Faster rail prospectus
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The Australian Government is committed to exploring the opportunities for faster passenger rail links between our major cities and our regions

The Australian Government’s Faster Rail Connecting Capital Cities and Orbital Regional Centres initiative was announced on Tuesday 9 May 2017 as part of the 2017–18 Budget. This initiative will explore improvements to the rail connections between our cities and surrounding regional areas through $20 million in funding to support the development of business cases. Business cases will need to demonstrate faster rail travel times through new or upgraded rail infrastructure.

This initiative forms part of the Australian Government’s passenger rail agenda

This agenda includes:

• committing to rail investment over the next 10 years through the $10 billion National Rail Program announced in the 2017–18 Budget;
• supporting planning for city-shaping passenger rail improvements in our major cities;
• investing in partnership with state and territory governments in passenger rail; and
• reaching a fact based view of likely future rail priorities through Urban Rail Plans for our five major cities and the surrounding regions.
1. **Australian Government objectives for faster passenger rail**

As our cities become larger, improving their passenger rail networks is important in key ways:

- New or extended rail lines can support the release of new land for housing or employment, either on the outskirts of the city or in areas experiencing urban renewal.
- Rail is the most efficient way to move people quickly to and from our CBDs and other employment clusters. As the number of jobs in CBDs and other employment clusters rises, we need higher capacity rail connections in and out of these locations, especially to link people living in fast growing outer suburbs and regional centres to jobs and opportunities.
- Rail corridors are well suited to apartment and townhouse living. This mode of living is increasingly popular, and will represent a growing share of homes as our big cities grow and the population density rises.
- The regional communities surrounding a city are closely integrated economically and socially with that city; just look at the number of people who commute between Geelong and Melbourne, the Blue Mountains and Sydney, and the Sunshine Coast and Brisbane. Some commute five days a week, and others will do a mix of a couple of days in the city and the rest working from home. Better rail connections can help that integration, benefiting the city and its surrounding regional areas.
Predicted population growth in major Australian cities


For these reasons the Australian Government is making a major national commitment to improving the rail networks in our big cities, and between the cities and their surrounding regional areas.

Connecting surrounding regions to Perth.
2. Regional rail patronage is growing but service quality varies

Rail connections between our big cities and surrounding regional areas are important, and are showing strong growth. Regional rail patronage in Victoria, for example, has grown strongly over the last decade.

Regional rail patronage growth in Victoria between 2003–04 and 2015–16

The speed of rail services between our capital cities and surrounding regional areas is quite variable. Services between Mandurah and Perth, and Ballarat and Melbourne, achieve average speeds exceeding 80 kilometres per hour. Between Wollongong and Sydney the average speed is less than 60 kilometres per hour. If the Wollongong to Sydney speed could be increased to 80 kilometres per hour, the commuting time would drop from 86 minutes to around an hour.
Distance, travel time and average speed by rail between cities in Australia

3. Investigating faster rail linkages between our cities and surrounding regional areas

Our capital cities are projected to grow significantly through the next decades. Faster rail links between our cities and surrounding regional areas can deliver important benefits for people living in regional centres, and provide opportunities for those living in major capital cities to consider relocating to housing away from the major capital cities.

In recent years there have been a number of proposals put forward for faster rail connections between our cities and surrounding regional areas. Some involve incremental improvement to existing rail networks, such as improvements to bridges or tunnels or gradients which today slow down trains. Others involve building brand new track suitable for very high speed rail, at speeds of 250 km/h or more. Other ideas which have been proposed are somewhere between these two ends of the spectrum.

While the benefits of high speed rail are easy to visualise, what is not always well understood is that our existing regional rail services, often using tracks built in the nineteenth century, run at well below the speeds and frequencies that conventional rail can achieve. For example, the average speed today between Sydney and Wollongong is 56 km/h over an 82 km long track. Among the factors that constrain the speed is that at one location there is a tunnel only large enough for one line, meaning trains often need to wait for a train coming from the other direction before they can pass through. The rail networks surrounding Melbourne, Brisbane, Adelaide and Perth face similar issues. If existing rail lines can be upgraded, speeds of up to 100 to 160 km/h are potentially achievable depending on the location and the extent of the upgrade.
As we consider how to get the best impact through improving rail connections between our cities and their surrounding regions, it is therefore important to consider both new rail lines and upgrades to existing rail lines.

Investments in new or upgraded lines can be very expensive — frequently running into the billions. The investments of states in rail has tended to follow growth, which is why we are seeing record investment in high capacity rail in the CBDs of our largest cities. The Australian Government wishes to explore opportunities to complement these improvements with initiatives to improve regional rail services, sharing the benefits of growth.

This is why the Australian Government has committed $20 million to plan for faster rail links between our cities and surrounding regional areas.

There are two principal opportunities we will consider. The first is opportunities for a new rail line or an extended rail line between a major city, and surrounding regional centres, particularly as a means of opening up new locations for housing and employment. The second is opportunities to improve existing regional rail connections, so that existing lines will support faster or higher frequency connections, again with a particular focus on supporting areas of affordable housing and job-rich centres that have good rail connectivity to the city.

Proposals could come from private sector proponents or consortiums, such as consortiums of property owners and developers and specialist high speed rail companies. State governments might also bring forward such proposals. For example, such proposals might involve a proposal for a new stretch of line which would connect into an existing line into one of our big cities, and would provide rail access to new greenfields areas where a new town or towns would be built by a developer or consortium of developers.

Alternatively, state governments could bring forward proposals to improve or extend existing lines. Such proposals might involve improvements to bridges, tunnels or gradients which slow down trains. Proposals could also involve replacing stretches of winding or steep track which prevent trains running at high speeds, the duplication of single track lines, the electrification of track presently allowing only for diesel trains or new generation signalling and train control technology which would allow trains to be run more frequently.

Connecting surrounding regions to Melbourne.
Stage 1 – project proposal outlines

The Australian Government anticipates that project proponents will put forward a diverse range of proposals as part of this process.

The purpose of the project proposal outlines, sought at stage 1, is to allow the Australian Government to select, from the high level project descriptions contained in the proposal outlines, the proposals it will select to proceed to stage 2.

Corridor opportunities

Today, thousands of commuters travel along passenger rail corridors from major regional centres to capital cities, on their way to their destination for work, education, training, access to specialist legal/financial services, or attend events and tourism locations in our capital cities.

At the other end of the line, our major regional centres and intermediate communities provide an important diversity of housing, employment and lifestyle opportunities as well as regionally significant population and service centres.

Strategic passenger rail corridors provide opportunities to grow commuter numbers, increase access to employment and expand career development opportunities, and improve housing access, choice and affordability.
Examples of potential project proposals

Proposals might involve (but are not limited to):

- new lines connecting an existing rail network;
- extending existing lines to urban growth corridors in peri-urban areas or regional cities;
- new or improved rail access to ‘greenfield’ residential areas;
- proposals to improve or extend existing lines;
- improvements to bridges, tunnels or steep gradients which slow existing train services;
- the targeted replacement of stretches of winding or steep track to allow higher speeds;
- duplication of existing single track lines to create double track to increase capacity;
- electrification of track which can presently only be used by diesel trains; and
- next generation signalling and train control technology.

Proponents should note that proposals relating to light rail and freight rail systems and lines are out of scope in this faster rail process.

Projects which proceed to business case stage will then be eligible to seek funding from the National Rail Program. Where more than $100 million is sought from the Australian Government, successful project proponents will subsequently be required to provide their proposal to Infrastructure Australia for assessment of the merits of the project.

The Australian Government will also welcome proposals in relation to other corridors between cities and regions.

Examples of passenger rail corridors that have or could have the potential to expand over time include:

- Brisbane-Sunshine Coast
- Brisbane-Gold Coast
- Brisbane-Ipswich
- Brisbane-Toowoomba
- Brisbane-Northern NSW
- Sydney-Newcastle
- Sydney-Central Coast
- Sydney-Lithgow
- Sydney-Wollongong
- Sydney-Southern Highlands
- Sydney-Goulburn
- Sydney-Canberra
- Melbourne-Albury-Wodonga
- Melbourne-Seymour
- Melbourne-Shepparton
- Melbourne-Bendigo
- Melbourne-Ballarat
- Melbourne-Geelong
- Melbourne-Latrobe Valley
- Perth-Yanchep
- Perth-Joondalup
- Perth-Mandurah
- Perth-Bunbury
- Adelaide and surrounding regions.

The Australian Government will also welcome proposals in relation to other corridors between cities and regions.
Stage 1 project proposal outline information requirements

Proponents putting forward a project proposal outline are asked to provide a high level overview, sufficient to allow the Australian Government to form an initial understanding of what the project is intended to deliver.

Project proponents are to outline details about their proposal, including:

1. **Project proponent**

   Project proponents are to provide information about the organisations involved in putting forward the project proposal, including:
   
   - lead organisation;
   - partners;
   - consortium members;
   - any State, Territory or local governments;
   - skills and experience;
   - other projects that they have designed and delivered;
   - legal structure and status in Australia;
   - experience in developing business cases, designing infrastructure projects and in the rail or regional development industries; and
   - relationship to any other proposals being put forward under the program.

2. **Project scope**

   Project proponents are to detail the scope of their project proposal:
   
   - the identified corridor;
   - the initiative/s (such as construction, enhancements and systems);
   - a high level estimate of timeframes; and
   - a high level estimate of project costs (net present value).

3. **Project rationale**

   Project proponents should describe:
   
   - challenges of current arrangements for the identified corridor;
   - impacts of those challenges;
   - expected outcomes from their project proposal, including:
     - time;
     - distance;
     - passenger experience;
     - long-term cost-savings; and
     - economic contribution.
Stage 1 assessment approach and criteria

Proposal outlines are to be submitted by 5.00pm 13 October 2017 to the Department of Infrastructure and Regional Development via rail@infrastructure.gov.au

All the information requested above must be provided to be eligible for consideration for Stage 2.

The Department of Infrastructure and Regional Development will consider and assess Stage 1 project proposals against the following assessment criteria:

1. Transport infrastructure problem and policy challenge identification;
2. Proposed solution and outcomes;
3. Impact on access to and supply of housing;
4. Impact on employment accessibility; and
5. Impact on regional economic activity and development.

Stage 2 will then involve the completion of the full information requirements by project proponents as outlined in Parts A to C of Stage 2.

These more in-depth proposals will then be considered for Australian Government funding of up to 50% of the total cost of the development of the business case as part of Stage 3.

4. Project specifications

Proponents should describe the project specifications, and if it involves:

- new or upgraded alignments;
- new or upgraded technology, systems and controls;
- new or upgraded rolling stock;
- approximate planning, construction and operational commencement timeframes; and
- expected contributions by the project proponent or third parties (such as local governments) to investments in supporting infrastructure (such as new and upgraded interchanges, local roads, car parking at train stations and other transport infrastructure).

5. Project additional benefits statement

Project proponents should describe the expected impacts of their project proposal on the communities served, including matters such as:

- housing accessibility, supply and affordability;
- employment accessibility; and
- impacts on regional economic activity and development.
Stage 2 – detailed project proposals

Project proposal information requirements

Project proponents applying through Stage 1 will be advised by the Australian Government about whether their project proposal outline from Stage 1 has been selected to proceed to Stage 2.

If a proponent is invited to proceed to Stage 2, they will be asked to provide a Detailed Project Proposal. This will be required to comply with the information requirements in Parts A to C.

Part A – Financial arrangements

Expenditure, funding, financing and revenues

Project proponents are to detail:

- the total cost of developing their proposal into a business case;
- how their proposal would likely be funded and financed if it were to proceed to project construction/implementation stage; and
- the expected revenues generated when fully constructed and/or implemented and operating (such as ticketing/fares, property leasing).

Taxation arrangements

Proponents are to provide details about any taxation arrangements and concessions that the project would require to be viable. Where possible, this should differentiate between concessions sought from the Australian and State, Territory and local governments.
Foreign investment

Proponents are to detail any proposed foreign investment elements of their proposal, including in infrastructure, construction, rolling stock and associated elements of the proposal (such as partners in land and housing development).

Part B – Role of governments

Proponents are to advise if their proposal requires any government support (Australian, State, Territory or local government) in the form of:

- legislative changes;
- planning system amendments;
- zoning changes;
- fast-tracking of approvals;
- construction funding;
- government concessional financing;
- taxation and other financial concessions; and
- access to streamlined processes and support.

Part C – High-level risk assessment

Risk identification, assessment and management associated with delivering the proposed project

Project proponents are to identify and outline management strategies for any risks associated with their project proposal. These may include:

- seeking agreement from relevant State, Territory and local governments;
- community stakeholder risk;
- formal planning approval process delays and costs;
- technical challenges following detailed onsite testing;
- construction delays;
- patronage risk; and
- ownership risk.
Stage 2 assessment approach and criteria

Detailed project proposals are to be submitted by 5.00pm 24 November 2017 to the Department of Infrastructure and Regional Development via rail@infrastructure.gov.au.

Assessment criteria

The Department of Infrastructure and Regional Development, in consultation with other relevant Commonwealth departments and agencies, and with the assistance of specialist technical advisory entities, will consider and assess the Stage 2 detailed project proposals against the following assessment criteria:

1. Funding request;
2. Value for money and financing;
3. Risk assessment; and
4. Capacity to deliver.

The assessment of project proposals will be conducted by the Department of Infrastructure and Regional Development. Consultations will occur, as necessary, with a range of other Commonwealth departments and agencies, including:

- Department of the Prime Minister and Cabinet;
- Department of Finance;
- Treasury;
- Department of Industry, Innovation and Science;
- Infrastructure Australia;
- Infrastructure and Project Financing Agency; and
- relevant State and Territory departments and agencies.

Funding commitment to business case development

The Australian Government will have full discretion to determine the size of the funding contributions for selected business cases, with funding capped at 50% of the proposed total cost. All Commonwealth funding will be subject to the Commonwealth Grant Guidelines and Rules, available in full from the Commonwealth Department of Finance, <https://www.finance.gov.au/resource-management/grants/>, in addition to any additional conditions of the Faster Rail Connecting Capital Cities and Orbital Regional Centres program. At its sole discretion, the Australian Government may place additional conditions on any funding agreement under the program.
Connecting surrounding regions to Melbourne.
Stage 3 – Business case development and assessment

The Australian Government may select, from the project proposals lodged in stage 2, up to 3 proposals which will receive matching funding from the Australian Government to develop the proposals to business case stage.

Business case delivery

Funding for the delivery of the project business cases will be administered under the existing governance arrangements for transport development and innovation projects under the Infrastructure Investment Program, as set out in the National Partnership Agreement on Land Transport Infrastructure Projects. Funding will be considered for approval by the Australian Government under the National Land Transport Act 2014.

Provision of Commonwealth data

The cost of accessing and compiling Commonwealth data required for business case development should be included as part of the project proposal. At its discretion, the Department will seek to facilitate proponents’ access of Commonwealth data. However, no additional funding or in-kind support to access data will be provided, beyond the initial project grant allocation. The proponent will be responsible for sourcing data from other levels of government or external bodies.

Inclusion of the Australian Government on business case development steering committees

While the proponents will be expected by the Australian Government to deliver the proposed business cases, as a condition of funding there is an expectation that the Australian Government will be represented on any business case development steering committees and oversight or project decision-making bodies. The Department will be the Australian Government’s representative on the project steering committee.
Role of Infrastructure Australia

Infrastructure Australia is an independent statutory body with a mandate to prioritise and progress nationally significant infrastructure. Where projects seek Commonwealth investment of more than $100 million, the completed business cases will be referred to Infrastructure Australia for assessment.

Decisions on future Australian Government project funding

Project proponents should note that financial support for the development of a business case does not indicate Australian Government support for delivery of a project.

Completed business cases will be considered in the context of the Australian Government’s wider infrastructure priorities and future Budgets.

Market tender of proposals

The Australian Government may determine to proceed to an open market competitive process (in partnership with the relevant State or Territory government) for the construction of a faster rail initiative investment following the completion of a formal business case.

It is expected that private sector applicants will discuss their proposals with the relevant State and Territory governments prior to making their submissions.

Stage 3 additional information requirements

Part D – Outline of approach to implementation

Local industry participation and local content

Proponents are to provide information about the scope for local industry participation in any upgrade, planning, construction, and maintenance activities associated with their proposal.

Information about Australian Industry Participation (AIP) policies and program are available at: https://industry.gov.au/industry/IndustryInitiatives/AustralianIndustryParticipation/Pages/default.aspx

Proponents are to provide information about the scope for using local content in any planning, design, manufacturing, construction and operations activities which would be supplied by Australian companies.

Capacity and skills development

Proponents are to provide information about their intended approach to building Australian industry and workforce capacity, skills, education and training as part of their proposal.

Aboriginal and Torres Strait Islander employment

Proponents are to provide indicative details of their approach and the opportunities to provide employment for Aboriginal and Torres Strait Islander people.
Use of overseas labour

Proponents are to provide indicative details of any proposed foreign labour requirements for the implementation of their proposal, including:

- immigration arrangements;
- work health and safety standards;
- security issues; and
- potential impact on local employment.

Impact on and acquisition of land and buildings

Project proponents are to advise if their proposal will:

- require the compulsory acquisition of land and buildings along a proposed corridor, or expanded alignment;
- have any significant heritage impacts that would require detailed investigation beyond formal heritage assessment and approvals; and
- operate within close range of Defence land.

Impact on natural environment

Project proponents are to advise if their proposal will have any significant environmental impacts that would require detailed investigation beyond formal environmental assessment and approvals.
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