

NATIONAL PARTNERSHIP AGREEMENT TO ESTABLISH A PROJECT OFFICE FOR RAIL SAFETY REGULATORY REFORM

Council of
Australian
Governments

An agreement between

- the **Commonwealth of Australia** and
- the **State of South Australia**

An agreement between the Commonwealth and the State of South Australia to establish a Project Office for the development of a national rail safety regulatory system, including national law administered by a single national rail safety regulator.

National Partnership Agreement to Establish a Project Office for Rail Safety Regulatory Reform

INTERGOVERNMENTAL AGREEMENT

PRELIMINARIES

1. This Agreement is created subject to the provisions of the *Intergovernmental Agreement on Federal Financial Relations* and should also be read in conjunction with that agreement and subsidiary schedules.
2. The Commonwealth and all States and Territories agreed on 7 December 2009 that a National Rail Safety Regulator (NRSR) will be established under legislation of the South Australian parliament. Legislation will be introduced in each State and Territory parliament with a view to achieving national regulation by 1 January 2013. The NRSR's aim will be improved safety and reduced costs and regulatory burden for Australia's rail industry.
3. This Agreement will provide funding towards establishing a Project Office to support implementation of a national rail safety regulatory system (national system) consisting of the national law (including law to establish the NRSR), the NRSR and supporting administration, structures and systems that enable its operation. A further National Partnership Agreement will be considered by mid-2011 to implement arrangements to create the national system. That Agreement will address funding arrangements, including for the Project Office for 2011-12 and 2012-13.

PART 1 – FORMALITIES

Parties to this Agreement

4. In entering into this Agreement, the Commonwealth and South Australia recognise that they have a mutual interest and commitment to work cooperatively in establishing a Project Office to support implementation of the national system.

Term of the Agreement

5. This Agreement commences as soon as it is signed by the Commonwealth and South Australia, and will cease on 30 June 2011, or earlier termination as agreed in writing by the Parties.

PART 2 – OBJECTIVES, OUTCOMES AND OUTPUTS

Objectives

6. The Australian Transport Council (ATC) has the necessary administrative support to implement the national system.

Outcomes

7. A Project Office established in mid 2010 to support implementation of the national system.

Outputs

8. A Project Office, led by a Project Director, to deliver implementation activities according to the project plan and project budget agreed by the Standing Committee on Transport (SCOT).

PART 3 – ROLES AND RESPONSIBILITIES

Role of the Commonwealth

9. The Commonwealth will:
 - (a) contribute to the operating costs of the Project Office;
 - (b) work cooperatively with all governments to implement the national system; and
 - (c) provide input to Project Office activities to assist in implementing the national system.

Role of South Australia

10. South Australia will:
 - (a) host the Project Office;
 - (b) be responsible for managing the Project Director's performance, subject to the executive oversight of the Project Director in Schedule A;
 - (c) jointly with other governments, contribute to the operating costs of the Project Office;
 - (d) work cooperatively with all governments to implement the national system;
 - (e) jointly with other governments, provide input to Project Office activities to assist in implementing the national system;
 - (f) ensure that the Project Office reports consistently with South Australia's own governance and financial management requirements established in its laws; and
 - (g) advise the Commonwealth and the other States and Territories as soon as possible of any reason, issue and/or impediment that would affect, detract from or alter its role as the host jurisdiction.

PART 4 – FUNDING, PERFORMANCE MILESTONES AND REPORTING

Funding

11. SCOT has agreed a budget for the Project Office of \$1.6 million in 2010-11, to be shared by the Commonwealth and all States and Territories. The maximum Commonwealth contribution to the Project Office will be \$0.6 million, paid in twelve equal monthly instalments, subject to achievement of performance milestones.

Performance Milestones

12. South Australia undertakes to:
 - (a) establish the Project Office, including recruitment of Project Office staff and the provision of accommodation and corporate support, by 1 July 2010;
 - (b) ensure delivery of Project Office activities consistent with Paragraph 10; and subject to the executive oversight of the Project Office in Schedule A;
 - (c) ensure that the Project Director reports to SCOT and ATC on progress in implementing the national system according to SCOT and ATC meeting schedules up to 30 June 2011.

Reporting Arrangements

13. South Australia will ensure that the Project Director reports to SCOT and ATC on its progress in implementing the national system in accordance with Schedule A (Project Office Arrangements) to this Agreement.

PART 5 – GOVERNANCE ARRANGEMENTS

Dispute resolution

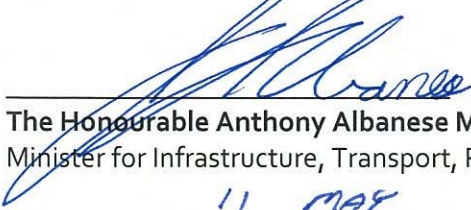
14. Any Party may give notice to the other Party of a dispute under this Agreement.
15. Officials of relevant Parties will attempt to resolve any dispute in the first instance.
16. If a dispute cannot be resolved by officials, it may be escalated to the relevant Ministers.
17. If a dispute cannot be resolved by the relevant Ministers, it may be referred by a Party to the Council of Australian Governments for consideration.

Variation of the Agreement

18. The Agreement may be amended at any time by agreement in writing by all the Parties.
19. A Party to the Agreement may terminate their participation in the Agreement at any time by notifying the other Party in writing.

The Parties have confirmed their commitment to this agreement as follows:

Signed for and on behalf of the Commonwealth of Australia by



The Honourable Anthony Albanese MP

Minister for Infrastructure, Transport, Regional Development and Local Government

11 MAY 2010

Signed for and on behalf of the State of South Australia by



The Honourable Patrick Conlon MP

Minister for Transport

7 June 2010

Project Office Arrangements

NATIONAL PARTNERSHIP AGREEMENT TO ESTABLISH A PROJECT OFFICE FOR RAIL SAFETY REGULATORY REFORM

Ministerial Oversight

- A1. The Council of Australian Governments (COAG) will receive progress reports on the reform from the Australian Transport Council (ATC) and will make key decisions at milestones in the implementation. The COAG Reform Council will monitor progress and implementation of the national system; the Commonwealth will liaise with it to ensure appropriate reporting.
- A2. The ATC has responsibility for implementing the reforms. It will provide national, strategic guidance and decision making on the reforms and will report to COAG on their progress.

Executive Oversight

- A3. The Standing Committee on Transport (SCOT), consisting of transport agency chief executives, will report progress on the reforms to the ATC and seek the ATC's decision and guidance on key elements of the reforms.
- A4. The SCOT will provide national strategic policy decision-making for the implementation activities, based on the ATC's advice.
- A5. The Rail Safety Regulation Reform Project Board (RSRRPB) of SCOT (of which all governments are members) will oversee the activities of the Project Director and Project Office.

Guiding Principles for Implementing the National System

- A6. The following principles will guide implementation of the national system:
 - (a) outcomes should aim for national best-practice across all regulatory activities and consider outcomes-based approaches;
 - (b) it must provide scope for ongoing improvements in all outcomes;
 - (c) it should be based on good policy to achieve good long-term outcomes;
 - (d) delivery models should be cost-effective; and
 - (e) industry involvement at key stages to ensure success.

Project Management and Delivery

- A7. The Project Director will report directly to the RSRRPB on project and implementation activities.
- A8. The Project Director will be supported by a Project Office with day-to-day responsibility for leading and coordinating implementation activities across the agreed workstreams and across all jurisdictions.
- A9. The role, functions and governance of the Project Office have been agreed by SCOT.

Workstreams

- A10. The Project Director will deliver the national system across activities based on the workstreams identified below and included in the agreed project plan.
- A11. The 'strategy' workstream considers strategic and policy activities including:
 - (a) the resolution of outstanding policy issues such as drugs and alcohol, fatigue management and general duties;
 - (b) the development of national legislation, prepared under the direction of the Project Office by the National Transport Commission, that will address a range of policy issues, based on the *National Transport Commission (Model Legislation – Rail Safety Bill) Regulations 2006* (Commonwealth);
 - (c) a full cost and capability review of regulatory services to support advice to Ministers on the ongoing funding of the National Rail Safety Regulator; and
 - (d) the development and implementation of a communications plan.
- A12. The 'business services and transition' workstream considers business system development including:
 - (a) budgets and finance systems;
 - (b) staffing and human resource systems;
 - (c) contracts and procurement systems;
 - (d) information technology and communication systems;
 - (e) accommodation and physical assets;
 - (f) legal aspects and systems; and
 - (g) stakeholder interfaces and agreements and major change programs.
- A13. The 'operations' workstream considers consultation with the Rail Safety Regulators' Panel (RSRP) and the implementation of a common regulatory approach based on the RSRP's harmonisation work and includes the development of:
 - (a) a national schedule of regulatory protocols;
 - (b) standard operating policies and procedures to implement the national body of law;

- (c) regulatory forms and decision processes, and open compliance issues and actions; and
- (d) an operational systems plan.

Implementation Schedule

- A14. The Project Office will deliver implementation activities referred to in Paragraphs A11, A12 and A13 in accordance with the project plan timeframes agreed by SCOT.
- A15. The COAG has set a final deadline of full implementation by the end of 2012, a timeframe that recognises the importance of implementing the reforms in a timely manner to enable the expected benefits to flow through to industry.
- A16. From signature of this Agreement until 30 June 2011, the SCOT and Ministerial Council deliverables are as follows:

SCOT Second half 2010	ATC Second half 2010	COAG End 2010	SCOT First half 2011	ATC First half 2011
Review report on cost and capability review	Consideration of remnant policy issues	NPA to COAG for consideration and signature	Consider and recommend to ATC approach to cost recovery	Agree on policy approach to cost recovery for input to final NPA
Review draft National Partnership Agreement (NPA)	ATC consideration of final NPA (decision)		Review Project Office budget	Approve draft model template law
			Review draft model template law, including establishment of regulator	