

# Annual **Report**

2013 to 2014





# Annual Report

2013 to 2014

## Letter of transmission

### TRANSPORT AND INFRASTRUCTURE COUNCIL

Dear Ministers

It is my pleasure to submit to you the first full year annual report of the Office of the National Rail Safety Regulator (ONRSR). The report is separately provided to all participating jurisdictional Ministers for Transport for tabling in their respective parliaments.

The ONRSR *Annual Report 2013 to 2014* has been prepared in accordance with the requirements of the Rail Safety National Law 2012 (RSNL).

The report is structured to reflect delivery against the ONRSR's *Corporate Plan 2013 to 2016* which has been endorsed by the Transport and Infrastructure Council and promoted to stakeholders.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Rob Andrews', with a long horizontal flourish extending to the right.

Rob Andrews  
Chief Executive

## About this report

The Office of the National Rail Safety Regulator (ONRSR) is a Body Corporate established under the Rail Safety National Law (RSNL) and under the Law is not subject to Ministerial direction in the exercise of its functions and powers. The RSNL requires the Regulator to deliver to the responsible Ministers a report on the ONRSR's activities for each financial year.

This report covers the activities of the ONRSR for the financial year 2013 to 2014 for those jurisdictions in which the ONRSR had legal accountabilities for safety regulation for this reporting period, namely South Australia, New South Wales, the Northern Territory and Tasmania. The report does not cover the regulatory ONRSR activities in Victoria which commenced in late May 2014 but does include the ONRSR activities leading to the enactment of the Victorian legislation by which accountability for rail regulation transitioned to the ONRSR.

The ONRSR is working with other jurisdictions, yet to pass legislation, to enable the ONRSR to regulate rail safety nationally.

The report is structured in three parts. The overview section includes our purpose, governance structures, summary of major achievements and summary financial report. Part A covers national regulatory activities and Part B covers regulatory activities at jurisdictional level operating under National Law during the whole of the financial year 2013 to 2014.

The ONRSR welcomes feedback on its report, please email [contact@onrsr.com.au](mailto:contact@onrsr.com.au)

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## Overview

### CHIEF EXECUTIVE'S MESSAGE

I am pleased to present our annual report for the financial year 2013 to 2014. This is the first full financial year of operation for the ONRSR. It is pleasing to note that the enactment of the Rail Safety National Law (Victoria) in May 2014 has increased the scope of our responsibilities and brings national coverage a significant step forward.

### REGULATORY APPROACH

Our overall regulatory approach, published in July 2013, is supported by our published compliance and enforcement policy and our safety improvement policy. Together these three documents set our vision for the type of regulator that we aspire to be, the relationship that we expect to have with those we regulate and the expectation that we have from industry in responding to the regulatory regime that has been established by the Law.

As a regulator, we seek to maintain and improve rail safety based on the development of robust risk-based arguments. We hold a range of enforcement powers which we can use, and already have, to ensure that railway operators comply with the Law. Our experience to date has shown that often dialogue with mature rail operators results in necessary improvements without the need to invoke formal powers and that is encouraging.

### REGULATORY ACTIVITIES

The ONRSR, at year end, regulates 126 accredited operators. Prior to the passing and introduction of the Rail Safety National Law (RSNL), over 185 separate accreditations were held by those same operators. Each operator now pays a single accreditation fee to the ONRSR. During this period we have worked to develop a program with operators to consolidate the multiple conditions and accreditations arising from the previous regulatory regime(s) into a single consistent set of conditions that comply with the RSNL. We are delivering in excess of the program we have established. In addition, all managers of registered sidings have been issued with consolidated ONRSR registrations, including those in Victoria.

Our National Operations work program comprised an audit schedule and targeted activities addressing the rail safety priorities identified and outlined in the ONRSR Annual Safety Report 2012 to 2013. We completed 186 formal audits and inspections of operators. We also completed 10 compliance investigations following incidents that could have serious enforcement implications, refused one application for accreditation and revoked one operator's accreditation. Following dialogue with the ONRSR, two operators imposed temporary cessations of operations pending operational improvements to their systems.

During the year, we have overseen the introduction of some major rail projects including the Inner West Light Rail Extension in Sydney and the electrification of the line and new rolling stock in Adelaide. We have also played our part in supporting the North West Rail Link Project in Sydney to proceed to contract.

The ONRSR has been funded, at Ministerial request, to undertake drug and alcohol testing to evidentiary standards following major incidents as well as random and intelligence-led testing. During the year, testing was undertaken in South Australia and Tasmania and a considerable body of preparatory work has been completed to position the ONRSR to undertake testing in NSW, the Northern Territory, and Victoria.



## SAFETY IMPROVEMENT INITIATIVES

Our safety improvement initiatives, such as that on improving road rail vehicle (RRV) safety, have led to wider education of the risks associated with RRV operations and some significant improvement in practices. During the year, the ONRSR held seven workshops for industry in South Australia, NSW and Tasmania to improve awareness of RRV risks and discuss appropriate mitigations. The 'inform and consult' element of the initiative is now complete and will be followed by compliance and enforcement activities in the coming year.

We have commenced initiatives on fatigue risk management and on integration of human factors into the overall safety management approach. This initiative involved working directly with 11 operators during 2013 to 2014 to tailor advice to their safety operations.

## BUILDING THE ONRSR

We have, and will continue, to invest significantly in our IT and business systems which needed improvement. We successfully delivered our schedule of work in the year. We have other improvements to make in the coming years.

Throughout the year, the ONRSR has regularly considered the regulatory practices operated by the previous state based regulators and has identified a number of different practices aimed at the same objective. As part of an ongoing process, the ONRSR has established a common approach in a number of areas, such as conducting audits and compliance inspections, reporting requirements, and drafting of accreditation notices.

Whilst the ONRSR welcomed the enactment of the RSNL in Victoria during the period, considerable resources have been devoted to that transition as well as to those jurisdictions yet to transition. This has diverted resources from other regulatory activities.

## FORWARD DIRECTION

In December 2014 we will publish our *Annual Safety Report 2013 to 2014*. The analysis underpinning the Annual Safety Report informs our regulatory and safety improvement priorities and we will modify them as necessary. We plan for the passage and enactment of the RSNL in the Australian Capital Territory and Western Australia in the near term, and continue, through the National Operations Committee and its work, to drive a consistent approach to regulation across all jurisdictions.

We continue to work with industry to review the current mechanisms available to the industry to establish and adopt quality standards based on a thorough understanding of quantitative risk. We will engage with all stakeholders in this task as the successful improvement to rail safety, as well as the economic benefits to rail of harmonisation, depends in large measure upon the approach to be adopted.

In summary, I list below some of the many highlights and challenges of the ONRSR that this report addresses.

## HIGHLIGHTS

- The compliance and enforcement activity of ONRSR Rail Safety Officers has led to many poor or unsafe practices being identified and remedies put in place
- ONRSR regulatory practices have become more consistent through the work of the National Operations Committee
- The ONRSR has started to move its regulatory activity more towards inspection and away from audits which brings greater safety benefits and support from industry

- Feedback that our safety improvement initiatives are improving operator practices and safety
- The successful and smooth transition of Victoria to regulation under the ONRSR
- 28 operators, following application for accreditation or variation, now hold consolidated ONRSR accreditation under the RSNL. A further 23 operators have consolidated accreditation as part of delivering our pro-active consolidation program, and a further 10 Victorian operators have three year transitional accreditations issued by the ONRSR
- All registrations for Rail Infrastructure Managers of private sidings were consolidated by the ONRSR
- Enactment of the variable fee rates in the regulations to enable the ONRSR to recover costs through industry annual fees in 2014-15 financial year
- General acknowledgement from industry including the Rail Industry Safety and Standards Board (RISSB) and Australasian Railways Association (ARA) that more needs to be done by industry to develop risk based tools and quality standards as part of a co-regulatory environment
- Prepared and published 10 new industry guidelines and five additional fact sheets
- Publication of the ONRSR's Statement of Intent and ONRSR *Corporate Plan 2014 to 2017*
- Publication of the ONRSR's first Annual Safety Report.

## CHALLENGES

- Managing operational issues, which always take precedence, with the high work load and cost associated with jurisdictions transitioning to regulation by the ONRSR
- Regulating in an environment which has yet to develop a national rail safety risk model
- Availability of historic rail safety data that is reliable and consistent
- Promoting the potential for national harmonisation with economic and safety benefits through collaborative leadership
- Ensuring retention and acquisition of the wide skill sets and experience required to discharge responsibilities
- Building and maintaining, across our various offices, a shared understanding of strategic direction and culture
- Refining and ensuring consistent application of national policies and processes
- Ongoing development of supporting IT and business systems and processes for national application.

## THANKS

I would like to thank again the external stakeholders with whom we have interfaced during the year. These include the rail industry, the Rail, Tram and Bus Union, the Australasian Railway Association, the Rail Industry Safety and Standards Board, the Australian Transport Safety Bureau, the National Transport Commission, the Australian Centre for Rail Innovation, police, work health and safety authorities, Ministers and their Departments. Each in their own way has contributed to our evolving organisation and the sharing of experience or knowledge helps us grow to achieve our objectives of a safer rail industry.

I would also like to particularly thank the staff of the ONRSR, and those contributing to our work under the Service Level Agreements, for their contributions to what I believe has been a successful year, and upon whose efforts the outcomes of next year will heavily depend.

Rob Andrews  
Chief Executive



## Our Aim

To enhance and promote rail safety through effective risk based regulation.

## Our Values

Our values guide and inform the internal culture and external business conduct of the ONRSR.

<b>INDEPENDENCE</b>	We are independent from industry, political and individual influences
<b>CO-REGULATORY</b>	We support and encourage industry to operate safely and enforce compliance with the Law
<b>EFFECTIVE</b>	We are committed to working cooperatively with industry to improve rail safety
<b>CLARITY</b>	We actively engage and communicate with the rail industry and other stakeholders, and are unambiguous in the decisions we make
<b>FAIRNESS AND INTEGRITY</b>	We are open and honest in all we do and act with integrity at all times
<b>LEADERSHIP</b>	We are committed to building and maintaining a positive team culture between regulator and industry for a shared purpose on safety
<b>RESPECT</b>	We show respect for others at all times, value our people and support professional and personal development so that we attract the highest quality of people to our workforce

## Our operational context

The ONRSR is established as a Body Corporate with perpetual succession under Section 12 of the Rail Safety National Law Act 2012. It operates under a national framework reporting to Ministers in each State and Territory through the Transport and Infrastructure Council.

The ONRSR's national office is based in Adelaide and regulatory staff deliver services through branch offices. For most of 2013 to 2014, two branch offices were operational, reflecting the status of participating states. These were Central Branch which oversaw operations in South Australia, the Northern Territory and Tasmania, and the New South Wales (NSW) Branch. The Central Branch also has regional offices in Darwin and Hobart. In May 2014, the enactment of the RSNL in Victoria led to the formation of the ONRSR Victorian Branch.

Staff in the Central Branch are employed by the ONRSR. The NSW and Victorian branches are staffed through Service Level Agreements (SLA) with Independent Transport Safety Regulator (ITSR) and Transport Safety Victoria (TSV) respectively. In July 2013, amendment to the SLA with

ITSR resulted in ITSR staff acting within an integrated ONRSR management structure, providing invaluable support to both local regulation and national office activities (e.g. national safety initiatives that also provide benefits to NSW).

The ONRSR reports twice each year to the Transport and Infrastructure Council (Ministerial Council).

For an overview of the Australian rail industry's safety performance, see the ONRSR's Annual Safety Report available on the ONRSR website.

For an overview of the ONRSR's stakeholders, see page 20.

## Our statutory framework

The ONRSR's principal governing framework is outlined in the Rail Safety National Law 2012.

The regulator's guiding objectives under the Law are to:

- facilitate the safe operation of rail transport in Australia
- exhibit independence, rigour and excellence in carrying out its regulatory functions
- promote safety and safety improvement as a fundamental objective in the delivery of rail transport in Australia.

The ONRSR also has responsibilities under the following South Australian legislation:

- Freedom of Information Act 1991
- Ombudsman Act 1972
- Public Finance and Audit Act 1987
- State Records Act 1997.

## What we do

The ONRSR's functions include:

- accrediting Australian rail transport operators and approving variations to existing accreditations
- compliance monitoring and enforcement of Rail Safety National Law
- promoting better safety practices and technologies to industry
- providing specialist advice to the rail industry
- provision of reports to the Transport and Infrastructure Council (Ministerial Council)
- liaising with stakeholders through forums and events
- assistance to jurisdictions whose rail regulation is yet to transition to the ONRSR
- central coordination and development of regulatory policies and procedures.

## Our resources

The ONRSR received funding from industry through fees to the value of \$7.9m and from State and Territory Governments to the value of \$16.3m. The ONRSR's primary expenditure items were the SLA payments to ITSR, salaries and wages, and operational costs including rent payments and the development and maintenance of IT systems.

## Governance

### ONRSR BOARD

Under the Rail Safety National Law, the ONRSR comprises the National Rail Safety Regulator (NRSR), Rob Andrews, and two Non-Executive members, Catherine Scott and Peter Batchelor. These three appointments made by the South Australian Minister on the unanimous advice from responsible Ministers are hereafter referred to collectively as the Board. The Board is responsible for acting in the best interests of the ONRSR, consistent with its objectives, functions and legislation. It performs core governance functions, which include annual reporting, development of the annual budget, and establishment of performance indicators. The legal authority for specific regulatory actions is vested in the NRSR only.

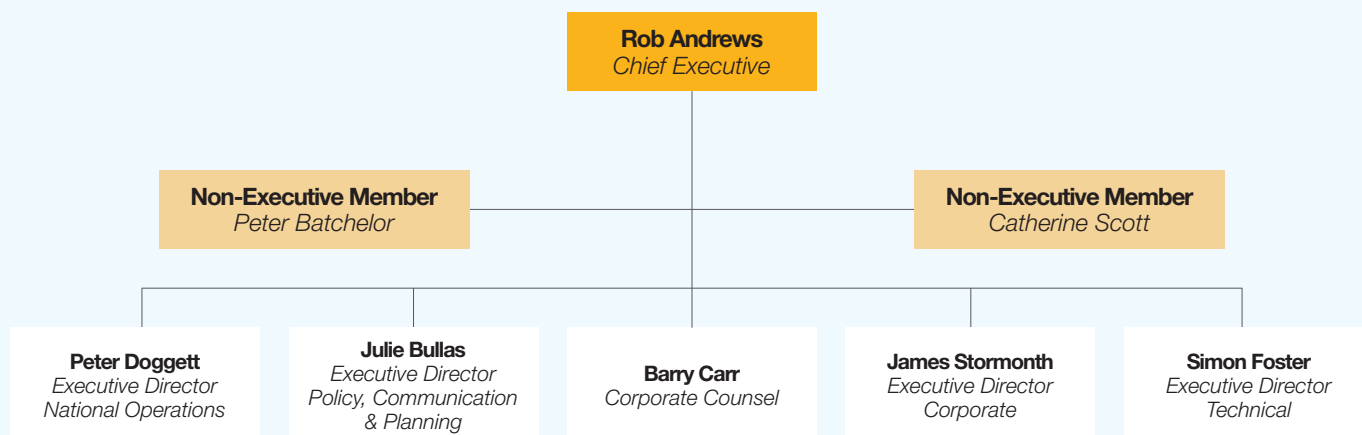
During the financial year 2013 to 2014, the Board met 11 times and discussed the current working arrangements of the ONRSR, its governance, its strategic directions as reflected in the Corporate Plan and Statement of Intent, provided delegated responsibility to the Audit and Risk Committee, oversaw the financial operations and provided support to the Chief Executive in relation to issues and concerns of transitioning jurisdictions.

The Board also endorsed the following:

- *Statement of Intent 2014*
- *Corporate Plan 2014 to 2017*
- corporate and financial policies
- proposed changes to fee regulation for 2014–15
- scope for the review of the cost-recovery model
- the Victorian Service Level Agreement
- amendment to the NSW Service Level Agreement.

## Executive

The ONRSR's Executive comprises four Executive Directors and Corporate Counsel. The ONRSR organisational chart depicting the current Executive structure is as given below:



During the financial year 2013 to 2014, the Executive met 19 times and discussed the ONRSR's strategic directions, corporate risks and issues, operational strategies, policy and legislative requirements, safety intelligence, safety improvement initiatives and transitional issues. The Executive reviewed and endorsed the direction and recommendations from supporting committees in the governance structure.

## The team

The ONRSR has taken a cautious approach to recruitment and finance, pending transition of all jurisdictions to its regulation. At year-end, 49 staff were employed by the ONRSR of which nine were employed on fixed term contracts. Of these, 38 are located in National Office and 11 in Central Branch. In addition, services were provided by 67 staff in NSW and 25 staff in Victoria under the Service Level Agreements.

## Governance system

The Board and Executive are supported by a governance structure comprising internal and external committees, and processes and procedures, including delegation of authorities and risk management practice. These are outlined below.

### Internal committees

The ONRSR has one advisory committee to the Board:

#### *Independent Audit and Risk Committee*

An independent Audit and Risk Committee reports directly to the Board, providing advice and making recommendations against its agreed terms of reference. The committee meets quarterly and oversees and reviews the ONRSR's corporate risk and financial management practices. It comprises two members, Catherine Scott, an ONRSR Non-Executive member, and Malcolm Renney, an external appointment who has extensive risk management experience in the banking sector. The Auditor-General or his representative is invited as a guest to each meeting of the Committee and this facilitates effective communication with the Audit Office.

There are three senior decision-making committees sitting under the Executive as outlined below:

#### *National Operations Committee (NOC)*

The NOC is led by the Executive Director national operations and comprises the Executive Director Technical and senior operational staff from national office and branch offices. The NOC oversees the preparation and implementation of the National Operations work plan, discusses arising operational matters and is the vehicle for coordinating a consistent approach to regulation.

#### *Data and Policy Committee (DPC)*

The DPC is led by the Chief Executive and comprises Executive Directors responsible for Policy and Safety Improvement, Operations and Technical together with appropriate senior management from those areas. The DPC reviews safety intelligence on emerging issues, establishes safety improvement initiatives, identifies areas for policy, legislative and guideline development, oversees the drug and alcohol testing program, the development of the Annual Safety Report and safety bulletins.

#### *Information Management and Technology (IM&T) Steering Committee*

The IM&T Steering Committee (IM&TSC) is led by the Executive Director, Corporate and comprises the Executive Director for National Operations and the Executive Director Technical and senior IT staff. The IM&TSC oversees and is a decision making body in relation to all IT developments and maintenance for the ONRSR including transitioning of jurisdictions. During the year the IM&TSC:

- conducted an audit and inventory of the ONRSR's IM&T systems
- managed the successful introduction of the regulatory system and the latest version of the new records management system into the Victorian Branch Office
- successfully finalised several work packages for the enhancement of the regulatory IT system
- introduced an IM&T governance framework.

## Delegation of authorities

A framework of delegation is in place so that day-to-day powers of the NRSR can be executed by Executive Directors, Branch Directors and operational staff.

## Corporate risk management

The ONRSR is committed to ensuring it has the necessary expertise, processes and agreements in place and takes a proactive approach in identifying its risks and implementing appropriate mitigation strategies. Whilst there is a shared responsibility throughout the organisation, management of risk is overseen by the ONRSR Audit and Risk Committee. The ONRSR maintains a detailed business risk register.

Throughout the year the Executive regularly and formally reviewed key risks, priorities and required actions.

Identified key risks that the ONRSR is actively working to mitigate include:

- delays in transition of the remaining state based regulators into the ONRSR
- influencing an industry-led approach to developing a safety risk model
- preparedness of IT business systems to support national regulatory activities and records management requirements.

## Statement of Intent 2014–17

The ONRSR is required to set out a Statement of Intent each year for agreement by the Ministerial Council. The full Statement of Intent, as agreed by the Ministerial Council in May 2014, is available on the ONRSR's web site at [www.onrsr.com.au](http://www.onrsr.com.au).

The Statement of Intent outlines the ONRSR's key functions, its regulatory approach and the priorities and goals for 2014 to 2017. These include undertaking activities to support the ONRSR's regulatory approach, creating a culture within the ONRSR to optimise organisational effectiveness and to deliver consistent risk-based regulation across the country.

The goals of the ONRSR which are reflected in its *Corporate Plan 2014 to 2017*, are to:

- maintain and improve rail safety through risk-based regulation
- reduce regulatory burden on industry
- promote greater self-regulation by industry
- prepare for and support the entry of other state regulators into the ONRSR
- promote safety awareness and safety improvement initiatives
- develop and enable our people to optimise internal capability and organisational effectiveness.

To achieve these goals, the ONRSR aims to maintain and improve rail safety through consistent risk-based application of the Law across jurisdictions, share and improve regulatory practice and develop strong stakeholder relationships and engagement.

A key focus for the ONRSR is to encourage industry to develop an industry-owned national rail safety risk model supported by consistent, accurate data. This will support the development and adoption of quality industry products and safety improvement initiatives and projects, which in turn will result in safety and economic benefits to industry.

## Regulatory approach

The ONRSR's regulatory approach articulates how we regulate consistent with our aim and objectives. The full document is available at [www.onrsr.com.au](http://www.onrsr.com.au).

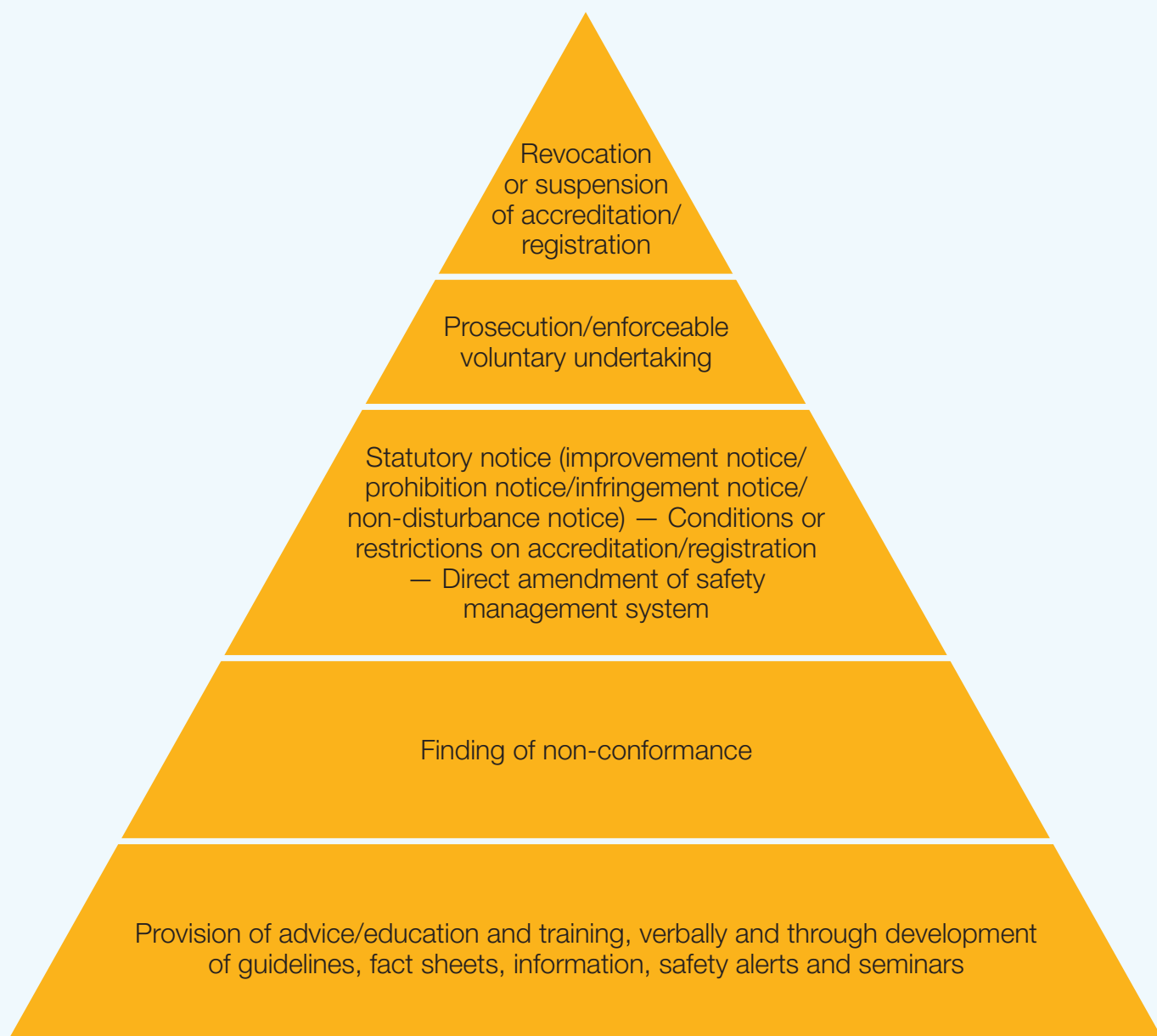
Key principles of the ONRSR's regulatory approach are as follows:

- **Independent and impartial:** We are independent from industry, political and individual influences and act without bias in the best interest of rail safety and consistent with our functions.
- **Risk-based:** Regulatory effort and compliance activity is commensurate with risk, which means we align our priorities and regulatory activity with the highest risk and potential for improvement.
- **Educational:** The ONRSR, through its safety improvement strategy, proactively engages in encouraging, collaborating and supporting the wider industry to enable duty-holders under the Law to improve their knowledge, skills and standards to prevent accidents and unsafe conditions.
- **Proportionate compliance and enforcement:** The ONRSR's compliance and enforcement policy is predicated upon response to safety issues being proportionate to the risks and potential benefit to safety.
- **Transparent, fair and accountable:** Rail transport operators know what, why and when we take safety action and these actions are predictable and proportionate.
- **Consistent:** We are consistent with our risk-based decision-making and like situations will be treated in a like manner as much as possible, no matter where they arise under the ONRSR.

These principles aim to support regulatory effectiveness and efficiency, and continual improvement in rail safety through a transparent and collaborative relationship with the rail transport industry.

We prefer to achieve outcomes by providing support and collaboration on risk-based safety improvement initiatives to encourage industry to build its capacity and improve its performance voluntarily and collectively. Given this, our preferred first response is to influence and support industry on risk management initiatives as well as providing any tools and guidance that is required. If further regulatory action is required, we use those regulatory tools and provisions as articulated under the RSNL. This approach is outlined in our Compliance and Enforcement policy and depicted in the diagram opposite:





## Our stakeholders

The following reflects key ONRSR external stakeholders as at June 2014. The ONRSR's primary stakeholder is the Australian public who are represented through government ministers, government forums, bodies and agencies.

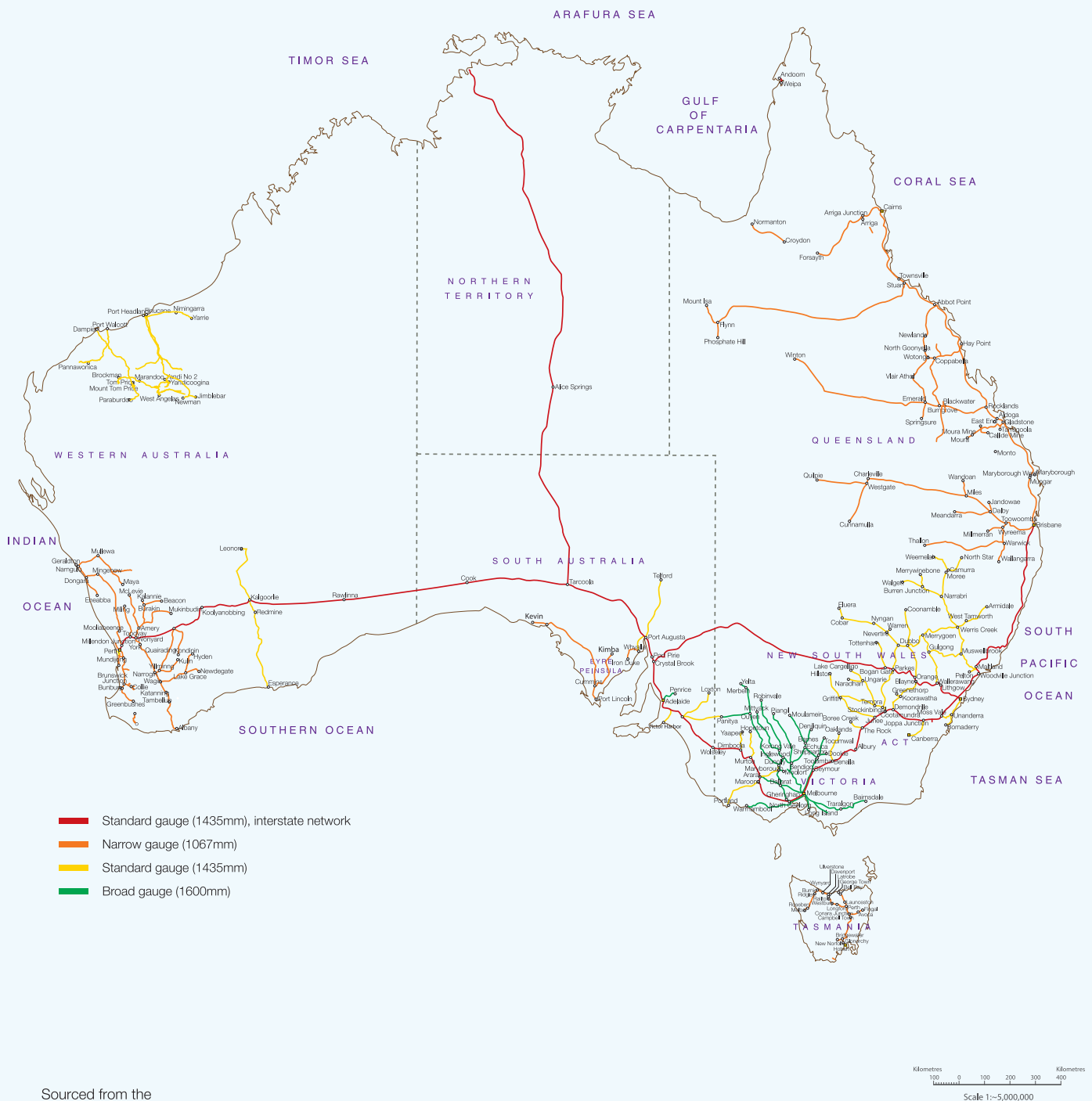
STAKEHOLDER	ROLE/FUNCTION	WHAT ONRSR DELIVERS
Transport and Infrastructure Council (Ministerial Council) & Transport and Infrastructure Senior Officials' Committee (TISOC)	Ministerial body comprising all State, Territory and Federal Ministers for Transport and Infrastructure  Senior officials of government departments supporting Ministerial Council through advice and coordination of briefings	Efficient and effective regulation of rail safety in Australia  Monitor and reporting of national rail safety issues  Status on transition of rail regulation to the ONRSR  Proposals for fee regulations to recover industry costs  Corporate Plan and Statement of Intent
National Transport Commission (NTC)	Inter-governmental agency charged with improving the productivity, safety and environmental performance of Australia's road, rail and intermodal transport system	Advice and liaison on legislative enhancements to the RSNL
Australian Transport Safety Bureau (ATSB)	Independent Commonwealth Government statutory agency that conducts national rail safety investigations	The ONRSR response to safety issues referred through the ATSB's confidential reporting (REPCON) system  Data, information and support in regard to accident notification and rail safety investigations  Liaison on rail safety and regulatory response issues
Rail Industry Safety and Standards Board (RISSB)	Owned by the Australasian Railway Association (ARA) and responsible for the development and management of the rail industry standards, rules, codes of practice and guidelines, all of which have national application.  Accredited by Standards Australia as a Standards Development Organisation	Encouragement for the development of an industry owned national rail safety risk model supported by consistent and accurate data  Support to promote harmonisation, standardisation and interoperability of industry practice and systems to benefit safety  Work with RISSB to develop and promote safety improvement initiatives, including the development of guidelines and standards

STAKEHOLDER	ROLE/FUNCTION	WHAT ONRSR DELIVERS
Australasian Railway Association (ARA)	Peak body representing passenger, freight, track operators and the wider rail supply industry in Australia, New Zealand and Indonesia	Consultation on strategic rail safety policy and regulatory issues
Australian Tourist and Heritage Railway Association (ATHRA)	National body representing Australian tourist and heritage rail organisations	Provision of advice and support on rail safety Consultation on strategic rail safety policy and regulatory issues
Rail Transport Operators (Chief Executives, Rail Safety Managers)	Includes senior management and safety personnel across all forms of rail transport in Australia	Accreditation/registration for rail operations Monitor and oversight of industry application of rail safety legislation and industry rail safety standards through enforcement activities Assistance to improve operators' safety risk management practices through education and the provision of tools Development and enactment of rail safety policy
Rail, Tram and Bus Union (RTBU)	Represents transport industry workers in Australia on industrial matters including safety	Support for safety of railway safety workers through enforcement of rail safety legislation and safety improvement services Development and enactment of rail safety policy
Australasian Centre for Rail Innovation (ACRI)	Rail related research	Advice, direction and governance through its role as a Director of ACRI

# Industry safety performance

## AUSTRALIAN RAIL INDUSTRY CONTEXT

The map below depicts the rail networks operating across Australia:



Sourced from the Australasian Railway Association.

## RAIL INDUSTRY SAFETY PERFORMANCE DATA

The table below provides provisional high level data on the rail industry safety performance within the remit of the ONRSR during the reporting period (excluding Victoria). The ONRSR Annual Safety Report (to be published in December 2014) provides more in-depth analysis of safety performance.

Rail safety contexts by state are outlined in more detail in the jurisdictional overviews in Part B (page 70).

STATE	PERIOD	CAT A	CAT B	FATALITY	SERIOUS INJURY
SA	1 July 13 – 30 June 14	46	4665	3	13
TAS	1 July 13 – 30 June 14	8	735	1	0
NT	1 July 13 – 30 June 14	4	302	0	0
NSW	1 July 13 – 30 June 14	538	26250	42	496
<b>Total</b>	1 July 13 – 30 June 14	<b>596</b>	<b>31952</b>	<b>46</b>	<b>509</b>

### Category A and Category B Occurrences

Under the RSNL, rail transport operators must report notifiable occurrences. Regulation 57 defines two categories of occurrence for the purpose of reporting – Category A, which must be verbally reported to the Australian Transport Safety Bureau (ATSB) immediately and then in writing to the ONRSR within 72 hours and Category B which must be reported to the ONRSR in writing within 72 hours of the occurrence. The ATSB informs the ONRSR upon notification of a Category A event.

### Fatalities and injuries

Fatalities and injuries can involve staff employed by railway companies, railway passengers or members of the public affected by railway operations. The ONRSR Occurrence Notification Standard (ON-S1) provides guidance to support Regulation 57 on the types of occurrences that are reportable and what data items must be included with these reports. Where a casualty occurs in conjunction with an occurrence, details of this casualty must also be provided to the ONRSR.

There have been 46 reported fatalities on the ONRSR regulated network in the reporting period, excluding those directly associated with a health-related condition, event or suspected drug overdose. These 46 are made up of 43 trespass or suspected suicide incidents, one collision between a train and a person at a level crossing and two passenger fatalities; one passenger was fatally injured after falling from a platform and being struck by a train, and another passenger died after falling on station stairs.

There have been 509 serious injuries notified during the reporting period. Approximately 75% of cases involved falls and approximately 12% involved assaults. ON-S1 defines a serious injury as one requiring admission to hospital. This information is not always known at the time of occurrence notification. For the purposes of this report, the occurrences have been reviewed and those appearing to have involved an injury likely to require admission to hospital have been included.

## Financial summary

The ONRSR's detailed audited financial statements commence on page 29 of this annual report.

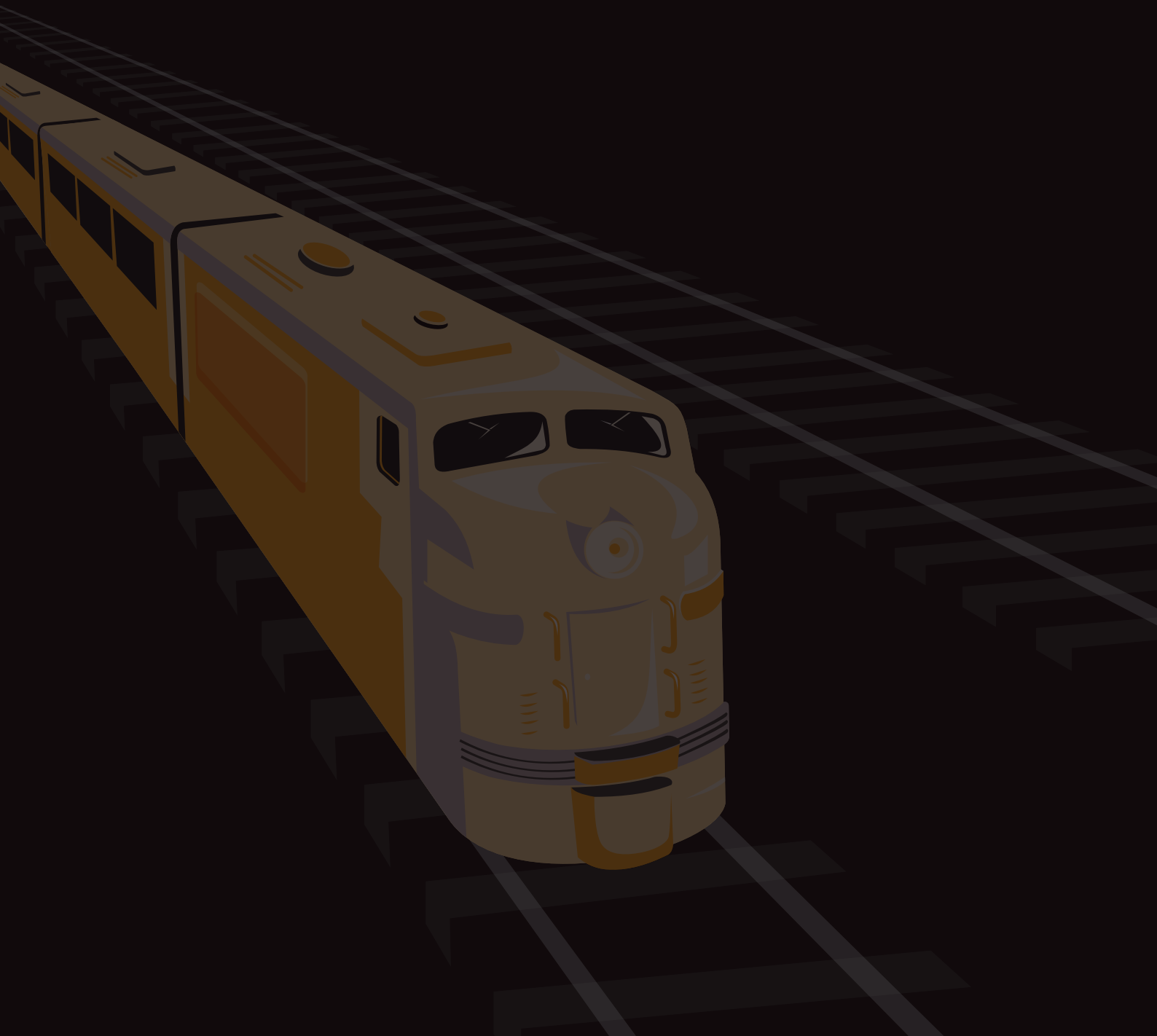
The ONRSR showed a net surplus of \$0.334 million for the financial year ending 30 June 2014. This result included transition expenses of \$0.851 million. It was noted in the financial summary in last year's report where the receipt of \$3.849 million from the Commonwealth Government for the transition of branch offices in Victoria, Queensland and Western Australia was treated as income, that these transition expenses would be incurred in the following years. In the equity section of the statement of financial position, there remains \$2.880 million in the reserve held to cover the expenses of transition of Western Australia and Queensland.

The major revenue item was the revenue collected from fees and charges (\$24.248 million).

The two major expenditure items were the Service Level Agreement payments made to the Independent Transport Safety Regulator for staff forming the ONRSR NSW Branch (\$13.431 million) and employee benefits expenses (\$6.018 million).

As referred to in the statement of financial position, the cash and cash equivalents balance (\$5.789 million) includes the balance of monies held for transition costs (\$2.880 million) which will not be used for general ONRSR operations.

# ONRSR Financial Statements for the year ended 30 June 2014





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**To the Chief Executive  
The Office of the National Rail Safety Regulator**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 263 of the *Rail Safety National Law (South Australia) Act 2012*, I have audited the accompanying financial report of the Office of the National Rail Safety Regulator for the financial year ended 30 June 2014. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2014
- a Statement of Financial Position as at 30 June 2014
- a Statement of Changes in Equity for the year ended 30 June 2014
- a Statement of Cash Flows for the year ended 30 June 2014
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Chief Executive and the Executive Director, Corporate.

**Chief Executive's Responsibility for the Financial Report**

The Chief Executive is responsible for the preparation of the financial report that gives a true and fair view in accordance with the provisions of the *Public Finance and Audit Act 1987* and the *Rail Safety National Law (South Australia) Act 2012* and Australian Accounting Standards, and for such internal control as the Chief Executive determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Chief Executive, as well as the overall presentation of the financial report.



I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial report gives a true and fair view of the financial position of the Office of the National Rail Safety Regulator as at 30 June 2014, its financial performance and its cash flows for the year then ended in accordance with the provisions of the *Public Finance and Audit Act 1987* and *Rail Safety National Law (South Australia) Act 2012* and Australian Accounting Standards.



**S O'Neill**  
**AUDITOR-GENERAL**  
17 September 2014

# The Office of the National Rail Safety Regulator

## Certification of the Financial Statements

We certify that the attached general purpose financial statements for the Office of the National Rail Safety Regulator:

- complies with Section 263 of the Rail Safety National Law (South Australia) Act 2012 and Regulation 48 of *RSNL National Regulations*, and relevant Australian accounting standards;
- are in accordance with the accounts and records of the Office of the National Rail Safety Regulator; and
- presents a true and fair view of the financial position of the Office of the National Rail Safety Regulator as at 30 June 2014 and the results of its operation and cash flows for the financial year.

We certify the internal controls employed by the Office of the National Rail Safety Regulator for the financial year over its financial reporting and the preparation of the general purpose financial Statements have been effective throughout the reporting period.



Chief Executive

12 / 9 / 2014



Executive Director - Corporate

12 / 9 / 2014



# The Office of the National Rail Safety Regulator

## Statement of Comprehensive Income

For the year ended 30 June 2014

		2014	2013
	Note	\$'000	\$'000
<b>Expenses:</b>			
Employee benefits expenses	4	6,018	2,814
Supplies and services	5	3,609	1,160
Service level agreement	6	13,431	5,969
Depreciation and Amortisation	7	358	130
Transition expenses	8	851	921
Other expenses	9	12	-
<b>Total expenses</b>		<b>24,279</b>	<b>10,994</b>
<b>Income:</b>			
Revenues from fees and charges	10	24,248	11,129
Commonwealth revenues	11	91	1,631
Interest revenues	12	143	58
Funding for transition expenses	13	131	4,770
Other income		-	491
<b>Total income</b>		<b>24,613</b>	<b>18,079</b>
<b>Net result</b>		<b>334</b>	<b>7,085</b>
<b>Total comprehensive result</b>		<b>334</b>	<b>7,085</b>

The above statements should be read in conjunction with the accompanying notes.

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# The Office of the National Rail Safety Regulator

## Statement of Financial Position

As at 30 June 2014

	Note	2014 \$'000	2013 \$'000
<b>Current assets:</b>			
Cash and cash equivalents	14	5,789	5,806
Receivables	15	2,527	839
<b>Total current assets</b>		<b>8,316</b>	<b>6,645</b>
<b>Non-Current assets</b>			
Property, plant and equipment	16	384	363
Intangible assets	17	828	1,081
<b>Total Non-Current assets</b>		<b>1,212</b>	<b>1,444</b>
<b>Total assets</b>		<b>9,528</b>	<b>8,089</b>
<b>Current liabilities:</b>			
Payables	18	615	523
Employee benefits	19	847	447
Other liabilities	20	580	-
<b>Total current liabilities</b>		<b>2,042</b>	<b>970</b>
<b>Non-Current liabilities:</b>			
Employee benefits	19	67	34
<b>Total Non-Current liabilities</b>		<b>67</b>	<b>34</b>
<b>Total liabilities</b>		<b>2,109</b>	<b>1,004</b>
<b>Net assets</b>		<b>7,419</b>	<b>7,085</b>
<b>Equity:</b>			
Retained earnings		4,539	3,236
Reserve for transition expenses		2,880	3,849
<b>Total equity</b>	22	<b>7,419</b>	<b>7,085</b>
Unrecognised contractual commitments	23		
Contingent assets and liabilities	24		

The above statements should be read in conjunction with the accompanying notes.

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# The Office of the National Rail Safety Regulator

## Statement of Changes in Equity

For the year ended 30 June 2014

	Note	Reserve for Transition expenses \$'000	Retained earnings \$'000	Total \$'000
<b>Balance at 30 June 2012</b>		-	-	-
<b>Net result for 2012-13</b>		-	7,085	7,085
<b>Total comprehensive result for 2012-13</b>		-	7,085	7,085
Transfer between equity components		3,849	(3,849)	-
<b>Balance at 30 June 2013</b>		<b>3,849</b>	<b>3,236</b>	<b>7,085</b>
<b>Net result for 2013-14</b>		-	334	334
<b>Total comprehensive result for 2013-14</b>		-	334	334
Transfer between equity components		(969)	969	-
<b>Balance at 30 June 2014</b>	22	<b>2,880</b>	<b>4,539</b>	<b>7,419</b>

The above statements should be read in conjunction with the accompanying notes.



# The Office of the National Rail Safety Regulator

## Statement of Cash Flows

For the year ended 30 June 2014

		2014 Inflows (Outflows) \$'000	2013 Inflows (Outflows) \$'000
<b>Cash flows from operating activities</b>	<b>Note</b>		
Cash outflows			
Employee benefit payments		(5,573)	(1,826)
Payments for supplies and services		(4,279)	(1,036)
Payments of service level agreement		(13,431)	(5,969)
Transition expenses		(856)	(738)
<b>Cash used in operations</b>		<b>(24,139)</b>	<b>(9,569)</b>
Cash inflows			
Fees and charges		23,847	10,535
Interest received		144	50
Funding for transition expenses		131	4,770
Other receipts		-	20
<b>Cash generated from operations</b>		<b>24,122</b>	<b>15,375</b>
<b>Net cash provided by (used in) operating activities</b>		<b>(17)</b>	<b>5,806</b>
 <b>Net increase (decrease) in cash and cash equivalents</b>	 <b>26</b>	 <b>(17)</b>	 <b>5,806</b>
 <b>Cash and cash equivalents at 1 July 2013</b>		 <b>5,806</b>	 <b>-</b>
<b>Cash and cash equivalents at 30 June 2014</b>	<b>14</b>	<b>5,789</b>	<b>5,806</b>

The above statements should be read in conjunction with the accompanying notes.

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# **The Office of the National Rail Safety Regulator**

## **Notes to and forming part of the financial statements**

### **1. Objective of the Office of the National Rail Safety Regulator**

The Office of the National Rail Safety Regulator is established under the *Rail Safety National Law (South Australia) Act 2012* (the Law).

The Office of the National Rail Safety Regulator has the principal objective of facilitating the safe operation of rail transport across Australia. This is achieved through regulation of the rail industry in accordance with the Law, supporting regulations, guidelines and policies, promotion of safety as a fundamental objective in the delivery of rail transport services.

The Office of the National Rail Safety Regulator was established on 1 July 2012 and commenced regulatory activities on 20 January 2013. Thus the comparative figures shown in the financial statements for 2013 only cover 5 and a half months operations.

### **2. Summary of significant accounting policies**

#### **(a) Statement of compliance**

The Office of the National Rail Safety Regulator has prepared these financial statements in compliance with section 263 of the *Rail Safety National Law (South Australia) Act 2012* and Regulation 48 of Rail Safety National Law National Regulations.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards (AAS).

The Office of the National Rail Safety Regulator has applied AASs that are applicable to not-for-profit entities, as the Office of the National Rail Safety Regulator is a not-for-profit entity.

AASs and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Office of the National Rail Safety Regulator for the reporting period ending 30 June 2014. Refer to Note 3.

#### **(b) Basis of preparation**

The preparation of the financial statements requires:

- The use of certain accounting estimates and requires management to use its judgement in the process of applying the Office of the National Rail Safety Regulator's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements are outlined in the applicable notes.
- Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported.

The Office of the National Rail Safety Regulator's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets that were valued in accordance with the valuation policy applicable.

## **The Office of the National Rail Safety Regulator**

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a 12 month basis and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2014 and the comparative information presented.

**(c) Rounding**

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

**(d) Taxation**

The Office of the National Rail Safety Regulator is not subject to income tax. The Office of the National Rail Safety Regulator is liable for payroll tax, FBT, GST and Emergency Services Levy.

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the ATO, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable.
- Receivables and payables, which are stated with the GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the ATO. If GST is not payable to, or recoverable from, the ATO the commitments and contingencies are disclosed on a gross basis.

**(e) Events after the reporting date**

Adjustments are made to amounts recognised in the financial statements, where an event occurs after June 30 and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

**(f) Income**

Income is recognised to the extent that it is probable that the flow of economic benefits to the Office of the National Rail Safety Regulator will occur and can be reliably measured.



## **The Office of the National Rail Safety Regulator**

Income has been aggregated according to its nature and has not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

### *Fees and charges*

Revenues from fees and charges are derived from the provision of services to industry and state governments. This revenue is recognised upon delivery of the service to the clients or by reference to the stage of completion.

### *Contributions received*

Contributions are recognised as an asset and income when the Office of the National Rail Safety Regulator obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met (i.e. the amount can be reliably measured and the flow of resources is probable).

Generally, the Office of the National Rail Safety Regulator has obtained control or the right to receive for:

- Contributions with unconditional stipulations - this will be when the agreement becomes enforceable - i.e. the earlier of when the receiving entity has formally been advised that the contribution (e.g. grant stipulation) has been approved; agreement/contract is executed; and/or the contribution is received.
- Contributions with conditional stipulations - this will be when the enforceable stipulations specified in the agreement occur or are satisfied; that is income would be recognised for contributions received or receivable under the agreement.

All contributions received by the Office of the National Rail Safety Regulator have been contributions with unconditional stipulations attached and have been recognised as an asset and income upon receipt.

### **(g)** *Expenses*

Expenses are recognised to the extent that it is probable that the flow of economic benefits from the Office of the National Rail Safety Regulator will occur and can be reliably measured.

Expenses have been aggregated according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

### *Employee benefits expenses*

Employee benefits expenses include all costs related to employment including wages and salaries, non-monetary benefits and leave entitlements. These are recognised when incurred.

### *Superannuation*

The amount charged to the Statement of Comprehensive Income represents the contributions made by the Office of the National Rail Safety Regulator to the externally managed superannuation plan in respect of current Office of the National Rail Safety Regulator staff.

# The Office of the National Rail Safety Regulator

## *Service Level Agreement*

For contributions payable under the Service Level Agreement, the contribution will be recognised as a liability and expense when the Office of the National Rail Safety Regulator has a present obligation to pay the contribution and the expense recognition criteria are met.

All contributions paid to the Office of the National Rail Safety Regulator have been contributions with unconditional stipulations attached.

## *Depreciation and amortisation*

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. Amortisation is used in relation to intangible assets such as software, while depreciation is applied to tangible assets such as property, plant and equipment.

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate.

Depreciation/amortisation is calculated on a straight line basis over the estimated useful life of the following classes of assets as follows:

Class of asset	Useful life (years)
Computer equipment	5 - 10
Intangible assets	3 - 5

Depreciation on Fixtures and fittings is calculated using the diminishing value method.

## *(h) Current and non - current classification*

Assets and liabilities are characterised as either current or non-current in nature. Assets and liabilities that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within 12 months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Where asset and liability line item combine amounts expected to be realised within 12 months and more than 12 months, the Office of the National Rail Safety Regulator has separately disclosed the amounts expected to be recovered or settled after more than 12 months.

## *(i) Assets*

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other events.

Where an asset line item combine amounts expected to be settled within 12 months and more than 12 months, the Office of the National Rail Safety Regulator has separately disclosed the amounts expected to be recovered after more than 12 months.

## *Cash and cash equivalents*

Cash and cash equivalents in the Statement of Financial Position include cash at bank and on hand.

## **The Office of the National Rail Safety Regulator**

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Cash is measured at nominal value.

### *Receivables*

Receivables include amounts receivable from GST input tax credits recoverable, prepayments and accruals.

Receivables arise in the normal course of providing services to industry and state governments.

Receivables are generally settled within 30 days after the issue of an invoice.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the Office of the National Rail Safety Regulator will not be able to collect the debt. Bad debts are written off when identified.

### *Non-current assets*

#### Acquisition and recognition

Non-current assets are initially identified at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value less accumulated depreciation

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position.

All non-current tangible assets with a value equal to or in excess of \$5,000 are capitalised.

#### Impairment

All non-current tangible and intangible assets are tested for indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

### *Intangible assets*

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either definite or infinite. The Office of the National Rail Safety Regulator only has intangible assets with definite lives. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

### *(i) Liabilities*

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Where a liability line item combine amounts expected to be settled within 12 months and more than 12 months, the Office of the National Rail Safety Regulator has separately disclosed the amounts expected to be settled after more than 12 months.



## The Office of the National Rail Safety Regulator

### *Payables*

Payables include creditors, accrued expenses, GST payable and employment on-costs.

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of the Office of the National Rail Safety Regulator.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

All payables are measured at their nominal amount, are unsecured and are normally settled within 30 days from the invoice or date the invoice is first received.

Employee benefit on-costs include payroll tax, workers compensation and superannuation contributions in respect to outstanding liabilities for salaries and wages, LSL and annual leave.

The Office of National Rail Safety Regulator makes contributions to several State Government and Commercial superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes.

The only liability outstanding at balance date are contributions which have not yet been paid to the South Australian Superannuation Board or commercial superannuation companies.

### *Leases*

The Office of the National Rail Safety Regulator leases office premises. Lease payments are increased annually in accordance with movements in CPI or as per the lease agreement.

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight-line basis over the lease term. The straight-line basis is representative of the pattern of benefits derived from the leased asset.

### *Employee benefits*

These benefits accrue for employees as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

- *Wages, salaries, annual leave & sick leave*

The liability for salary and wages are measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

The annual leave liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid. In the unusual event where salary and wages and annual leave are payable later than 12 months, the liability will be measured at present value.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

- *LSL*

This amount has been calculated in accordance with AASB119.

## The Office of the National Rail Safety Regulator

The liability for long service leave is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and periods of service.

### *Provisions*

Provisions are recognised when the Office of the National Rail Safety Regulator has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Office of the National Rail Safety Regulator expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of the time value of money is material, provisions are discounted for the time value of money and the risks specific to the liability.

The Office of the National Rail Safety Regulator is responsible for the payment of workers compensation claims.

### *Other current liabilities*

This liability represents the difference between the proposed industry revenue received from NSW operators and the NSW contribution to ONRSR head office costs.

### **(k) Unrecognised contractual commitments and contingent assets and liabilities**

Commitments include operating lease commitments arising from contractual or statutory sources and are disclosed at their nominal value.

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

### **3. New and revised accounting standards and policies**

The Office of the National Rail Safety Regulator did not voluntarily change any of its accounting policies during 2013-14.

AASs and interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Office of the National Rail Safety Regulator for the period ending 30 June 2014. The Office of the National Rail Safety Regulator has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the Office of the National Rail Safety Regulator.

## The Office of the National Rail Safety Regulator

### 4. Employee benefits expenses

	2014	2013
	\$'000	\$'000
Salaries and wages	4,601	2,140
Long service leave	148	34
Annual leave	540	333
Employment on-costs - superannuation	458	197
Employment on-costs - other	257	102
Workers compensation	14	8
<b>Total employee benefits expenses</b>	<b>6,018</b>	<b>2,814</b>

### *Remuneration of employees*

	2014	2013
	Number	Number
The number of employees whose remuneration received or receivable falls within the following bands:		
\$141,500 to \$151,499	1	0
\$151,500 to \$161,499	2	0
\$181,500 to \$191,499	0	1
\$221,500 to \$231,499	1	0
\$231,500 to \$241,499	1	0
\$291,500 to \$301,500	2	0
\$361,500 to \$371,499	0	1
\$391,500 to \$401,499	1	0
<b>Total number of employees</b>	<b>8</b>	<b>2</b>

The table includes all staff who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of staff reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation of leave, superannuation contributions, salary sacrifice benefits, fringe benefits and any FBT paid in respect of those benefits. The total remuneration received by these employees was \$1.920 million. (\$ 0.554 million)

### 5. Supplies and services

	2014	2013
	\$'000	\$'000
Travelling expenses	547	201
Information Technology	918	365
Insurance	233	177
Property	614	259
Contractors fees	839	59
Other	458	99
<b>Total supplies and services</b>	<b>3,609</b>	<b>1,160</b>

### **Consultants**

The number and dollar amount of consultancies paid/payable (included in other supplies and services above) that fell within the following bands:

	2014	2013
	Number	Number
	\$'000	\$'000
Below \$10,000	4	1
<b>Total paid/payable to consultants</b>	<b>4</b>	<b>1</b>

## The Office of the National Rail Safety Regulator

### Auditors remuneration

	2014	2013
	\$'000	\$'000
Audit fees paid/payable to the Auditor General's Department relating to the audit of financial statements (included in supplies and services above)	44	28
<b>Total Audit fees</b>	<b>44</b>	<b>28</b>

No other services were provided by the Auditor General's Department

### 6. Service Level Agreement

	2014	2013
	\$'000	\$'000
Payment under Service Level Agreement with NSW	13,431	5,969
<b>Total Service Level Agreement</b>	<b>13,431</b>	<b>5,969</b>

### 7. Depreciation and amortisation

	2014	2013
	\$'000	\$'000
Fixtures and fittings	24	11
Computer Equipment	46	11
Computer Software	288	108
<b>Total depreciation and amortisation</b>	<b>358</b>	<b>130</b>

### 8. Transition expenses

	2014	2013
	\$'000	\$'000
Transition expenses for the establishment of Branch Offices and the development of the relevant IT and business systems	851	921
<b>Total transition expenses</b>	<b>851</b>	<b>921</b>

### 9. Other expenses

	2014	2013
	\$'000	\$'000
Bad debts and allowances for doubtful debts	12	0
<b>Total other expenses</b>	<b>12</b>	<b>0</b>

### 10. Revenue from fees and charges

	2014	2013
	\$'000	\$'000
Revenue from Accreditations	58	19
Revenue from annual fees to industry and government	24,190	11,110
<b>Total revenue from fees and charges</b>	<b>24,248</b>	<b>11,129</b>

### 11. Commonwealth revenues

	2014	2013
	\$'000	\$'000
Grants	91	1,631
<b>Total Commonwealth Revenue</b>	<b>91</b>	<b>1,631</b>

## The Office of the National Rail Safety Regulator

### 12. Interest revenues

	2014	2013
	\$'000	\$'000
Interest received	143	58
<b>Total interest revenues</b>	<b>143</b>	<b>58</b>

### 13. Funding for transition expenses

	2014	2013
	\$'000	\$'000
Funding for transition received from Commonwealth	131	4,770
<b>Total funding for transition expenses</b>	<b>131</b>	<b>4,770</b>

This funding is the final payment for the establishment of Branch Offices for jurisdictions which have not yet joined the Office of the National Rail Safety Regulator. At 30 June 2014 \$ 2.880 million had not been yet expended as several Branch Offices will be established in subsequent years. Thus, this amount will appear in next year's Financial Statements as expenditure for which no matching revenue will be shown.

### 14. Cash and cash equivalents

	2014	2013
	\$'000	\$'000
Cash at bank and on hand	5,789	5,806
<b>Total cash and cash equivalents</b>	<b>5,789</b>	<b>5,806</b>

Included in the above amount is monies held for transition cost (\$2.880 million) and which will not be used for general Office of the National Rail Safety Regulator operations.

The Office of the National Rail Safety Regulator has been granted an overdraft limit facility of \$400,000. This limit has not been used.

### 15. Receivables

	2014	2013
	\$'000	\$'000
Receivables	1,576	595
Less allowance for doubtful debts	-12	0
Prepayments	334	42
Accrued interest	6	8
GST input tax receivable	623	194
<b>Total Receivables</b>	<b>2,527</b>	<b>839</b>

#### Movement in the allowance for doubtful debts

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence ( ie calculated on past experience and current and expected changes in client credit rating) that a receivable is impaired.

An allowance for impairment loss has been recognised in 'other expenses' in the Statement of Comprehensive Income for specific debtors and debtors assessed on a collective basis for which such evidence exists.



## The Office of the National Rail Safety Regulator

Movements in the allowance for doubtful debts	<b>2014</b>	<b>2013</b>
(impairment loss)	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at the beginning of the period</b>	<b>0</b>	<b>0</b>
Increase in the allowance	<b>12</b>	<b>0</b>
<b>Carrying amount at the end of the period</b>	<b>12</b>	<b>0</b>

### 16. Property, plant and equipment

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Fixtures and fittings:		
At cost	245	245
Accumulated depreciation	-35	-11
<b>Total fixtures and fittings</b>	<b>210</b>	<b>234</b>
Computer equipment:		
At cost	231	140
Accumulated depreciation	-57	-11
<b>Total computer equipment</b>	<b>174</b>	<b>129</b>
<b>Total property, plant and equipment</b>	<b>384</b>	<b>363</b>

#### Impairment

There were no indications of impairment of property, plant and equipment at 30 June 2014.

### 17. Intangible assets

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Computer Software		
At cost	1,224	1,189
Accumulated amortisation	-396	-108
<b>Total Computer software</b>	<b>828</b>	<b>1,081</b>

The Office of the National Rail Safety Regulator has no contractual commitments for the acquisition of intangible assets.

#### Impairment

There were no indications of impairment of intangible assets at 30 June 2014.

#### Asset movement reconciliation

				<b>2014</b>
	<b>Fixtures and fittings</b>	<b>Computer equipment</b>	<b>Intangible assets</b>	<b>Total</b>
<b>2014</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at 1 July 2013	234	129	1,081	1,444
Additions	0	91	35	126
Depreciation/Amortisation	-24	-46	-288	-358
<b>Carrying amount at 30 June 2014</b>	<b>210</b>	<b>174</b>	<b>828</b>	<b>1,212</b>

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## The Office of the National Rail Safety Regulator

### 18. Payables

	2014	2013
	\$'000	\$'000
<b>Current:</b>		
Creditors	179	342
Accrued expenses	394	148
Employee on-costs	41	32
GST Payable	1	1
<b>Total current payables</b>	<b>615</b>	<b>523</b>

### 19. Employee benefits

	2014	2013
	\$'000	\$'000
<b>Current</b>		
Accrued salaries and wages	199	185
Annual Leave	539	262
Long service leave	109	0
<b>Total current employee benefits</b>	<b>847</b>	<b>447</b>
<b>Non-Current</b>		
Long service leave	67	34
<b>Total non-current employee benefits</b>	<b>67</b>	<b>34</b>
<b>Total Employee benefits</b>	<b>914</b>	<b>481</b>

### 20. Other Liabilities

	2014	2013
	\$'000	\$'000
<b>Current</b>		
Unearned revenue	580	0
<b>Total current other liabilities</b>	<b>580</b>	<b>0</b>

### 21. Provisions

	2014	2013
	\$'000	\$'000
There are no unsettled workers compensation claims		

### 22. Equity

	2014	2013
	\$'000	\$'000
Retained Earnings	4,539	3,236
Reserve for transition expenses	2,880	3,849
<b>Total Equity</b>	<b>7,419</b>	<b>7,085</b>

An amount of \$2.880 million that represents the funding that will be used in the subsequent financial years for the establishment of new Branch Offices has been treated as a separate reserve.

# The Office of the National Rail Safety Regulator

## 23. Unrecognised contractual commitments

### Capital Commitments

There are no Capital Commitments in the Office of the National Rail Safety Regulator.

### Expenditure commitments - Remuneration

	2014	2013
	\$'000	\$'000
Commitments for the payment of salaries and other remuneration under fixed-term employment contracts in existence at the reporting date but not recognised as liabilities are payable as follows:		
Within one year	1,561	1,483
Later than one year but no longer than five years	1,442	2,926
<b>Total remuneration commitments</b>	<b>3,003</b>	<b>4,409</b>

Amounts disclosed include commitments arising from executive and other service contracts.

The Office of the National Rail Safety Regulator does not offer fixed-term remuneration contracts greater than five years.

### Expenditure commitments - Other

	2014	2013
	\$'000	\$'000
Within one year	212	526
Later than one year but no longer than five years	0	540
<b>Total other commitments</b>	<b>212</b>	<b>1,066</b>

Amounts disclosed include commitments arising from IT maintenance contracts and contractors.

### Operating lease commitments

	2014	2013
	\$'000	\$'000
Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:		
Within one year	546	544
Later than one year but no longer than five years	1,023	1,569
<b>Total operating lease commitments</b>	<b>1,569</b>	<b>2,113</b>

The Office of the National Rail Safety Regulator's operating leases is for office accommodation and motor vehicles.

The leases are non-cancellable with terms ranging up to 5 years with some leases having the right of renewal. Rent is payable one month in advance.

### Finance Lease commitments

There are no Finance Lease commitments in the Office of the National Rail Safety Regulator.

## 24. Contingent assets and liabilities

The Office of the National Rail Safety Regulator is not aware of any contingent assets or liabilities.



# The Office of the National Rail Safety Regulator

## 25. Remuneration of board and committee members

Members during the 2014 financial year were:

### ONRSR Board

\* Mr Robert Andrews  
Ms Catherine Scott  
Mr Peter Batchelor

### Audit & Risk Committee

Ms Catherine Scott  
Mr Malcolm Renney

The number of members whose remuneration received or receivable falls within the following bands

	2014	2013
	Number	Number
\$0 - \$9,999	1	0
\$30,000 - \$39,999	0	2
\$60,000 - \$69,000	2	0
<b>Total number of members</b>	<b>3</b>	<b>2</b>

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions and salary sacrifice benefits. The total remuneration received or receivable by members was \$127,124 (\$67,749).

\* Contracted employee whose salary is included under Employee benefit expenses in the Statement of Comprehensive Income.

## 26. Cash flow reconciliation

	2014	2013
	\$'000	\$'000
Reconciliation of cash and cash equivalents at 30 June:		
Cash and cash equivalents disclosed in the Statement of Financial Position	5,789	5,806
<b>Balance as per the Statement of Cash Flows</b>	<b>5,789</b>	<b>5,806</b>

Reconciliation of net cash provided by operating activities to net result

Net cash provided by (used in) operating activities	(17)	5,806
Add (less) non cash items:		
Depreciation and amortisation	(358)	(130)
Assets provided from non-cash contributions	126	1,574
Movements in assets and liabilities:		
Increase (decrease) in Receivables	1,688	839
(Increase) decrease in Payables - Operating Activities	(92)	(523)
(Increase) decrease in Employee benefits	(433)	(481)
(Increase) decrease in other liabilities	(580)	0
<b>Net result</b>	<b>334</b>	<b>7,085</b>

# The Office of the National Rail Safety Regulator

## 27. Financial instruments/Financial risk management

### Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in note 2.

**Table 27.1**

Financial instrument	Note	2014		2013	
		Carrying amount \$'000s	Fair value \$'000s	Carrying amount \$'000s	Fair value \$'000s
Financial assets:					
Cash and cash equivalents	14	5,789	5,789	5,806	5,806
Receivables* **	15	1,576	1,576	595	595
		7,365	7,365	6,401	6,401
Financial liabilities:					
Payables*	18	573	573	490	490
Other Liabilities	20	580	580	-	-
		1,153	1,153	490	490

\* Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. Certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levy receivables/payables, tax equivalents, commonwealth tax, audit receivables/payables etc. they would be excluded from the disclosure. The standard defines contract as enforceable by law. They are carried at cost.

\*\* Receivables amount disclosed here excludes prepayments. Prepayments are presented in note 15 as trade and other receivables in accordance with paragraph 78 (b) of AASB 101. However, prepayments are not financial assets as defined in AASB 132 as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

### Credit risk

Credit risk arises when there is the possibility of the Office of the National Rail Safety Regulator's debtors defaulting on their contractual obligations resulting in financial loss to the Office of the National Rail Safety Regulator. The Office of the National Rail Safety Regulator has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. The Office of the National Rail Safety Regulator does not engage in high risk hedging for its financial assets.

The following table discloses the ageing of financial assets, past due, including impaired assets past due.

**Table 27.2 Ageing analysis of financial assets**

	Past due by			Total \$'000s
	Overdue for <30 days \$'000s	Overdue for 30 - 60 days \$'000s	Overdue for >60 days \$'000s	
<b>2014</b>				
<b>Not impaired</b>				
Receivables *	4	0	1,560	1,564
<b>Impaired</b>				
Receivables *	0	0	12	12
<b>Total Receivables</b>	<b>4</b>	<b>0</b>	<b>1,572</b>	<b>1,576</b>

## The Office of the National Rail Safety Regulator

\* Receivable amounts disclosed here exclude amounts relating to statutory receivables and payables. Certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levy receivables/payables, commonwealth tax, audit receivables/payables etc. They would be excluded from the disclosure. The standard defines contract as enforceable by law. They are carried at cost.

The following table discloses the maturity analysis of financial assets and financial liabilities.

**Table 27.3 Maturity analysis of financial assets and liabilities**

2014	Carrying Amount \$'000	Contractual Maturities		
		< 1 year \$'000	1 - 5 years \$'000	> 5 years \$'000
<b>Financial assets</b>				
Cash & cash equivalent	5,789	5,789	-	-
Receivables	1,576	1,576	-	-
<b>Total financial assets</b>	<b>7,365</b>	<b>7,365</b>	-	-
<b>Financial liabilities</b>				
Payables	573	573	-	-
Other liabilities	580	580	-	-
<b>Total financial liabilities</b>	<b>1,153</b>	<b>1,153</b>	-	-

### **Liquidity risk**

Liquidity risk arises where the Office of the National Rail Safety Regulator is unable to meet its financial obligations as they are due to be settled. The Office of the National Rail Safety Regulator is funded principally from fees from rail industry and state government. The Office of the National Rail Safety Regulator settles undisputed accounts within 30 days of the invoice or date the invoice is first received. In the event of a dispute, payment is made 30 days from resolution.

The Office of the National Rail Safety Regulator's exposure to liquidity risk is insignificant based on past experience and current assessment of risk.

The carrying amount of financial liabilities recorded in Table 27.1 represents the Office of the National Rail Safety Regulator's maximum exposure to financial liabilities.

### **Market risk**

The Office of the National Rail Safety Regulator has no market risk exposure or exposure to foreign currency or other price risks or interest rate risks.

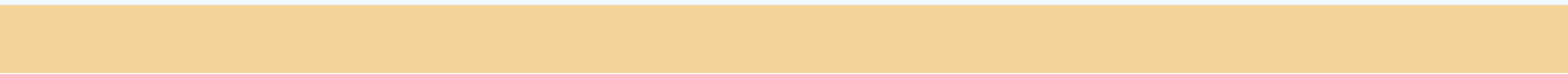
### **Sensitivity disclosure analysis**

A sensitivity analysis has not been undertaken for the interest rate risk of the Office of the National Rail Safety Regulator as it has been determined that the possible impact on profit and loss or total equity from fluctuations in interest rates is immaterial.

## **28. Events after the reporting period**

There have been no events after the reporting period.





# Part A:

# ONRSR National Performance

The ONRSR measures its performance qualitatively through regular internal reporting and quantitatively, through its key performance indicators. Formal internal reviews of performance occur every six months.

The ONRSR's national performance for the financial year 2013 to 2014 is reported against the goals and milestones of the ONRSR *Corporate Plan 2013 to 2016*. Whilst no key performance indicators were established at the start of the 2013 to 2014 financial year, we are able to report against some of the metrics that we have declared in our *Corporate Plan 2014 to 2017*.





## Corporate Goal 1:

### MAINTAIN AND IMPROVE RAIL SAFETY THROUGH A RISK-BASED APPROACH TO REGULATION

#### Context

Achieving rail safety outcomes and risk-based regulation are heavily dependent on quality data and intelligence. Work continues on the development of a national safety data strategy to improve the range and quality of data and to support the development by industry of a national rail safety risk model. The data collected by the ONRSR is used for regulatory purposes in four ways:

- at a national level to develop the ONRSR national audit plan, plan safety improvement initiatives and in priority setting with RISSB on collaborative projects
- at a branch, jurisdiction or sector level for operational action in respect to a particular aspect of the industry (such as a specific operation, asset or location)
- at a rail transport operator level to identify and act on issues with particular operators
- for compliance and investigation activity where serious breaches of the RSNL are suspected.

The ONRSR's national regulatory work plan is developed through the National Operations Committee to reflect agreed national safety and regulatory priorities whilst addressing local regulatory requirements. The 2013 to 2014 plan outlined a schedule of audit and inspection activities with resources allocated appropriately. Priorities were based on safety data intelligence outlined in the ONRSR's *Annual Safety Report 2012 to 2013*, analysis of rail transport operator safety performance, previous audit and compliance findings, notifications by operators of changes to working arrangements, applications for new or varied accreditations and general operational intelligence. The regulatory work plan was constantly reviewed and resources reallocated to meet emerging operational priorities.

The ONRSR also incorporated into its operational work plan, activities following information received from the ATSB's investigations and REPCON reports – a system whereby anyone can report a safety concern anonymously. During the year, the ONRSR investigated seven REPCON notifications and appropriate actions were taken. For more details, see page 54.

See Part B for more details of state-specific activities (page 70).

## CORPORATE PLAN MILESTONE DELIVERY

The ONRSR's achievements in delivering this goal are guided by its key milestones in the ONRSR *Corporate Plan 2013 to 2016*. Summary performance is outlined as follows:

MILESTONE	WHEN*	2013–14 RESULT
Produce regulatory activity work program	Q3 annually	<b>Achieved</b> Work program was reviewed regularly by Branch Directors and any issues arising discussed at NOC meetings More detail is outlined in supporting business activities below
Agree annual operational ONRSR key performance indicators for each branch	Q3 annually	<b>Achieved</b>
Review effectiveness of Service Level Agreements	Quarterly	<b>Achieved</b> Quarterly reviews between ONRSR and NSW Branch held. Agreed service delivery achieved
Undertake a national drug and alcohol testing program, with annual review	Ongoing	<b>Commenced</b> and will continue to be rolled out to all ONRSR jurisdictions More detail is outlined in supporting business activities below
Standardise audit protocols	Q4 2013	<b>Partially achieved</b> Standardisation occurred between NSW and Central Branches in the early stages of ONRSR inception. Further work is underway to standardise across all transitioning jurisdictions

Q1 = Jan–Mar; Q2 = April–June;  
Q3 = July–Sept; Q4 = Oct–Dec

## SUPPORTING ACTIVITIES

The following provides more detail on Corporate Plan Goal 1 supporting activities.

### Implementation of the ONRSR National Work Plan

Statistics on operational activities conducted under the work plan are detailed on page 67.

During the year, the National Operations Committee met with a range of multi-jurisdictional operators to address specific safety issues as well as share intelligence and work on improved implementation of national regulatory policies and procedures across states.

### National drug and alcohol testing program

Under the RSNL, it is an offence to conduct rail safety work under the influence of drugs or alcohol. To enforce this, the ONRSR has established a drug and alcohol (D&A) testing program to test that rail safety workers are complying with legislative requirements and are not undertaking rail safety work whilst under the influence of drugs or alcohol. This program complements rail transport operator and police testing.

The D&A testing program consists of post-incident testing of rail safety workers in response to Category A notifiable occurrences and programmed (non-incident related) testing. Programmed testing includes both intelligence-led risk-based testing and random testing.

As at end of June 2013, 409 tests were completed, with no positive results obtained.

For data on drug and alcohol testing programs and results, see the key performance indicator at the end of Part A.

### Safety incident response

The ONRSR responded to a number of rail emergencies, incidents and accidents that impacted on public safety and potentially breached the RSNL. More detail on these responses is provided state by state in Part B. A number of these drew on specialist expertise and resources across the ONRSR.

### Emerging safety issues

Where rail incidents of one operator can raise the potential for broader industry implications, the ONRSR ensures relevant safety alerts and safety bulletins are published to ensure all accredited operators have the information they need to take required actions. Safety alerts are considered by the ONRSR as direct and immediate advice to operators following specific safety incidents, whereas safety bulletins are generally issued over the course of a year and considered advisory only. During the current reporting period, the ONRSR published three safety alerts as follows:

On 18 November 2013, the ONRSR published a safety alert on risks associated with coupling systems and brake systems fitted to infrastructure, trolleys and trailers. The alert was due to an incident involving two runaway trailers following a derailment. It identified the risks, types of communication utilised by rail safety workers during the incident and requested all operators to undertake action relevant to their type of operations.

On 17 March 2014, the ONRSR published a safety alert on risks related to structural fatigue failure of the wagon underframe following a significant incident involving this risk. The alert advised industry of the type of wagon, including the manufacture, batch and subsequent recoding details

and requested accredited operators to review their current assets and conduct heightened maintenance and inspection regimes where required.

On 3 April 2014, the ONRSR published a safety alert on the thermal (or metal) spraying of axles. This followed an incident which had received considerable media attention involving the axle failure of an electric multiple unit passenger train. The alert identified that the axle which had failed had subsequently undergone a 'thermal spraying' process and outlined the associated risks. All operators were requested to review and if required, revise their current management of such risks.

The following safety bulletins were issued during 2013 to 2014:

In August 2013 the ONRSR published its first safety bulletin on managing risks associated with road/rail vehicles (RRVs). In the lead up to publication, the ONRSR had increasing concerns with the management of the safety of RRV operations, particularly in light of several significant incidents, some with fatal consequences. The bulletin summarised work to date with industry to better understand the risk of RRV operations and work underway to develop an industry safety standard on RRVs. The bulletin encouraged industry to look seriously at its safety performance from RRV operations and highlighted future planned work by the ONRSR to conduct further workshops with industry and in-field inspections.

The ONRSR's second safety bulletin issued in March 2014 encouraged the rail industry to examine rail incidents that have been investigated by international agencies which provide potentially valuable insights into incidents that can also happen in Australia. The bulletin provided case studies on four significant incidents from New Zealand, Ireland and the United Kingdom which have been investigated with recommendations for their future prevention. The bulletin also identified more than 10 external agencies within Australia and overseas that undertake investigations into rail incidents which are worthy of study.

In June 2014 the ONRSR published its final safety bulletin for the year on the emerging issue of 'shattered rims'. This issue has been one of the most significant causes of rail wheel failure in North America and two recent incidents in Australia were highlighted as examples of the potential for this to occur here. Shattered wheel rims may be caused by external damage or a manufacturing defect but are often exacerbated by the increasing demands on rail assets and changes to operating conditions. The bulletin recommended that rail transport operators consider how they are managing this issue and whether further work is required to sufficiently manage their risk.

### **ONRSR response to confidential reports (REPCONs)**

The ONRSR received 10 confidential (REPCON) reports submitted under the Transport Safety Investigation (Voluntary and Confidential Reporting Scheme) Regulation 2012. Three of these were submitted for information only.

The seven processed reports resulted in six compliance inspections, coupled with further relevant enquiries. Three REPCON reports resulted in operators voluntarily undertaking corrective actions. The ONRSR issued seven non-conformance reports (NCRs) stemming from the mentioned compliance activities.

## Corporate Plan Goal 2:

### REDUCE REGULATORY BURDEN ON INDUSTRY

#### Context

Consistent regulatory decision making, access to nationally applicable processes, one fee and invoice structure, and nationally applicable policies, all contribute to reducing regulatory burden.

Collating and sharing national data assists operators and the regulator in ensuring that activities are targeted and effective in reducing safety risks nationally. The preparation of the ONRSR's Annual Safety Report is an important information service that the regulator currently provides.

#### CORPORATE PLAN MILESTONE DELIVERY

The ONRSR's achievements in delivering this goal were guided by its key milestones in the ONRSR *Corporate Plan 2013 to 2016*. Summary performance is outlined as follows:

MILESTONE	WHEN*	2013–14 RESULT
Develop a national 'one invoice' structure	Q3 2013	<b>Achieved</b> One annual fee invoice per accredited or registered operator was issued in September 2013
Consult on data to be presented in annual safety report	Q3 annually	<b>Achieved</b>
Annual ONRSR safety report published	Q4 2013	<b>Achieved</b>
Develop a program with industry to increase the numbers of operators who will have replaced multi-jurisdictional accreditation notices with a single accreditation notice	2014	<b>Achieved</b> , program now being implemented
Review efficacy of Work Health and Safety MoUs	2016	<b>Achieved</b> Initial review undertaken in September 2013

Q1 = Jan–Mar; Q2 = April–June;  
Q3 = July–Sept; Q4 = Oct–Dec

#### SUPPORTING ACHIEVEMENTS

The following provides more detail on Corporate Plan Goal 2 supporting activities.

##### Consolidation of accreditation and registration notices

A major focus for the ONRSR during financial year 2013 to 2014 was the consolidation of accreditation and registration notices for accredited and registered Rail Transport Operators (RTOs). This has resulted in the issue of 51 consolidated accreditation notices for various sized RTOs. A further 10 RTOs in Victoria were given a three year transitional accreditation due to previously being exempted under state law. It is anticipated that all accredited rail operators within the ONRSR will receive a single notice of accreditation by the end of the first quarter in 2015.

All registrations for Rail Infrastructure Managers of private sidings were consolidated by the ONRSR in November 2013 which resulted in all registered operators receiving a single notice of registration covering all their private sidings ahead of the planned project date.

### **National one invoice**

For the first time, rail operators regulated by the ONRSR operating in more than one jurisdiction received one invoice for their annual fees comprising one flat fee with one due date. This was welcomed by industry who had previously received separate invoices from the respective state regulators.

### **Preparation of the Annual Safety Report 2012 to 2013**

The first ONRSR Annual Safety Report was published in December 2013 and provided summaries and analysis of rail safety occurrence data for 2012 to 2013. The report was developed after surveying existing rail safety publications in Australia and overseas and involved consultation with external stakeholders, including the Rail Industry Safety and Standards Board, Safety Manager's Group and Australian Transport Safety Bureau. The report, informed by national occurrence data, identified the risk that various types of occurrence present and how the ONRSR viewed those risks from a regulatory perspective.

The report is available on the ONRSR's website at [www.onrsr.com.au](http://www.onrsr.com.au)

### **Memoranda of Understanding on work, health and safety (WHS)**

Memoranda of Understanding with colleague agencies further support achievements in reducing regulatory burden by reducing duplication and supporting better safety outcomes.

The ONRSR and Workplace Safety Authorities in South Australia, the Northern Territory, New South Wales, Tasmania, Victoria and the Commonwealth have established a joint Memorandum of Understanding (MOU) which recognises each agency's regulatory responsibilities and establishes protocols for cooperation on primary areas of mutual interest. The Victorian WorkCover Authority became a party to the MOU in May 2014. Ongoing review of the MOU has not identified any issues and further review will be undertaken in 2014 to 2015.

## Corporate Plan Goal 3:

### PROMOTE GREATER SELF-REGULATION BY INDUSTRY

#### Context

During 2013 to 2014 the ONRSR issued its *Safety Improvement Policy* which seeks to influence industry to work together to identify and manage railway risks as an industry, and articulates the ONRSR's support for industry in the development of an industry risk model and quality Rail Industry Safety and Standards Board (RISSB) standards. The ONRSR will provide certainty to industry by endorsing quality standards that it believes are in the national safety interest.

The ONRSR promotes that industry develop and implement a National Rail Safety Strategy and Rail Safety Program.

#### CORPORATE PLAN MILESTONE DELIVERY

The ONRSR's achievements in delivering this goal were guided by its key milestones in the ONRSR *Corporate Plan 2013 to 2016*. Summary performance is outlined as follows:

MILESTONE	WHEN*	2013-14 RESULT
Agree with RISSB where the ONRSR can participate and support the delivery of RISSB outputs	Q3 annually	Achieved
Assist industry with the development of national standards, guidelines and products	As required	Achieved

Q1 = Jan-Mar; Q2 = April-June;  
Q3 = July-Sept; Q4 = Oct-Dec

#### SUPPORTING ACHIEVEMENTS

The following provides more detail on Corporate Plan Goal 3 supporting activities.

##### Engagement in RISSB development projects

The ONRSR looks to endorse certain RISSB standards, particularly those that facilitate national consistency and interoperability, without inhibiting competitive advantage among respective operators. The ONRSR is represented on RISSB development committees for a number of standards which contribute to national consistency and interoperability.

During the year, the ONRSR reviewed and provided comment on the following national industry standards developed by RISSB:

- event recorders
- road/rail vehicles
- emergency equipment
- lighting and visibility (rolling stock).

Another key focus for the ONRSR's engagement with industry has been promoting an industry-led development of a safety risk model. Industry, through the ARA and RISSB has acknowledged the need for this development and during the year proposed the Safety Information System for Australasian Rail (SISAR) project to deliver both a safety risk model and a linked safety data capture tool. At year-end, industry was considering how this work should be funded.

## Corporate Plan Goal 4:

### PREPARE FOR AND SUPPORT THE ENTRY OF OTHER STATE REGULATORS INTO THE ONRSR

#### Context

The ONRSR continued to work closely with government representatives and regulators in states/territory who were yet to enact Rail Safety National Law and join the operational work of the ONRSR during 2013 to 2014. The ONRSR has liaised with senior officials, trained new staff and developed business systems to support national regulatory operational needs.

Victoria, Western Australia (WA) and the Australian Capital Territory (ACT) were key foci for the year, with Victoria joining the ONRSR in May 2014. Work will continue during 2014 to 2015 with the other jurisdictions.

#### CORPORATE PLAN MILESTONE DELIVERY

The ONRSR's achievements in delivering this goal were guided by its key milestones in the ONRSR *Corporate Plan 2013 to 2016*. Summary performance is outlined as follows:

MILESTONE	WHEN*	2013–14 RESULT
Successfully test and implement the RegIS IT system to baseline 1 scope	Q3 2013	<b>Achieved</b>
Define, agree, schedule and cost any necessary enhancements to RegIS	Q3 2013	<b>Achieved</b>
Support legislative development to enable the RSNL to be passed through state/territory parliaments	Q1 2014	<b>Legislation enacted in Victoria</b> on 19 May 2014 Support provided to ACT (Law passed in May 2014 but not enacted by year-end) and Western Australia to progress transition
Provide timely and appropriate business and human resource systems and processes that are aligned with transitional timeliness	Q1 2014	<b>Achieved for Victoria</b> Ongoing work with other jurisdictions

Q1 = Jan–Mar; Q2 = April–June;  
Q3 = July–Sept; Q4 = Oct–Dec



## SUPPORTING ACHIEVEMENTS

The following provides more detail on Corporate Plan Goal 4 supporting activities.

### **Development of a Service Level Agreement with Victoria**

Victorian legislation included a requirement for a Service Level Agreement to be agreed by the Minister for Transport, Victoria, the Director of Transport Safety Victoria and the National Rail Safety Regulator. This was signed in March 2014 which enabled the Law to be enacted on 19 May 2014.

### **Transitional support for Victoria**

#### ***System support***

During the lead-up months to enacting the Victorian Service Level Agreement, priority was placed on ensuring systems were available for the staff in the Victorian branch of the ONRSR. This allowed direct access to the ONRSR regulatory and document management systems as well as the ONRSR intranet and email.

#### ***Staff training***

Training sessions were held in the weeks leading up to the RSNL going live in Victoria on 19 May 2014. The training sessions covered a range of topics including various business processes, systems, and support processes. In addition to the training sessions, following 'go live', staff from the National Office were based in Melbourne for two weeks to provide support and assistance to the Victorian branch staff.

#### ***Stakeholder engagement***

The ONRSR also ensured that Victorian operators were aware of the shift to a national regulator. Meetings were held with operator CEOs as well as the broader industry and a letter sent to all accredited and registered parties. Media releases provided information for public dissemination and the ONRSR website highlighted the transition.

#### ***Drafting of mirror legislation in Western Australia***

The ONRSR has worked closely with the Department of Transport in Western Australia over the last 12 months in supporting them to develop mirror legislation which reflects the RSNL. Drafting of the Bill adopting RSNL was completed by year-end and is expected to progress through Western Australian Parliament during 2014 to 2015.

## Corporate Plan Goal 5:

### PROMOTE SAFETY AWARENESS AND SAFETY IMPROVEMENT INITIATIVES AND RESEARCH

#### Context

Under the RSNL, a key objective of the ONRSR is to 'promote safety and safety improvement as a fundamental objective in the delivery of rail transport in Australia'.

The ONRSR functions to enable this include the collation and publishing of information on rail safety, providing or facilitating the provision of advice, education and training and working collaboratively with industry on rail safety. The ONRSR works with RISSB and key stakeholder groups, including union and industry members, to agree on safety awareness and improvement elements for endorsement and promotion.

The ONRSR safety improvement work with stakeholders takes the following forms:

- development of supportive materials such as guidelines and policies
- targeted workshops and events on specific safety improvement priorities using the ONRSR's specialist resources and industry experiences
- regular promotion through the ONRSR's web site and targeted information networks of rail safety issues and guidance
- daily activities of the ONRSR Rail Safety Officers in their interactions with operators, involving identification of specific safety issues and awareness of industry better practice to enhance operators' management approach and safety performance.

#### Corporate Plan milestone delivery

The ONRSR's achievements in delivering this goal were guided by its key milestones in the ONRSR *Corporate Plan 2013 to 2016*. Summary performance is outlined as follows:

MILESTONE	WHEN*	2013–14 RESULT
First safety data bulletin issued (and frequency determined)	Q3 2013	<b>Achieved</b> See page 54 for more information on safety bulletins
Initial population of an on-line resource centre for education and awareness tools	Q4 2013	<b>Achieved</b> and continually being enhanced
Safety Education & Promotion strategy developed Q1 2014  Develop in consultation with industry, an initial draft of an SMS maturity 'tool'/methodology	By Q2 2014	Safety Improvement Policy and Strategy released in December 2013 incorporates safety education and promotion  Re-scoped for internal use
Produce guidance on asset management (including scalability approach for T&H)	By Q3 2014	<b>On target for delivery</b> in Q3 2014

Q1 = Jan–Mar; Q2 = April–June;  
Q3 = July–Sept; Q4 = Oct–Dec

## SUPPORTING ACHIEVEMENTS

The following provides more detail on Corporate Plan Goal 5 supporting activities.

### Targeted safety improvement initiatives delivered

Safety improvement initiatives undertaken during 2013 to 2014 included:

#### *Road Rail Vehicle (RRV) safety management*

The ONRSR continued its work with industry on RRV matters through a series of industry workshops in New South Wales, South Australia and Tasmania. A key focus of these workshops was the practical application of tools and techniques. Many workshops were held in regional areas to maximise participation of non-metropolitan workers and share national and international learnings on this area of operation.

Feedback from the forums highlighted areas that will be a focus for the ONRSR in 2014 to 2015.

#### *Fatigue risk management*

The ONRSR has worked closely with 10 operators to assist them in understanding their requirements under the RSNL in relation to fatigue risk management and with the aim of sharing good practice amongst industry. On completion of this initial work, the ONRSR will look at how best to share this with the wider rail community.

#### *Asset management*

To assist industry in having a clear understanding of their legislative requirements in relation to asset management, the ONRSR is currently developing a guideline in consultation with industry. This will be released later this year.

### Development of Safety Management System (SMS) maturity tool and methodology

The SMS maturity tool is designed to provide a rigorous model of testing compliance against RSNL regulatory requirements. Whilst the project was initially designed as a collaborative project with industry for operator application, it has been determined that the model will benefit at this stage from scoping for internal application by rail safety officers in measuring operator compliance. A model has been scoped and will undergo further development and testing during 2014 to 2015.

## Guidance for operators

With the aim of creating clarity for operators, the ONRSR has prepared and published 10 new guidelines and five additional fact sheets during 2013 to 2014 covering a variety of areas such as:

- the ONRSR's regulatory approach
- drug and alcohol management
- occurrence reporting
- Rail Safety Worker competency
- effective management and control
- safety performance reporting
- annual activity statements for registrations.

## Low cost level crossings

The Australasian Centre for Rail Innovation (ACRI) is now progressing the project aimed at reducing the costs associated with providing active protection (e.g. lights, bells and boom gates at level crossings). This project was initiated by the former Cooperative Research Centre. The ONRSR is working with ACRI and has attended the trials that are being conducted in Queensland, NSW and Victoria. These trials are focussing on three different technologies to test their effectiveness in relation to reliability and safety performance. Solar panels are also being trialled to charge batteries as an alternative to having to obtain power from the local energy providers which can be expensive in country locations if mains power is not available close-by.

The ONRSR is developing a level crossing policy in consultation with industry to articulate the ONRSR's position on acceptance of this type of protection plus level crossing safety in general.

## Corporate Plan Goal 6:

### DEVELOP AND ENABLE OUR PEOPLE TO OPTIMISE INTERNAL CAPABILITY AND ORGANISATIONAL EFFECTIVENESS

#### Context

Recognising that our people are our most important asset, we aim to ensure our workforce has a clear understanding of the role and goals of the ONRSR and provide ongoing employee training on systems and processes. The induction program is an important focus as more states transition to the ONRSR and staff retention and satisfaction is actively monitored. We aim to develop a competency-based learning and development package to ensure that staff are equipped to provide high quality services and maintain professional capability.

System development has been a top priority, with significant work done to roll out a new document management system – Objective – to integrate records management across states and to continue the build of RegIS, the ONRSR's regulatory and occurrence database tool.

The ONRSR recognises the importance of providing and maintaining a safe workplace. A range of governance structures ensure that any work, health and safety concerns of staff are addressed. More information on work, health and safety initiatives is provided below.

#### CORPORATE PLAN MILESTONE DELIVERY

The ONRSR's achievements in delivering this goal were guided by its key milestones in the ONRSR *Corporate Plan 2013 to 2016*. Summary performance is outlined as follows:

MILESTONE	WHEN*	2013–14 RESULT
Maintain proactive monitoring of health, safety and welfare, and the effectiveness of the ONRSR work place health and safety program in line with the CE's 'commitment to safety' statement	Quarterly report to Executive via WHS committee and other employee consultation vehicles	<b>Achieved</b> Regular reports provided
Develop a competency based national training program for all rail safety officers that will enable national deployment of resources	Q4 2014	<b>Ongoing</b> See outline below
Maintain a financial system that will provide accurate data to report on the activities of the ONRSR and that enables analysis of individual jurisdiction data	Monthly financial reports to the Board and the Executive team	<b>Achieved</b> Further improvement to business systems is needed
Oversight by the ONRSR Audit and Risk Committee of the internal risk register	Bi-annual report to ONRSR	<b>Achieved</b> Risk register is reviewed by Audit and Risk Committee four times annually

Q1 = Jan–Mar; Q2 = April–June;  
Q3 = July–Sept; Q4 = Oct–Dec

## SUPPORTING ACHIEVEMENTS

The following provides more detail on Corporate Plan Goal 6 supporting activities.

### ONRSR Corporate system development

The IM&T Steering Committee has:

- undertaken an audit and inventory of the ONRSR business systems and presented the report to the Board
- completed several improvement packages for the ONRSR regulatory system
- implemented the ONRSR regulatory system and the records management system into the Victorian Branch
- scoped a three year IM&T Strategic Plan to provide the IM&T roadmap for the ONRSR.

#### *Internal staff engagement and support*

During the financial year 2013 to 2014, the ONRSR developed and implemented its national communications strategy reflecting internal and external stakeholder communication activities. External activities are detailed on page 66. During the year, the ONRSR increased the amount of information available on its web site and improved ease of accessibility through an enhanced navigation structure.

A staff communications survey in early 2013 identified staff needs and the resulting strategy scoped a range of activities. These activities included regular all-staff briefings in each participating jurisdiction by the Chief Executive, a weekly staff e-newsletter and a revamp of the ONRSR's intranet to ensure all staff were able to access current information easily and were kept informed of key issues within the organisation.

#### *Performance management*

During the year, the ONRSR introduced its performance review system to monitor performance, satisfaction and learning and development needs. This incorporates a formal review every six months plus regular feedback.

A major focus for the year has been the development of a capability framework for Rail Safety Officers. The framework will assist the ONRSR to identify and develop individual competencies to optimise resource allocation and achieve organisational objectives. It will also be used to ensure effective recruitment, performance development and the implementation of targeted learning activities for RSOs. The framework will be progressively rolled out from August 2014.

#### *Work, health and safety*

The safety of staff, contractors, visitors and industry is an ongoing priority of the ONRSR.

During the year, the ONRSR implemented its work health and safety (WHS) policy which provides guidance for staff on compliance with work health and safety legislation. Each participating state operates under its state-based work health and safety legislation.

The ONRSR Work Health and Safety Committee is chaired by the Executive Director Operations and made up of the Head of Human Resources and three appointed staff members. The Committee meets regularly to review compliance with the ONRSR WHS policy and take any actions required on WHS issues as raised by staff. It also reports to the Executive and Board on any relevant matters.

During the reporting period, two incident reports were received, both requiring no further action by the committee. These related to a staff member burning their hand with the hot water in the kitchen and a staff member jamming their finger in a desk drawer.

# Our relationships and stakeholders

## CONTEXT

The ONRSR recognises that stakeholder relationships are critical to achieving national rail safety outcomes, as reflected in its corporate values. The ONRSR defines its external stakeholders as comprising the rail industry, rail associations, unions, government agencies, Ministers for Transport and the Ministerial Council (see page 20).

The ONRSR is committed to building relationships with its range of stakeholders through established forums, targeted initiatives, provision of information and guidance and regular tailored interactions. This enables the regulator to gain input into its strategic directions, heighten awareness of compliance and safety improvement matters as well as ensure that it continues to appreciate stakeholder needs and concerns on rail safety regulation.

The ONRSR reports bi-annually to Transport Ministers through the Ministerial Council. The Council provides approval for the ONRSR's Statement of Intent, endorsement of its Corporate Plan and budgetary support.

## CORPORATE PLAN MILESTONE DELIVERY

The ONRSR's achievements in building its relationships with stakeholders are guided by key milestones in the *ONRSR Corporate Plan 2013 to 2016*. Summary performance is outlined as follows:

MILESTONE	WHEN*	2013-14 RESULT
Develop a national communications plan for internal and external communications	Q3 2013	<b>Achieved.</b> Details on external stakeholder activities outlined below and communication support for staff on page 64.
Review of ONRSR/ATSB relationship	Quarterly	<b>Achieved</b> ONRSR and ATSB met quarterly and have formally reviewed the Memorandum of Understanding (MoU)

Q1 = Jan-Mar; Q2 = April-June;  
Q3 = July-Sept; Q4 = Oct-Dec

## STAKEHOLDER ENGAGEMENT

### Memoranda of Understanding (MoU)

The ONRSR has Memoranda of Understanding in place to enhance relationships and establish roles and accountabilities with:

- the Australian Transport Safety Bureau (ATSB)
- the National Transport Commission (NTC)
- Workplace Safety Authorities in South Australia, the Northern Territory, NSW, Tasmania, Victoria and the Commonwealth.
- the Department of Transport and Main Roads (Queensland)
- the Office of Rail Safety (Western Australia)
- South Australia Police.

## Stakeholder engagement

The ONRSR continued to support and host a number of stakeholder engagement forums during the financial year 2013 to 2014.

These included the:

- **CEO industry reference group** which provides a forum to discuss strategic industry and regulator directions and safety issues and improvements required. It comprises senior representatives from the rail industry including the ARA and RISSB, the ONRSR Chief Executive and Executive Director Operations and Executive Director Policy, Communications and Planning. The group meets four times a year, with every second meeting including union representatives.

During the financial year 2013 to 2014, CEOs provided input into the ONRSR's *Corporate Plan 2014 to 2017* the variable fee regulation, the scoping document for the cost recovery review, and the safety improvement policy and strategy. Other matters discussed included the development of a national safety risk model and supporting data base, uptake of RISSB quality standards and drugs and alcohol management within the rail industry, and rail safety worker competence assessment.

- **Union reference group** comprising senior representatives from the Rail, Tram and Bus Union, the ONRSR Chief Executive and Executive Director National Operations and Executive Director Policy, Communications and Planning. It has a similar agenda to the industry forum including strategic conversations and information exchange between the unions and the regulator and also provided input into the ONRSR's *Corporate Plan 2014 to 2017*, the variable fee regulation, the scoping document for the cost recovery review, and the safety improvement policy and strategy during this reporting period. Other matters discussed included the development of a national safety risk model and supporting data base, uptake of RISSB quality standards and drug and alcohol management within the rail industry, and rail safety worker competence assessment.
- **National Operations Forum** allows multi-jurisdictional operators to discuss safety issues and consistency of application by ONRSR regulatory staff specific to their operations with senior ONRSR operational and technical staff at a monthly meeting. One operator attends each month, thereby allowing a frank exchange of opinions.
- **Branch Operators Forums** are held at the discretion of individual Branch Directors to suit branch circumstances and address local operational issues with accredited operators.

The ONRSR remained committed to attending industry-led meetings and forums which have included the following:

- RISSB's Safety Managers Group, attended by the Executive Director Policy, Communications & Planning and Executive Director National Operations. This group meets four times a year and comprises safety managers from various Rail Transport Operators and focuses on operational issues, safety learnings and improvements.
- Association of Tourist and Heritage Rail Australia attended by the Executive Director Policy, Communications & Planning and Executive Director National Operations. This group meets twice a year and comprises representatives from all state tourist and heritage associations.
- State tourist and heritage groups attended by Branch Directors which meet periodically comprising local tourist and heritage operators

## Internal communications

For information on internal staff engagement under the communications plan, see page 64.



## Measuring Performance

The ONRSR's performance is measured in a number of ways, including delivery against milestones, quantitative key performance indicators (KPIs), feedback from external stakeholders through industry forums and qualitative measures. A formal stakeholder satisfaction survey will be undertaken once all states are operating as part of the ONRSR.

During 2013 to 2014 the ONRSR agreed a number of KPIs to progressively measure its performance over time. A limited number of these are available for reporting in this financial year as shown below.

KPI	DEFINITIONS	2013–14	ANALYSIS OF RESULT
<b>% of NCRs requiring compliance enforcement</b>	A NCR refers to a non-conformance report. The ONRSR issues NCRs to Rail Safety Operators if they are found to be in non-conformance with the Rail Safety National Law and the non-conformance does not represent an immediate threat to safety  'Compliance enforcement' reflects the issue of any type of notice	0	The result reflects ongoing focus by the ONRSR on ensuring operators are made aware of any non-compliance issues. This has not required any additional enforcement as operators have responded with corrective actions to address the non-conformance issues
No. of NCRs issued		284	
No. of NCRs requiring compliance enforcement		0	
<b>Industry D&amp;A tests</b> % positive (industry)	'Industry' refers to testing programs run by operators as required under legislation	0.07%	The majority of operators undertake drug testing by using urine samples. Urine testing will detect a wide range of substances and operators have their own processes for dealing with positive results  This is different to the ONRSR testing under the RSNL where oral fluid is the method used to determine presence of specified substances
No. of drug tests (industry)		23,777	
No. of positive drug tests (industry)		100	
No. of alcohol tests (industry)		227,380	
No. of positive alcohol tests (industry)		66	
<b>ONRSR D&amp;A tests</b> % positive (ONRSR)	'Positive' is defined as those tests confirmed as positive by external laboratory	0%	Screening tests for drugs undertaken by the ONRSR under the RSNL is by oral fluid to determine presence of specified substances
No. of drug tests (ONRSR)		206	
No. of positive drug tests (ONRSR)		0	
No. of alcohol tests (ONRSR)		203	
No. of positive alcohol tests (ONRSR)		0	
No. of operator appeals to ONRSR decisions	'Operator appeal' is a formal appeal to an ONRSR decision under Rail Safety National Law. ONRSR decisions are reviewable decisions as defined under national law	0	The result reflects the ONRSR facilitative approach with industry to ensure they are aware of and understand their legal obligations under Rail Safety National Law

## ONRSR OPERATIONAL STATISTICS

The following table reflects the ONRSR's operational activity statistics for its regulatory services for 2013 to 2014 in participating jurisdictions. It does not include Victorian data given that Victoria joined the ONRSR in May 2014.

OPERATIONAL ACTIVITY	2013–14	COMMENT
<b>Accreditation</b>		
No. of accreditations: Received Completed by year end	3 1	All accreditations met legislative time-frames for approval
No. of variations to accreditation: Received Completed by year end	23 19	Remainder being progressed within legislative timeframe
No. of surrenders of accreditation: Received Completed by year end	2 1	Remainder being progressed within legislative timeframe
No. of exemptions to accreditation: Received Granted by year end	2 1	Remainder being progressed within legislative timeframe
No. of variations to registrations: Received Completed by year end	16 14	Remainder being progressed within legislative timeframe
No. of surrenders of registration: Received Completed by year end	6 6	
No. of notifications of change: Received and assessed	117	
No. of consolidated ONRSR notices issued	61	Including transitional notices for Victorian operators
No. of REPCONs received Actioned	10 7	Three were submitted for information only
<b>Audit and Compliance</b>		
No. of formal inspections completed	129	
No. of audits completed	57	
No. of compliance investigations completed	10	
No. of Improvement Notices issued	0	
No. of Prohibition Notices issued	0	

## Forward annual priorities 2014-15

Our forward annual priorities are guided by the goals of our *Corporate Plan 2014 to 2017*, as outlined below.

**Goal 1:** Maintain and improve rail safety through a risk-based approach to regulation

**Goal 2:** Reduce regulatory burden on industry

**Goal 3:** Promote greater self-regulation by industry

**Goal 4:** Prepare for and support the entry of other state regulators into the ONRSR

**Goal 5:** Promote safety awareness and safety improvement initiatives and research

**Goal 6:** Develop and enable our people to optimise internal capability and organisational effectiveness

The ONRSR Corporate Plan can be accessed on the ONRSR website at [www.onrsr.com.au](http://www.onrsr.com.au)

# Part B: Jurisdictional Performance

The following outlines, jurisdiction by jurisdiction, the ONRSR activities and outcomes during 2013–2014.



# South Australia

## RAIL INDUSTRY CONTEXT

At year-end there were 46 operators accredited for railway operations in South Australia by the National Rail Safety Regulator under the RSNL.

There are three primary rail networks in South Australia:

- the Adelaide Metropolitan Passenger Rail Network (AMPRN) centred in Adelaide comprising approximately 125 km of track primarily for passenger trains and also servicing a limited number of broad gauge freight services. There is also a tram network within Adelaide.
- The Defined Interstate Rail Network (DIRN) managed by the ARTC comprising approximately 1990 km of track in South Australia. The DIRN covers the main interstate rail lines linking Melbourne and Sydney to Adelaide as well as Adelaide to Western Australia.
- The Genesee & Wyoming (G&W) network that covers the main line to Darwin (linking with the ARTC network at Tarcoola as well as the residual networks throughout regional South Australia.) The extent of the G&W network is approximately 1870 kms.

## SIGNIFICANT REGULATORY ACTIVITIES

A major focus of ONRSR Rail Safety Officers in South Australia during 2013 to 2014 has been the continued assessment of variations to accreditation required for the electrification project on the Adelaide metropolitan passenger rail network. Accreditation was granted to the South Australian Rail Commissioner (operating with the resources of the South Australian Department of Planning, Transport and Infrastructure) for the commissioning and operation of the electrified railway between Adelaide and Seaford, including the operation of the state's new 4000 Class Electrical Multiple Unit (EMU) rail cars. Passenger operations on the electrified network utilising the EMU rail cars commenced in February 2014.

## INCIDENT RESPONSE

A major incident of note in South Australia during the year was the derailment of an SCT freight train west of Tarcoola (Malbooma) on the ARTC network on 10 April 2014. Twenty wagons from a freight train derailed of which nine ended up on their side due to a track washaway after a severe rain storm. This is the fourth incident of this type in five years that has occurred in a remote location. The previous incidents occurred in NSW, Western Australia and the Northern Territory and are the subject of an investigation by the ATSB. The ONRSR has commenced a compliance investigation which will look into the degree to which 'lessons' from the previous incidents have been incorporated into the safety management systems of the rail infrastructure manager and applied in the field.

With the commencement of operations on the electrified portion of the Adelaide metropolitan railway, the ONRSR has been monitoring incidents that have occurred in relation to the electrical infrastructure and liaised with the Department of Planning, Transport and Infrastructure on corrective actions resulting from minor occurrences and irregularities with its safe working procedures. This work has strengthened procedures for maintaining the safety of rail safety workers when working on the operational electrified railway. The ONRSR attended the scene of an apparent failure of an overhead wire in June 2014, which resulted in a loss of power to an electric rail car that was in passenger service. The rail operator's investigation and the ONRSR's enquiries into this incident are still continuing.

## RAIL INDUSTRY CONTEXT

At year-end, there were 77 operators accredited by the National Rail Safety Regulator under the RSNL for operations in NSW.

Sydney's urban passenger network comprises of heavy and light rail. Heavy rail carries the majority of passengers, with 306 million passenger journeys per year and over 1,790 track kilometres. Light rail operates 4.2 passenger journeys per million over approximately 15 track kilometres. The monorail ceased passenger operations in June 2013 and following a de-commissioning phase, surrendered its accreditation in August 2013.

Major networks operating in NSW include:

- the Metropolitan Rail Area (MRA), which is centred in Sydney under the management and control of Sydney Trains. It is used mainly by Sydney Trains urban passenger services but also carries intra and interstate freight trains. The MRA is the most heavily trafficked urban rail system in Australia with some 306 million passenger journeys per year over 1,790 track kilometres.
- the some 3,400 km of track managed by the ARTC under long term lease from the NSW Government which includes the DIRN as well as the inland route between Parkes and Werris Creek.
- the NSW Country Regional Network (CRN) which comprises approximately 2,800 km of track. It is owned by the NSW Government and, since January 2012, has been managed by John Holland Rail (JHR). The network is used primarily for bulk commodities such as grain but carries other freight and long distance passenger services.
- the NSW Hunter network managed by ARTC under a lease from the NSW Government. In July 2011, the leased area was extended from Werris Creek to North Star to incorporate existing rail lines servicing coal mines in the Gunnedah Basin, to cover approximately 1,100 track km. It is used primarily for transporting coal to the Port of Newcastle with some 155 million tonnes carried in 2013-14. It also carries intermodal freight as well as regional and long distance passenger services.

Dedicated metropolitan freight lines are relatively small in terms of their collective track length but serve a critical role in the effective management of the freight and passenger tasks in metropolitan areas. Sydney's dedicated freight lines are managed by the ARTC and consist of:

- the Southern Sydney Freight Line (SSFL): the final stage of this line opened in January 2013. It is a 36 km dedicated freight line that links the DIRN at Macarthur with the Metropolitan Freight Network at Sefton Park Junction (below)
- the Metropolitan Freight Network: the ARTC commenced operations of this network in August 2012. It connects with the SSFL and provides dedicated access for freight trains to the Main Northern Line near Strathfield, the Illawarra Line near Tempe, as well as to major terminals including Port Botany which handles the majority of NSW import/export containerised freight.

## SIGNIFICANT REGULATORY ACTIVITIES

During 2013 to 2014, a major focus for the NSW Branch included accreditation applications for the North West Rail Link and an accreditation variation for the Inner West Light Rail extension as outlined below:

### North West Rail Link (NWRL)

Scheduled to commence operation in 2019, the NWRL will operate from Chatswood to Rouse Hill in Sydney and includes construction of eight new stations, 15 km of tunnels between Epping and Bella Vista and 4 km of elevated viaduct from Bella Vista to Rouse Hill. It will be the first major passenger railway in Sydney to feature driverless operations.

The ONRSR continues to meet regularly with NWRL representatives to ensure rail safety accreditation requirements are clearly understood and incorporated into the project plans that facilitate the construction, procurement and commissioning phases of the project. In early June 2014, the ONRSR completed preliminary accreditation assessments of the two proponents bidding to operate the NWRL. Through 2014 to 2015, the ONRSR will be engaging with Transport for NSW (TfNSW) and the appointed operator to progress this important project.

### Inner West Light Rail Extension (IWLRE)

Commissioned in March 2014, the IWLRE extends the Sydney Light Rail network from Lilyfield to Dulwich Hill and is the first step in the NSW Government's plans to expand light rail in Sydney. The project included a 5.6 km extension of the light rail tracks, nine new light rail stops, procurement and lease of new light rail vehicles, construction and installation of power, safety, communications and signalling systems and expansion of the existing light rail stabling facilities.

From July 2013 to March 2014, the ONRSR engaged extensively with Transdev Sydney and TfNSW to support the safe introduction of the new passenger services to Dulwich Hill. This involved the ONRSR approving staged changes to Transdev Sydney's accreditation in line with the project plans, as well as monitoring compliance with TfNSW's accreditation requirements.

In addition to these projects, the ONRSR began liaising with TfNSW on the CBD & South East Light Rail (CSELR). The project will extend the existing Sydney light rail network to include Circular Quay and the south east including Moore Park and the University of NSW. During the year, NSW Branch has had preliminary engagement with TfNSW in relation to rail safety accreditation requirements and the tendering phase to select an operator. Through 2014 to 2015, the ONRSR will be engaging with TfNSW and the appointed operator to progress this important project.

NSW Branch also continued to deliver its audit and inspection work plan focusing on priorities identified in the ONRSR National Work Plan including worksite protection, third party contractors and engineering projects.

## INCIDENT RESPONSE

The ONRSR responds to rail safety incidents and emergency events to ensure public safety, determine whether rail safety legislative breaches have occurred and work required to rectify and/or improve rail safety management issues.

During the year, a number of incidents in NSW required an ONRSR response. These included the following significant incidents:

- in July 2013, an incident at Newcastle whereby a train entered track which had been officially granted protection for rail workers to remove litter from the tracks. Whilst communications between the train driver and the workers ensured that no injuries or damages to track resulted, the potential for a serious safety incident led the ONRSR to conduct an investigation into the incident. The investigation is now complete and the appropriate regulatory response is being determined.
- in July 2013, information posted by an operator's rail employee on Facebook indicated there was a breach of certain safety controls whilst a train was being loaded at a coal loading facility. The ONRSR's completed investigation notes that the operator has taken appropriate steps to improve security arrangements surrounding the safety controls and the means by which they can check the safety controls are functioning correctly.
- in July 2013, an incident near St Leonards and Waverton stations in Sydney occurred whereby a misunderstanding by operator staff led to a safety control order for protection of maintenance track workers not being correctly actioned and allowing a train to run where the work was being conducted. The work team were alerted with no mishap and moved to a safe place. The ONRSR has completed its enquiries into these incidents and is currently reviewing the operator's plans to address the nature of those incidents.
- in January 2014, a low-speed derailment occurred near Edgecliff station where a piece of angle-iron pierced the floor of a passenger carriage. While no passengers were physically harmed the incident was alarming to many of the passengers in the vicinity. Subsequent investigations have revealed that the derailment was caused by a faulty train axle. The ONRSR's investigation, which has been finalised, noted that the operator responded appropriately to the axle problem by removing all affected axles from service. The ONRSR is now engaging with the operator to review the way in which they respond to incidents on their network.
- in May 2014, a derailment of a freight train at Nambucca Heads, on the NSW North Coast led to extensive damage to track and two bridges. The ONRSR's enquiries into the incident are continuing with a focus on reviewing the extent to which either the track and/or rolling stock caused the derailment.



## Tasmania

There are 15 operators accredited for railway operations in Tasmania by the National Rail Safety Regulator under the RSNL.

The primary rail network is the freight network operated by TasRail which runs over 115 services a week over approximately 630 km of operational track.

Tasmania also has a diversity of tourist and heritage operators ranging in technical complexity as well as in terms of passenger numbers.

### SIGNIFICANT REGULATORY ACTIVITIES

In addition to routine auditing and inspection activities, the primary areas of focus for the Tasmanian Regional Office of the ONRSR during the period have been:

- infrastructure improvement works undertaken on the West Coast Wilderness Railway and preparations for the resumption of passenger services under the new management of the Abt Railway Ministerial Corporation. The corporation was granted accreditation to recommence passenger train services in December 2013.
- monitoring the West Coast Wilderness Railway's actions to address a Prohibition Notice issued as a result of a significant road-rail vehicle accident which occurred in June 2013. The notice was satisfied in August 2013. This incident also resulted in the ONRSR conducting education workshops for areas within its jurisdiction to inform all operators of the risks involved in operating this type of equipment.
- significant track infrastructure improvement projects being undertaken across the TasRail network together with the introduction of the new TR class locomotive and rolling stock fleets.

### INCIDENT RESPONSE

The Tasmanian Regional Office of the ONRSR continues to respond to significant safety incidents. During the reporting period these included:

- the derailment of three locomotives on TasRail's Western Line near Penguin in October 2013.
- the runaway of a contractor's infrastructure trolley for 6km which subsequently collided with machinery working on-track at Colebrook on the TasRail network in November 2013.
- a safe working breach near Devonport on TasRail's network which resulted in a train entering an infrastructure worksite without authority to do so in February 2014.
- locomotive derailments at Lynchford Station on the West Coast Wilderness Railway arising from infrastructure works underway in the area in March and April 2014. The ONRSR accessed its technical specialist staff from NSW in the subsequent site inspection.
- a fatal collision between a train and a pedestrian at Claremont in June 2014.

## Northern Territory

### RAIL INDUSTRY CONTEXT

There are 12 operators accredited for railway operations in the Northern Territory by the National Rail Safety Regulator under the RSNL.

The primary rail network is the freight network operated by Genesee Wyoming Australia joining Darwin to the ARTC network in South Australia consisting of approximately 1,737 km.

### SIGNIFICANT REGULATORY ACTIVITIES

During the year, the ONRSR Northern Territory regional office assessed the variation of accreditation Genesee Wyoming Australia required for its commercial decision to bring in-house the rolling stock maintenance function that it has previously contracted to an external organisation. This action further consolidates Genesee Wyoming Australia's railway operations in relation to the Tarcoola to Darwin railway and affects its operations in South Australia.

### INCIDENT RESPONSE

The ONRSR rail safety officer based in the Northern Territory regional office attended the site of a derailment near Pine Creek in April 2014 which was the result of a screwed journal. Site attendance enabled a quick assessment of the circumstances of the derailment and informed the ONRSR's follow up actions.

A significant derailment occurred at Union Reef in December 2013, resulting in delays to train services into and from Darwin while recovery and repair operations were conducted by Genesee Wyoming Australia. The ONRSR's enquiries into the incident are continuing.

# Glossary

The following glossary outlines specific terms used in this annual report.



**Australasian Railway Association (ARA)** is a member-based association representing the interests of rail operators, suppliers and maintainers in Australia and New Zealand.

**Australian Transport Safety Bureau (ATSB)** is an operationally independent body within the Australian Government Department of Infrastructure and Transport is Australia's prime agency for 'just culture' transport safety investigations.

**Council of Australian Governments (COAG)** comprises the Prime Minister, State Premiers, Territory Chief Ministers and the President of the Australian Local Government Association. Its role is to initiate, develop and monitor the implementation of policy reforms of national significance.

**National Operations Committee (NOC)** comprises ONRSR senior operational representatives from all states including participating and non-participating states to discuss national rail safety issues and workplans.

**National Rail Safety Regulator (NRSR)** refers to the person appointed to this position and has accountability under Rail Safety National Law.

**National Transport Commission (NTC)** comprises five members and a CEO. It provides advice and recommendations on transport reforms to Ministers at the Australian Transport Council (ATC). Transport Ministers are required to vote on NTC reforms and if approved by a majority, all governments are required to implement the reforms.

**Office of the National Rail Safety Regulator (ONRSR)** refers to the office who supports the NRSR comprising staff in participating jurisdictions.

**Passenger operations** carry passengers on commercial or heritage services, while freight operations carry goods (including dangerous goods).

**Rail Industry Safety and Standards Board (RISSB)** is owned by the Australasian Railway Association (ARA) and responsible for the development and management of the rail industry standards, rules, codes of practice and guidelines for national application.

**Service Level Agreement (SLA)** refers to a legislative or non-legislative contract between the regulator and participating state for the provision of regulatory services under an agreed funding arrangement.

**Transport and Infrastructure Council (Ministerial Council)** comprises Commonwealth, State, Territory and New Zealand Ministers with responsibility for transport and infrastructure issues, as well as the Australian Local Government Association. It replaces the former Standing Committee on Transport and Infrastructure Council.

**Transport and Infrastructure Senior Officials' Committee (TISOC)** includes heads of departments from state governments and New Zealand, the Australian Local Government Association and National Transport Commission. It assists and advises the Ministerial Council.

## Compliance index

The National Rail Safety Regulator is required to prepare an annual report under s43 of the Rail Safety National Law 2012.

The following index provides reference to compliance with these requirements:

ANNUAL REPORT REQUIREMENT	COMPLIANCE COMMENT	PAGE REFERENCE
Information on the development of rail safety including an aggregation of statistics of a prescribed class reported to ONRSR under RSNL for this financial period	Operational performance review in Parts A & B Category A & B statistics	pages 50-76 page 23
Information on any improvements and important changes in relation to the regulation of rail safety in the financial period	Overview including Chief Executive message	page 8
Details of any rail safety issues brought to the attention of the ONRSR during this financial period and action (if any) taken in relation to each issue	No issues as such to report on. Actions taken based on State and ONRSR priorities for the financial period	n/a
Details about any significant activity undertaken in each participating jurisdiction by, or on behalf of, the ONRSR during this financial period	Activities provided by jurisdiction in Part B	page 70-76
Financial statement for the financial period	Financial statement	page 29
Report on the financial statement by the public sector auditor	Auditor's statement	page 26
Any other information required to be included in the report by another provision under this Law or by the responsible Ministers	None required	n/a



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