- Star City Pty Ltd - and which maintains the light rail station at Star City Casino.

Several manufacturers and maintainers of rolling stock are also accredited including:

- major manufacturers United Goninans Ltd, and EDI Rail Ltd;
- rolling stock suppliers and lessors such as Chicago Freight Car Leasing; and
- rolling stock maintainers and refurbishers such as Bradken Rail (Mittagong), Pacific Rail Engineering and Rail Fleet Services.

Heritage Railway Operators

In 2005 the NSW railways celebrates 150 years of operation since the first railway line between Sydney and Parramatta opened in 1855.



Allan McVay, Accreditation & Compliance Officer, inspecting a heritage train at Branxton.

There is a range of heritage railways in NSW that make an important contribution to regional tourism and the cultural heritage of NSW. Most of these rely on the input of volunteer workers, many of whom are current or past rail industry employees. Heritage railways are required to maintain accreditation under the *Rail Safety Act 2002*.

Heritage railways that have operated services on the mainline during 2004-05 include:

- 3801 Limited
- Australian Railway Historical Society (ACT Division)
- Lithgow State Mine Heritage Park and Railway
- NSW Rail Transport Museum
- The Rail Motor Society .

Those heritage railways that have operated services on isolated lines during 2004-05 include:

- Campbelltown steam museum
- Cooma-Monaro railway
- Glenreagh Mountain Railway
- Illawarra Light Railway Museum
- Millennium Parklands Railway
- Richmond Vale Preservation Co-op Society Ltd
- Zig Zag Railway.

Accreditation status is also maintained by the Powerhouse Museum and various regional railway museums, and organisations involved in the maintenance and restoration of rolling stock used by heritage railways.

Bus Sector

Introduction

The bus industry comprises privately owned operators and the Government's State Transit Authority (STA). Private operators generally service western and outer metropolitan Sydney, and rural and regional NSW. STA operates services in inner and eastern Sydney, the Northern Beaches and Newcastle. STA also operates services on the Liverpool/Parramatta transit-way by means of a subsidiary corporation – Western Sydney Buses.

Legislative Framework

Public passenger bus services are regulated under the *Passenger Transport Act 1990*, which establishes an economic regulatory regime for the provision of regular passenger bus services. In addition, like all road users, bus operators are subject to safety legislation,

administered by the Roads and Traffic Authority of NSW (RTA) as the principal road safety regulator.

A regular passenger bus service is one which is conducted according to regular routes and timetables, but does not include long-distance services (a long-distance service is one in which all passengers are conveyed more than 40 kilometres). The service contract regime does not apply to tourist services and charter services.

The legislative framework comprises two key elements:

- operators of all categories of bus services must be accredited by the Director-General of the Ministry of Transport; and
- regular passenger bus services may only be operated under the authority of a service contract between an accredited operator and the Director-General of the Ministry of Transport.



Regulation of the bus industry primarily lies with the Ministry of Transport. ITSRR works closely with MoT on safety issues affecting both rail and buses.

Bus Reform

Until recently, legislation set up two types of bus contracts, commercial and non-commercial. The non-commercial contracts primarily referred to school bus services.

Under a non-commercial contract, bus operators are contracted for a fixed price to provide services (in a region or along a line of route). However, in practice, non-commercial contracts apply only to school student travel. Funding for these services is derived from the Ministry of Transport's School Student Transport Scheme (SSTS) in accordance with a funding model based on specified eligibility criteria for student participation. Non-commercial contracts have generally only been entered into in country areas or for "village to town" type services.

Under the bus reform being introduced by the Ministry of Transport, only one type of contract will exist in the future.

Both commercial and non-commercial contract models incorporate specified minimum service levels which apply to the contracted services.

Substantial reform of the bus sector commenced in 2004-05 following the Government's response to the Review of Bus Services in New South Wales (Unsworth 2004). This response, including legislation, allows for new contracts. The contracts are being progressively rolled out, first in the Sydney metropolitan area, and then in regional NSW. The Minister for Transport announced

on 7 August 2005, that nearly all of the metropolitan area is now covered by the new contracts.

In relation to ITSRR's reliability functions, relevant bus issues include:

- changes to contract standards including new performance measures and performance based incentives;
- twice yearly surveys by the Ministry of Transport (the Ministry) of bus service quality as part of the incentives regime;
- an operational performance regime introduced by the Ministry;
- new reporting systems from bus operators to the Ministry, including the use of electronic technology; and
- a request from the Independent Pricing and Regulatory Tribunal for ITSRR to comment on bus reliability for its review of bus and ferry fares to apply from 2006.

Ferry Sector

Introduction

Carrying around 14 million passengers per annum, Sydney Ferries¹⁶ is the main provider of regular passenger ferry services on Sydney Harbour. State Transit also operates a service in Newcastle while a range of regular passenger ferry services are provided by private operators in areas such as Sydney Harbour, Pittwater, Port Hacking and the Clarence River.

Safety regulation of the ferry sector lies with NSW Maritime, with ITSRR providing a strategic coordination role.

Legislative Framework

As with bus services, public passenger ferry services are regulated under the *Passenger Transport Act 1990*, which establishes an economic regulatory regime for the provision of regular passenger ferry services. In addition, like all waterway users, ferry operators are subject to marine legislation, which is administered by the NSW Maritime Authority as the principal marine safety regulator.

Again, as with regular bus services, a passenger ferry service is one which is conducted according to regular routes and timetables, but does not include a long-distance service. The service contract regime does not apply to tourist services

and charter services.

The legislative framework requires that regular passenger ferry services may only be operated under the authority of a service contract between an operator and the Director-General of the Ministry of Transport. However, it does not require ferry operators to be accredited. Rather, fitness and character and financial viability matters are dealt with under the service contract regime, and safety regulation is principally the responsibility of NSW Maritime.

As with buses, the legislation provides for two types of service contracts: commercial and non-commercial. However, in practice, non-commercial contracts have not been used for procuring ferry services.

Both commercial and non-commercial contract models incorporate specified minimum service levels which apply to the contracted services.



Regulation of the ferry industry primarily lies with NSW Maritime. ITSRR works closely with NSW Maritime on safety issues affecting both rail and ferries.

¹⁶ Sydney Ferries was a division of STA until 30 June 2004 when it was established as a separate State Owned Corporation.