

Rail and Inter-modal Regulatory Reform

Australia's rail industry is changing rapidly as a result of initiatives by Commonwealth, State and Territory governments to reform historic structures, policies and practices. Rail organisations are also improving customer service, safety, asset quality and commercial performance. The outcomes from these changes have been significant.

Further reform, however, is required to enable rail to meet its full potential – especially if it is to carry a much larger proportion of the nation's rapidly growing non-bulk freight task.

In August last year, the Australian Transport Council (ATC) agreed to recommendations from the Review of the *National Road Transport Commission Act 1991* that the National Transport Commission (NTC) should be formed. It would take on the current National Road Transport Commission role of national regulatory reform of road transport, but also include responsibility for national approaches to rail and inter-modal regulation.

Legislation establishing the NTC under a new Act, and related roles, powers and processes in an Inter-Governmental Agreement (IGA) will enable the NRTC's formal transition in January 2004. In the meantime, the NRTC has already commenced work in the rail and inter-modal areas, following instructions to do so from Transport Ministers.

NRTC – a unique role

The NRTC was formed in 1992 under Commonwealth legislation and two Inter-governmental Agreements. Its role was to overcome inconsistencies in road

transport regulation between Australian jurisdictions by introducing nationally uniform road transport policies and regulations. The NRTC has had no direct role in infrastructure management or investment decisions, transport service delivery or road funding.

In 1996, the Act was reviewed, and changes were made to sustain the momentum of road transport reform. A second review commenced in December 2001.

The Review

The review was directed by a steering committee of seven senior people representing governments and the transport industry. The committee estimated that the total net benefits from road transport reform up to the



end of 2003 would be in the order of \$400 million. These benefits were achieved predominantly within the heavy vehicle sector, where the bulk of the program has been focussed since 1991. However, the figure does not include the broader community benefits from safety and environmental improvements.

Tasks for the proposed NTC identified in the Review include further development of the national approach to rail safety regulation, including strengthening the co-regulatory system and mutual recognition processes. National policies in key rail safety issues such as medical

standards, fatigue and drug/alcohol testing will also be developed. There will also be capacity to address a broader array of rail regulatory issues and operational reform.

The NTC will not directly involve itself in the areas of infrastructure investment and funding. This is the responsibility of the yet to be formed **National Transport Advisory Council (NTAC), which will provide the ATC with strategic analysis and advice on issues including priorities for national infrastructure investment, options for new infrastructure pricing policies and priorities for reform to support inter-modal integration.**

It is envisaged that the relationship between the work of the NTC and NTAC will be one in which regulatory reforms would complement efforts to improve infrastructure planning and efficiency. NTC reforms that might involve significant infrastructure or other impacts would be referred to the NTAC for analysis and advice before the NTC submits them to the ATC.

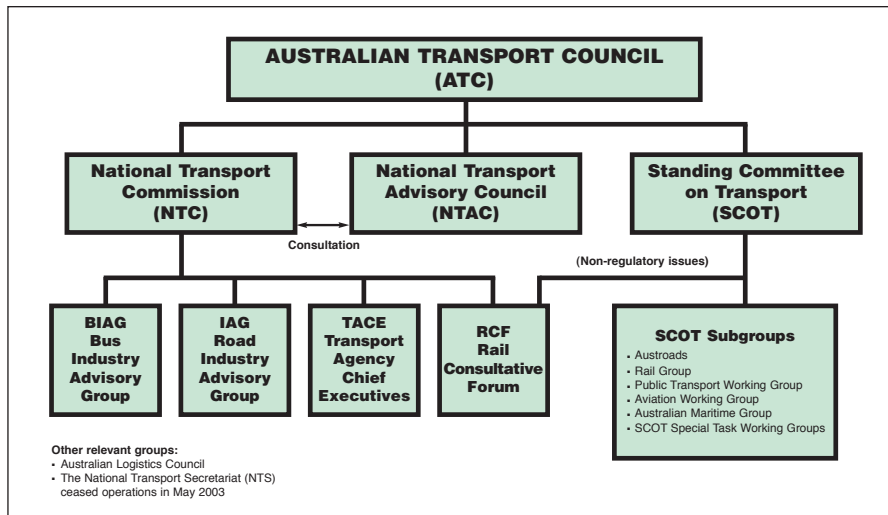
ATC is supported by the Standing Committee on Transport (SCOT) comprising a nominee of each ATC Minister,

generally at Head of Department/Agency level. SCOT is supported by a formal committee structure, which provides advice on a range of policy and technical matters.

Delivery of Regulatory Reform

The NTC has developed effective mechanisms and skills, and established the necessary processes and consultative networks to achieve its objectives within the federal

system. The diagram illustrates the relationship of the proposed NTC with the other key organisations within the Government / industry decision-making process.



Consultation, robust analysis and research are vital to successful national reforms, and the NTC is continually seeking to improve its consultative processes. Reform proposals are advanced in partnership with ALL stakeholders, including freight and passenger sectors, government departments and transport agencies, police, transport associations and other organisations. For reforms to be suitable for national implementation, the NTC considers all points of view, and ensures that stakeholders build strong ownership.

While the NTC will continue the development of relevant reforms for road transport, it must accelerate the reform agenda for rail and inter-modal transport, which will require new approaches to the very different operational and regulatory frameworks.

For further information

Phil Giltinan, Director, Rail Reform
(giltinanp@nrtc.gov.au)