

INDUSTRY DEVELOPMENT STRATEGY

The Rail Supplier Advocate is leading a Rail Industry Development Strategy to raise the competitiveness of Australian rail suppliers, promote capabilities and maximise opportunities. The Australian rail industry has been actively engaged in the development and implementation of the seven key initiatives in this strategy. Each of these activities is integral to the other in constructing a holistic industry development strategy and a more sustainable Australian rail industry.

Supplier Continuous Improvement Program

Ensuring continuous improvement and driving competition amongst local suppliers are imperative to the future of Australia's rail industry. In partnership with the Rail Supplier Advocate, Enterprise Connect has commenced the Supplier Continuous Improvement Program (SCIP), which is a change program that accelerates the competitiveness of individual businesses as well as the performance of the wider supply chain. The program uses diagnostics tools to identify areas for improvement to achieve: modernised supply chain relationships; improved business communications; increased efficiency and simplification; and increased innovation. The program includes international benchmarking and recognition of company achievement. Thirty companies, nominated by rail primes, will participate in this pilot over a three year period.

Enterprise Connect offers a suite of services to small and medium enterprises (\$2-\$100 million turnover) including a free comprehensive, confidential and independent business review to assist firms discover new ways of transforming their operations and future results. Matching funding (up to \$20,000) is available for recommended business improvement activities.

Technology roadmap

The Rail Manufacturing Technology Roadmap will study and map the Australian rail industry's technology and manufacturing capabilities and development opportunities. This project will assist in gaining a consensus on a rail sector vision, providing an understanding and direction of future opportunities and pathways to move forward. This project is necessary to the rail industry's short-term decisions and long-term sustainability and to bring industry and government together to establish a united approach.

Led by the Department of Industry with financial contributions from the Australasian Railway Association on behalf of industry, the Victorian Department of Business and Innovation, Queensland Department of Employment, Economic Development and Investment, New South Wales Department of Trade and Investment, the project by ANU Edge incorporates extensive industry engagement facilitated through workshops, surveys and interviews.

Forecasting demand for rolling stock

State rail authorities procure rail rolling stock through uncoordinated and small orders. This results in volatile demand cycles, which leads to suppliers having difficulty in achieving critical mass, establishing stable supply chains and consequently investing in training, facilities, product and technology development.

Recognising the risks and political vulnerabilities, forecasting the demand for passenger rolling stock nationally will allow suppliers to better plan production schedules, has the potential to reduce costs for suppliers and customers and encourage investment.

This key project, jointly funded by the Australasian Railway Association and the Rail Supplier Advocate Program, engages Council for the Australian Federation and coordinates state Departments of Transport, operators and primes to share information and develop models to more effectively forecast demand. An independent consultant is undertaking the confidential data gathering and analysis to provide a national picture of the states' demand for passenger rolling stock.

Harmonisation of targeted rolling stock specifications

A need was identified to examine the variations relating to rolling stock specifications that impose a resource and cost burden on suppliers and procurers. The project seeks to coordinate state bodies and major suppliers for a trial process to identify 5-10 key specifications in passenger trains for modelling of cost savings and benefits if harmonised. The intention is to promote performance specifications rather than method process specifications, which in turn will bring about innovation.

Rail statistics project

Due to the absence of complete published data or agreed industry figures, a survey of over 500 firms was conducted to identify a complete list of suppliers in the rail manufacturing and maintenance sector and gain a more accurate picture of the scale of the rail manufacturing industry. The data collected builds on the existing rail operator and infrastructure data to provide a comprehensive understanding of the economic significance of the rail industry to Australia.

Promoting capability and business matching

The Industry Capability Network (ICN) National Sector Manager – Rail was appointed to facilitate business matching opportunities and support Rail Supplier Advocate initiatives.

Hosted by the ICN, the Rail Directory (www.rail.icn.org.au) launched in 2010 is a free web portal that lists suppliers capabilities and project opportunities to assist the ICN link Australian companies to opportunities both domestically and internationally.

Increasing international business opportunities

The purpose of facilitating international rail missions is not only to promote Australian rail capabilities and identify opportunities for Australian rail suppliers internationally, but also to expose rail suppliers to best practice manufacturing; provide insight in integration into international supply chains; learn new competitive practices; develop international partnerships; and identify technological innovations.

Export focussed domestic firms are often able to manage lumpy domestic demand better, be across new competitive practices and become an integrated part of global supply chains.

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