



TRANSPORT AND INFRASTRUCTURE
SENIOR OFFICIALS' COMMITTEE



MEMORANDUM OF UNDERSTANDING

BETWEEN

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AND

RAIL INDUSTRY SAFETY AND STANDARDS BOARD

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1 Preamble

- 1.1 The Transport and Infrastructure Senior Officials' Committee (TISOC) is an inter-jurisdictional body accountable to the Standing Council on Transport and Infrastructure (SCOTI) of the Council of Australian Governments. TISOC is responsible for delivering national reforms on behalf of SCOTI.
- 1.2 The Rail Industry Safety and Standards Board (RISSB) was formed by the Australasian Railway Association (ARA) to improve operational efficiency, safety and interoperability for rail owners, operators and suppliers (the rail industry) through the development, publication and maintenance of national standards, codes of practice, rules and guidelines.
- 1.3 The standards, codes of practice, rules and guidelines published by RISSB form the Australian Code of Practice (the Code). Together with associated documents, the Code complements the safety management systems that are recognised by the National Rail Safety Regulator (NRSR) in the accreditation of rail operators and provide guidance to achieve uniformity and national consistency in rail operations.
- 1.4 The RISSB 'Standards' development process is accredited by Standards Australia. RISSB also uses this process to develop its codes and rules. A slightly modified process is used to develop RISSB guidelines and other material.
- 1.5 An independent Development Advisory Board (DAB) chaired by an independent person with two senior representatives from governments ensures that the Code is developed in accordance with RISSB's accredited standards development process.
- 1.6 Funding of up to \$1.5 million (GST exclusive) per annum in aggregate is provided to RISSB by the Commonwealth, New South Wales, Victoria, Queensland, South Australia, Western Australia, Tasmania, Northern Territory governments (the governments), represented through SCOTI, for the development of the Code. The rail industry provides matching cash funding (which is adjusted annually by the Consumer Price Index). The value of the rail industry's 'in kind' contributions is estimated by RISSB to be equal to that of the combined cash contributions by both the governments and the rail industry.
- 1.8 A review of RISSB and its MoU with the Governments was conducted by Mr Tony Taig in 2012 (Taig Review).
- 1.9 At the SCOTI meeting on 9 November 2012, Ministers endorsed the key findings of the Taig Review and agreed with the recommendation that a new MoU between Government's and RISSB would be established to replace the existing MoU at its expiry in June 2013.
- 1.10 It was agreed that the new MoU would maintain current government funding levels, include a strong emphasis on achieving improved interoperability, safety and value for money, and reflect consultation with the national rail safety regulator on the setting of priorities for RISSB's standards harmonisation work.

2 Parties to the Memorandum of Understanding (MoU)

2.1 The Parties to this MoU are:

- 2.1.1 The Governments of the Commonwealth, New South Wales, Victoria, Queensland, Western Australia, South Australia, Tasmania and the Northern Territory represented by the Transport and Infrastructure Senior Officials' Committee;
- 2.1.2 The Rail Industry Safety and Standards Board.

3 Purpose of the Memorandum of Understanding (MoU)

3.1 The primary purpose of this MoU is to:

- 3.1.1 provide a basis for a cooperative framework for Governments and the rail industry to progress rail operational and safety reform; and
- 3.1.2 to promote harmonisation and interoperability of rail standards.

3.2 The MoU outlines the arrangements for the provision of government funding and RISSB's obligations to SCOTI, as a recipient of government funding in relation to the prioritisation, delivery and promotion of standards, codes, rules and guidelines published by RISSB.

3.3 This MoU replaces the MoU between the Australian Transport Council and RISSB dated 24 May 2010.

4 Purpose of Standards

4.1 The purpose of developing a set of nationally consistent operational and management standards for the Australian rail industry is to:

- 4.1.1 improve the management of risk;
- 4.1.2 assist rail operators to address risks to safety so far as is reasonably practicable (SFAIRP);
- 4.1.3 provide rail operators standards to assist in implementing good practice; and
- 4.1.4 increase efficiency and productivity.

4.2 In the preparation of new or revised standards, RISSB will have regard to the following general principles:

- 4.2.1 standards should have clearly identifiable outcomes and aim to produce measurable improvements in safety and affordability;
- 4.2.2 standards should aim to achieve greater interoperability and harmonisation; and
- 4.2.3 standards should reflect industry and Government priorities.

Note:

For the purposes of this MoU, the meaning of SFAIRP' should be taken from "Meaning of Duty to Ensure Safety So Far As Is Reasonably Practicable Guideline' published on the ONRSR website.

5 Work Plan

- 5.1 RISSB will publish a work plan on its website by 30 June each year, for the following financial year. The work plan will set out which projects RISSB is proposing to undertake over the course of the next 12 months.
- 5.2 Each item on the work plan must include brief supporting information which outlines:
 - 5.2.1 the outcomes (in terms of safety and affordability) the standard is intended to achieve; and
 - 5.2.2 identify the level of interoperability and harmonisation that is likely to be achieved by the item.
- 5.3 In order to ensure priorities for standards development are evidence based, RISSB agrees to document its priority setting process.
- 5.4 RISSB will consult and engage with representatives from industry, governments, the Office of the National Rail Safety Regulator (ONRSR) and the Australian Transport Safety Bureau in the development of its work plan.
- 5.5 The RISSB Board will have the final say in determining the work plan.

NOTE:

The purpose of documenting a work plan development process is to seek engagement with stakeholders on the setting of standards development. It is recognised that it is important for Governments and industry to have input into standards prioritisation in order to boost the adoption of standards.

It is also expected that as data becomes more available on the nature of risks to safety that the process will move to a more evidence-based approach.

6 Standards Justification Process

- 6.1 RISSB agrees that as part of the standards development process it will provide a justification at the beginning of each standard which:
 - 6.1.1 outlines what hazards or available quantum of risk the standard is aimed at addressing;
 - 6.1.2 what is acceptable good practice;
 - 6.1.3 provides examples of better practice;
 - 6.1.4 identifies the safety benefit and costs associated with the adoption of the standard; and
 - 6.1.5 provides how the standard achieves greater interoperability and harmonisation.

7 Review

- 7.1 In order to gauge the take up of, and benefits realised from RISSB products in the longer term, RISSB will conduct annual industry surveys to seek feedback from operators regarding actual implementation. The surveys will be conducted in line with the requirements at schedule 1 of this MoU.
- 7.2 RISSB agrees to provide the results of the evaluations/surveys to jurisdictions and the ONRSR as part of its performance reporting requirements.

NOTE:

Clauses 7 and 8 are intended to address the recommendation in the Taig Review that standards should aim to produce measurable improvements in safety. It is recognised that data that is collected and available at present would not support such an analysis. Therefore, it is anticipated that the information that will be available as a result of Clause 8 will better inform any safety benefit realised by the RISSB standards.

Additionally, it is proposed that the information gathered be used for the purpose of evaluating the outcomes of this MOU. It is hoped that, as part of the next MOU, the collection and collation of data has progressed such that empirical evaluation of safety outcomes may be included in an evaluation framework. See also Clause 13 below.

8 Rail Standards Government Working Group

- 8.1 The Rail Standards Working Group (the Group) comprises a representative from the Commonwealth Government, representatives from at least two other State and Territory Governments (on a rotating basis) and representatives from RISSB and the ONRSR.
- 8.2 The purpose of the rail standards government working group is to:
- 8.2.1 provide a point of contact and liaison between RISSB and Governments;
 - 8.2.2 provide feedback and input to RISSB on behalf of Governments;
 - 8.2.3 ensure that government priorities are appropriately reflected in the RISSB products that are developed with Government funding;
 - 8.2.4 help promote the adoption of standards by the rail industry; and
 - 8.2.5 lead the review of the MoU.
- 8.3 The Group will be chaired by a representative from a different State or Territory Government on a 12 monthly rotating basis.
- 8.4 The rail standards working group must meet at least twice each year.

NOTE:

The Taig Report recommends that Governments should provide "clear leadership toward more harmonised railways in Australia". The Report also recommends that Governments commission work (with industry) to clarify the benefits of harmonisation and help set Government priorities for RISSB.

The reinstatement of a Government stakeholder group to act as a contact point with RISSB is seen as a first step toward implementation of this recommendation.

NSW volunteers to act as the first Chair for the Group for the 12 months from the date of execution of the MoU and will coordinate the Group's initial meetings.

This group is not intended to provide technical input or to review individual standards.

9 Commitments by Governments

9.1 In signing this MOU, Governments:

- 9.1.1 commit to support the development of nationally consistent operational and management standards to improve safety outcomes and enhance efficiency on the Australian rail network;
- 9.1.2 encourage the take up of RISSB standards by rail industry;
- 9.1.3 agree to provide additional, reasonable in-kind assistance to RISSB where possible and where appropriate.
- 9.1.4 provide advice to the rail industry in order to encourage the development of a national safety incident database and a national safety data collection framework.

10 Funding Support

- 10.1 The Governments represented by SCOTI agree to support RISSB in the prioritisation, delivery and promotion of standards aimed to improve interoperability and harmonisation in the Australian rail industry.
- 10.2 RISSB shall receive funding support from the Governments of up to \$1.5 million per annum subject to cash contributions from the rail industry at least to the value of this amount.
- 10.3 The share of Government annual contributions to RISSB funding is as follows:

Commonwealth	\$405,000
New South Wales	\$405,000
Victoria	\$300,000
Queensland	\$187,000
Western Australia	\$97,000
South Australia	\$75,000
Tasmania	\$20,500
Northern Territory	\$10,500
Total (excluding GST)	\$1,500,000
GST	\$150,000
Total (including GST)	\$1,650,000

11 Performance Reporting

- 11.1 RISSB agrees to provide bi-annual performance reports prior to invoicing Governments for cash contributions as outlined in section 5.
- 11.2 RISSB agrees to provide Governments with a report in September and April each year (using the template at Schedule 1 of the MoU). The reports will cover the six months ending in August and March. The report outlines the progress of RISSB delivering on its work plan.
- 11.3 The bi-annual reports will address the following:
 - 11.3.1 RISSB's Progress against the work plan agreed at the priority setting workshops;
 - 11.3.2 Budget by work category;
 - 11.3.3 Industry and Government cash and in kind contributions received;

11.3.4 Engagement with industry on the development, promotion and implementation of Standards; and

11.3.5 Any issues or potential issues raised by the DAB or the RISSB Board.

11.4 If the report is approved, Governments agree to provide annual funds to RISSB in May each year.

11.5 Governments agree to pay within 30 days of receipt of an invoice. Payments shall be inclusive of GST.

12 Annual Reporting

12.1 RISSB agrees to provide an audited financial report to Governments as soon as possible after the end of each financial year which includes a statement that:

12.1.1 The financial information is based on proper accounts and records;

12.1.2 The financial information is in agreement with the accounts and records;

12.1.3 Matching Rail Industry direct financial contributions have been secured; and

12.1.4 The amount of funding spent by RISSB during the report year against the endorsed deliverables, including salaries and office expenses associated with the delivery of services under this MoU.

13 Development of Standards Evaluation Framework

13.1 Governments and RISSB (together with the ONRSR) agree to work together to develop a new standards evaluation framework as recommended by the Taig Review.

13.2 It is agreed that Governments and RISSB will continue to work with industry to enhance the collection and compilation of safety incident data to support the development of a standards evaluation framework.

14 Review of MOU

14.1 Governments, in consultation with RISSB, will undertake a review of the MoU within 3 years of the commencement date.

14.2 The Review will take into account the effectiveness of the MoU in delivering on the objectives outlined at 4.2.

14.3 The outcome of the review will be provided to TISOC for consideration on the merits of continuing under the current MOU.

15 Amendments

15.1 This MoU may be amended or renewed with the agreement in writing by both parties.

16 Commencement, Duration and Termination

- 16.1 This MoU shall operate from the date of its execution and covers the period of funding for financial years 2013/14 – 2017/18 inclusive.
- 16.2 Either of the Parties may seek to terminate this MoU with at least 30 days written notice specifying the reasons for termination. However, neither of the Parties will issue a written notice to terminate until there has been consultation between the Parties concerning reasons for termination.

Signed on 3 September.....2013

By:



**Mr Mike Mrdak
Chair
Transport and Infrastructure
Senior Officials' Committee**



**Mr Kevin Taylor
Chief Executive Officer
Rail Industry Safety and
Standards Board**

SCHEDULE 1

For the Purposes of clause 7.1, the RISSB evaluation of the take up of standards must include the following data:

- Name of Product
- Status of Standard (i.e. whether published or approved by board)
- Number of operators surveyed
- Number of operators that have adopted product
- Number of operators intending to adopt product
- Indicative timeframe for operators that intend to, but have not yet adopted standards
- Reasons for non-adoption
- Number of operators that advise product is not applicable
- Where operators advise that product not applicable an explanation as to why;
- Any other data RISSB considers relevant.