

2019

**THE LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

STATEMENT

**Response to Assembly Resolution of 31 July 2019 - Scope and
Methodology of Light Rail Stage 1 Benefits Review**

**Mr Chris Steel MLA
Minister for Transport**

I am pleased to update the Assembly on the benefits that light rail is already bringing to our city and the scope of the project review that this Government will undertake by April 2020 to report on the first twelve months of passenger services.

The first stage of Canberra's light rail network from Gungahlin to the City has been a significant investment in the economic development of Canberra. The project has directly and indirectly created thousands of jobs and showcased our city as a modern and progressive capital.

While services commenced just over seven months ago in April 2019, Canberrans can already see for themselves the benefits of light rail – a new entrance for Canberra, an uplift of development along the corridor, and reliable and shorter public transport travel times for destinations between Gungahlin and the city.

Already the network is supporting the economic development of our city, with the investment in light rail sending a strong signal to the business community, with new development projects and the establishment of new businesses right along the corridor from Gungahlin to the City.

The light rail project has been undertaken by this Government with an unparalleled level of transparency and openness for projects of this scale across the country. This commenced with the release of the business case for the project in 2014, and was followed by the publication of a contract summary in 2016, and a report on the impact of the range of infrastructure projects within Gungahlin on local businesses in 2018.

The Government committed to undertaking a comprehensive review of the project and in June 2019, following services commencing, the previous Minister for Transport released the City to Gungahlin Light Rail Project Delivery Report. This report provided an extensive review and reflected on the outcomes from the procurement and delivery of this world-class project. The report confirmed the project was delivered under budget and within the timeframes of the original investment decision.

The Project Delivery Report confirmed the project has been delivered by Canberra Metro for the ACT Government for around \$108 million less than the original business case estimate, around \$32 million less than the design and construction cost estimate at contract signing, and within the timeframe originally anticipated by the business case of operations commencing in early 2019.

Our transparency and commitment to improvement does not stop there. The Government will now undertake a comprehensive review of the benefits being realised from our investment in light rail through the initial 12 months of services.

Given the Project Delivery Report has already covered the project implementation phase in respect of cost, scope and time; risk, delivery, and governance arrangements, the 12 month review will focus in on asset performance and look at the achievement of the project objectives and benefits.

The vision for the City to Gungahlin light rail project set out in the 2014 Project Business Case was to “Boost Canberra’s sustainable development by changing and improving transport options, settlement patterns and employment opportunities.” It is against this vision and the project objectives will ultimately be measured.

The review of benefits will look back to the project’s Business Case and measure the early realisation of transport, land use and wider economic benefits.

The ACT Government’s overarching capital works policy, the Capital Framework, establishes a Post Implementation Review (PIR) phase as part of the project delivery lifecycle. The Capital Framework sets out the objectives of a PIR to monitor and evaluate investments, projects or programs, measure the success of an investment, assess outcomes against expectations and identify lessons learned to inform future project delivery.

Although planning for the City to Gungahlin light rail project commenced before the establishment of the Capital Framework, the scope of the June 2019 Project Delivery Report and the proposed April 2020 Review of Benefits will draw from the Capital Framework PIR scope and methodology.

Major Projects Canberra (MPC) note, however, two major departures from the PIR scope. Firstly the June 2019 Project Delivery Report has already reviewed and reported on the scope of the project through the planning and delivery phases, including costs. These areas would only be addressed at a summary level and covered by exception in the 12 month Review of Benefits.

Additionally, the 12 month review will also address the specific points in the resolution concerning pro-actively consulting local stakeholders and local businesses (including businesses that no longer exist) and review other specific issues including disability access, women's safety and bicycle access.

The transport, land use and wider economic benefits of the light rail project will be measured back to the 2014 Business Case and the underlying assumptions made at that time. At a high level, the review will assess how well the project is tracking to achieve the objectives established for the project in the business case.

These objectives are to increase the mode share of public transport , optimise frequency and service reliability, stimulate sustainable, urban re-development along the corridor, grow a more diversified Canberra economy, affordable capital and operational costs, revitalise the Northbourne Avenue corridor, increase social and economic participation and to reduce carbon and other emissions.

The Capital Framework sets out a seven phase PIR methodology which will be adopted for this review. This methodology consists of document request and initial review, interviews and stakeholder consultations, further document review, evaluation of benefits realisation, a draft report, follow-up interviews and finalisation of the report.

The review of benefits for the 12 month review will also incorporate further interviews with stakeholders, with a report to be tabled by May next year.

The ACT Government will engage a third-party to assist with this effort to ensure as many voices are captured as possible. In addition to the ACT Government actively reaching out to businesses along the alignment, anyone wishing to provide input to the review can do so by contacting Major Projects Canberra via its website.

The light rail team have already started meeting with key stakeholders along the City to Woden alignment and in August undertook consultation with businesses within the City West area to inform future planning. The consultation included face-to-face discussions, pop-up engagement events, electronic newsletters, an online survey and a second round of doorknocks. The objective was to seek feedback on general operational information including trading hours, logistics, staffing, access as well as potential opportunities and challenges for construction planning.

We welcome these opportunities to deepen our understanding of how we can continue to better work and communicate with local businesses for these and future projects. In fact, based on the findings we are already exploring the implementation of a business support program to strengthen and support business prior to and during construction. This support will consider a program of activations and events to encourage patronage to the area, as well as business support such as marketing or accounting.

And our review will not stop there. Our next steps will be to continue the conversation with businesses and key project stakeholders along the stage one alignment to continue gathering a comprehensive list of lessons learned to inform our future construction activities.

Stakeholders will include businesses in Gungahlin and representatives from special interest groups such as Pedal Power around bicycle access, and other groups to canvass matters including disability access and women's safety around the light rail system.

The information gathered during the review, along with these ongoing stakeholder conversations, will feed into Strategic Service Planning to ensure lessons learned improve the delivery of light rail services for Canberrans.

Significant benefits are being experienced by those Canberrans embracing the new light rail services, with light rail now recording over two and a half million passengers boardings, just over seven months into operations.

I am pleased to report to the Assembly that across the most recent full three months from August through October patronage has averaged over 15,600 per weekday. This exceeds the 2021 targets in the Business Case by over 500 passengers per day. So light rail is exceeding the patronage forecasts, two years ahead of schedule.

But it is not just patronage that has been so impressive in the relatively short period of operations so far. Light rail is also providing a reliable service for Canberrans. Canberra Metro have been achieving the target availability of its light rail vehicles, as well as the overall Availability and On-Time Running indicators.

Our government is proud to be delivering a robust infrastructure program, with the recently released Infrastructure Plan outlining \$14 billion of new and upgraded infrastructure that will support economic growth and provide the services Canberrans will need in the years to come.

With a pipeline of investment in large infrastructure projects for our city, it is essential that we continue to review and improve our processes during delivery.

The significant and ongoing investment in transport infrastructure presents an opportunity for us to build on lessons learned through the delivery of light rail – identifying what worked well and what can be improved on will be critical to the success of our growing light rail network.

We are now building on the success of Stage 1 and extending light rail to Woden. In September the business case for Stage 2A was released and already investigation works are underway to deliver the public transport network Canberrans need.

Delivering the network in stages affords as the opportunity to review and reflect on the lessons from the previous stage.

We have continued to draw in the learnings not only from our delivery of Canberra's first stage of light rail but from other jurisdictions that have and are delivering light rail such as the Gold Coast, Newcastle, Parramatta.

These learnings are shared across the ACT Government and will continue to improve the way we engage with businesses and the community when we deliver our major infrastructure projects.

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