

# Privatise rail call

## Make trains run on time or be sluggish by huge fines

**Exclusive**

**Rhys Haynes**  
Transport Reporter

CITYRAIL should be run by a private operator who would face millions of dollars in fines if its services ran late, Australia's largest infrastructure company said.

As the network hits full capacity today with commuters returning to school and work, the nation's peak infrastructure body Infrastructure Partnerships Australia has decided enough is enough.

With the backing of Tony Shepherd — the chairman of Transfield

Services, one of the Australia's largest infrastructure companies — IPA has called for Premier Kristina Kennelly to follow the Victorian Government lead and allow a private operator to run CityRail.

Known as franchising, the ownership of the state's rail assets would remain in public hands but a private company would be responsible for the running of the service.

"The rail service is the backbone of the transport network. If it's not functioning well it affects millions of people, drives up congestion and costs billions to the state economy," IPA executive director Brendan Lyon said. "It's already been done in Brisbane, Melbourne and Adelaide

and on the Manly route for Sydney Ferries, with excellent results. "Franchising Sydney's transport networks will simply bring NSW into the 21st century."

A private consortium running the CityRail network would be forced to meet on-time targets and pay significant financial penalties when trains were late, cancelled or dirty, according to Mr Shepherd, one of the pioneers of public-private partnerships in Australia.

"Franchising is a very good way to go in terms of public transport reform because it is not privatisation — it leaves the assets in the hands of the state and the public."

Sydney commuters welcomed the

idea of taxpayers being rewarded if trains weren't arriving on time. Many said they were delayed last Monday, for example, when defective track signal cable at Penrith had to be replaced between 7am and 9:30am.

Cityrail said 28 services out of Penrith were delayed, causing chaos during the morning peak.

Dulwich Hill resident Sarah Brown, 20, said she would welcome a private operator to improve reliability. "It's never good having a late train, but it would make me feel better knowing that [taxpayers] would get the money if the private company had to pay for being late," she said.

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## Pig pens cooler than carriages

**Germa Jones and Tim Vollmer**

SYDNEY'S long-suffering commuters sweltering in non-air-conditioned train carriages are being treated worse than pigs by the State Government.

Pigs would be laughing if they knew rail passengers were baking in almost 40C sweat boxes while the government has ruled that no pig pen should rise to more than 30C.

The rules, agreed on by the Primary Industries Ministerial Council and Australian Pork Limited and ratified by the Government, to prevent cruelty to animals, dictate piggeries should be kept in temperatures between 15C and 30C but the Government has shown no such mercy for commuters.

Last week *The Daily Telegraph* rode a stifling train to Penrith and recorded temperatures inside carriages of up to 38.8C. More than 30 per cent of Sydney's railway carriages — 445 of the 1475 carriages — are not air-conditioned.

The Opposition warned it would be at least three years before the network was completely air-conditioned. "It's unbearable. I try to sit next to the window, but it's still horrible," Erskine Park mother Aijon Ndele said.

Picture: Cameron Richardson



Get set to sweat: Commuters, including Sarah Brown, 20, from Dulwich Hill, cram on to a train at Central station

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## The Daily Telegraph

### A potential fix

IT ain't broke, goes the old saying, don't fix it. This is sound advice.

But what if something is broke? Like, for example, Sydney's rail network.

Nobody without a vested interest in leaving the rail network under complete state control could reasonably argue that CityRail is functioning at its peak.

Last Monday morning saw a typical litany of delays and cancellations across the entire network, all caused by a single cable fault at Penrith. Under the current system, who is answerable for these perennial problems? Who, besides passengers, is penalised?

The answer — nobody.

Which is why a proposed franchising model, whereby private operators would run the state-owned rail system, is worth serious examination. There's nothing like the fear of financial loss to make a business keep up with public demand.

## Franchising is the remedy for Sydney's rail woes

**Brendan Lyon**

**B**ANY measure, it's clear Sydney hasn't got it right on public transport. Decades of under-investment by successive governments means rail and road networks are incomplete and don't reach many of Sydney's booming growth centres.

Worse still, where public transport does operate, it often fails to meet the expectations of commuters and taxpayers in terms of cleanliness, reliability and service delivery.

It's time for Sydneysiders to ask themselves if they're happy with their rail network and, if not, how can this be addressed?

If it's time for a step-change, there are positive options if policymakers have the courage to drive real change.

Transport is an essential public service and must always be regulated by government. But regulation doesn't mean transport services must be operated by outdated, inefficient government monopolies.

Other states tackled this issue long ago.

Melbourne, Adelaide and Brisbane are enjoying the fruits of public-transport reform.

The key change in these states has been the successful introduction of private operators to public transport networks. Under this model, known as franchising, the public sector continues to own trains, tracks and stations, and continues to set ticket prices.

The difference under a franchise model is that the government allows private companies to compete for the right to operate elements of the public transport network for a set period.

This removes the conflict of interest that exists in much of Sydney, where the government is both the regulator and the sole provider of public transport.

When trains run late in Sydney, the best customers can expect is an apology from the government. Under a franchise, the government has an enforceable contract with the private provider that spells out expectations including customer satisfaction, on-time running and the reliability of services.

These conditions are backed by significant fines for under-performance. In January 2009, Melbourne's rail services were seriously disrupted by very hot weather, triggering a \$5 million fine for the operator.

Such a level of accountability, against transparent key performance indicators, is simply not possible under Sydney's status quo.

The success of franchising in other cities is unambiguous. In Melbourne, increasing quality and reliability of transport services under a franchise model has underpinned an increase of 46 per cent in train use since 2005.

During the past two years, the growth in patronage of Brisbane's privately operated ferries has been six times that of Sydney's publicly operated ferries.

Sydney is the powerhouse of Australia's economy, but its productivity is under growing pressure from congestion. Even at present population levels, this is costing NSW residents more than \$4 billion a year.

The city's relentless growth will demand new thinking about how we can change the game in public transport service delivery.

Franchising is not a silver bullet, but it does drive accountability, increase service levels and place a cap on costs to taxpayers.

**Brendan Lyon is the executive director of Infrastructure Partnerships Australia, the nation's peak transport and infrastructure industry group.**

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