

# NEWSLETTER No 1/2006



Railway Technical Society of Australasia  
SA Chapter  
Engineering House, Bagot Street  
NORTH ADELAIDE SA 5006

JANUARY 2006

## NEXT MEETING

The next meeting will be held on

**THURSDAY 2nd February 2006  
AT BAGOT ST, NORTH ADELAIDE  
(Institution of Engineers) - at 17:30.**

### Joint Meeting of RTSA / PWI

Topic:

## Improving Railway Safety through Accident Investigation

**Tony Simes**  
Senior Transport Safety Investigator  
Australian Transport Safety Bureau

The Australian Transport Safety Bureau (ATSB) will talk about the importance of accident investigation in identifying opportunities for improvement to railway safety.

The presentation will briefly describe the role of the ATSB and the ATSB's approach to accident investigation. The presentation will also discuss a number of significant rail accidents including a freight train derailment in the Adelaide Hills at Glenalta on 21 November 2004.

## Continuous Professional Development (CPD)

IEAust members are reminded that attendance at RTSA technical meetings contribute towards CPD requirements. Each RTSA technical meeting generally has a value of 1 CPD point.

## LAST MEETING

### New CTC System for TransAdelaide

Introduced by **George Erdos**

Technical Presentations by  
**David Hickson and Nik Dimos**  
from **United Group Infrastructure**

#### 1. Introduction

TransAdelaide's suburban network is controlled by a Centralised Traffic Control (CTC) System. The control system is based on Solid State Interlocking (SSI) and when installed in the late 1980's, it was one of the most advanced systems operating. Since installation it has worked well and has met TransAdelaide's requirements. Then why replace the existing system?

The reasons are:

- i) The current TransAdelaide CTC system is an electronic system and approximately 18 years old. In electronic terms, this is quite old and technical support is no longer available. Many of its hardware components are obsolete and some components are no longer manufactured. Its longer-term reliability can no longer be guaranteed.
- ii) A system failure could stop all trains and the disruption to passengers would be wide spread across Adelaide.
- iii) It is unlikely that other forms of transport could cope with the additional transport task if the system failed.

#### 2. Project Scope of Work

The contract for the replacement of TransAdelaide's CTC System was awarded to the United Group (UGL) in March 2003. The project is to be completed in January 2006.

The scope of work included the design, supply, installation, testing and commissioning of the system including;

- i) Centralised Train Control system,
- ii) Passenger Information (PI) system,
- iii) Disaster Recovery Room,
- iv) Operator workstations,
- v) Interface to existing Bus and "Alpha" displays,
- vi) Existing SSI upgraded from a MK I to MK II,
- vii) Telecommunications,
- viii) Management Information,
- ix) Operator, Maintenance, Design and Management Training

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### 3. Project Status

The following is the current status of the project:

- i) The CTC & PI Systems design is complete
- ii) The CTC equipment has been received, apart from Telecomms and Workstation Furniture, which is under manufacture and will be completed in November/December 2005
- iii) The PI equipment delivered to site
- iv) The installation is 65% complete, on programme and will be complete in December 2005
- v) The Factory Acceptance Testing of equipment is 90% complete and will be finished in November 2005
- vi) Site Testing will be carried out in December 2005
- vii) Training will be carried out in December 2005 and January 2006
- viii) Commissioning and handover is proposed for January 2006

### 4. SCADA - PcVue

SCADA PcVue is the basis of our Sigview control. PCVue is one of the largest SCADA systems world wide with over 22,500 licenses.

•PcVue is well proven and versatile has been used for other control systems such as:

- i) Building management systems
- ii) Tunnel ventilation
- iii) Industrial plant control
- iv) Road network monitoring

The wide use of PcVue allows for on going support and upgrade paths for different operating platforms in the Microsoft range based on demand.

The following functions are incorporated within the control system:

- i) Timetable Management
- ii) Fleet Management
- iii) Crew Roster Management
- iv) Automatic Route Setting including:
  - a. Route setting based on Timetable
  - b. Timetable defines the routes
  - c. Sets 3 routes ahead of the train to maintain Green aspects
  - d. Sets to obstruction if 3 routes are unavailable
  - e. Triggered on train position
  - f. Scheduled merging and splitting of trains
  - g. Multiple trains on a single track or route

- h. Turnaround and reversing trains
- i. Manages later running trains
- j. Through routing of trains

### 5. Pseudo Interlocking

SSI uses pseudo interlocking, which is the software-based replication of the required vital interlocking functions that ensure train operation safety by:

- i) Ensuring Route Availability
- ii) Ensuring Point Switch Detection
- iii) Providing Slot status
- iv) Enabling Command to RFS.

The pseudo interlocking incorporates trigger-based actions such as:

- i) On field change of state - Latches are set with time conditions if required
- ii) Programs to manage special conditions

Automatic expressions are also incorporated to manage special conditions, the data being combined using Boolean expressions.

### 6. Maintenance Alarms

The CTC system has a number of built in alarm functions to advise the traffic controller of unusual situations or equipment failure. Some of these alarm functions include:

- i) SPAD - Defined as Signal at red with Berth track down followed by "A" track down
- ii) Track sequence - Defined as each track to drop in sequential order
- iii) Point failures - Control and detection flag set after pre-defined time
- iv) Road Crossing - Various such as Bat low, down too long, too slow down etc

The operator is alerted to the alarms by:

- i) Pop-Up Alarm windows - View to review messages date & time stamped.
- ii) Audible Alarms - Associated alarm indication. Colours based on priority.

### 7. System Maintenance

The control system is designed for easy maintenance and diagnostics with such as:

- i) Remote dial in access - Monitor, view all facilities
- ii) WebVue - Access to "real time screens" via TA-Intranet.
- iii) KVM over IP

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The maintenance system has a replay function to allow a particular incident or period to be reviewed and examined in detail. The system can retrieve all stored data and play back the incident or period in a style similar to that viewed by the operator. It shows user and field changes on the display via signals, track indicators and buttons. The speed of the replay can be controlled and various filter/search options can be utilized.

The maintenance data can be used for trending, i.e. to monitor the ongoing performance of the various items of equipment and use that data to determine future maintenance plans.

The trending analysis can:

- i) Graph of up to 8 bits simultaneously
- ii) Each with own colour
- iii) Access live or logged data
- iv) Be time base controllable
- v) Be view style adjustable

The system can also count the number of times a particular piece of equipment is used. Some of the features are:

- i) Uses registers to count each time a Bit changes
- ii) Alarm threshold is defined as upper limit
- iii) Level adjustable by Maintenance staff
- iv) Reset, logged disk, and viewable from log and alarm windows

## 8. Operator Workstation Details

The operator workstation is a modular construction that houses the SIGVIEW displays, computers, phones, radios and any other items – Refer Photo 1.

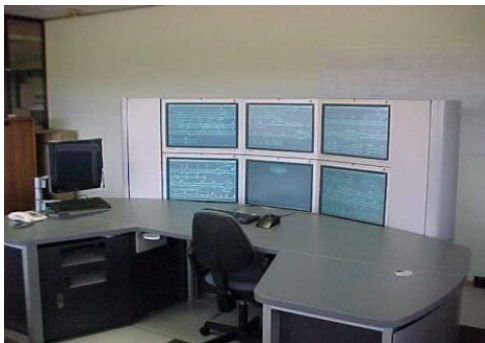


Photo 1 – Operator Work Station

## 9. Passenger Information Management

The TransAdelaide train management system includes a system for passenger information management. At the operator console, the system uses “NetSpire” to advise:

- i) Equipment status

- ii) Access train services
- iii) Access device details
- iv) System status
- v) Voice message management
- vi) Alarms & Logs
- vii) Supervisor activities
- viii) Record and test Audio sounds
- ix) Manage Video library
- x) Backup & Restore configurations
- xi) Sync servers and databases

At the Adelaide Station, passenger information is provided by:

- i) 27 LED clocks
- ii) 35 LCD Arrival & Departure Displays

This is supplemented by a manual public address system.

At other stations, passenger information is provided by:

- i) 41 Station LED displays – Refer Photo 2
- ii) 5 Bus LED displays – Refer Photo 3
- iii) 125 Voice Annunciators



Photo 2 – Station LED Display



Photo 2 – Bus LED Display

The meeting was attended by 31 members and visitors with the Vote of Thanks being given by Malcolm Menadue.

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## NOTICE OF SPECIAL GENERAL MEETING

Notice is given that a special general meeting will be held on Thursday 2<sup>nd</sup> February 2006 (in conjunction with the general meeting) to discuss a proposed alteration of the RTSA SA Chapter Constitution.

The reasons for the change in Constitution are:

- i) To better reflect the current operation of the RTSA;
- ii) To simplify some of the requirements and clarify roles of the Executive and Council;
- iii) To make the document more logical and easier to find requirements for various elements of the organisation;
- iv) To remove reference to the possibility of becoming incorporated separately from Engineers Australia;

A copy of the proposed revised Constitution may be found on the RTSA website or may be obtained from Robert Schweiger – RTSA SA Chapter Chairman. Robert would also be happy to receive any correspondence or queries regarding the proposed changes.

All SA Chapter members are advised to review the proposed document and vote at the special general meeting.

## RTSA - SA CHAPTER AGM

The RTSA SA Chapter AGM was held at its annual dinner on Tuesday 29<sup>th</sup> November 2005.

The highlight of the evening was our guest speaker, Mr Bill Watson, General Manager TransAdelaide, who spoke about rail based public transport in Adelaide and the role of TransAdelaide. A copy of Bill's talk may be found below.

The elected Committee for 2006 is as follows:

Chairman – Robert Schwieger

Secretary – Tom Hampton

Treasurer – Duncan McLeod

Committee Members – Steve Torok  
Malcolm Menadue  
Bill Edmunds  
George Erdos  
John Dring  
Roger Wyatt  
Daniel Martucci  
Stephen Townsend

## RAIL BASED PUBLIC TRANSPORT IN ADELAIDE AND THE ROLE OF TRANSADELAIDE

**Bill Watson – General Manager, TransAdelaide**

(Presented at the 2005 AGM of the RTSA SA Chapter)

Thank you for inviting me to speak this evening. If you will permit me – I'd like to be introspective this evening and ask and even attempt to answer some questions that go the heart of TransAdelaide's existence.

Those questions are:

- i) Firstly, to Australians and citizens of greater Adelaide in particular, do we really need public transport?
- ii) Secondly, how relevant is public transport to Australians who have transport purchasing power?
- iii) Finally, what should TransAdelaide do to retain its existing customer base and expand its customer base?

I moved to Adelaide earlier this year – and in spite of the Crows and Port Power blanket media coverage (you'd think there were no other football sides in the AFL) – I love living in Adelaide. It's easy to get around with broad, traffic free roads.

Having lived in Sydney for nearly a decade I can tell you there is no traffic on your roads. If I may observe, and I think you may confirm this - most Adelaide drivers drive as if there is no one else on their road. Perhaps, at least for me, this is another reason to use public transport.

Our other capital cities are choking in congestion. The most egregious example of this is Sydney. However, other Australian capital cities are not too far behind.

Despite the construction of billions of dollars worth of toll roads in Sydney, Sydney's roads are becoming more, not less, congested. Cheaper cars, a poorly performing public transport system and substantial fringe urban growth where there is little public transport have led to a substantial growth in motor vehicle registrations – a 30% increase since the 1986. Registration growth during this period outstripped the growth in licensed drivers by 10%. In South Australia the story is was much the same; registrations increased by 25%, outstripping the growth in licensed drivers by 8%.

You would think that congestion could provide public transport with a competitive advantage – frustrated drivers migrating to public transport. Well congestion does and doesn't. Where public transport has dedicated corridors such as rails, bus ways, tram corridors it does

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have a competitive advantage – however where public transport has to share corridors with motor vehicles its an all together different story.

Only last week, Sydney's major bus operator, the State Transit Authority, announced the introduction of new timetables for a substantial number of services in response to road congestion. To give the bus operators a reasonable opportunity to keep to timetable, services will now be timetabled to take longer. This move reflects the reality of every-day vehicle traffic where buses compete with private and commercial road users for the ever increasingly crowded road space. Longer journeys mean a less efficient utilisation of public transport assets making it harder to allocate resources to areas that are deprived of public transport.

In Melbourne, Yarra Trams, the tram concession holder, has embarked on an ambitious public education program to highlight the effects that congestion has on tram service reliability. Professor Graham Currie, chair of public transport at Monash University's Institute of Transport Studies has pessimistically forecasted that in the absence of dedicated, vehicle free tramways, Melbourne's trams would be phased out within 25 years. His sober assessment was that congestion was strangling one of Melbourne's precious and sustainable assets.

In Adelaide, we are not at this stage just yet and perhaps we won't be there for some time – but it is inevitable. I'm not sure what the law is called – but let's just call it the "Field of Dreams" Transport Law – build roads and the cars and trucks will come. At some stage, in the near future, Adelaide will have to deal with the vexed issue of urban road congestion and what limitations, if any, will be placed on road users to balance their needs against public transport user needs.

Clearly public transport plays a significant role in preventing and reducing urban road congestion. The mathematics is compelling. A morning peak service from Noarlunga typically carries 300 passengers - this equates to about 250 cars or four articulated buses. Similarly a morning peak tram service carries about 150 passengers or about 120 cars or about two buses. I'm not sure that Adelaide's roads can cope with such an increased volume of traffic.

There are many within Adelaide who must use public transport because they do not have any economic choice, they can't drive or they don't have the ability to get a lift. They need public transport. However the challenge for TransAdelaide and other public transport operators is to provide a service that meets their personal requirements. That is a service they prefer to

use rather than a service they must use whether they like it not. Public transport should not be an option of last resort.

Cars are becoming cheaper not more expensive. Each of us has either seen on television or experienced first hand the clogged Chinese road system. No story about the forthcoming Beijing Olympics is complete without vision of cars and trucks and their vehicle emission generated pollution. Congestion is a direct effect of the increasing Chinese prosperity.

Like many other peoples enjoying increasing economic prosperity - one of the must have items for the newly economically empowered urban Chinese, is a car. This phenomenon is something that is repeated around the world. Material prosperity equals motor vehicles. But this problem will not be confined to the streets of Shanghai and Beijing – it will inevitably be exported to Australia.

Why is the inexorable growth of the Chinese automotive industry relevant to Australia and Adelaide?

Because cheap Chinese motor vehicles are only a few years away. By cheap I mean significantly cheaper. A segment of my market; public transport users who use public transport because they must rather than want to, will find themselves with choices.

What we will see is something more profound that the invasion of the cheap Korean cars in the 1980s. You need only look at the rise and rise of Hyundai. Alan Bond imported the first Hyundai in 1986. The Excel was only \$11,000. Industry analysts are predicting the arrival of cheap Chinese and Indian cars by the end of this decade costing around \$8,000. The CPI increased by 116% between 1986 and today. In relative terms the cost of a new car will reduce by 60% with the arrival of these cheap cars. A 60% reduction in the cost of a new car – that's a phenomenal benefit from globalisation.

Smaller cars will partially offset the increase in fuel prices – public transport operators cannot expect to gain a significant advantage from the long-term increase in fuel prices. We have found an initial increase in patronage as fuel prices increase. But as the newer customers get used to higher fuel prices, and having used public transport remember why they don't normally use it, they revert to their old habit and jump in the car for their journey.

You may have seen the award winning Adelaide Metro advertisements that point out the savings that travellers enjoy if they leave their car at home and catch public transport. These savings were confirmed in evidence given to the House of Representatives Standing

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Committee on Environment and Heritage in its recent Sustainable Cities report.

The Committee reported evidence from Professor Peter Newman, Murdoch University's Professor of City Policy and Director of the Institute for Sustainability and Technology Policy and an adviser to a number of state governments on sustainability that:

- i) A family that elects not to purchase a second or first car will save \$750,000 in superannuation equivalents during the main income earner's working life. That's a lot of money;
- ii) Strong rail cities are 45% wealthier than weak rail cities; and
- iii) Strong rail cities have more money to spend on other non-road infrastructure because of reduced car reliance.

Interestingly, a paper delivered at a conference hosted by the Melbourne Transport Forum, posited that there appeared to be a negative correlation between wealth and car ownership. The greater the provision of public transport the more likely that the city – and there are numerous examples in Europe, Asia and North America – is peopled with a wealthy population.

The challenge for TransAdelaide and other public transport operators is how do we convince this segment of our customer base that it's a dumb economic choice to either buy and or use a second car or indeed their first.

Cars are not cheap to own or operate nor are they cheap for the rest of the community. Car users consistently under estimate the cost of car travel. Dr Glazebrook who also gave evidence to the House of Representatives Standing Committee said that the average person perceives the cost of car use as six cents per kilometre per passenger. Taking into externalities the actual cost is closer to sixty cents per passenger per kilometre. Extrapolated out, this is about \$1.80 per kilometre for a driver only car where there are no other passengers, which is typical for a journey.

If this doesn't convince most people about the real cost of using a motorcar then our friends at the Australian Taxation Office should. We all know they don't give anything away for nothing. The Tax Office allows motorists a deduction of 63 cents per kilometre travelled for work related purposes.

Using my Noarlunga passenger as an example, a return trip into town by car including parking and based the Tax Office deduction rate will cost about \$48 compared with \$6.40 for an all day ticket. The economics of this

are compelling. If we all acted rationally there would be fewer cars on our roads.

But I've a confession to make – I'm not a rational person and I'm sure most of you are not either. Most of the time we make purchasing decisions based upon emotion and this includes public transport. What's the difference between bottles of white wine or red wine or even football teams? It is personal preference.

I'm prepared to confess here and now that I've let my heart rule my head on many occasions when it comes to car ownership. Fortunately for me I'm not alone. I can remember a Fiat 124 I owned in my 20's. I'm sure that blessed car significantly assisted my mechanic Roberto's daughters' private school education. Then there was a Saab wagon – I enjoyed the leather seats and sound system as I sat in the peak hour traffic in Sydney, hour after hour, day after day.

I know I was typical of many car owners – my perception was that public transport was not convenient nor was it friendly or reliable. Then I got a job in public transport and realised much to my chagrin that public transport wasn't too bad at all. Yes there were times when trains were late or cancelled, other times when the train was crowded and times when my fellow passengers were not the type of people that I'd normally mix with. This latter point is for me interesting – members of the community cannot cocoon themselves all of time – public transport forces them to mix with other people and perhaps occasionally converse with a stranger.

The State government has set an ambitious target for public transport in South Australia's strategic plan – by 2018 the number of weekday public transport trips as a percentage share of transport task must double from 5% to 10%. TransAdelaide is committed to achieving this task.

What we do know as public transport operators is that customers, all customers irrespective of whether they are using the system by choice or not, value frequency, reliability, safety and cleanliness time and time again.

If you have a choice then that's generally what you get out of having a motor vehicle. Your transport is there when you need it, depending on the age and state of repair it's reliable; it's as safe as you want the journey to be and it's as clean as your personal preference.

In short these are the things that public transport providers must provide if public transport is to become the transport of choice rather than the default option. If we can achieve this we will look after those customers

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who must use public transport, win over those who have a choice and attract those who haven't used us yet.

Making public transport the transport of choice is not easy. There are things that I can control, or attempt to control as an operator and there are other things that depend upon the good will and good behaviour of third parties. Success in the things that I can control will influence third party attitudes toward my organisation. By that, I mean if I provide a service that my customers love and use then my owner, the state government, may be inclined to allocate scarce capital resources toward public transport in general and TransAdelaide in particular. This is something that TransAdelaide as an organisation and its staff members need to constantly remind themselves – we are not any more special or privileged than any other part of government. We have no special right to capital funding – we are one of many seeking scarce resources.

The South Australian economy is no different from any other state economy. There are many competing demands for state funds. Certainly, rail has seen significant investment in some states, but the process remains the same – which investment decision will provide the best benefit to the community. Public transport competes against other agencies for scarce funding. This includes roads, hospitals, schools and police amongst others.

For TransAdelaide we need to make ourselves relevant to the government and demonstrate that we are working the assets we have as efficiently as we can.

The most important thing TransAdelaide as an organisation can do to retain its existing customer base and grow it further, is to prize our customers above all else. We are not in the business of public transport; we are in the business of providing a personal transport service for people with choices.

There is that moment of truth for all customers – for us it's no different. Those first moments that creates a lasting impression with new and existing customers. Is the service you are offering inviting?

For me, our business is no different from a five star hotel, a corner takeaway bar or a multinational franchised food operation. Like these businesses we need to provide great customer service to remain in business. That's something that I believe personally, having it embossed on my teenage brain by Ted Griffett, my first boss who owned and ran a butcher shop in Melbourne's outer suburbs. Some days I wish I could bring Ted across to Adelaide to share his views on customer service with those of my staff that believe that they don't have to provide it to the customers they come

in contact with, even though they expect it when they put on their customer hat.

Building a customer service ethic is a significant challenge in an organisation that has seen substantial change over the past twenty years, including the loss of its substantial bus business over five years ago.

Quality customer service means staff:

- i) Who are polite and pleasant to customers,
- ii) Helpful when asked for information and assistance,
- iii) Volunteer to provide assistance rather than waiting for an request of assistance, and
- iv) Are resourceful when circumstances require.

I often see examples of these behaviours among our staff but there is not a consistent level of excellence in customer service.

In recent years we have made inroads. To provide our customers with a sense of safety we have passenger service assistance roving through our network during the day and all trains after 7pm have a security guard and passenger service assistant on duty. I am sure that this initiative has led to the steady growth in patronage. All TransAdelaide staff will undertake customer service training during 2006.

The next issue that we have a degree of control over is our ability to integrate with other public transport providers and our customers. Adelaide is indeed fortunate in that its public transport system is integrated. One ticket is used for the entire system – buses, trains and trams. And services are planned by one agency, which means that more often than not trains and buses connect so that passengers can transfer from one mode of transport to another without waiting

Service integration is critical to providing customers with reliable, frequent services. It eliminates lengthy delays providing a service, which is similar to that provided by a car.

One of the things that is often overlooked is the need for customers to park their cars when transferring to trains, trams and buses. Over the last few years TransAdelaide has created and acquired hundreds of parking spaces. This enables our customers to conveniently access public transport. Creation of further parking spaces is of critical importance to TransAdelaide.

Whilst our railcars have served us well since entering service, the time has come for a midlife refit.

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TransAdelaide has funding, commencing in 2006/2007 financial year, for an extensive program to refurbish its railcar fleet. This involves refurbishing the interiors to provide our customers with an equivalent level of comfort to that they will see in the new Flexity Classic trams. Crowding has become an issue with our trains as patronage has increase since 2000. New seating configurations will provide our customers with a more comfortable journey. The program will also enable TransAdelaide to re-introduce into service the six out-of-service 2000 Class railcars creating extra capacity for existing services.

Adelaide's population is on average the oldest of any Australian capital city. This presents a challenge for TransAdelaide. As our customers become less mobile their need for public transport becomes greater. Our rail car refurbishment program and station upgrade program needs to take into account this important segment of our customer base.

Summing up:

- i) There is a need for public transport – without a viable, vibrant public transport system our cities would choke. Many people who aren't as fortunate as we are in having a range of economic choices would effectively be shut out of the community.
- ii) The state government has set an ambitious target to double the use of public transport – to achieve this TransAdelaide can make improvements in its business and leverage off these improvements to attract further investment to improve and enhance our system.
- iii) The challenge is to lure cars users onto our public transport system. Even though there are benefits in using motor vehicles the direct cost to commuter motor users is substantial - up to \$750,000 in forgone superannuation.
- iv) Even if we are successful in attracting new customers our challenge is to retain them. Superior customer service and service integration are critical to this.

I'm optimistic about the future of trains and trams in Adelaide – we have the right conditions to enjoy further patronage growth and to attract further investment from the government.

Thank you.

## THE OBSERVATION POST – Max Michell

It must by now have come to the notice of all readers that the equal share Pacific National (PNL) partnership of Patrick and Toll is not going at all well. The reason of

course is to do with the current attempt by Toll to take over Patrick. A periodic slanging match between the two CEO's, Paul Little and Chris Corrigan, combined with various issues to, in and from the ACCC has done little to either resolve the issue or to provide any direction to PNL. In fact if the media reports are even part true there would seem to be a major fracture in the partnership, which may well prove impossible to recover from regardless of the eventual outcome. CEO of PNL, Stephen O'Donnell has left in a flurry of words that indicate his ability to manage the railway has been compromised by activities and attitudes of the erstwhile partners, while a number of other senior executives have left (or been removed, depending on the reporter) as a consequence of the same unhappy train of events. Clearly things are serious for PNL just right now. Reports suggest that there is a process in the partnership agreement that, in the absence of any other agreement on fundamental matters in dispute, would allow the assets of Pacific National to be divided among the partners. At this stage Patrick are pursuing the issue of the PNL / Toll QRX contract (relating to the narrow gauge railway arm - PNQld) as a lever to allow PNL to be broken up between the two owners, while Toll are claiming this to be a smokescreen to avoid the takeover bid succeeding.

One aspect largely overlooked is that PNL is the long-term leaseholder of all Victorian tracks other than metro (Connex) and inter-capital (ARTC) routes. This lease was acquired by PNL with the assets of the former Freight Australia. Under FA there was an endless list of impediments placed in the way of potential third party operators as there were for a whole range of government upgrade projects. All the while FA were under-maintaining the track by a significant amount to the extent that now there is a real threat that some of the former Victorian freight network may well be unrecoverable and finish up closing. A good result for the short-term American owners but a bad result for Victoria. Under PNL there has been some apparent improvement in relations between the company and Victorian Government, but the fundamental issue of shareholder priority over the 'people of Victoria' remains the stumbling block to continued network integrity

Victoria is not the only place that is in this situation. Pacific National Tasmania, acquired from another American outfit (indirectly) in recent times, declared that it would abandon all but a few bits of that network unless government stumped up with \$100 million of government remediation money. This brought on a predictable and rapid inter-government response that in the end looks like returning the track to Tasmania, with Federal funds to restore it up front to a fit for purpose

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level, and some form of access charging for PNT and possibly other potential operators.

In New Zealand, when Toll acquired the former Tranzrail property, the situation was somewhat clearer (but no less satisfactory) such that the NZ government 'bought' the track for \$NZ1 (although anecdotally the government official only had \$2 so that was handed over as payment!) with a promise to invest \$200 million in track remediation, but retaining Toll as the sole operator. It now appears that much more than that the first announced sum would be required to retain and restore the NZ network.

In all three cases there has been a 'privatisation', which has lasted only a few years at most before being on-sold, at which time it has become apparent that the original owner has 'milked' the property by under-maintaining the track, with little regard to the longer term consequences. It seems pointless to privatise the railway if in the end track is being 'asset stripped' as the principal means of providing shareholder returns. That surely is a self-destructive approach to the business, but one that seems to accord with the 'quick quid' mentality that pervades the corporate world these days.

Unfortunately it does not align with the public, national or even regional interest. If the private sector objectives are incompatible with broader based (community) objectives, then it is pointless to leave the key assets in the hands of the private sector. Let them do the things that they can do well - competing above rail being one of these - but take the below rail assets back into a different form of ownership and control where objectives can be aligned. Although it is a world away the British experience, where the track, trains and rolling stock were all privatised in a fit of ideologically driven zeal, has clearly demonstrated how dysfunctional the whole privatisation thing can be if it is not aligned to national, social and regional objectives as part of the deal.

By now there would seem to be enough evidence and experience to support retention of rail track in the public domain, as a 'regulated' monopoly asset over which any or all suitably accredited operators can run. By having rail track in the public domain it is possible to capture the full benefits of the rail track, particularly the externalities that do not directly relate to the train or track owners particular business but are in the community interest. Roads are an example where road charging is overwhelmingly through a combination of user (fuel excise) and community (taxation) funding that reflects the inability of specific road charging to suitably recover costs (if you are in doubt about the resistance to specific road charging just keep watching the toll road

debate, particularly in regard to the Cross City tunnel in Sydney).

Once government (public) funds are put into rail track it becomes untenable for a single operator to be given sole operating rights. In such circumstances it might be administratively easier to simply siphon public funds to the shareholders. Having said that there may be some situations where a single operator (under a suitable regulatory regime) may be justified if that will produce a higher level of 'public good' than by having multiple operators. It may of course also be that completely different structural arrangements will in fact be required, such as adoption of a 'short line' model for small components of route that have a close strategic synergy with a particular industry or localised regional economy - still involving a single but very low cost operator in a small area but interfacing to multiple main-stream operators on the secondary and main lines nearby. However the current Australian model does not encourage short lines or end on alliances between operators, although in North America such arrangements are everyday - more issues that potentially need to be sorted out.

The issue of track ownership would seem to require a significant rethink if the rail network is not to be eroded and weakened as a result of short term gain by the financially interested few. The Federal - State enquiry into the Tasmanian situation, the rising issue over the Victorian track lease, and the inadequacy of funding into valuable regional links in places like NSW where the government remains responsible but unresponsive, now all point to the need for a major re-think on the issue of track ownership, funding and operation. Without the track there can be no railway, so this issue is quite fundamental to our business.

The RTSA Government Relations sub-committee has taken on a task to delineate a preferred framework for a workable model for track ownership and operation to allow cohesive and consistent comment and submissions on issues such as that currently in Tasmania. It is also important that the Victorian Government does not miss the opportunity for a second time to get their track issue right, a point that RTSA should have an informed opinion on prior to any such event.

It would seem that the stars are in alignment for a change in relation to track. It is particularly important that this opportunity is not missed. Should any members have contributory views on this matter they should contact Andrew Honan (Chair, RTSA

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Government Relations sub committee) on  
a\_hona@pacific.net.au.

For further details, refer to ACCC website at  
www.accc.gov.au.

Postscript – News Release dated 18<sup>th</sup> January 2006 –  
ACCC to oppose Toll's proposed acquisition of Patrick –

## MEETINGS FOR 2006

Future Speakers/Dates/Topics				
Date	Speaker	Organisation	Topic	Venue
2/2/2006	George Erdos	Australian Transport Safety Bureau	Accident Investigation	Joint with PWI
2/3/2006	TBA			
6/4/2006	Site Visit	Intercast & Forge	Tour of foundry including new facilities	Intercast & Forge - Joint with PWI
1-3/5/06	Core 2006			Melbourne
1/6/2006		ARTC	Wayside Detection and Wheel Profile Measurement	Joint with PWI
6/7/2006	TBA			
3/8/2006	R Nancarrow		History of Ultrasonic Rail Flaw Detection/ Current Practices	Riviera Motel and Function Centre – Joint with PWI
7/9/2006	TBA			Joint with IRSE
5/10/2006		ARTC	Structural Clearance Management	Joint with PWI
2/11/2006	TBA			
28/11/2006				RTSA AGM

## KEY RTSA CHAPTER COMMITTEE CONTACTS

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Articles or editorial comment for Newsletter are very welcome. We have over 100 members locally some of whom will have stories, events or developments of interest that could be reported in Newsletter.

Part of the function of RTSA is to keep members in touch with what is going on in the industry and with each other and to that end we are only too happy to publish items of interest.

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Electronic despatch of Newsletter is undertaken by Malcolm Menadue – contact Malcolm on [mmenadue@ozemail.com.au](mailto:mmenadue@ozemail.com.au) if you have any problems receiving Newsletter electronically or in hard copy. Note that electronic subscribers will get their Newsletters and flyers as soon as the editorial stuff is done, while the hard copy mail will of course be some days slower.

For all other matters relating to RTSA SA Chapter contact Robert Schweiger (Chairman) at e-mail [robert.schweiger@jhg.com.au](mailto:robert.schweiger@jhg.com.au), or by phone on 0413 128 775.

## Disclaimer

This Newsletter is a publication of the South Australian Chapter of the RTSA. The opinions expressed within are not necessarily those of the Chapter, Society or Editor.