

Info sheet – Implications for general public

The Railways Bill 2003 was tabled in Parliament on 8 July 2003.

This Info fact sheet is intended to provide a general overview of what the Bill will mean to the public. For more detail, you can purchase copies of the Bill at most Bennetts bookshops or download it from www.transport.govt.nz.

Implications for users of rail services

The Bill proposes to increase the safety of rail services so that users have even greater confidence that they, their family or goods, will not come to harm when travelling on a train, working in a rail yard or waiting at a platform.

Travelling by rail is safe, but there is plenty of scope for improvement now and in the future. This Bill proposes to do this by ensuring that all existing and future providers of rail services, including Tranz Rail, heritage, industrial and tourist services, and their contractors, comply with industry safety standards.

Many of the current issues surrounding rail are longstanding and are a combination of commercial, engineering and operational issues – not safety. This Bill applies to safety issues but may, indirectly, improve rail services.

Purpose and benefits of the Bill

The impetus for this Bill has come from changes in the rail industry – particularly the shift from a single network operator to a number of players – which have left gaps in safety accountability. The Railways Bill has also been developed to implement the recommendations made in the Ministerial Inquiry into Tranz Rail (the *Wilson Report*), which identified gaps in the current legislation relating to rail safety.

The Bill addresses gaps in the current legislation by extending rail safety legislation to cover a wider number of industry players, and ensuring a clear chain of accountability. It also proposes consolidating most existing rail safety legislation into a single Act.

It proposes a more proactive approach to identifying and managing critical safety issues by ensuring key rail participants are licensed, that key safety data are collected, that operators demonstrate they're managing safety risks, and that the Land Transport Safety Authority has more powers to audit, inspect and sanction operators.

Main features of the Bill

Acknowledging the variety of the New Zealand rail industry, the Bill proposes new provisions to allow appropriate greater flexibility in safety monitoring and safety enforcement. In particular, this would be done by:

- licensing additional participants
- having a “high level” document called the “safety case”, which will be approved by the Land Transport Safety Authority

- requiring a rail licence holder to appoint a safety manager, who will be responsible for the safety of the operation
- clarifying the Director of Land Transport Safety's powers so they are appropriately tailored to the seriousness of a safety breach
- replacing the current audit system with a more generic "safety assessment", which is more flexible and comprehensive
- requiring those operators whose safety record is in need of, or could benefit from, improvement to develop a safety improvement plan
- introducing court-imposed penalties for non-compliance
- requiring operators to supply additional safety-related information to the Land Transport Safety Authority, which will allow the Authority to identify emerging trends and be proactive in safety regulation.

The Bill would apply to the rail industry as a whole (including voluntary operations), but allow the regime to be tailored to suit the type of operation.

Contractors of rail operators would also be required to carry out their duties and functions in keeping with the standards of their employer's safety case, through interoperability agreements.

Costs

The changes proposed in the Bill require reviewing the current regulatory fees and charges structure so that it is based largely on "activity". This means that the rail licence holder with the safety risk would pay directly for any intervention required by the LTSA and the rest of industry would not be subsidising unsafe rail operations.

This review would take into consideration rail participants' type of operation, in particular operators of heritage rail services, and would aim to ensure that the new regime does not impose any unnecessary costs.

Fees and charges for rail users would continue to be a commercial decision and would be up to the rail operator to decide how to address any costs. We're interested in hearing from rail operators, through the Select Committee process, whether they see any increased costs that will need to be passed onto consumers.