



Transport, infrastructure and sustainable cities - Bring high speed rail back on track - Invest in the High Speed Rail Authority	
Party:	Australian Greens
<p>Summary of proposal:</p> <p>The proposal would accelerate the delivery of high-speed rail by investing in the High Speed Rail Authority (HSRA) to complete the network from Brisbane to Melbourne by 2040.</p> <p>The proposal would start from 1 July 2026.</p>	
<p>Additional information (based on further advice provided):</p> <p>The proposal would provide equity funding to the HSRA, which would be responsible for project delivery. The funding requirement would be informed by the High Speed Rail Study Phase 2 report (the report) released on 11 April 2013, with a revised completion date of 2040.</p> <p>The Commonwealth Government would be the only investor in the project and would enter into contracts with the states, territories and private sector third parties.</p>	

Costing overview

The proposal would be expected to decrease the fiscal balance by around \$580 million, the underlying cash balance by around \$480 million and the headline cash balance by around \$13.4 billion over the 2025-26 Budget forward estimates period (see Table 1).

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

Table 1: Transport, infrastructure and sustainable cities - Bring high speed rail back on track - Invest in the High Speed Rail Authority – Financial implications (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-	-10.0	-140.0	-430.0	-580.0
Underlying cash balance	-	-10.0	-110.0	-360.0	-480.0
Headline cash balance	-	-503.0	-5,556.0	-7,378.0	-13,437.0

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
- Indicates nil.

This Parliamentary Budget Office (PBO) has assumed that work on high speed rail would proceed on the timeline outlined in Figure 7-3 on page 312 of the High Speed Rail Study Phase 2 report (the report), with a 7-year delay in commencement relative to the report. This timeline would have the network from Brisbane to Melbourne completed in 2065 rather than in 2040 as specified in the proposal. The PBO has made this assumption as it is unable to assess the feasibility of a shorter

timeframe than outlined in the report as the PBO does not have sufficient appropriate technical expertise to do so.

As such, this costing only addresses the costs associated with:

- undertaking preliminary works for all 5 stages of the high speed rail project, as outlined in Table 7-6 on page 312 of the report, with a revised commencement date of 1 July 2026.
- implementing line 1 stage 1 (Sydney to Canberra) and Line 1 Stage 2 (Canberra to Melbourne) of the high speed rail project as outlined in Table ES-6 on page 17 and Table 7-2 on page 306 of the report, with a 7-year delay in commencement relative to the report.

Subsequent phases of the project would begin after 2035-36 according to the assumed timeframe. Equity investments for construction of these phases have been included with unquantifiable impacts, reflecting that the PBO is unable to assess the feasibility of a compressed timeframe.

As specified in the proposal, funding for the high speed rail project would be provided through equity injections into the HSRA. This method of funding would have a direct and significant impact on the headline cash balance, but would impact the fiscal and underlying cash balances in the form of public debt interest expenses. The headline cash balance impact of the proposal shows the full amount of the equity injection into the HSRA as well as the impact of the proposal on the Commonwealth Government borrowing requirement and debt position. The long-run fiscal impact of the proposal would depend on the future returns that can be achieved, which are highly uncertain.

The estimates of the financial implications of this costing are highly uncertain. The costs are based on estimates from a report published in 2013, uplifted for inflation. Cost estimates may have varied considerably since that time, reflecting a range of factors. The timing of expenditure may also vary considerably. The PBO has not undertaken any independent assessment of the costs associated with high speed rail, whether the funding specified under the proposal would be sufficient for the implementation of the project or whether the project milestones are achievable. Any changes to implementation timeframes, policy design or funding arrangements would significantly alter overall costs and their profile.

Further, the costs are extremely sensitive to several factors, including Commonwealth, state and territory government funding arrangements for the project, availability of suitable land that could be used for the project, and variations to the final construction and operational costs for the project.

As noted in the report (page 37), any investment of the magnitude of the high speed rail project would have an impact on economic growth and, through that, on the budget. In particular, the project may crowd out alternative investments, reducing productivity growth during the construction phase, with those effects only offset by the progressive productivity benefits of the project as construction of each stage of the project is completed and services commence. These further economic impacts of the project have not been included in this costing but could reduce overall tax revenues over the medium term.

Consistent with the [PBO Guidance 02/2015](#), public debt interest expense impacts have been included in this costing because it involves alternative finance.

The proposal would generate no revenue over the period 2025-26 to 2035-36 as neither commissioned line would be assumed to be operational within that timeframe.

Key assumptions

The PBO has made the following assumptions in costing this proposal.

- 100% of the costs of the proposal would be funded by the Commonwealth Government, without any assistance or cost-sharing with state and territory governments or the private sector.
- The HSRA would be reclassified to be a public non-financial corporation to deliver the project. Over the life of the project, there would be a real return on the equity invested.
- The existing appropriations to the HSRA would be sufficient for it to perform its departmental functions under the proposal.
- Designing and planning costs for Line 2 Stage 3 (Newcastle to Sydney) would be partly offset by the \$500 million for planning, corridor acquisition and early works published in the 2022-23 (October) Budget measure *Building a Better Future through considered Infrastructure Investment*¹.

Methodology

The costs of preliminary requirements and project implementation are as specified in the report, indexed to adjust for price changes over the modified project schedule specified in the request.

Financial implications were rounded consistent with the PBO's rounding rules.²

Data sources

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

Department of Infrastructure, Regional Development and Cities, 2014, *High Speed Rail Study Phase 2 report*, accessed 16 May 2025.

The Department of Infrastructure, Transport, Regional Development, Communications and the Arts provided information about the current funding profile for high speed rail.

¹ *Building a Better Future through considered Infrastructure Investment*: in addition to existing infrastructure investment the Government will provide \$8.1 billion over 10 years from 2022-23 for priority rail and road infrastructure projects across Australia to support economic growth and development. Funding includes \$500 million for planning, corridor acquisition and early works for the Sydney to Newcastle High Speed Rail, page 160, 2022-23 (October) [Budget Paper No. 2](#).

² <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

Attachment A – Transport, infrastructure and sustainable cities - Bring high speed rail back on track - Invest in the High Speed Rail Authority – Financial implications

Table A1: Transport, infrastructure and sustainable cities - Bring high speed rail back on track - Invest in the High Speed Rail Authority – Fiscal balance (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Expenses													
Administered													
<i>Preliminary requirement</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Line 1 Stage 1 (Canberra to Sydney)</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Line 1 Stage 2 (Canberra to Melbourne)</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Line 2 Stage 3 (Newcastle to Sydney) - Design and Planning</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Line 2 Stage 4 (Brisbane to Gold coast) - Design and Planning</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Line 2 Stage 5 (Gold coast Junction to Newcastle) - Design and Planning</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Line 2 Stage 3 (Newcastle to Sydney) - Construction</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Line 2 Stage 4 (Brisbane to Gold coast) - Construction</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Line 2 Stage 5 (Gold coast Junction to Newcastle) - Construction</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
Total – expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (excluding PDI)	-	-	-	-	-	-	-	-	-	-	-	-	-
PDI impacts	-	-10.0	-140.0	-430.0	-760.0	-1,010.0	-1,150.0	-1,300.0	-1,460.0	-1,620.0	-1,840.0	-580.0	-9,720.0
Total (including PDI)	-	-10.0	-140.0	-430.0	-760.0	-1,010.0	-1,150.0	-1,300.0	-1,460.0	-1,620.0	-1,840.0	-580.0	-9,720.0

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

- Indicates nil.

Table A2: Transport, infrastructure and sustainable cities - Bring high speed rail back on track - Invest in the High Speed Rail Authority – Underlying cash balance (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Payments													
Administered													
<i>Preliminary requirement</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Line 1 Stage 1 (Canberra to Sydney)</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Line 1 Stage 2 (Canberra to Melbourne)</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Line 2 Stage 3 (Newcastle to Sydney) - Design and Planning</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Line 2 Stage 4 (Brisbane to Gold Coast) - Design and Planning</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Line 2 Stage 5 (Gold Coast Junction to Newcastle) - Design and Planning</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Line 2 Stage 3 (Newcastle to Sydney) - Construction</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Line 2 Stage 4 (Brisbane to Gold Coast) - Construction</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Line 2 Stage 5 (Gold Coast Junction to Newcastle) - Construction</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
Total – payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (excluding PDI)	-	-	-	-	-	-	-	-	-	-	-	-	-
PDI impacts	-	-10.0	-110.0	-360.0	-680.0	-940.0	-1,110.0	-1,260.0	-1,420.0	-1,580.0	-1,790.0	-480.0	-9,260.0
Total (including PDI)	-	-10.0	-110.0	-360.0	-680.0	-940.0	-1,110.0	-1,260.0	-1,420.0	-1,580.0	-1,790.0	-480.0	-9,260.0

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

Table A3: Transport, infrastructure and sustainable cities - Bring high speed rail back on track - Invest in the High Speed Rail Authority – Headline cash balance (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Payments													
Administered													
<i>Preliminary requirement</i>	-	-493.0	-505.0	-517.0	-530.0	-272.0	-	-	-	-	-	-1,515.0	-2,317.0
<i>Line 1 Stage 1 (Canberra to Sydney)</i>	-	-	-1,910.0	-2,940.0	-3,010.0	-2,050.0	-2,110.0	-2,160.0	-2,210.0	-2,270.0	-2,320.0	-4,850.0	-20,980.0
<i>Line 1 Stage 2 (Canberra to Melbourne)</i>	-	-	-1,010.0	-1,030.0	-1,060.0	-	-	-	-	-	-1,670.0	-2,040.0	-4,770.0
<i>Line 2 Stage 3 (Newcastle to Sydney) - Design and Planning</i>	-	-	-307.0	-776.0	-795.0	-	-	-	-	-	-	-1,083.0	-1,878.0
<i>Line 2 Stage 4 (Brisbane to Gold Coast) - Design and Planning</i>	-	-	-454.0	-465.0	-477.0	-	-	-	-	-	-	-919.0	-1,396.0
<i>Line 2 Stage 5 (Gold Coast Junction to Newcastle) - Design and Planning</i>	-	-	-1,260.0	-1,290.0	-1,330.0	-	-	-	-	-	-	-2,550.0	-3,880.0
<i>Line 2 Stage 3 (Newcastle to Sydney) - Construction</i>	-	-	*	*	*	*	*	*	*	*	*	*	*
<i>Line 2 Stage 4 (Brisbane to Gold Coast) - Construction</i>	-	-	*	*	*	*	*	*	*	*	*	*	*
<i>Line 2 Stage 5 (Gold Coast Junction to Newcastle) - Construction</i>	-	-	*	*	*	*	*	*	*	*	*	*	*
Total – payments	-	-493.0	-5,446.0	-7,018.0	-7,202.0	-2,322.0	-2,110.0	-2,160.0	-2,210.0	-2,270.0	-3,990.0	-12,957.0	-35,221.0
Total (excluding PDI)	-	-493.0	-5,446.0	-7,018.0	-7,202.0	-2,322.0	-2,110.0	-2,160.0	-2,210.0	-2,270.0	-3,990.0	-12,957.0	-35,221.0
PDI impacts	-	-10.0	-110.0	-360.0	-680.0	-940.0	-1,110.0	-1,260.0	-1,420.0	-1,580.0	-1,790.0	-480.0	-9,260.0
Total (including PDI)	-	-503.0	-5,556.0	-7,378.0	-7,882.0	-3,262.0	-3,220.0	-3,420.0	-3,630.0	-3,850.0	-5,780.0	-13,437.0	-44,481.0

(a) A positive number for the headline cash balance indicates an increase in receipts or a decrease in payments or net capital investment in headline cash terms. A negative number for the headline cash balance indicates a decrease in receipts or an increase in payments or net capital investment in headline cash terms.

(b) This costing includes an unquantifiable aspect.

- Indicates nil.