

Fees for major projects apply from 1 July 2017.

Background

The number and complexity of major rail projects is growing significantly, from an estimated value of \$15.4 billion to excess of \$60 billion (from 2012 to 2016). Following extensive consultation in the review of ONRSR's cost recovery model, major project fees were approved by Ministers in November 2016. These fees will enable ONRSR to maintain effective regulatory oversight of the increasing number of major rail projects as required; and reduce cross-subsidisation by other operators.

What is a major project?

A major project is the delivery of a significant change to railway infrastructure or rolling stock by one or more entities. Major project fees will apply to a very small number of railway operations.

Fee types

There are two types of major project fees:

1. An application (complex operations) fee – applies only to entities who are not currently accredited and who seek accreditation for all or part of the railway operations for a major project. The fee is \$80,000 and it applies in addition to the application for accreditation fee of \$10,000.
2. An annual project component fee (project component fee) – there are three fixed fee amounts depending on the level of complexity:
 - a) \$198,000
 - b) \$140,000
 - c) \$93,000

The fee amounts will be published in Schedule 3 to the National Regulations.

Determining which fees are payable

The decision on which fees apply is made by the National Rail Safety Regulator (the Regulator) following discussions with the proponent. The key consideration for determining the fees applicable to the major project is the significance of the proposed change, and the scale and complexity of the regulatory oversight that will be required. This will include consideration of the factors prescribed in Schedule 3, Part 2 of the National Regulations. Examples of annual fees applicable to major projects are in the ONRSR Fees Policy.

Notification process

Following engagement with the project proponent, the Regulator will notify the proponent in writing if a major project fee is being considered. If the proponent does not agree their railway operations constitute a major project they may, within seven days, respond in writing setting out the reasons why the fee/s should not be charged.

Right of review

Once the Regulator decides to apply the fee then a notice will be provided to the rail transport operator, which will include:

- > Amount payable
- > Reasons for charging the fee
- > Date on which the fee will be applied from
- > Information regarding the right of review

Term of the annual fee

After the amount payable has been notified to the proponent in writing, the annual fee becomes payable from the date that railway operations commence in accordance with section 4(1) of the RSNL. Once the major project is complete, the annual project component fee will no longer apply and the usual annual accreditation fees will apply.

Further information

The following documents are related:

- > Fees policy
- > Major Project guideline
- > About the Cost Recovery Model - fact sheet
- > Cost Recovery Implementation Statement – ONRSR Major Rail Projects Fee 2016-17

These documents and further information are available from the ONRSR website.