

# Rail Safety National Law- Consultation Regulatory Impact Statement

## A Submission to the National Transport Commission

Monday, 11<sup>th</sup> May 2026

### Table of Contents

<b>Executive Summary</b> .....	<b>1</b>
<b>Introduction</b> .....	<b>2</b>
<b>Regulatory Context and System Framing</b> .....	<b>4</b>
<b>Principles for Reform Assessment</b> .....	<b>4</b>
<b>Need for a National Interoperability Roadmap</b> .....	<b>4</b>
<b>Recommendation 1 – Safety and Productivity Linkage</b> .....	<b>5</b>
<b>Recommendation 2 – Regulator Coordination and Facilitation Role</b> .....	<b>5</b>
<b>Recommendation 3 – Interoperability Requirements and Mechanism Design</b> .....	<b>5</b>
<b>Recommendation 16 – Interoperability in RSNL Objects</b> .....	<b>6</b>
<b>Recommendation 18 – Wider Network Implications of Changes</b> .....	<b>6</b>
<b>Recommendation 19 – Mutual Recognition of Technology Approvals</b> .....	<b>6</b>
<b>Recommendation 20 – National Skills and Competency Frameworks</b> .....	<b>6</b>
<b>Recommendation 22 – Interface Agreements</b> .....	<b>7</b>
<b>Institutional Reform – Interoperability Governance Architecture</b> .....	<b>7</b>
<b>Costs, Benefits and Implementation</b> .....	<b>7</b>
<b>Conclusion</b> .....	<b>7</b>

### Executive Summary

The Australian Logistics Council (ALC) supports the intent of the Rail Safety National Law (RSNL) reform program and the objective of improving interoperability, consistency, and system performance across Australia’s national rail network. From a supply chain perspective, this reform agenda is

significant because rail interoperability directly influences end-to-end freight productivity, network efficiency, and the resilience of Australia's broader freight system.

However, ALC considers that the central issue is not a lack of regulatory obligations within the RSNL, but the absence of a clearly defined, nationally agreed interoperability end-state, supported by a credible implementation pathway capable of sequencing reform across a complex, multi-actor system. This pathway must clearly define roles, responsibilities and accountabilities across governments, regulators, infrastructure managers, rolling stock operators and standards bodies, including responsibility for development, approval, implementation, and enforcement at each stage of transition.

The RSNL was deliberately designed as a co-regulatory, duties-based safety regime aligned with Work Health and Safety (WHS) law. This framework has been fundamental to maintaining strong safety outcomes across the rail system by placing accountability with duty holders and enabling risks to be managed as far as is reasonably practicable (SFAIRP)<sup>1</sup>. ALC considers it essential that this architecture is preserved. Reform that introduces over-prescription, duplicates WHS obligations, or blurs accountability between duty holders and regulators risks weakening a system that has demonstrated long-term effectiveness.

Interoperability reform should be understood as a system-wide transformation that extends beyond regulatory change or technology adoption and adjustment. It requires coordinated evolution across infrastructure, rolling stock, signalling and train control systems, operating rules, workforce capability, approvals processes, commercial investment decisions, and regulatory practice. This must occur within the constraints of asset longevity, cost recovery frameworks, and the need to maintain service continuity across live networks. Without a clearly articulated future state and structured transition pathway, there is a risk that reform will increase complexity and administrative burden—through duplication, inconsistent jurisdictional application, and unfunded transition requirements—without resolving the structural fragmentation that constrains productivity, investment, and system performance.

For these reasons, ALC supports reform that is targeted, standards-based and anchored to a defined national interoperability framework. Legislative change should clarify and enable this framework rather than expand obligations. Implementation must be staged, proportionate and aligned with asset lifecycles, investment cycles, and operational realities across the freight system.

## Introduction

Building on these system-level considerations, ALC welcomes the opportunity to provide this submission to the National Transport Commission (NTC) on the RSNL Review Consultation Regulatory Impact Analysis and associated Final Report (2024).

ALC represents Australia's major end-to-end supply chain participants, including freight rail operators, port authorities, airports, stevedores, intermodal terminal operators, heavy vehicle operators, technology and property companies and large freight customers. Collectively, these stakeholders underpin the performance of Australia's freight and logistics system, which is critical to national productivity, trade competitiveness, and economic resilience.

Freight rail is a structurally significant component of this system. According to the Bureau of Infrastructure and Transport Research Economics (BITRE), rail carries approximately 448 billion tonne-kilometres of freight annually<sup>2</sup>, forming a critical share of the national freight task alongside

<sup>1</sup> [interpretive\\_guideline\\_-\\_reasonably\\_practicable.pdf](#)

<sup>2</sup> <https://www.bitre.gov.au/sites/default/files/documents/bitre-australian-infrastructure-and-transport-statistics-yearbook-2024.pdf>, p.13

road transport, which dominates non-bulk freight movements. Freight rail plays a significant role in long-haul bulk and intermodal supply chains, particularly across major interstate corridors such as Melbourne–Sydney and Brisbane–Melbourne. It supports efficient freight transfer between ports, intermodal terminals, and inland distribution networks, improving overall network efficiency and reducing pressure on constrained road infrastructure. Despite this, persistent fragmentation across networks—in technical standards, operating rules, approvals processes and workforce requirements—continues to impose system-wide costs. These include reduced asset utilisation, duplicated assurance processes, and increased interface risk, constraining both productivity and, in some cases, safety performance.

Infrastructure Australia projects continued growth in freight demand over coming decades, increasing pressure on existing corridors and reinforcing the need for higher productivity freight networks and improved modal efficiency<sup>3</sup>. In this context, freight rail provides a critical mechanism to consolidate linehaul movements and reduce reliance on heavily utilised road corridors. It also supports broader network performance by reducing heavy vehicle task intensity on key arterial routes and within urban freight gateways, including the Port of Melbourne and Port Botany, thereby alleviating congestion, and deferring costly road expansion.

From a decarbonisation perspective, freight rail provides a lower-emissions alternative to road freight on long-haul corridors and therefore represents a key mechanism for supporting Australia’s net zero transition through scalable mode shift opportunities. Even modest improvements in rail utilisation generate material system-level benefits. ALC scenario analysis, based on BITRE freight task data and Infrastructure Australia corridor pressure assessments, indicates that a 5–10 per cent shift of contestable east coast container freight from road to rail could deliver material national benefits, including reduced road maintenance and deferred capital expenditure, improved freight productivity, emissions abatement of approximately 0.5–1.2 million tonnes of CO<sub>2</sub>-e annually, reduced congestion in freight gateways, and enhanced system resilience through modal diversification. This equates to a potential system-wide opportunity cost of approximately \$725 million to \$1.8 billion per annum<sup>4</sup>, reflecting avoided infrastructure expenditure, productivity gains, emissions valuation, and congestion externalities. This reinforces that freight rail underutilisation is a structural system optimisation issue with significant implications for productivity, infrastructure efficiency, and emissions outcomes.

Given this role, RSNL reform must be assessed not only as a safety regulatory exercise, but as a system-level intervention with direct implications for interoperability, productivity, investment certainty, and infrastructure efficiency. Reforms must clearly articulate the problem being addressed, the intended future interoperability state, and how each intervention contributes to safety, system performance, and investment confidence. Without this clarity, there is a risk of regulatory expansion without commensurate system benefit, potentially constraining rail’s ability to perform its linehaul function and limiting broader freight system efficiency.

ALC supports the intent of the RSNL review to improve national consistency, reduce fragmentation, and strengthen safety outcomes. Its effectiveness, however, will depend on preserving safety primacy under WHS-aligned principles, avoiding unnecessary regulatory layering, and enabling a coherent interoperability framework capable of supporting future freight growth and private investment.

<sup>3</sup> <https://www.infrastructureaustralia.gov.au/ipl/high-productivity-freight-networks/road-freight>

<sup>4</sup> <https://austroads.gov.au/publications/freight/ap-r501-15> (pavement wear modelling embedded in BITRE freight modelling)

## Regulatory Context and System Framing

The RSNL operates within a complex, multi-layered regulatory environment that includes WHS laws, access regimes, infrastructure planning frameworks, and state-based operational requirements. While its introduction improved national consistency, divergence persists in interpretation, application of technical standards and infrastructure interface requirements. From a freight system perspective, the primary structural constraint is the accumulation of overlapping obligations across safety, access, and infrastructure domains. This reduces efficiency in asset utilisation, rolling stock deployment and cross-jurisdictional integration.

The NTC reform package appropriately identifies interoperability, standards harmonisation, and governance coordination as key priorities. However, reform must be structured to clarify regulatory architecture rather than expand it. This includes avoiding the layering of new obligations over existing duties, reliance on non-binding guidance where enforceable standards are required, and informal regulatory practices that create de facto requirements without statutory clarity.

Interoperability should be framed within a clear hierarchy of objectives. Safety must remain the primary statutory purpose of the RSNL. Interoperability is an enabling system outcome that supports safety and productivity by reducing complexity, improving standardisation, and strengthening system interfaces. It should not be treated as a competing statutory objective or standalone regulatory domain.

## Principles for Reform Assessment

ALC assesses the proposed reforms against principles grounded in safety system integrity and supply chain efficiency.

First, the WHS-aligned, duties-based model must be preserved. The effectiveness of the RSNL depends on clear accountability with duty holders and avoidance of overlapping or ambiguous obligations.

Second, interoperability obligations must be clearly defined and directed toward an agreed future network state, rather than retrospectively applied to legacy systems, or interpreted through current jurisdictional variability.

Third, reform must clearly delineate responsibilities across governments, regulators, standards bodies, infrastructure managers, and operators. This is necessary to avoid duplication, regulatory ambiguity, and inefficient delivery, and to ensure alignment with existing National Rail Action Plan (NRAP)<sup>5</sup> initiatives.

Finally, reform must reflect commercial and operational realities, including asset lifecycles, investment cycles, cost recovery arrangements, workforce transition requirements, and the need to maintain continuity across live networks. Failure to account for these factors risks creating unfunded burdens and distorting investment decisions.

## Need for a National Interoperability Roadmap

The effectiveness of RSNL interoperability reform will depend more on implementation design than legislative change.

<sup>5</sup> <https://www.ntc.gov.au/transport-reform/national-rail-action-plan>

While NRAP provides a foundation, the reform environment involves a complex network of interdependent actors. Without clear sequencing and accountability, there is a risk that reform will introduce additional obligations without resolving delivery responsibility.

A credible interoperability roadmap must define the agreed future network state, the standards required to achieve it, and the staged transition from current arrangements. It must clearly allocate responsibility across institutions. This includes explicit identification of:

- the nationally agreed future interoperability state;
- the mandatory standards required to achieve that state;
- responsibility for development, approval, implementation and enforcement;
- sequencing of adoption and transition arrangements; and
- funding, cost recovery, and commercial implications.

Without this level of clarity, reform risks increasing fragmentation through duplicative effort, inconsistent implementation and increased compliance burden without proportional safety or productivity gains.

## **Recommendation 1 – Safety and Productivity Linkage**

ALC supports Option 1, the least intrusive reform approach, and does not support embedding productivity as a co-equal statutory objective within the RSNL.

The existing WHS framework already provides a structured mechanism for balancing safety and cost through the SFAIRP test. Embedding productivity as a legal objective risks introducing interpretive ambiguity and potential conflict with established WHS principles, particularly in complex, multi-jurisdictional operating environments. Productivity outcomes should instead be pursued through subordinate instruments, including national standards, regulator guidance, and structured cost-benefit methodologies. This preserves legal clarity, maintains accountability with duty holders, and avoids reliance on regulatory interpretation as a substitute for agreed standards and governance arrangements.

## **Recommendation 2 – Regulator Coordination and Facilitation Role**

ALC supports Option 1, limiting the regulator's role to coordination and facilitation, provided this is clearly separated from enforcement.

Coordination is critical to reducing fragmentation and improving consistency in RSNL interpretation. However, combining coordination and enforcement risks undermining co-regulatory principles and introducing conflicts of interest. Over time, such arrangements may drive a shift toward prescriptive regulation, reducing operational flexibility and limiting innovation. Durable harmonisation is more effectively achieved where coordination functions are structurally separated from enforcement decision-making. The coordination role should focus on alignment of interpretation, technical standards, and system-level policy coherence.

## **Recommendation 3 – Interoperability Requirements and Mechanism Design**

ALC supports Modified Option 3, providing for a National Network of Interoperability (NNI) supported by mandatory Tier 1 standards.

The enforceable obligation should be limited to compliance with defined Tier 1 standards, rather than a broad outcomes-based duty. This avoids interpretive ambiguity and duplication of existing RSNL safety obligations. Interoperability is a governance challenge as much as a technical one. Current mechanisms, including Interface Management Plans (IMPs), are often overly broad and administratively burdensome without delivering proportional system-wide benefits. A future mechanism must be:

- clearly scoped to nationally significant outcomes;
- designed for future network requirements rather than legacy correction; and
- anchored in enforceable Tier 1 standards defining baseline compatibility.

Interoperability reform should therefore be treated as a governance architecture issue, requiring clarity in how standards are developed, how investment decisions incorporate interoperability, and how consistency is maintained across jurisdictions.

## **Recommendation 16 – Interoperability in RSNL Objects**

ALC supports Modified Option 2/3, recognising interoperability within the RSNL objects without elevating it to parity with safety.

Safety must remain the overriding statutory principle. Interoperability should be framed as an enabler of safety and efficiency, particularly through reducing complexity and interface risk. Equal statutory weighting would introduce ambiguity and risk conflicting decision-making. A hierarchical framing provides greater clarity.

## **Recommendation 18 – Wider Network Implications of Changes**

ALC does not support new industry codes or duplicative regulatory instruments in this area.

Obligations should be targeted and materiality-based, applying only where changes have demonstrable system-wide interoperability impacts. This avoids unnecessary regulatory expansion and ensures effort is directed toward materially significant changes. Any new requirements should be integrated within the interoperability framework and linked to defined standards, rather than introducing parallel mechanisms duplicating existing RSNL provisions.

## **Recommendation 19 – Mutual Recognition of Technology Approvals**

ALC supports Modified Option 2, providing for progressive alignment rather than full mutual recognition.

Rail technology innovation presents significant opportunities but depends on consistent safety assurance. A staged convergence model—incorporating shared safety case principles, increased transparency, and progressive alignment of standards—is preferable. Full mutual recognition without harmonised standards risks fragmentation and inconsistent risk control application.

## **Recommendation 20 – National Skills and Competency Frameworks**

ALC supports Option 2, advancing national consistency and portability while leveraging existing systems.

The Rail Industry Worker (RIW) framework<sup>6</sup> should form the foundation. Reform should focus on improving interoperability of competency data, strengthening regulatory access, and ensuring consistent qualification recognition. Creation of parallel systems should be avoided, as this would increase complexity without improving safety.

## Recommendation 22 – Interface Agreements

ALC does not support either option and maintains that interface agreements should remain commercial and operational instruments. They are not regulatory tools and should not be repurposed for enforcement. Their value lies in allocating risk between parties in complex operational environments. Expanding their regulatory role risks distorting commercial arrangements and introducing uncertainty.

## Institutional Reform – Interoperability Governance Architecture

ALC supports interoperability assessment of future investment decisions as a system-level governance mechanism.

This should operate as a gatekeeping function to ensure alignment with the National Network of Interoperability<sup>7</sup>, rather than as an additional compliance layer. National standards must clearly distinguish between mandatory Tier 1 requirements and voluntary guidance. Mandatory standards should be tightly scoped to interoperability-critical functions. Skills oversight should build on existing frameworks, with emphasis on regulatory access rather than duplication. Rolling stock approval reform should continue through NRAP processes, focusing on clarifying roles across manufacturers, infrastructure managers, and operators before considering legislative change.

## Costs, Benefits, and Implementation

ALC considers that the cost-benefit analysis does not fully capture transition costs, including compliance and accreditation impacts, workforce training requirements, and operational disruption across live networks. Benefits are highly dependent on implementation design, particularly sequencing, prioritisation, and enforceability of mandatory standards, as well as clarity on timing and obligations.

Greater differentiation is required between:

- safety-driven reforms;
- interoperability/productivity reforms; and
- governance or coordination measures.

Each requires distinct implementation tools, sequencing, and evaluation metrics.

A staged implementation aligned with NRAP is essential to ensure net system benefits.

## Conclusion

ALC supports the intent of the RSNL reform program to improve consistency, strengthen safety and enhance interoperability. Its effectiveness will depend on maintaining clear regulatory boundaries,

<sup>6</sup> <https://www.riw.net.au/>

<sup>7</sup> <https://www.onrsr.com.au/publications/national-network-for-interoperability>

preserving safety primacy, and implementing interoperability reform through a defined, standards-based framework supported by a national roadmap and coordinated governance.

The most significant opportunity lies in establishing a coherent interoperability framework aligned with national standards and investment processes. If intelligently designed, this will improve network efficiency, reduce duplication, and support long-term freight productivity and decarbonisation. A disciplined implementation approach—focused on clarity, proportionality, and institutional coherence—will ensure reform strengthens both safety outcomes and system performance.

The success of the reform program will depend less on the creation of new legal obligations and more on the clarity, sequencing, and institutional alignment of implementation.