

The Government Railways of Australia had been State Government Bureaucracies for well over 100 years. During this time, Interstate rivalries created traffic patterns that flowed from hinterland to state capital. Intersystem traffic was significantly hampered by the break of gauge. WW2 highlighted this when all states had to co-operate as one unified country. The railway systems that served state aims were totally unprepared to meet Australia's war needs.

Today, the Rail Industry is expected to compete with road Freight (giving 21st century service on a 21st century infrastructure) with an inadequate 19th century infrastructure (only very slightly better than during WW2 !)

The reforms of the past few years have swiftly transformed Government Bureaucracies into corporatised or privatised entities. However, this inquiry is a timely opportunity to re-assess the pace and direction of reform. Indeed a number of alarming side-effects of the reform process have appeared !!

#### FIRSTLY

The formation of separate " Above Rail " and " Below Rail " entities has led to the demise of the " RAILWAY ENGINEER". This Professional optimises both the infrastructure and the rollingstock to minimise maintenance and operating costs. Hence, greatly improving the profitability of both organisations. The personnel that can contribute most to the reform process have been among the first victims of the reform process !!

#### SECONDLY

There is no organisation responsible for the strategic planning and development of Australian Railways, that can also advise all levels of government of the most appropriate railway development for Australia.

The most obvious current example of this is the politically motivated decision to accept the SYDNEY-CANBERRA " SPEEDRAIL" with 350 Km/h T.G.V. technology at an estimated cost of \$3.5 billion. Indeed, \$1.5 to \$2 billion invested on the entire Sydney-Melbourne route including the Canberra link is more in line with the process of reform. Both freight and passenger services would benefit and the route would become self-funding, with access charges covering both track maintenance and continual upgrading. Eventually all three cities could be connected by high speed rail passenger and freight services, instead of the restrictive passenger only Syd-Can route. The higher speeds ( SPEEDRAIL ) allow steep gradients that slower, heavier freight trains cannot use, effectively creating another break of gauge problem.

As mentioned previously, the current railway infrastructure is generally of 19th century standard and serves 19th century traffic patterns. Strategic planning and development is necessary to address current and future traffic patterns. Only this will allow rail to realise it's potential and contribute fully to Australian transport.

I believe it is imperative that a Strategic development organisation is formed immediately.

## FACTOR LIMITING REFORM

The extent of reform is entirely dependant on the quality of infrastructure. Competition has begun on the more efficient Adelaide-Perth route where grades are slight and higher speeds are possible.

The restrictive infrastructure in the east has discouraged competition and will continue to, while the infrastructure remains sub-standard.

By upgrading the infrastructure, market share and competition will increase and operating costs will decrease. A win, win, win situation. Add to this a significant drop in both road maintenance and road accidents and the full effect of total reform can be realised.

As I have demonstrated, further reform is both possible and necessary. However, unless the infrastructure issues are addressed, managerial reforms can only go so far.

Given the opportunity, rail could easily provide passenger services between eastern state capital cities, taking slightly more time than air without the cost. Freight services could easily be faster than road transport can provide. (Road transport is as fast as it can legally be, hence consumer demands for faster services cannot be fulfilled by road.)

Railways are widely regarded as the mode of transport for the 21st century, more efficient, economical and environmentally friendly. Australian Railways deserve the opportunity to meet these challengers - it needs reform, however appropriate strategically planned reform!!