



TITLE OF PRESENTATION: INTEGRATION OF MULTIPLE SAFETY MANAGEMENT SYSTEMS

NAME OF PRESENTER: DAVID EDWARDS

POSITION: EXECUTIVE MANAGER SAFETY

COMPANY NAME: PACIFIC NATIONAL

1. Background

- 1.1 Pacific National Pty Ltd was established and granted rail safety accreditation in all Australian rail safety jurisdictions on 1 July 2002 as a commercial rail freight operator and track manager. Pacific National's joint shareholders are the Australian Patrick Corporation and Toll Holdings.
- 1.2 The establishment of Pacific National followed the 21 February 2002 sale of the previous Commonwealth and State Government owned National Rail Corporation and Freight Rail Corporation to the National Rail Consortium joint venture formed by the Patrick Corporation and Toll Holdings.
- 1.3 In February 2004, Pacific National continued to grow with the acquisition of the Australian Tasrail "above and below" rail business in Tasmania, and the Australian Transport Network (ATN) "above rail" business in Victoria and New South Wales.
- 1.4 The Pacific National expansion continued in September 2004 with the major acquisition of the Freight Australia "above and below" rail business in Victoria.

2. Scope

- 2.1 Pacific National is Australia's major rail freight carrier providing a service to each Australian State capital city, the Northern Territory, and major regional and industrial centres.
- 2.2 The Company provides such services over a transcontinental and intrastate Australian rail network that utilises approximately 20,000 route kilometres of track, and operates approximately 1400 freight train services per week with a rolling stock fleet of 700 locomotives and 16,000 freight cars/wagons.
- 2.3 The Company employs approximately 4,000 employees, undertakes an annual freight task of 110 million tonnes, and has a revenue base of approximately \$AUS 1.3 billion.
- 2.4 The Company does not undertake direct passenger or commuter train services. However, the Company does provide a "hook and pull" service as a contractor providing locomotives and train crew to another accredited operator undertaking interstate long distance passenger train services.



3. Safety Mission

- 3.1 Pacific National's mission is to provide safe, competitive, profitable and commercially sustainable rail freight transport services in the context of an Australian economy competing in the world market place.
- 3.2 An important element of the mission of Pacific National also demands the development of a Company culture that is customer focused, quality driven and safety conscious. Pacific National's long-term commercial viability is reliant on achieving the Company vision.

4. Safety Management System Integration

- 4.1 In addition to the normal financial, commercial, and structural issues associated with any major integration, Pacific National identified very early in the process the importance of achieving a value adding integration of the safety management systems (SMS) and the potential safety risks if this was not managed in an appropriate manner.
- 4.2 Clearly, while the task being undertaken was recognised as being considerable, Pacific National viewed the rapid company growth as an opportunity to build and review all aspects of the existing SMS and to add additional value from the "corporate knowledge" also being acquired with the physical assets of each organisation.
- 4.3 The integration project, for the purpose of this paper, has focussed on the planning and transition of the critical areas of rail safety, occupational health & safety, environmental management, and rail safety worker training. These factors are being managed within an environment originating from several varying safety cultures and systems through to one harmonised and "best practice" safety culture.

5. SWOT Analysis

- 5.1 A simple strengths, weaknesses, opportunities and threats (SWOT) analysis was conducted to assess the project environment.
 - **Strengths** – strong SMS foundation, flat management structure;
 - **Weaknesses** – rapid company growth, resources, distance, IT systems;
 - **Opportunities** – new safety culture, past experience and expertise, generic systems & procedures, freight task to double by 2020;
 - **Threats** – varying culture, multiple jurisdictions, fear of change, potential increased safety risk during transition.



6. Safety Risk Management

- 6.1 The transition integration approach adopted for the project utilised Australian Standard AS 4360 – Risk Management. The Pacific National risk management policy and methodology is based upon the Australian Standard.
- 6.2 Risk management tools were developed as template documents in support of the overall transition planning process. The broad steps in the applied process included the following:
- Integration plan developed;
 - SMS gap analysis tool developed;
 - Transition Steering Committee established (CEO Chair);
 - Working Sub-Groups established;
 - Group Leaders appointed;
 - Risk assessment workshops scheduled;
 - Risk Mitigation Action Plan (RMAP) template document developed;
 - Communication strategy developed for all stakeholders;
 - Independent external auditor appointed to review project steps and outcomes;
 - Constructive protocols established with rail safety regulators.
- 6.3 Application of the basic organisational safety principles first developed by Professor James Reason have been used in the project to ensure a systemic approach is maintained. Use of the Reason Model has also enabled a thorough independent safety compliance audit to be conducted thereby ensuring that all requirements are being met and the safety loop closed by the final audit validation step.
- 6.4 The basic Reason Model steps integrated into the transition compliance audit process consisted of the following:
- Policy and Planning;
 - Senior and Line Management function;
 - Conditions including various tasks and environment;
 - Individual and Team Actions;
 - Confirmation of Safety Defences.

7. Conclusion

- 7.1 The principal lessons to date from the SMS transition integration experience include adequate project planning and resources, conduct of risk assessment and analysis, communication and information sharing with stakeholders, provision of committed leadership, and application of the “KISS” principle – Keep It Simple Stupid.
- 7.2 Above all, you need to remain clearly focussed on the task and be “passionate” in achieving both the commercial and safety objectives within a “just culture”.



7.3 Throughout the transition process and within each of the various business units being integrated, the following key safety questions have been asked at all levels of the organisation from executive line management meetings to employee “tool box” talks:

- What did **you** do to improve your safety performance yesterday?
- How did you **positively reinforce** a safe act yesterday?
- What are you going to **do today** to improve safety?