Digest of Bill

Purpose
The Bill aims to improve the efficiency of the Australian National Railways Commission (the ANRC) through expansion of business activities that the ANRC may provide, and the removal of day-to-day controls.

Background
The ANRC is a statutory authority established by the Australian National Railways Commission Act 1983 (the Principal Act). The ANRC's principal businesses are the provision of freight and passenger rail transport. The majority of freight carried by ANRC is interstate freight. This form of freight makes up approximately three quarters of the ANRC's freight traffic. Goods carried in bulk (e.g. grain, coal, and crude and refined oil) make up one quarter of ANRC freight traffic. The majority of ANRC freight is general merchandise carried in containers. Passenger trains operated by the ANRC include the 'Ghan', 'Indian Pacific', 'Trans Australian', and the 'Overland'. Except for the 'Ghan', these trains are operated jointly with State railways. The ANRC also operates railcar services linking Adelaide with Port Pirie, Port Augusta and Whyalla, Broken Hill and Mount Gambier.

The ANRC's commercial freight business made a profit of $0.7 million in 1987–88 (a net improvement of $12.4 million on 1986–87). ANRC's passenger services incurred a loss of $32.2 million and Tasrail lost $12.3 million. Working expenditure in 1987–88 was $358.4 million, a 4.4% increase over the previous year. Total capital expenditure during 1987–88 was $85.3 million. The number of ANRC employees was reduced by 640 to 7198 in 1987–89. The total Commonwealth cash revenue supplement paid to ANRC was $54.9 million in 1987–88, a reduction of 62% in real terms since 1977–78.¹

The future direction of government transport and communication bodies was outlined on 25 May this year when a Ministerial Statement, titled 'Reshaping the Transport and Communications Government Business Enterprises', was tabled in the Senate.
The Statement noted the increasing competition in international markets, the rate of technological change and the pressures these and other factors exert on such bodies. In regard to the ANRC, as with other agencies, a number of specific courses of action were outlined. Planning and accountability provisions are to be altered, with more emphasis on strategic plans and agreed financial targets. In addition, the ANRC will be exempted from general administrative and personnel policies laid down by the government, except where directed to comply, and will not require Ministerial approval for contracts and individual borrowings.

Main Provisions
Clause 3 will repeal section 7 of the Principal Act. The ANRC will no longer require Ministerial approval for contracts and lease-back arrangements.

The ANRC may provide transport services which are incidental or supplementary to, or in association with rail services (clause 4).

The ANRC is to inform the Minister of matters that may prevent, or significantly affect, the achievement of the objectives, strategies and policies developed by the ANRC (clause 5).

Where the Minister is of the opinion that the performance of the ANRC, or a particular Commissioner, has been unsatisfactory for a significant period of time, and proposes that their appointment be terminated, the Governor-General shall dismiss them (clause 7).

A new Division 1 of Part IV will be inserted into the Principal Act by clause 9 which provides for the terms and conditions of appointment of the Managing Director. The Managing Director will appointed by the Minister (proposed section 36A).

The ANRC may borrow money from persons other than the Commonwealth, and may use its assets as security for borrowings. The Treasurer may guarantee such borrowings (clause 11).

References

For further information, if required, contact the Law and Government Group.

10 January 1989
Bills Digest Service
Legislative Research Service
This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.

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