



SUBMISSION

Productivity Commission Issues Paper
National Transport Regulatory Reform

28 June 2019

Background re RISSB

The Rail Industry Safety and Standards Board (RISSB) has been part of the rail industry for over 15 years and under the co-regulatory model applied in the Australian rail industry, RISSB promotes safety, productivity and efficiency through the development of products, including standards, to assist industry in managing and enhancing rail safety.

The RISSB governance model has industry membership at its core and its Board includes industry sector nominees as well as independent directors.

RISSB is part-funded by the rail industry and part-funded by governments (Commonwealth and States).

It is important to understand the breadth of RISSB's role in the rail industry. Under its constitution, RISSB:

- (a) Develops, manages and promotes a suite of standards, rules, guidance materials and other documents to assist the rail industry to manage rail safety, improve efficiency and achieve safety outcomes through standardisation, interoperability and harmonisation.
- (b) Manages a risk model for the Australian rail operating environment (Australian Rail Risk Model ARRM) that is based on data and other inputs that will help drive safety improvements by guiding prioritisation of standards development and regulatory activity; and for use by the rail industry participants in directing their approach to safety management.
- (c) Provides independent technical advice
- (d) Undertakes initiatives to support the rail industry's role in the co-regulatory model for rail safety in Australia.

RISSB is the industry leader in promoting interoperability and harmonisation of the Australian rail industry, and championing safety across industry to promote productivity and efficiency.

- (e) Fosters knowledge sharing and networking through its various industry forums, groups and committees and works collaboratively with the Australian rail industry to harmonise safety practices across the country.

Submission

RISSB appreciates the opportunity to respond to the Productivity Commission Issues Paper in relation to the National Transport Regulatory Reforms. The comments below are limited to rail regulatory reform only and to matters RISSB believes are relevant to its role and consistent with objectives in its constitution.

1. RISSB strongly supports a co-regulatory model continuing to be applied in the Australian rail industry.

The rail industry in Australia has been operating under and has supported a co-regulatory model which resulted in the creation of the Office of the National Rail Safety Regulator (ONRSR). Over this time, the model has strengthened as industry has matured through an on-going focus on safety management. RISSB has, and will continue, to play a leadership role under this model through its development of standards, provision of training and education programs and co-ordination of key industry groups. RISSB strongly supports the establishment of ONRSR and looks forward to continued interaction to further enhance rail safety in Australia.

2. RISSB's industry leadership role in relation to standards (and similar products) is acknowledged, understood and continues to grow.

RISSB produces standards and similar products, to engender harmonisation and interoperability in the industry, enhancing safety, productivity and efficiency. RISSB brings together the rail industry, from all sectors, in developing these products. This ensures products are relevant, contemporary and valued. Take up of RISSB products in the rail industry is widespread and growing.

3. RISSB has a broad leadership role in the rail industry

Leadership is a core focus for RISSB moving forward. Accordingly, RISSB has expanded its industry interaction and support and intends to expand this further. RISSB's industry leadership, apart from the development of standards, includes:

- Development of an industry *Innovation Inventory and Related Trends* which seeks to understand the technologies that industry is planning to adopt and ensuring that the standards, guidance material, and education and training will support implementation of change that will lead to increased productivity.
- co-ordination of the rail industry Safety Managers Group, the highest-level national safety group attended by senior safety managers and all safety stakeholders such as ONRSR, ATSB, the ARA and TrackSAFE. The *Rail Industry*

Safety Strategy 2019 – 2021 and previous industry safety strategies have been developed through the Safety Managers Group and RISSB.

- laying the foundation for RISSB to be the holder of industry safety data through the development of ARRM, the Australian Rail Risk Model. ARRM analyses industry safety data to generate crucial risk information which it and provides back to industry and other stakeholders as appropriate to enable comprehensive risk assessment and evidence-based safety actions for the industry.
- provision of training programs on key safety matters, linked to standards;
- offering a range of programs for industry to enhance industry knowledge and understanding of safety initiatives, recent innovations and new technologies;
- offering the Horizons Program, a fresh, innovative program aimed at young, industry nominated technical professionals with the intent of exposing them to cutting edge technology, professional and personal development as they play a role in shaping the technical future of the rail industry

RISSB questions the rail diagram used in Figure 2 of the Issues Paper as it shows no direct connection between RISSB and industry.

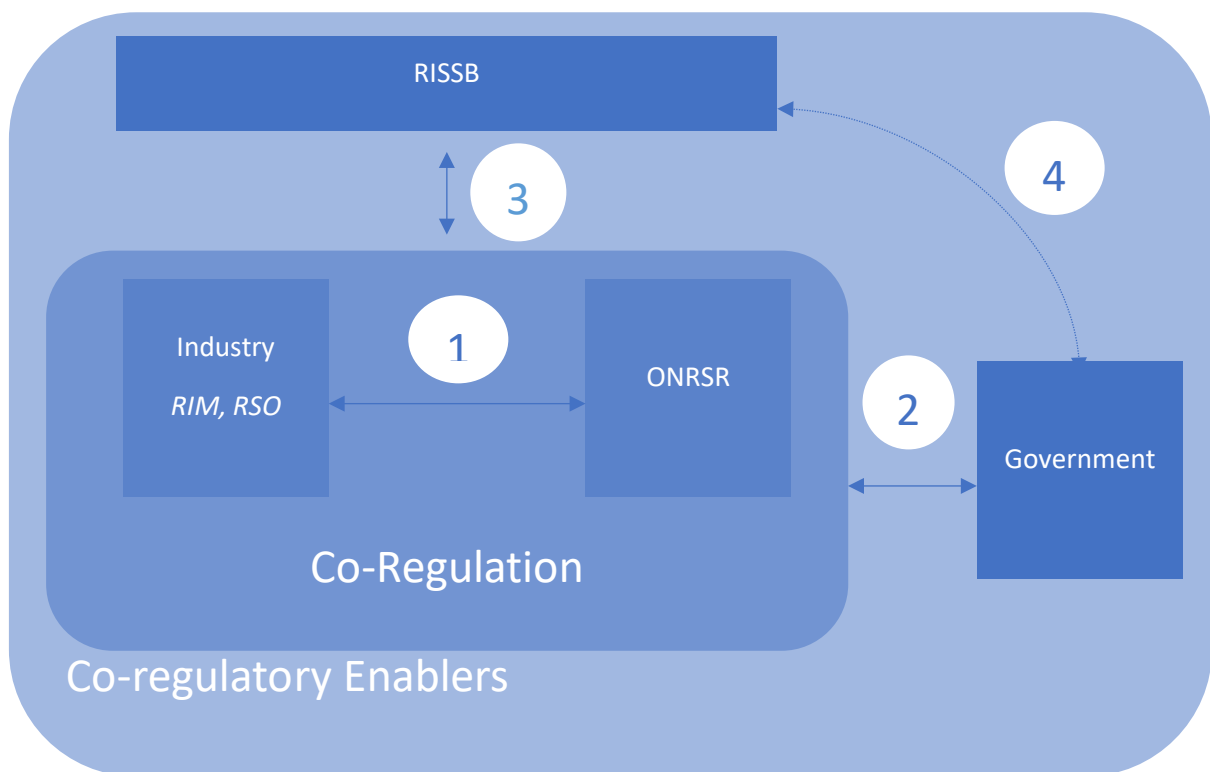
As outlined above, the link between industry and RISSB is wide-reaching. RISSB is a key enabler of co-regulation, providing guidance on what is considered as good practice and support industry in managing risk So Far As Is Reasonably Practicable (SFAIRP) by reducing uncertainty.

Figure 2 also states RISSB develops safety management systems (SMS) – this is actually the responsibility of rail transport operators (RTOs). It is acknowledged however, that RTOs use RISSB products in their SMS development process and in the regular revisions of their SMS.

RISSB believes the diagram below better illustrates the way in which the co-regulation model is applied, viz:

1. Co-regulation is primarily associated with the relationship between the ONRSR and Industry bodies (primarily RTOs, but may include suppliers, contractors, designers, etc.). These are all duty holders under the Rail Safety National Law (RSNL).
 - a. RTOs must demonstrate they are fulfilling their role in the RSNL. Core to this is demonstrating safety SFAIRP.
 - b. ONRSR monitors industry compliance to the RSNL, and checks whether RTOs are managing safety SFAIRP.

2. Government, through the RSNL and other key policies, establish the co-regulatory environment and define the roles and duties of those within co-regulation (e.g. RTO, ONRSR)
3. RISSB supports the co-regulatory regime by providing good-practice standards, guidance, and advice which supports safety SFAIRP and industry productivity.
4. RISSB's independence allows it to support Government's objectives for the co-regulatory model by consistently advocating good practice, interoperability, and harmonisation.



4. RISSB has the capability to extend its industry leadership role including in relation to productivity and efficiency

Productivity and efficiency in the rail industry are affected by a range of matters including:

- consistency of the RSNL (this is important to RTOs that operate nationally and RTOs operating within a specific jurisdiction).
- harmonisation of standards and interoperability of operations systems.
- operational practices within industry.

Whilst Government (as advised by ONRSR) clearly has responsibility in relation to the first of these matters, RISSB can play a role. An example is the inconsistent application of fatigue management in rail in the RSNL. RISSB has developed a Fatigue Management Guideline which, through industry and in liaison with ONRSR, could be leveraged to invoke more consistent national application of fatigue management.

RISSB is driving productivity and efficiency through the second matter, working with industry. RISSB has developed a wide range of standards, codes of practice and guidelines for industry relating to infrastructure, rollingstock, operations, safety and train control. RISSB aims to reduce the cost base for industry and drive revenue through initiatives that enhance the attractiveness of the industry to freight and passenger customers.

Aligned with objectives in its constitution, RISSB is expanding its role in relation to industry productivity and efficiency and has the potential to embark on further initiatives. All of the examples below will influence productivity and efficiency (and improve safety) for the rail industry in Australia.

1. RISSB is currently engaged in a workstream to consider interoperability issues as a result of the proposed introduction of new train control systems.
2. Through ARRM, RISSB can enhance rail safety through the collection, analysis and dissemination of safety risk information.
3. Using the outputs of ARRM, RISSB will provide leadership in the selection of standards requiring development or change, applying an enhanced evidence-based, independent approach.
4. RISSB is working with Governments to achieve efficiencies from harmonisation by building RISSB standards into procurement contracts
5. RISSB will shortly commence development of light rail standards for national application.
6. RISSB, in collaboration where appropriate with other organisations, is significantly increasing its learning and knowledge sharing opportunities for industry through training programs, forums and conferences.
7. To ensure standards encourage innovation and are, where possible, cutting edge, RISSB is developing an *Innovation Inventory and Related Trends* document.
8. RISSB is developing a set of *National Rules* which will, in part, reduce regional operational inconsistencies, improve safety through lowering the chance of

errors, raise the bar for good practice rail safety and enhance the mobility of the workforce.

9. RISSB is engaging young technical professionals through its Horizons Program to help shape the technical future of the industry.

Industry feedback is RISSB must continue to grow its role as an influencer, pro-actively pushing industry forward, challenging industry and ONRSR to achieve optimal safety and productivity. RISSB provides independent, unbiased views and stands up for what is right.

5. RISSB supports the regulatory role of ONRSR.

As outlined, RISSB and ONRSR are both critical to the co-regulatory model. RISSB is the “honest broker” and industry safety leader through its products and programs, supporting the regulatory role of ONRSR. ONRSR is a participant in the selection of RISSB products for development (ONRSR submits ideas for new products, votes on priorities and often nominates for project teams). ONRSR and RISSB work together where it is appropriate, and the intention is for this collaboration to be expanded in areas such as information and education programs for industry.

In relation to specific matters raised in the Issues Paper, RISSB comments are:

***p13 What impact have the national reforms had on safety outcomes?
What impact have other contributors to safety outcomes had since the reforms were introduced?***

RISSB believes the establishment of ONRSR has had a positive impact on rail safety in Australia. Co-regulation means that the responsibility for safety rests with rail companies, and they are delivering a high standard of safety. Weakening co-regulation would be a mistake. RISSB has played a role through the development of standards, codes of practice and guidelines and associated programs and initiatives. As highlighted in this submission, RISSB is intending to play a greater role in the future.

p13 What are the best measures of safety in rail, road and maritime. Where can the Commission source such data?

RISSB has developed the Australian Rail Risk Model (ARRM) which is established as a means to gather comprehensive industry wide occurrence data which is used to enhance safety across industry. ONRSR publish an Annual Safety Report which provides useful high-level safety measures. RISSB, with the industry Safety Managers Group, has developed safety KPIs for the rail industry.

p13 What have been the costs, or unintended consequences, of moving towards national standards?

RISSB believe national standards reduce costs for industry by supporting new technology and innovation, engendering harmonisation and enhancing productivity. Because RISSB standards are 'performance based' they don't inhibit innovation in the way that some other prescriptive standards might. Through the development of RISSB standards, industry starts to form subgroups / communities of subject matter experts who then share best practice, and advance relevant agendas. Examples include the Chief Medical Officers Council and the Human Factors Managers Group, both co-ordinated by RISSB on behalf of the rail industry.

p18 Should the remit of ONRSR and AMSA be expanded to include productivity objectives or should this be the responsibility of other institutions and agents?

Productivity is affected by many matters and ONRSR can play a role through, for example, ensuring the Rail Safety National Law (RSNL) is truly national.

RISSB believes the best way to encourage increased productivity in rail is to provide the opportunity for flexibility in implementing new systems and technologies.

ONRSR cannot directly influence industry productivity but they should have a responsibility to ensure their regulatory activity does not unnecessarily inhibit changes industry seek to make to achieve productivity.

p26 How might other institutions need to change to make the work of the regulators more effective?

RISSB is working with ONRSR to expand current collaborative initiatives, through both education and training programs, industry information and standard selection.