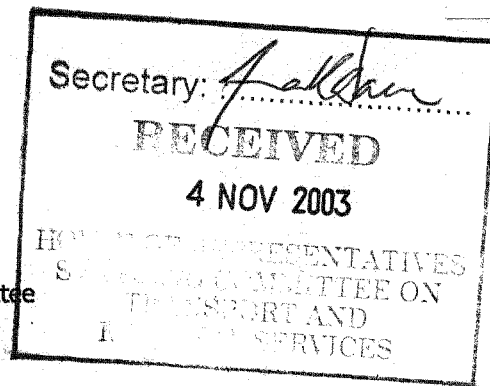


30 October, 2003

**VIA EMAIL**

Transport and Regional Services Committee  
House of Representatives  
Parliament House  
Canberra ACT 2600



THE GHAN

INDIAN PACIFIC

THE OVERLAND

Dear Sir,

**Inquiry into Privatisation of Regional Infrastructure and Government Business Enterprises in Regional and Rural Australia**

The background paper entitled 'Economic and Social Impacts of the Privatisation of Regional Infrastructure and Government Business Enterprises in Regional and Rural Australia' released by the House of Representatives Standing Committee on Transport and Regional Services has been referred to Great Southern Railway.

Great Southern Railway purchased the long distance railway services, The Ghan, Indian Pacific and The Overland from the Australian Government in November 1997. Since then, we have transformed a tired product into a revitalised well promoted tourism experience. Both The Ghan and Indian Pacific have been refurbished and the class structure changed to Gold Kangaroo Service and Red Kangaroo Service. The sales management has been revitalised with the development of "Trainways", our own wholesale distribution arm which encourages domestic travel agents to support our product. Additionally, international representatives have been appointed to promote the product. Under the previous ownership (Australian National) anecdotal advice is that the services were losing \$25 million per annum. The company is now profitable and is expected to significantly improve its financial performance once The Ghan extends to Darwin in February 2004.

In response to the specific issues raised in the background paper, I can advise: -

- o Great Southern Railway has maintained its Head Office in Adelaide. Over 300 people are now employed in the business primarily in that city. However, employees or contractors are also engaged in Sydney, Broken Hill, Port Augusta, Alice Springs, Darwin (from November, 2003). Katherine (from February 2004), Kalgoorlie-Boulder, Perth and Melbourne.
- o The Alice Springs to Darwin rail link is a significant infrastructure project which will be an asset to regional tourism and employment. The Ghan will make its inaugural journey on 1 February, 2004. Sales are already very strong as a result of a professional marketing campaign over a long period of time. It could be argued that the previous Australian National management and structure may not have grasped this opportunity to launch a new product. Spin off benefits to hotels, tour operators, restaurants, car rental companies etc in the Top End are quite significant.

Great Southern Railway  
ACN 079 476 949  
ABN 59 079 476 949

GSR Administration Building

Sir Donald Bradman Drive

Mile End SA 5031

Phone +61 8 8213 4444

Fax +61 8 8213 4480

Executive Office

Level 18

535 Bourke Street

Melbourne VIC 3000

Phone +61 3 9615 5658

Fax +61 3 9615 5665

National Reservations 13 21 47

Agents Hotline 1800 888 480

Sth Aust Agents 08 8213 4593

Website:

<http://www.trainways.com.au>



- o In suggesting areas that the Committee may consider, we suggest: -
  - o Tourism is a significant contributor to regional economies. Australian Government agencies under the Minister for Tourism, eg The Australian Tourist Commission, should actively promote regional Australia as part of its brand "Australia" objectives. This should go beyond just "reef and rock" to include the attractions of Broken Hill, Kalgoorlie-Boulder and central and northern Australia. Inclusion of quality rail services in these programmes would assist that objective.
  - o Acceleration of the establishment of overarching National regulations to replace the independent and uncoordinated State regulations for railway safety and accreditation, safe service of alcohol and licensing for operators who operate routinely across State borders. In brief, Australian National as an Australian Government enterprise was exempt from State regulations but Great Southern Railway has to abide by them. We do not object to the regulations but rather to the fact that each State is different resulting in unduly complicated staff training, licensing and compliance. A consistent National approach is, in our view, imperative.

Please do not hesitate to contact me on 03 9615 5658 if you require further information.

Yours sincerely,

Kind regards,



**Stephen Bradford**  
**Chief Executive Officer**