

[Act 2000 No 89]



New South Wales

Transport Administration Amendment (Rail Management) Bill 2000

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

Overview of Bill

The object of this Bill is to revise rail management in New South Wales following reports from the Co-ordinator General of Rail and the Glenbrook inquiry.

The Bill effects the following changes by amendments to the *Transport Administration Act 1988* and other Acts:

Co-ordinator General of Rail

Schedule 1 confirms and clarifies the role of the Co-ordinator General of Rail until the establishment of the proposed Rail Regulator. In particular, the Co-ordinator General of Rail will be responsible for the following:

- (a) managing and co-ordinating the exercise of the functions of the State Rail Authority and of Rail Access Corporation and Rail Services Australia and, after their merger, Rail Infrastructure Corporation (the “relevant rail agencies”),
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- (b) managing and co-ordinating the merger of Rail Access Corporation and Rail Services Australia (to form Rail Infrastructure Corporation),
- (c) managing and co-ordinating the implementation of structural reforms in connection with the management of the State Rail Authority,
- (d) determining priorities for the exercise of functions by the relevant rail agencies in accordance with their approved financial outcomes,
- (e) developing rail performance standards in connection with the exercise of functions by the relevant rail agencies,
- (f) reviewing and reporting on the effectiveness of the Transport Safety Bureau, Department of Transport, as a rail safety regulator.

Merger of RAC and RSA

Schedule 2 amalgamates Rail Access Corporation and Rail Services Australia to form Rail Infrastructure Corporation, a statutory State owned corporation. Rail Infrastructure Corporation will combine the functions, and the staff, assets, rights and liabilities, of those two existing statutory State owned corporations. Rail Infrastructure Corporation:

- (a) will be required, as its principal objective, to ensure that the NSW rail network enables safe and reliable railway passenger and freight services to be provided in an efficient, effective and financially responsible manner, and
- (b) will retain as one of its other objectives the promotion and facilitation of access to the network in accordance with the NSW Rail Access Regime, and
- (c) will be required to act in the best interests of the network as a whole, and
- (d) will be prevented from conducting business outside the State without the approval of the Premier, Treasurer and portfolio Minister, and
- (e) will be subject to Ministerial control, except that a direction that would vary significantly the approved financial outcomes of the Corporation will require the approval of the Treasurer, and
- (f) will have a board of directors who are appointed by the Governor on the recommendation of the voting shareholder Ministers after consultation with the portfolio Minister (including directors with engineering and rail safety expertise), and
- (g) will have a chief executive officer appointed by the board with the concurrence of the voting shareholder Ministers and of the portfolio Minister (instead of only after consultation with the voting shareholder Ministers), and
- (h) will be represented on the Public Transport Authority.

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The amendments made by the Schedule will also enable the portfolio Minister to determine whether Rail Infrastructure Corporation, the State Rail Authority or any other rail operator will be responsible for rail network control of the various parts of the NSW rail network.

State Rail Authority

Schedule 3 makes changes to the management of the State Rail Authority. The Authority:

- (a) will be required, as its principal objective, to deliver safe and reliable railway passenger services in an efficient, effective and financially responsible manner, and
- (b) will be required to act in the best interests of the network as a whole, and
- (c) will be subject to Ministerial control, without the current exception that a direction that the board considers is not in the commercial interests of the Authority need not be complied with unless the Treasurer approves of the financial loss concerned being reimbursed from public revenue.

Rail Regulator

Schedule 4 establishes the Rail Regulator as a statutory authority to coincide with the termination of the office of Co-ordinator General of Rail. The Rail Regulator:

- (a) will be controlled and managed by a Chief Executive appointed by the Governor, and
- (b) will not be subject to Ministerial control in respect to the contents of any report or recommendation, and
- (c) will be responsible for recommending rail performance standards to the Minister and for investigating, auditing and publicly reporting on compliance with the standards set by the Minister, and
- (d) will be able to be authorised by regulation to impose monetary penalties on rail owners and operators (including SRA, RIC and FRC) for non-compliance with the standards set by the Minister.

Rail performance standards may deal with:

- (a) rail passenger service reliability (including train cancellations and skipping of stops at train stations),
- (b) on-time running of passenger trains,
- (c) rail passenger comfort (including the cleanliness of trains and overcrowding),

- (d) any other matter with respect to the performance of railway passenger services prescribed by the regulations,
- (e) certain matters with respect to the performance of railway freight services.

The Bill does not confer any rail safety functions on the Rail Regulator or alter the regulatory regime with respect to rail safety under the *Rail Safety Act 1993*.

Outline of provisions

Clause 1 sets out the name (also called the short title) of the proposed Act.

Clause 2 provides for the commencement of Schedule 1 to the proposed Act on the date of assent and for the commencement of the remainder of the proposed Act on a day or days to be appointed by proclamation.

Clause 3 is a formal provision giving effect to the amendments to the *Transport Administration Act 1988* and other Acts set out in Schedules 1–4.

Schedule 1 contains the amendments relating to the Co-ordinator General of Rail described above.

Schedule 2 contains the amendments relating to the merger of RAC and RSA described above.

Schedule 3 contains the amendments relating to the SRA described above.

Schedule 4 contains the amendments relating to the Rail Regulator described above.