

A FEDERATED MODEL OF NATIONAL RAIL GOVERNANCE

Fastrack Australia argues that high speed rail will be instrumental in improving the lives of Australians. It will enable greater regional population settlement, provide better connectivity for regional centres, take pressure off our capital cities, improve economic efficiency and reduce carbon emissions.

Previous high speed rail studies envisaged a separated network between Sydney and Melbourne plus Brisbane. Its purpose was to carry passengers only, primarily between capital cities, with only high speed long-distance passenger services running on it. It was also considered that the line could be built and operated as a mega-project by a federal government authority, independent of the current state-based rail authorities.

Fastrack considers this approach is not suitable to meet Australia’s needs and conditions. Foremost, the primary policy objective of implementing faster rail services is to encourage greater growth and development in regional areas. This means the rollout of high speed rail must be tightly coordinated with regional development to achieve the policy objective of ‘shrinking the distance’ to regional cities.

Achieving this objective requires a national rail network that ultimately connects all regional cities in Australia. High speed rail should form a central backbone for the network, and be connected with the existing rail network to create an integrated national rail system.

A major challenge for high speed rail in Australia is the long distances between highly urbanised cities, with a sparse settlement pattern between them. This means the high speed line should be able to carry a range of regional commuter and long-distance passenger services, plus some freight services (especially at night), in order to maximise its utilisation and the value it delivers for the investment in it.

Australia’s federal system of government means that both state and federal governments have a role in the planning, funding, implementation and operation of rail lines. In particular, it is essential that the respective roles of the federal and state governments be clearly established to ensure the steady implementation of rail infrastructure is unruffled by a changing political landscape.

Fastrack therefore proposes a governance structure that builds on the current arrangements for the Interstate Rail Network, spans both state and federal governments, delivers a national rail system with high speed and conventional lines, and opens the rail market for both passenger and freight services. It should also establish clear interfaces with other jurisdictions to allow passenger and freight services run on state- or privately-owned networks as needed.

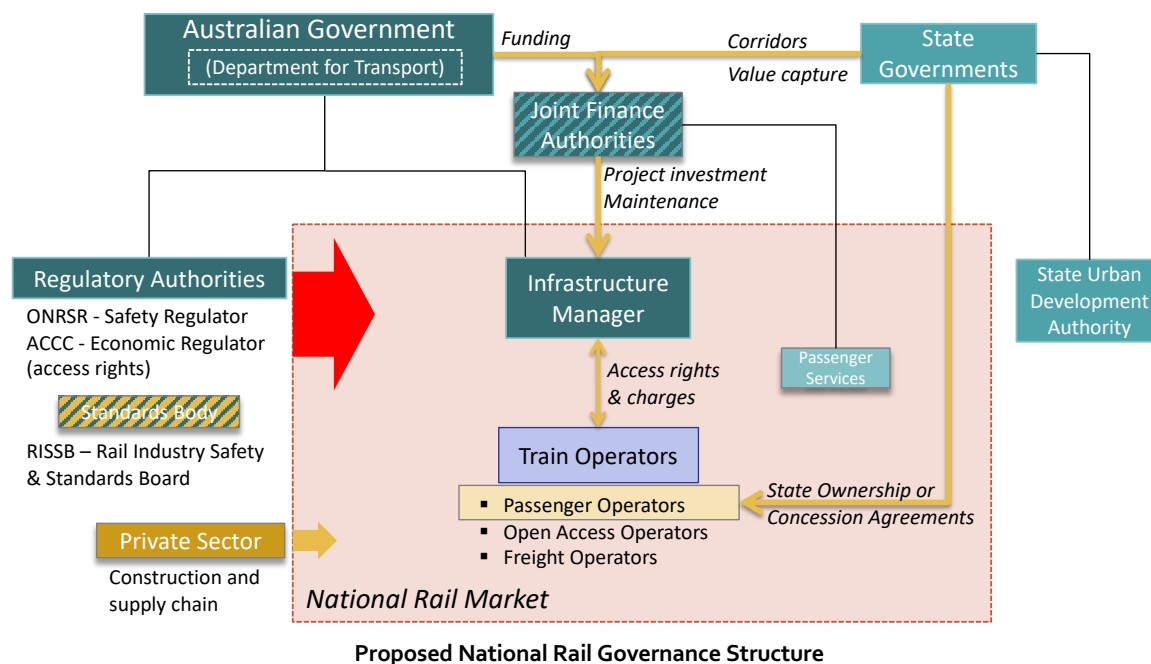
Role	Own land & infrastructure	Design & Build the network	Maintain and Operate the network	Operate train services	Manage the rail market
Proposed	Joint Finance Authorities (1 per state)	National Rail Authority (High speed and conventional rail lines)		Passenger and Freight Operators (Public & Private)	ACCC ONRSR RISSB
Interstate Rail Network	State Rail Authorities / ARTC	Australian Rail Track Corporation (ARTC)		Private Freight and State -owned Passenger Operators	ACCC ONRSR RISSB

ACCC: Australian Competition and Consumer Commission; ONRSR: Office of the National Rail Safety Regulator; RISSB: Rail Industry Safety and Standards Board.

Allocation of Responsibilities

The proposed governance structure is shown in the following diagram.

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Key elements of the proposed structure are:

ADAPTED FROM THE CURRENT INTERSTATE RAIL NETWORK

The proposed governance structure builds on the current governance structure for the national Interstate Rail Network. It retains the overall accountability with the Australian Government and the oversight of the rail market by its current regulatory authorities.

STATE AND FEDERAL FUNDING

New joint finance authorities are proposed to own and fund the rail infrastructure in each state. Each authority would be jointly owned by the federal and relevant state government, with the holding based on the relative contribution made by each government. These authorities will provide the funds to implement new lines and upgrades to existing ones.

NEW SKILLS AND EXPERTISE

A new rail infrastructure manager with the skills and expertise to manage the delivery and operation of high-speed rail is proposed. Initially this will be a standalone authority, but its role should be gradually expanded to include sections of the existing conventional network as they are integrated into a national rail network.

MARKET FOR PASSENGER SERVICES

The national rail market should be opened to include passenger in addition to freight services. This will be phased to initially allow the current state-owned authorities access high speed lines, and then allow the market to open up for new operators and new services.

LINKED WITH URBAN DEVELOPMENT

The structure also includes the state urban development authorities, which have an essential role in managing the growth and development of regional cities. This will ensure the implementation of the national rail network is tightly coordinated with regional development policies.