

POSTCARD FROM AUSTRALIA

Australia's rail industry is emerging from a long period of stagnation. But, as Ian Dobbs explains, recent expansion brings with it a new set of problems

The railways of Australia are a strong and ever-present link to the country's colonial past and, although limited to a tiny part of a vast continent, are viewed as a strategic national icon 'down under'. Indeed, rail holds a place dear in the hearts of many Australians, particularly those in regional and rural Australia, where a railway is still physically and psychologically a sign of being linked to the real world. It also follows therefore that railways are a highly political issue and high on the national political reform agenda.

Australia was, until just over 100 years ago, a collection of self-governed colonies, held together by a common Crown. Only at Federation in 1901 did these colonies become united under a central Commonwealth Government. The states of Victoria, New South Wales, Queensland, South Australia and Western Australia each had a great deal of autonomy prior to Federation but also significant isolation from one another. They built their own railway systems, to their own gauges, to their separate hinterlands, to bring goods to their own ports, to trade separately with the UK and Europe. These systems had little in common and grew up in isolation from one another.

Little has changed in reality. Although the main interstate rail lines were gauge standardised from 1960 onwards, Queensland is still a predominantly narrow gauge railway, Victoria wide gauge and the rest standard gauge. Although you don't have to change trains now at the state border when travelling from Sydney to Melbourne, there are still two lines from

Melbourne to the border – the standard gauge interstate track on one side and a broad gauge intrastate track next to it. Just to complicate matters there are some sections of track in Victoria which are still dual-gauge! Add to that the fact that each state has had its own rules, regulations, standards, legislation, regulation and safety requirements.

Against this background of parochialism and state politics, it is not surprising that rail failed to prosper during the 20th century. Infrastructure deteriorated, volumes diminished and trucking companies flourished. Only the heavy-haul mineral railways of the far north and north-west of the country prospered.

WHAT'S CHANGED?

There have been a number of developments over the last 10 years, helping to change the climate for rail in Australia. Operators have started to get their collective act together. Government rail bodies and private rail industry participants have started to work together far more. They have created an effective industry association and are lobbying as a joint force for industry development. Productivity has shot up and the unit cost of production has fallen dramatically.

Private freight forwarders have got in to the rail business. Large and medium inter-modal freight operators have challenged the dominance of the former state owned rail corporations and have been allowed to set up in direct competition to force down rates and improve productivity. In short they have put 'a foot in the door' and forced industry improvement.

Government has targeted rail as a key plank of national economic reform. It has at last realised the true economic benefit of a more efficient and competitive railway in the country. As a result, through regulatory reform, access to the rail system has been made easier, the introduction of private capital in the industry encouraged and operations made more efficient to the benefit of the economy as a whole.

The 'cosy' domination of state-owned and financed rail corporations has been pulled apart by industry restructuring over most parts of the country. Vertical disaggregation, (such a structurally poor substitute on intensive passenger rail systems in other parts of the world), has been a saviour for interstate freight operations over here. That said, the large urban passenger railways of Sydney, Brisbane and Melbourne have remained (or have returned to being) vertically integrated – to their ultimate benefit. Horses for courses – and it has worked very well!

Investing in railways has suddenly become 'politically cool'. Railways are 'cool'. Urban voters/commuters rely upon them as urban snarl worsens and rural voters can invariably be won over by having their railway services improved (the rural vote is very much a balance-of-power issue at state and federal level these days!).

During 2004, the federal government (under significant pressure it has to be said from private rail operators) launched a programme of national road and rail infrastructure investment called Auslink. Although \$6.7bn was earmarked for national roads, a significant \$1.8bn was allocated to national rail infrastructure improvements to ease interstate freight bottlenecks and increase capacity/speed on interstate single line corridors (particularly between Sydney,

MEMBERS' NEWS

The following employers operate a Corporate Membership scheme, by paying a one-off annual fee, which covers all their employees' Affiliate or Associate membership subscriptions.

Network Rail, Eurostar UK Ltd, First ScotRail, First Great Western, First Great Western Link, One Railway, Central Trains, EWS Railway, Northern Ireland Railways, Freightliner, Virgin Trains, Arriva Trains Wales, Thameslink, Southern, London Lines, South Eastern Trains, Corus Rail Consultancy, Iamród Éireann, Transport for London/London Underground

Ltd/Docklands Light Railway, Stagecoach Rail (South West Trains, Island Line, Sheffield Supertram). Those with full Membership will continue to pay their subscription personally, irrespective of whether they can subsequently claim it back. Please note that, as the IRO's subscriptions are tax-deductible, a receipt will be issued for all payments, whether by cheque, standing order or internet payment.

We welcome applications to join up as corporate members by all industry companies and associations – please contact Chris Daughton on 01444 248931 or admin@railwayoperators.org

IF YOU ARE NOT ALREADY A MEMBER, ASSOCIATE OR AFFILIATE...

Have you got experience of operating the railway? Would you like professional recognition, development and qualifications? The Institution of Railway Operators exists to provide a professional structure and qualifications for people with knowledge and experience of operating the railway, at all levels.

An information pack is available for anyone interested in finding out more about the Institution and its education programme. Please contact Claire Wickes

at the above address if you would like a pack for yourself or colleagues.

MEMBER SURVEY

All members should have received a survey by post or email (and if you didn't it's because we don't have your current details!) in which we invite your comments about our communications with members and your participation in area events etc. If you have not already done so, we do urge you to complete the survey and let us know how you think we are doing. We are grateful for all your feedback and comments.

THE INSTITUTION OF RAILWAY OPERATORS

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Melbourne and Brisbane). On top of this the federal government has this year announced a further review and overhaul of east coast rail corridors (which serve over 80 per cent of the population) from 2010 to meet the needs of an economy fuelled by global competition and Asian economic expansion. East coast rail corridors will be overhauled after sustained criticism that 'infrastructure bottlenecks' have hindered farmers and miners from selling and distributing goods to international markets. With limited domestic consumption, this export trade is vital to the Australian economy.

Even at state level, railways are generally enjoying a popular revival. In Victoria the state government has recently spent over \$800m on upgrades for regional passenger routes and services, and in New South Wales the state government has just embarked on a massive infrastructure and rolling stock capital renewal program aimed at improving Sydney's ailing urban rail system over the next six years. Western Australia has just built new extensions to its urban rail system in Perth, significantly increasing route kms and Queensland has spent huge dollars over the last 10 years upgrading its main east coast main line north of Brisbane to improve speeds and track standards.

So with a rejuvenated railway sector, political will, new funding and a really positive attitude to rail by

the public, what can go wrong? Probably one of the less obvious issues is, nevertheless, part of a bigger problem for Australia – the national skills shortage. The Australian Government has recently identified that economic growth is being held back by a national shortage of skilled people in many different industry sectors, railways being one. As a result it is targeting (with, unusually, cross party support in Parliament) a substantial increase in the capped levels of skilled migrants being allowed in to the country on permanent visas over the next five to 10 years.

Australia has undoubtedly a real shortage of top class, experienced railway operators, rail safety specialists, administrators and railway engineers. That's not to say that there are none, or that many of the existing resource are not good people – it's just that there are not enough to go around. And in an industry that is so disaggregated, with multiple state and federal administrations, one that supports myriad operators and track owners and in an industry that is growing once again on the back of favourable economic and political conditions, it has greater demands for such resources than one would expect.

During the past 20 years the state railways have (for a variety of reasons including industry restructuring) been neglecting effective management development, and the geographically disaggregated

industry has not been producing the next generation of experienced, grounded, value-driven rail operations managers and engineers. In particular state political influence over rail operations has predictably stifled the development of a cadre of effective rail professionals. Managers have been forced to 'keep their heads down' and management initiative has been in short supply!

The industry in Australia is actually coming to recognise the problem but there is a long way to go. Many senior industry executives are facing up to the challenge, but much needs to be done. Competency and rail industry experience are at a premium; overseas experience is sought but often at a cost.

The industry needs to develop its own champions and leaders, and federal government actually needs to add the 'soft side' of railway reform to its reform agenda in Australia, as well as championing the large 'headline' projects. Because, after all, it's all well and good building a newer and better railway for the 21st century...but if you've got no-one competent to run it, you tend to look a little bit silly!

Ian Dobbs is an Australia-based advisor specialising in strategic transport issues and also part-time CEO of Sydney's airport rail link. He was formerly Chief Executive of Victoria's Public Transport Corporation and a front-line British Rail manager for 16 years.

DIARY OF EVENTS

NORTH WEST AREA

To contact the North West area on any matter, please contact Clive Evans on 01270-629009 or email us at: Northwest@railwayoperators.org

MIDLANDS AREA

Monday 25 April – Presentation – The Mailbox, Birmingham

Monday 23 May – Visit to Wolverhampton Steel Terminal

Saturday 18 June – provisional date
To contact the Midlands Area on any subject, please call Julia Stanyard on 0121 345 5030 or email: Midlands@railwayoperators.org

SOUTH EAST AREA

Monday 23 May – London
'Operations for Dummies – Traincrew Management' (Details to follow)

Monday 25 July – London
Ann Bates, Member of the DfT's Disabled Persons Transport Advisory Committee and the Rail Passenger Council

Monday 26 September – London, David Franks, National Express Group

Monday 21 November – London
All South East Area meetings take place at the Union Jack Club, Sandell Street, Waterloo. Doors open at 18:00 and the talks commence at 18:30. To contact the South East area on any subject please email: Southeast@railwayoperators.org

NORTH EAST AREA

Tuesday 10 May – York.
'Managing Network Rail in the North East'. Gordon Dennis from Network Rail will talk about the challenges that face the team in the North Eastern area to satisfy the individual delivery requirements of the different train operators, whilst managing the various daily internal and external obstacles placed in the way of performance. Venue: GNER Studio 1 accessed from platform 9 on York station.

The programme for the meetings in July, September and November is currently being finalised but is intended to include a

works visit to GNER's Mallard 225 conversion, the Rail Accident Investigation Branch and engineering planning processes.

All North East Area meetings normally take place at 17:30 for 18:00, at York.

For further news on the IRO in the North East, contact us by email at: Northeast@railwayoperators.org

SCOTTISH AND IRISH AREA

Members will be welcome to the meeting of the Permanent Way Institute on **Wednesday 13 April**, in the First Engineering Conference Suite, Buchanan House, Glasgow. In order to learn about Tilting train clearances on WCML. The speakers are David Leith and Steven Murdoch, from Scott Wilson Railways, Glasgow. (This happens also to be the AGM of the PWI, but we are welcome just the same in view of the relevance of the topic).

We visit the PWI again in May for our Annual Joint Meeting, again a subject of

great relevance to operators: UK track renewals 2004–2008. The speaker is Amanda Henderson, Track Renewals, Network Rail, London. The date and venue are: **Wednesday 11 May** – First Engineering Conference Suite, Buchanan House, Glasgow, at with Tea/Coffee and biscuits available from 17:15.

A visit to a site of operations interest is being planned for the late spring. Again, we would request members to update their email addresses via Claire Wickes at admin@railwayoperators.org so that we can keep them informed.

For information on all Scottish events and matters, please contact Scottish@railwayoperators.org or phone Jim Summers, Acting Chairman on 01324 625284

SOUTH WEST AREA

For information on all South West events and matters, contact Lawrie Hall on 01453 822150 or email us at Southwest@railwayoperators.org