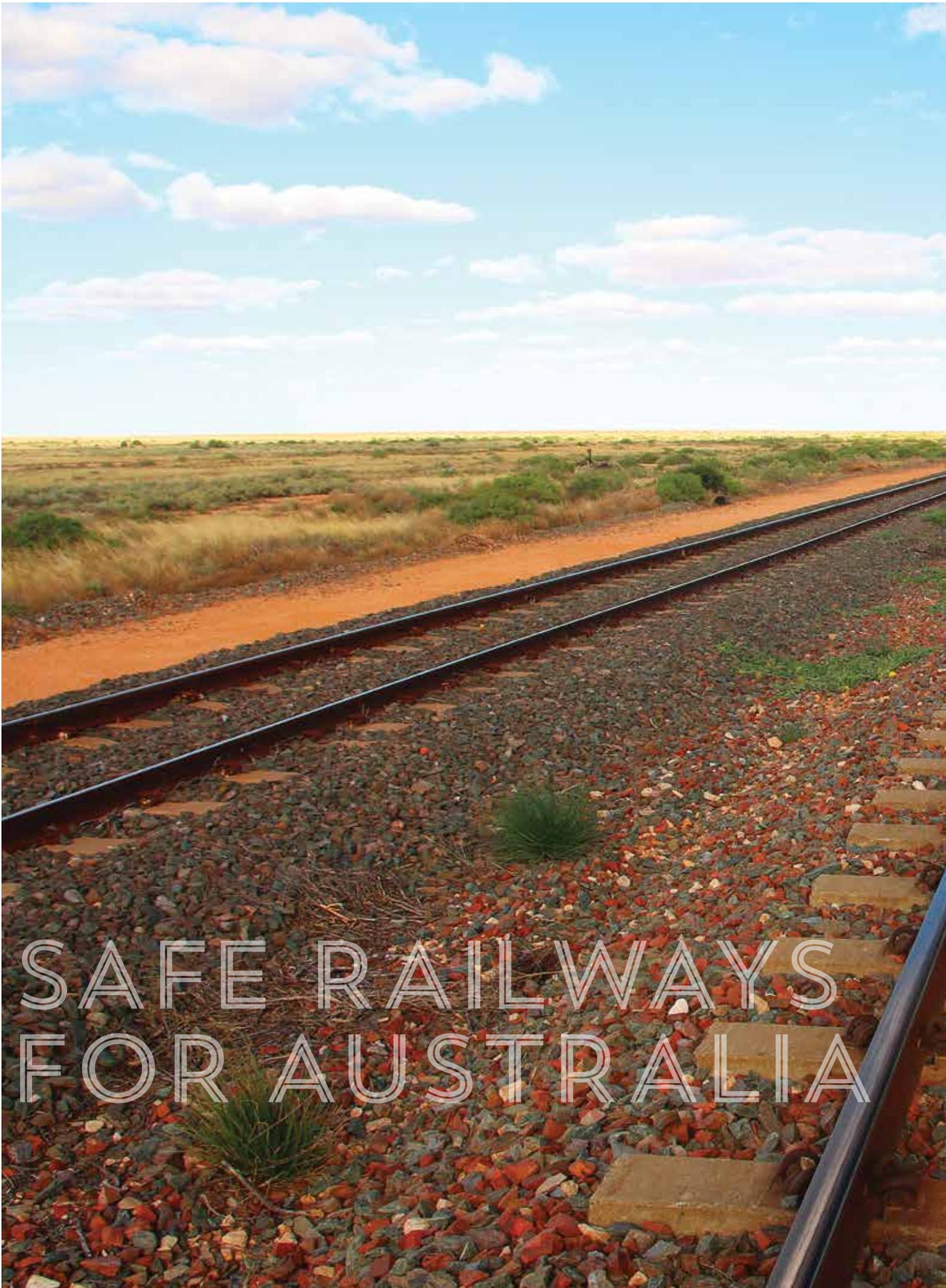




CORPORATE PLAN 2017-2020



SAFE RAILWAYS FOR AUSTRALIA

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CHIEF EXECUTIVE'S MESSAGE



It's exciting to think we are entering a corporate planning cycle that will ultimately lead us into a new decade, and so I hope you take from the following pages a renewed and very deliberate focus on the future and where the Office of the National Rail Safety Regulator is heading.

Many of our recent internal discussions have centred on the need to move on from our origins – not to forget them of course – but rather to embrace the opportunity they have collectively given us to forge a unique identity, an *ONRSR* way of doing things.

We're no longer in start-up mode, indeed the reality is we are well and truly clear of it with only the final pieces of the jurisdictional puzzle to be put in place. Increasingly our focus is exclusively rail safety regulation, and I am genuinely proud that the removal of the Service Level Agreement in New South Wales, our smooth transition to direct delivery in Western Australia, and the passage of *Rail Safety National Law* in Queensland has been done efficiently and without disrupting our core business.

With an eye on the rail systems of today and tomorrow, the ONRSR Corporate Plan 2017 – 2020 documents this evolving ONRSR way, underpinning a commitment to risk-based regulation backed by reliable and useful data and intelligence. It details how we will work smarter, both in the field and in house, to continue our pursuit of the many benefits flowing from the reform agenda, and to create an authentically strategic co-regulatory environment. Elsewhere it records a dedication to continuous improvement designed to ensure we have the flexibility to work collaboratively with all our stakeholders and to adapt to a constantly changing rail safety landscape.

Armed with these clear objectives, the lessons and experience of history and an invaluable source of feedback generated by 2016's inaugural ONRSR stakeholder survey, we are now mapping the way forward to 2020. In our own unique way we are concentrating on delivering a plan that will reinforce, and in time enhance, ONRSR's reputation for high quality, effective rail safety regulation.

My thanks in advance to all our rail safety stakeholders for their ongoing commitment and vigilance and I look forward to continuing to work with you to keep Australians safe on our railways.

A handwritten signature in black ink, which appears to read 'Sue McCarrey'. The signature is fluid and cursive, with a small flourish at the end.

Sue McCarrey
Chief Executive
 May 2017

ABOUT THIS PLAN

ONRSR's Corporate Plan 2017 – 2020 outlines our planned activities, strategic goals and milestones and how we will measure our performance over the next three years. It provides the framework for ONRSR's business plan and individual performance agreements.

OUR PURPOSE STATEMENT

ONRSR is a Body Corporate under the *Rail Safety National Law (South Australia) Act 2012* (RSNL).

Our primary objectives are to encourage safe rail operations, enforce compliance with the RSNL and to promote and improve national rail safety.

OUR VISION Safe railways for Australia

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

- **Integrity**
We have moral courage and are honest and straightforward in our approach.
- **Respect**
We have respect for each other and our stakeholders.
- **Independence**
Our decision making is responsive and free from bias and influence.
- **Diligence**
We persevere and apply ourselves in a conscientious manner.
- **Excellence**
We are professional, high performing and strive for continuous improvement.

OUR GOVERNANCE STRUCTURE

The National Rail Safety Regulator and Chief Executive of ONRSR is Sue McCarrey.

The Chief Executive is supported by two Non-Executive Members – Peter Batchelor and Catherine Scott.

The Chief Executive is also supported by an Executive team comprising Executive Directors and the Senior Manager Safety and Risk. Delivery of operational regulatory functions is undertaken by staff either directly employed by ONRSR or working via a Service Level Agreement. Operational staff in each state provide national rail safety regulation tailored to local contexts.



OUR RELATIONSHIPS & STAKEHOLDERS

Our primary objective is the safety of the community through encouraging and enforcing safe railway operations, including promoting and improving national rail safety on behalf of Australian Governments. We aim to do this by working together to enhance and promote rail safety through effective risk-based regulation. We continue to develop our relationships with the wider rail industry – operators, unions, owners, contractors, maintainers – as well as state, territory and federal governments and agencies, rail safety associations and practitioners.

Additionally, we regularly communicate and consult with bodies such as the Rail Industry Safety and Standards Board (RISSB), Australian Tourist and Heritage Railway Association (ATHRA), the Australasian Railway Association (ARA), Rail Tram and Bus Union (RTBU), government departments and industry safety managers.

We report bi-annually to jurisdictional transport ministers via the Transport and Infrastructure Council from which budgetary and legislative authority and support is sought.

OUR OPERATING ENVIRONMENT

ONRSR's current national safety priorities:

1. Track condition

Selected as a national priority after a review of literature and available occurrence data identified a number of higher risk issues with the potential for derailment. These were broken rails, track geometry (including wide gauge), misalignments (heat buckles) and broken (defective) joints. Initial concerns were supported by a review of ATSB investigation reports, which identified poor track condition as the most common causal factor of the derailment events investigated.

2. Track work – competency and communication

ONRSR's rail safety officers are requesting and reviewing operator investigations into track worker safety occurrences that exhibit the common safety factors associated with worksite occurrences. This will allow ONRSR to become better informed as to how operators are addressing track worker safety related occurrences and, where necessary, facilitate more appropriate investigative or corrective outcomes.

3. Rolling stock maintenance

Selected as a national priority after a significant number of rolling stock component failures had been reported to ONRSR in the last two years. Furthermore, an audit of maintainers (both accredited operators and third party organisations) has to date yielded poor results across all sectors.

4. Road rail vehicle (RRV) safety

It is apparent there is a clear need for further guidance for industry on key issues such as roles, responsibilities and expectations of designers, manufacturers/modifiers, suppliers (vehicles and componentry), certifiers, contractors, operators and rail infrastructure managers.

ONRSR's Rail Safety Report is our annual record and statistical analysis of safety performance across the Australian rail industry. The Rail Safety Report and updated information on Australia's rail safety environment is available at www.onrsr.com.au



STATEMENT OF INTENT

Our Statement of Intent outlines our priorities and describes our key functions and priorities. These priorities provide the framework for the strategic and operational goals set out in this plan. Our Statement of Intent 2017 – 2020 was agreed by the Transport and Infrastructure Council in May 2017 and is available at www.onrsr.com.au

HOW WE REGULATE

Our Regulatory Approach Policy sets out our high level approach to regulating rail safety and achieving compliance with the RSNL. It outlines the key principles that underpin our regulatory activities:

- Independence and impartiality
- Risk-based
- Educational
- Proportionate
- Transparency, fairness and accountability
- Consistency

This approach is supported by our corporate goals and policies, procedures and guidelines, including our Safety Improvement Policy and Compliance and Enforcement Policy. Our Regulatory Approach and all key policies are available at www.onrsr.com.au

LAST YEAR'S PERFORMANCE

ONRSR successfully delivered upon a majority of the milestones set out in its Corporate Plan 2016 – 2019 for the financial year 2015 – 2016. Achievements included the development and approval of a new cost recovery model and major projects fee for staged implementation, facilitating the introduction of RSNL in Queensland, transition to direct delivery of regulation in New South Wales, unqualified financials and delivery of a comprehensive stakeholder survey.

As with any organisation, emerging challenges and changing priorities impacted on the delivery of some milestones. Detailed achievements against this plan are contained in our Annual Report.

INTEGRATED RISK, PLANNING AND REPORTING

ONRSR recognises that good governance requires a focus on risk management and strategic planning and reporting to ensure it achieves its objectives. Our Risk Management Policy and framework reflect regulatory and enterprise risks and the principles and processes outlined in the international risk management standard AS/NZS ISO 31000.

Regulatory risks are those associated with rail safety and are assessed and addressed under a comprehensive risk-based assessment process based on rail safety industry performance data and ONRSR regulatory intelligence. Oversight of ONRSR's regulatory risk management is provided through our internal National Operations Committee.

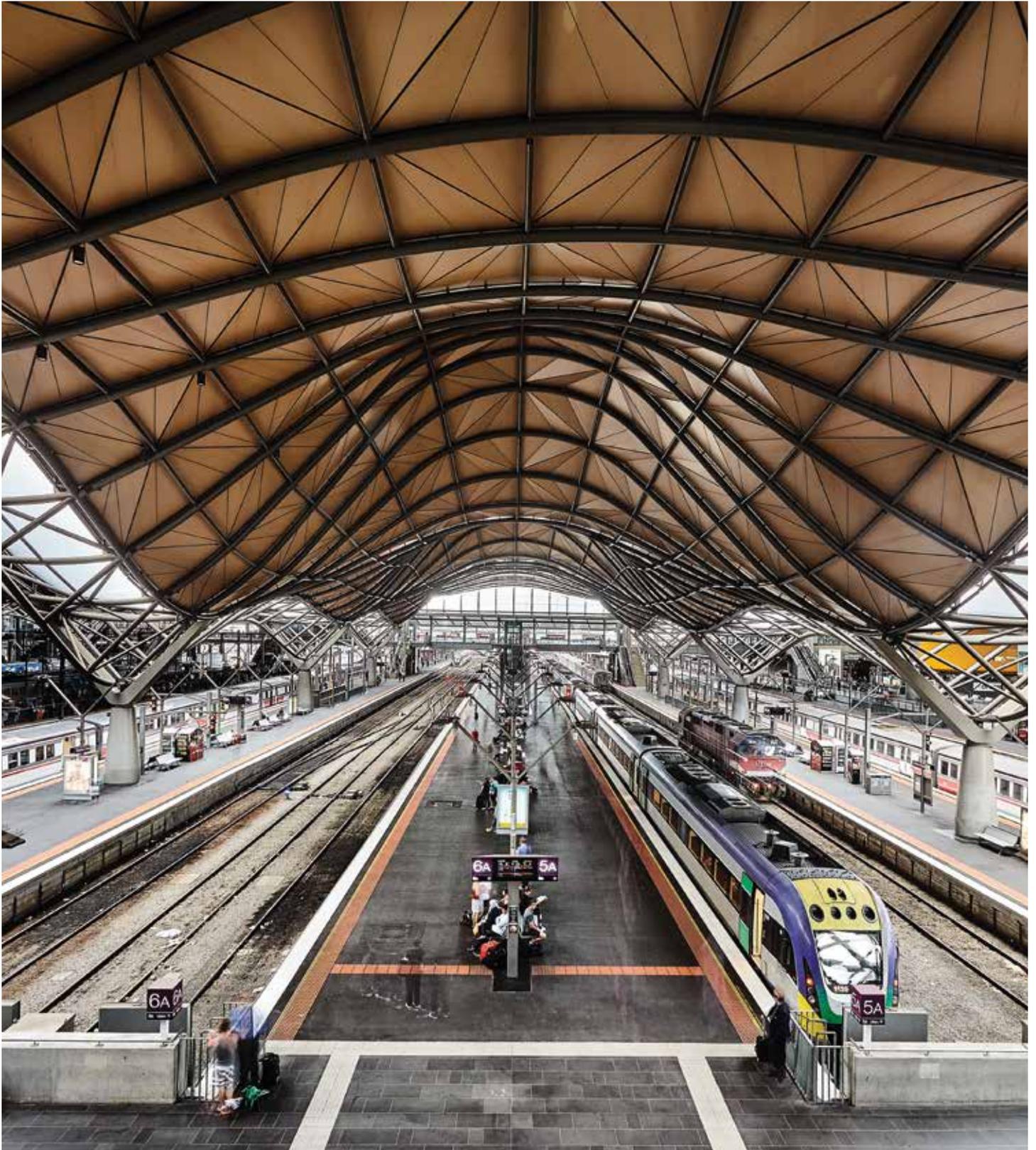
Enterprise risks are those which may impact ONRSR's ability to achieve our legislative and strategic objectives. These are also assessed to determine where ONRSR focuses its resources to achieve its objectives. Oversight of ONRSR's enterprise risk management is provided by the ONRSR Audit and Risk Committee. This includes review of ONRSR's enterprise risk register and its financial position and risks.

In addition, the Audit and Risk Committee reviews and recommends approval to the ONRSR (which includes non-Executive members) of the annual financial statements and reviews the detailed business risk register. The ONRSR Executive undertakes regular reviews of our financial position and risks to ensure we prioritise and mitigate risks in accordance with our operational environment. This includes risks associated with the transition of remaining jurisdictions into the national regulator and issues that may impact upon ONRSR's organisational reputation.



THE GOALS AND MEASURABLE MILESTONES OUTLINED IN THIS PLAN PROVIDE A BLUEPRINT FOR ALL ONRSR ACTIVITY OVER THE NEXT THREE YEARS.

OUR GOALS AND MILESTONES





GOAL 1 MAINTAIN AND IMPROVE RAIL SAFETY THROUGH A RISK-BASED APPROACH TO REGULATION

By providing an independent regulatory function with a particular focus on high risk areas, and working together with the rail industry and governments to achieve this goal, we can most effectively minimise the likelihood of major incidents which may result in death or injury.

As a risk-based regulator, we support our regulatory decision-making through a nationally consistent risk-based framework that identifies and understands local risks, national trends and regulatory compliance data. We are continually improving and strengthening the application of this framework by ensuring that our regulatory activities, through our national work program, assess risk consistently and continue to better inform our decisions through enhanced capture and analysis of our regulatory intelligence. A particular focus for 2017 is to strengthen and make better use of the data and intelligence we collect.

ONRSR responds to incidents, accidents and third party investigation reports as appropriate and undertakes its own formal investigations into potential breaches of the RSNL.

Proactive engagement with proponents of major rail projects, to ensure rail safety is addressed throughout their lifecycle, is another major focus.

ONRSR is progressively rolling out a national drug and alcohol testing program.

MILESTONES

WHEN

Transition all jurisdictions to a national drug and alcohol testing program with annual review Dec 2017

Deliver an ONRSR Data Needs and Intelligence Strategy to strengthen our risk-based decision making

- Define data lifecycles June 2017
- Data needs identified July 2018
- Develop ONRSR risk model Jan 2019
- Update Regulatory Information System (RegIS) and implement June 2019



GOAL 2 REDUCE REGULATORY BURDEN ON INDUSTRY

Reducing regulatory burden is multifaceted. ONRSR's role includes:

- consistent application of a national regulatory model and policies and procedures
- reviewing, researching and refining policy and the legislative framework to identify and address unnecessary burden
- working with industry within a co-regulatory framework
- assessing operators' levels of risk and the operating environment and applying tailored regulatory interactions.

By overseeing and enforcing a co-regulatory rail safety regime, we are able to deliver a regulatory approach to each operator that is proportionate to their safety performance, demonstration of safety management and safety culture. We are able to avoid using one-size-fits-all approaches to regulation, thereby reducing unnecessary activity for operators.



We administer a national scheme of accreditation and, in consultation with industry, develop guidance material that provides clarity for operators and helps address potential delays and costs that can arise from uncertainty.

ONRSR also fully supports the adoption of quality industry standards that can be applied across the country. Our national work program ensures the appropriate level of interaction per operator as informed by ONRSR national safety risk data and regulatory intelligence. We continue to encourage feedback on the regulatory framework and our activities, and work with jurisdictional transport agencies, transport ministers and the National Transport Commission on legislative clarity and efficiencies that reduce duplication, improve rail safety outcomes and enable industry innovation and productivity improvements. Through Memoranda of Understanding (MOU) with various key stakeholders we have good working relationships that recognise roles and responsibilities and reduce, where possible, duplication.



MILESTONES

WHEN

Progress identified opportunities within the RSNL to provide for national legislative consistency including:

- Preparation of a report to the Transport and Infrastructure Council on the review of drug and alcohol and fatigue management arrangements under RSNL Nov 2017
- Development of legislative proposals to improve the national rail safety legislative framework for consideration Annual

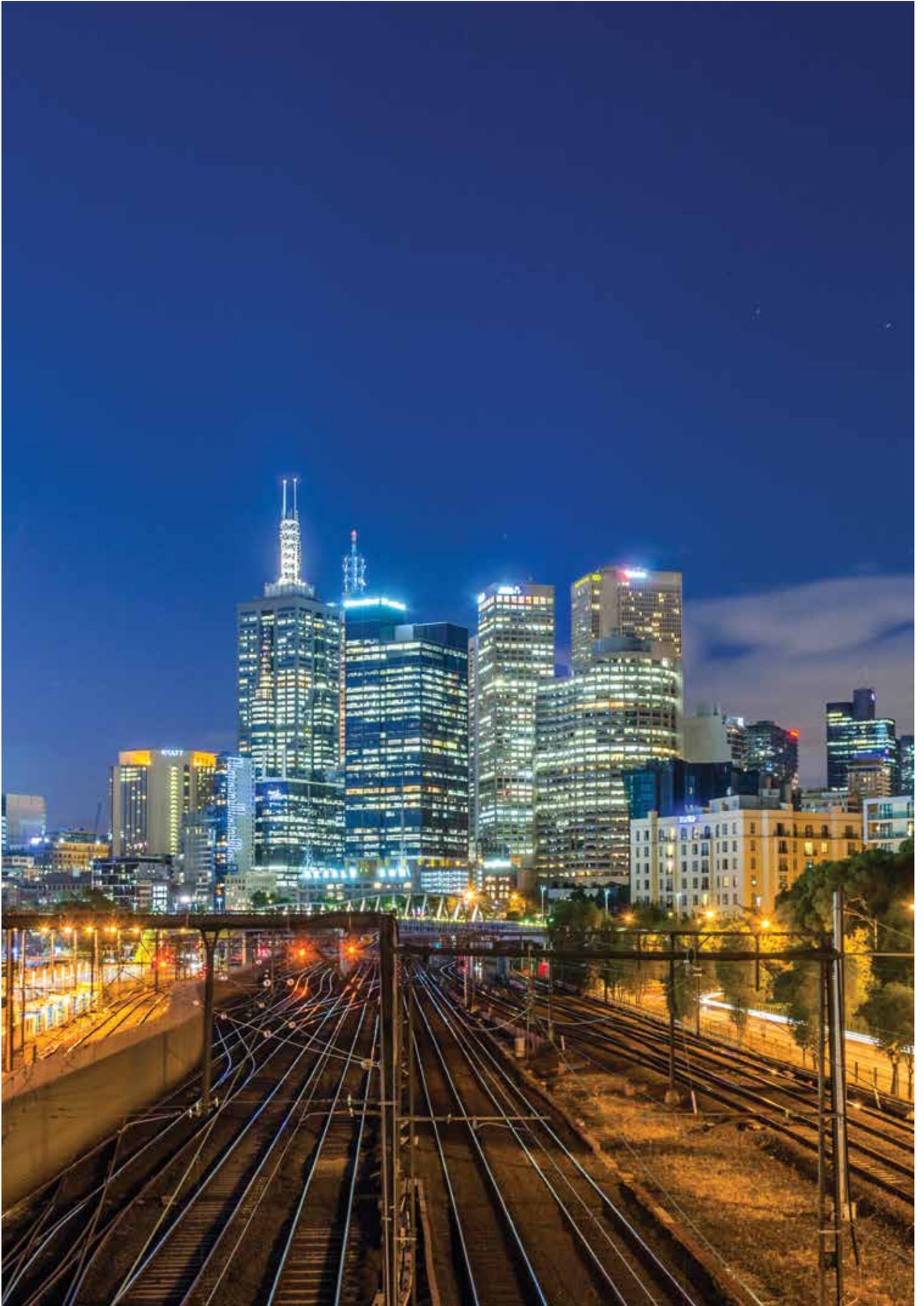
Support transition of remaining jurisdictions into direct delivery of regulatory services by ONRSR Dec 2017

Identify, in consultation with industry, areas for improving the efficiency of regulatory interactions June 2018

Work with governments and industry to deliver reforms made possible by the establishment of a national regulation framework June 2018

Conduct ONRSR's second external stakeholder survey Oct 2019

Analyse and prepare input for the Productivity Commission's review of the economic benefits of national transport safety reforms 2019





GOAL 3 UNDER A CO-REGULATORY FRAMEWORK, SUPPORT INDUSTRY IN ITS OPERATION OF SAFE RAILWAYS FOR AUSTRALIA

Under a co-regulatory regime, ONRSR seeks to oversee, support and ensure compliance with the *Rail Safety National Law (RSNL)* so as to eliminate or reduce risks so far as is reasonably practicable. Industry is responsible for the safety of rail operations and for compliance with the RSNL.

Within this framework, ONRSR expects industry to take a proactive approach collectively on safety initiatives, performance and harmonisation, and individual operators to manage their safety risks in compliance with the law. To complement this, we adopt a tailored regulatory approach to each operator that is proportionate to the performance being demonstrated.

MILESTONES

WHEN

Improve operators' access to summary national occurrence (safety) data to enable benchmarking of safety performance	May 2017
Develop guidance on ONRSR's expectations for heritage boiler operations	Dec 2017
Actively influence the development of a high quality industry national rail safety risk model	Dec 2017
Define ONRSR's understanding of co-regulation	Dec 2017
National Standard for health assessment of rail safety workers	
<ul style="list-style-type: none"> Promote implementation of the revised standard 	Dec 2017
<ul style="list-style-type: none"> Input to new projects for further enhancement of the standard 	Dec 2018
Support industry and RISSB with the development of selected national standards, guidelines and products as appropriate	As agreed with industry/RISSB



GOAL 4 PROMOTE SAFETY AWARENESS AND WORK WITH INDUSTRY ON SAFETY IMPROVEMENT AND RESEARCH

A key objective for ONRSR under RSNL is to 'promote safety and safety improvement as fundamental in the delivery of rail transport in Australia'. ONRSR acknowledges industry's safety vision and strategy as supporting this goal.

Our Safety Improvement Policy focuses on encouraging and working with industry to deliver key safety improvement initiatives. ONRSR develops an annual safety improvement work plan which outlines specific initiatives on prioritised safety risk areas where ONRSR can add value through research, information sharing and collaborative work with industry.

We meet regularly with key stakeholder groups, including union and industry members, to discuss common safety issues, risks and improvement elements.

We also assist with research initiatives through a director role with the Australasian Centre for Rail Innovation. We continue to publish a range of safety publications including our annual Rail Safety Report.

MILESTONES

WHEN

Review Safety Improvement Policy

Dec 2017

Deliver priority projects in the safety improvement work plan:

- Track worker safety
- Risk management

April 2018

Jun 2018

Actively contribute to industry's effective implementation of its safety strategy

Dec 2019

Distribute regular safety bulletins to accredited/registered operators

As required



GOAL 5 VALUE AND ENABLE OUR PEOPLE IN PURSUIT OF HIGH PERFORMANCE

We recognise that our people are our most important asset and that to deliver excellence in our regulatory services we need a national culture driven by our values. Building our culture remains a priority.

Our staff are passionate about their work. Safety is and always will be the paramount concern for ONRSR.

Our national Work Health and Safety (WHS) Framework ensures that WHS risks are addressed appropriately in each jurisdiction.

The implementation of ONRSR's Workforce Plan is the primary strategy to deliver this goal. The plan includes learning and development activities for all staff.

MILESTONES

WHEN

Implement informal mentoring within ONRSR to support improved knowledge sharing and career development

Dec 2017

Implement key deliverables of ONRSR's Workforce Plan

- Executive leadership and Future Leaders program
- A national learning and development framework inclusive of the Rail Safety Officer Capability Framework

Dec 2017

June 2018

GOAL 6

DEVELOP OUR SYSTEMS TO OPTIMISE OUR PERFORMANCE

Central to optimising ONRSR's effectiveness, and to the achievement of the national benefits intended under the COAG rail safety reforms, is the ongoing enhancement of our business systems.

These systems, which include governance, information management and technology and financial management functions, enable ONRSR staff to work efficiently in an informed, coordinated and consistent manner.

Under the direction of our rolling, three-year Information Management and Technology (IM&T) Strategic Plan we will continue to maintain and enhance ONRSR's business systems to ensure we meet our regulatory and corporate requirements. To specifically assist with the performance of our regulatory

functions, ONRSR continues its work to develop portal access to our regulatory systems, enabling greater efficiencies in processing applications and submitting required data and information.

ONRSR continues to focus its efforts on transitioning remaining jurisdictions yet to be fully integrated into the business model.

MILESTONES

WHEN

Investigate greater use of technology in the field and develop a strategy for implementation into business activities	Oct 2017
Deliver ONRSR's 2016 – 2018 Information Management and Technology Strategic Plan	
<ul style="list-style-type: none"> RegIS upgrade program Qld/Vic/NSW IT transition projects 	Aug 2018 Aligned to transition timeframes
Define and deliver the required capability of ONRSR's RegIS and other associated systems to support our regulatory activities	
<ul style="list-style-type: none"> Required functionality defined and base level implemented Functionality to meet the needs of ONRSR implemented, including capability to support and deliver an online portal 	Dec 2017 Dec 2018
Pilot, with rail transport operators, an online portal for the exchange of information between ONRSR and operators	June 2018
Implement a cost recovery methodology and regulation for collection of fees for major rail projects and report on progress to the Transport and Infrastructure Council	Nov 2017
Undertake Stage 2 of the cost recovery model review to align more closely with regulatory effort and risk	Nov 2018



KEY PERFORMANCE INDICATORS

GOAL	KPI	KPI MEASURE(S)
1: Maintain and improve rail safety through a risk-based approach to regulation	ONRSR planned regulatory activities are timely, efficient and effective	<p>% of minimum interaction level targets for operators defined in the National Audit & Compliance Work Program met</p> <p>% of applications for rail accreditation completed within six months</p> <p>% of applications for variation completed within six months</p>
	ONRSR continually improves regulatory risk framework	% of phases in ONRSR Regulatory Risk Framework Project Plan completed
	ONRSR implements consistent risk-based <i>Rail Safety National Law</i>	<p>No. of prohibition notices issued</p> <p>No. of D&A tests and % positive (industry)</p> <p>No. of D&A tests and % positive (ONRSR)</p>
2: Reduce regulatory burden on industry	Industry satisfaction with regulator value	<p>% of surveyed operators indicating current regulatory arrangements are improved</p> <p>% of surveyed operators indicating ONRSR effective in delivering its functions under <i>Rail Safety National Law</i></p> <p>% of surveyed operators indicating ONRSR successful in delivering national rail safety reform objectives</p>
	All jurisdictions form ONRSR	% of Australian railway track and train kilometres regulated by ONRSR under <i>Rail Safety National Law</i>
	ONRSR actively contributes to continuous improvement of regulatory frameworks	<p>No. of stakeholder consultations held by ONRSR on policy and legislative issues</p> <p>No. of written feedback advices to ONRSR from stakeholders on policy and legislative issues</p>

GOAL	KPI	KPI MEASURE(S)
3: Under a co-regulatory framework, support industry in its operation of safe railways for Australia	ONRSR has collaborative partnerships with industry safety bodies	% of surveyed stakeholders who agreed / strongly agreed that ONRSR and industry work co-operatively in a co-regulatory environment
	Industry development of industry safety risk model and products	% of industry work plan to develop industry safety risk model progressed
4: Promote safety awareness and work with industry on safety improvement and research	Industry awareness of ONRSR safety improvement programs	% of industry survey respondents demonstrating awareness of ONRSR safety improvement programs
	Communication with regulated entities is clear, targeted and effective	% of industry survey respondents rating ONRSR as an important source of rail safety information and advice
5: Value and enable our people in pursuit of high performance	ONRSR has the right people in the right roles	% of objectives in ONRSR Workforce Plan met
	ONRSR staff enabled with skills and knowledge	
	ONRSR staff are safe	Lost time due to injury (days)
		% of WHS risks managed SFAIRP
		% of hazard reports closed out
6: Develop our systems to optimise our performance	ONRSR evidences good governance	% of internal audit recommendations implemented



SAFE RAILWAYS FOR AUSTRALIA

OFFICE OF THE NATIONAL RAIL SAFETY REGULATOR

Level 1, 75 Hindmarsh Square
Adelaide SA 5000

PO Box 3461, Rundle Mall
Adelaide SA 5000

National Office 08 8406 1500

Email contact@onrsr.com.au

Web onrsr.com.au

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