ACT's Light Rail Project – Capital Metro

January 2014

A key election commitment of the ACT Labor Government in 2012 was the establishment of the ACT's first large-scale private sector partnership to plan, finance and develop the first stage of a Light Rail Network for Canberra – the Capital Metro.

The Light Rail Network will provide greater connectivity and capacity between future growth centres and the City, encourage greater use of more sustainable transport modes, and encourage further economic development within the Gungahlin to CBD corridor.

In 2013, Minister for the Environment and Sustainable Development the Hon Simon Corbell MLA announced the establishment of the ACT Capital Metro Agency, which is currently undertaking a Light Rail Integration Study to identify and assess options to integrate the Gungahlin to City Light Rail Transport into Canberra's broader transport network. In addition to the study, a significant part of the work of the Capital Metro Agency in early 2014 will be the search for technical advisors.

Capital Metro

Stage one of Capital Metro will be a light rail service with vehicles capable of carrying up to 200 people at 8–10 minute frequencies along a 12km route from Hibberson Street in Gungahlin to the City Centre.

The proposal will involve major stations at Gungahlin Town Centre and Dickson Group Centre with high quality stops 750m–1.5km apart at various points along Flemington Road and Northbourne Avenue, terminating between Allara and Rudd Streets close to the City Bus Interchange. In earlier planning stages, Capital Metro stage one has been known as the City to Gungahlin Project.

Stage one of Capital Metro will be developed on the median alignment along Flemington Road and Northbourne Avenue. It is proposed to retain the existing verge and median widths along Northbourne Avenue and also provide dedicated 3 metre wide segregated cycle lanes to improve cycling safety along Northbourne Avenue. Flemington Road will include 1.5m dedicated cycleways in the verge. Improvements will also be made to pedestrian infrastructure along the corridor.

The development will help manage congestion on the crowded Flemington Road Northbourne Avenue corridor and the broader Canberra road network. Currently travel delay during the AM peak is approximately 16 minutes. The completion of Capital Metro stage one is projected to reduce travel delay by up to 6 minutes based on the business as usual scenario. Capital Metro's travel times are estimated to be at least 30 per cent faster than general vehicle traffic.

Capital Metro stage one is anticipated to be completed by 2018, with construction estimated to commence in 2016. This timeframe is comparable with the Gold Coast light rail project, which is now under construction and is estimated to have an 8 year project life from project inception to completion.

Options currently under consideration for the second and subsequent stages of Capital Metro include Kingston (East Lake) to the City via Barton, Woden to the City, Woden to Erindale and Tuggeranong, as well as to Belconnen, Weston Creek and Molonglo.

Funding

Stage one of the project is estimated to cost around $524.1 million. The ACT Government recognises that the Light Rail Network in Canberra cannot materialise without realistic consideration as to how it would be funded and how it might contribute to the sustainable development of the city.

Previous studies on transport in the ACT indicate that smaller scale interventions, such as bus lanes, are likely to deliver minimal changes in sustainability. On the contrary, rapid transport such as a Light Rail Network may be economically beneficial, however the cost and the small size of the ACT Government's budget means that it cannot be funded by taxpayers alone.

As such, the ACT Government is pursuing a packaged approach whereby higher densities contribute to higher demand for public transport, with a majority of funding drawn from beneficiaries. Projections indicate that higher density land scenario would put the benefit cost ratio for the project at 2.34 (compared to 1.02 under a 'business as usual' scenario).

The higher density land use scenario assumes higher commercial and residential densities through faster realisation of the Project Corridor's development potential without changes to existing land use controls or policies in the *Territory Plan*. The higher density may arise through market response to the investment in transport, adjustments in land use settings or urban renewal programs.

Under the higher density scenario, population and employment would be 38 per cent and 21 per cent higher than under the business as usual within the Project Corridor by 2031. The scenario allows for recent amendments in planning controls for: Dickson, Gungahlin Town Centre, Inner North urban housing and City area (ANU Exchange and Griffin Legacy).

A breakdown of the discounted costs and benefits of the Light Rail Network for both scenarios is included on the final page of this paper.

Capital Metro Agency

The 2013–14 ACT Budget allocated $18.7 million in funding for preliminary design work and the establishment of the Capital Metro Agency, responsible for the design, procurement and delivery of the light rail service between Gungahlin and the City. This funding came as part of a total infrastructure spend of $775.5 million in 2013–14 and $272 million in new capital works.

The Agency is currently assessing the procurement and financial options for the light rail infrastructure. Once preliminary design is developed to an appropriate level, the ACT Government will look at procuring the Capital Metro Light Rail project.

On 3 October 2013, the ACT Government announced the Independent Chair of the Capital Metro Project Board is John Fitzgerald, a Specialist Advisor to KPMG and Chair of the Sydney Convention Centre and Entertainment redevelopment. Emma Thomas, former Deputy Chief Executive, Public Transport in South Australia was announced as Capital Metro Project Director.

Minister Corbell's media release on the appointments is available here.

Light Rail Integration Study

A Light Rail Integration Study is currently underway to identify and assess options to integrate the Gungahlin to City Light Rail Transport into Canberra's broader transport network. This study will examine ACTION bus network, the bicycle path network and the pedestrian path network.

Potential Capital Metro stop locations are currently being considered in terms of integration with the overall transport system, accessibility, employment, and attractions and services in surrounding areas.

Community consultation was also undertaken in mid 2013 to provide the community with further information and opportunity to comment on the network options. More than 400 individual responses and extensive stakeholder feedback Capital Metro's Light Rail Integration Study were received.

Although the formal community consultation for the study ended on 15 November 2013, Capital Metro is keen to take further feedback on the project at any time. A full report on the Light Rail Integration Study will be available at www.capitalmetro.act.gov.au once the analysis has been completed.

Appointment of technical advisors

On 11 December 2013 Minister Corbell announced The Capital Metro Agency will be seeking experts in transport planning, engineering design and light rail operations to further develop the details of the project so that it can move towards the procurement phase in 2015. The tenders will close towards the end of January 2014 with the contract expected to be filled in early February 2014.

It is expected that top tier engineering and planning consultancies will respond, with the preferred respondent starting work on these critical elements of the project as early as February 2014.

Minister Corbell's media release is available here.

Monetised Cost and Benefits tables

Table 1: Breakdown of Discounted Costs and Benefits under a 'Business As Usual' Land Use Scenario

Cost/Benefit Element	Value in $m (Discounted at 7%)	Contribution
Capital expenditure	469.8	89.6%
Operating and maintenance expenditure	54.3	10.4%
Total Costs	524.1	100.0%
Change in generalised journey time	150.0	28.0%
Incremental fare revenue	53.8	10.1%
Incremental parking revenue	198.2	37.1%
Unperceived vehicle operating cost savings	60.4	11.3%
Avoided accident costs	23.8	4.4%
Avoided air pollution	11.7	2.2%
Avoided greenhouse gas emissions	9.3	1.7%
Avoided noise pollution	3.8	0.7%
Avoided road damage	1.0	0.2%
Residual value	22.9	4.3%
Total Benefits	534.9	100.0%

Table 2: Breakdown of Discounted Costs and Benefits under a Higher Density Land Use Scenario

Cost/Benefit Element	Value in $m (Discounted at 7%)	Contribution
Capital expenditure	469.8	89.6%
Operating and maintenance expenditure	54.3	10.4%
Total Costs	524.1	100.0%
Change in generalised journey time	633.7	51.7%
Incremental fare revenue	53.3	4.4%
Incremental parking revenue	192.5	15.7%
Unperceived vehicle operating cost savings	177.2	14.5%
Avoided accident costs	69.7	5.7%
Avoided air pollution	34.5	2.8%
Avoided greenhouse gas emissions	27.2	2.2%
Avoided noise pollution	11.3	0.9%
Avoided road damage	2.9	0.2%
Residual value	22.9	1.9%
Total Benefits	1,225.2	100.0%

All values are based on 2011 prices. For more information, see the ACT Government's City to Gungahlin Transit Corridor Infrastructure Australia Project Submission available here.