



RailCorp

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Mr Paul McLeay
Chair, NSW Parliament
Legislative Assembly, Public Accounts Committee
Parliament House, Macquarie Street
SYDNEY NSW 2001



Dear Mr McLeay

Auditor-General Report on Signal Failures on the Metropolitan Network

I refer to your letter of 20 August 2008, regarding the Auditor-General's Report, Performance Audit on Signal Failures on the Metropolitan Rail Network.

Please find attached, table outlining the current status of the accepted actions to the audit recommendations.

Should you have any queries, please do not hesitate to contact John Minchin, GM Infrastructure on (02) 8922 1528.

Yours sincerely

29 SEP 2008

Rob Mason
Chief Executive Officer

**Recommendations in the Performance Audit
Signal Failures on the Metropolitan Rail Network**

Attachment

Recommendation	Proposed Actions	Responsibility	Due By	Status
Use both past performance and reliability modelling to estimate the number of signal failures the network can tolerate and set targets accordingly.	Develop reliability modelling capability to establish in the first instance performance targets on new and significantly reconfigured assets, in conjunction with baselining current asset performance.	Manager Systems Development, Engineering Systems	June 2008	Tenders are being evaluated to pilot two applications that model the relationship between asset performance (signal reliability) and service punctuality (OTR). The pilot will model a portion of the network between Central and Penrith in an as is configuration to set a baseline. A number of alternate models will then be developed to test various scenarios involving different asset configurations for comparative analysis. This work is expected to be completed by March 2009.
Determine the signalling system it needs to meet the government's 2016 patronage target as soon as possible, and documents by the end of 2008 how it intends to get there.	Product Development to provide to Signal Engineering headway requirements per line sector. Signal Engineering to develop options to support requirement	GM Timetable Development and Program Chief Engineer Signals	Dec 2008	Development of detailed signal/ operating specification for the network has been commenced by Product Development and a draft will be finalised by Early November. This will be forwarded to Signal Engineering and Operations for clarification and approval, prior to final release.
Ensures that it balances the resource demands of maintaining the existing network and eliminating the backlog against those arising from planned network expansion and improvements projects.	RailCorp Signal Resource Strategy to be completed. Resource Strategy to include but not limited to recruitment, retention, work practices, contract strategy and technical maintenance plans	A/GM Technical Capability	2009	16 new positions (additional to current establishments) have been created for Signal Commissioning Managers. Remuneration packages have been agreed. The positions have been advertised and interviews are under way. Further retention strategies are being developed for key Infrastructure Engineering staff including other Signalling resources.
Where possible redesign work practices to help address the emerging shortage of signal engineers and electricians.	As per dot point 3. Investigate opportunity as a Lean Six Sigma project.	Program Director, Six Sigma	Mar 2008	The Lean Six Sigma team is focusing its resources directly on improving reliability and reducing Peak Incidents. An example of these projects is the FS2500 Track Circuit project which has reduced track circuit failures in the City Underground by 25%. The development of a Lean capability is currently underway; enabling RailCorp to focus on process improvement in areas with emerging resource shortages.

Recommendations in the Performance Audit Signal Failures on the Metropolitan Rail Network

Recommendation	Proposed Actions	Responsibility	Due By	Status
Benchmark the reliability of its signalling assets against other railway operators with similar operating environments.	Commence benchmarking exercise with a similar railway.	Benchmarking & System Coordinator	30 June 2008	RailCorp joined the COMET/Nova International Benchmarking community in 2007. We are currently aligning our data collection processes and systems to allow comparisons with other Railways within this community.
Use both past performance and reliability modelling to estimate the duration of signalling delays the network can tolerate and set targets accordingly.	As per dot point 1.	Manager Systems Development, Engineering Systems	Jun 2008	This will be included in the asset modelling to estimate the number of signal failures the network can tolerate as per the first action item.
Review by the end of 2008 how its incident response framework impacts on signal incidents.	Review to be conducted by Infrastructure Operations	GM Infrastructure & Infrastructure Operations Manager	Dec 2008	A review of the incident response to major signalling failures will be conducted. This review will assess how well the strategy aligns against the Incident Management Framework using historical data.
Base incident response strategies on a systematic risk assessment.	Review to be conducted by Infrastructure Operations	GM Infrastructure & Infrastructure Operations Manager	Dec 2008	Incident response is based around standby locations. We will review our response strategy in the fourth quarter of 2008. Operations Division are initiating a "Peak Supervision" strategy for operational support in the event of any incident and Infrastructure Division will assess the compatibility of this to our signalling standby locations.
Review competencies of staff involved in signal asset management or incident response by the end of 2008 and address skills gaps.	Update training needs analysis/training plans	GM Infrastructure & Regional Managers	Dec 2008	Signals electrical and mechanical reaccreditation was recently completed for all qualified Signals staff. This covers the safe working aspects of competencies including incident response. Training needs have been identified for our current workforce. Training plans have been developed from these training needs analysis. Some field training/mentoring has been conducted by experienced field engineers based on individual or group performance issues.

**Recommendations in the Performance Audit
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Recommendation	Proposed Actions	Responsibility	Due By	Status
Benchmark incident response against other railway operators with similar operating environments.	Commence benchmarking exercise with a similar railway.	Benchmarking & System Coordinator	30 June 2008	Refer to earlier action item on benchmarking.
Implement in 2007-08 its plans to move to 24 hour on-time running reporting.	RailCorp introduced monthly reporting of 24-hour OTR in July 2007. Monthly figures are reported on the CityRail website.	General Manager Standards & Passenger Information	Complete	We are reporting 24-hour OTR performance on our website (www.cityrail.info under 'Our Performance').
Monitor and report on asset performance and its impact on on-time running on a regular basis.	Continue with Operational (weekly), Tactical (monthly) and Strategic (quarterly) Reliability Meetings	GM Infrastructure	Continuous	The Operational, Tactical and Strategic reliability meetings are continuing. The Infrastructure Lean Six Sigma team has recently taken control of the organisation of the Tactical and Strategic Reliability meetings to enhance the alignment with the Six Sigma reliability initiatives and data mining.