

2020

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

STATEMENT

**Response to the Assembly Resolution of 31 July 2019 on the
Light Rail Stage 1 Review**

City to Gungahlin Light Rail Benefits Realisation – Snapshot

**Mr Chris Steel MLA
Minister for Transport**

Statement

Monday 20 April 2020 marked twelve months since operations commenced on the first stage of Canberra's light rail network from Gungahlin to the City. Across that first year of operations we have seen more than 4.2 million boardings.

While services commenced just twelve months ago, Canberrans can already see for themselves the economic and social benefits that light rail has brought to our city – reliable and shorter public transport travel times for destinations between Gungahlin and the City, a new entrance for Canberra, an uplift of development along the corridor.

In June 2019 the government released the *City to Gungahlin Light Rail Project Delivery Report*, measuring the performance of the project through the procurement and delivery phases against the business case. The *Project Delivery Report* provided an extensive review to that point in time and reflected on the outcomes from the procurement and delivery of this world-class project, confirming the project was delivered under budget and within the timeframes of the original investment decision.

With the *Project Delivery Report* covering the project implementation phase in respect of cost, scope and time, risk, delivery, and governance arrangements, I am now able to provide an update on the first 12 months of operations with a focus on operational performance and the achievement of the objectives and benefits of the project.

Reaching one year of operations has also provided an opportunity for government to re-engage with the business community. Continuing the conversation with businesses and community members who have experienced

the project from inception through to commencement of services, is providing valuable insight and contributing to lessons learnt.

Of course, the COVID-19 health emergency unfortunately preceded and persisted through the first anniversary of light rail operations in Canberra. The pandemic has provided a constraint to analysing project benefits as public transport patronage across the globe has been severely impacted and the ease of consultation with local businesses has been affected. Nevertheless, it has been important for the ACT Government to reach out to local businesses and to undertake analysis of the first 12 months of light rail operations in Canberra.

We know local businesses were impacted during the project's construction phase. The lessons and knowledge these businesses are now sharing is helping inform development of future programs of business support, enhance communications strategies and advise construction schedules and traffic management plans to assist in reducing or mitigating impacts to the local community.

In this respect, Major Projects Canberra has engaged with traders located along the Light Rail Stage One alignment, focusing particularly on those located in Gungahlin and Mitchell. Many of the responses were from businesses over ten years old, and almost 25 per cent had run their business for over 20 years - these are the businesses that help keep Canberra running.

Traders were asked to compare the project's construction phase with the period of operation after the commencement of Light Rail Stage One. Whilst acknowledging the impacts felt during construction, many indicated they had experienced an improvement, either slight or significant, in revenue, footfall, accessibility and visibility of their premises.

Positive responses came from businesses located in Gungahlin who have benefited from closer proximity to a light rail stop. These findings were reinforced by feedback from the Gungahlin Community Council who shared a range of positive experiential feedback from the local community.

It is worth reflecting that the vision upon which government determined to invest in the project was to “Boost Canberra’s sustainable development by changing and improving transport options, settlement patterns and employment opportunities”.

Through achieving this vision, the project is intended to achieve three main objectives which together would deliver a range of economic, social and other benefits for Canberra:

- Firstly, to build future transport capacity in the ACT, reducing car dependency and usage, and associated congestion;
- Secondly, to enhance sustainable redevelopment and population densification as outlined in the ACT Planning Strategy, with a particular focus on the light rail corridor and addressing potential constraints to the future supply of greenfields development land; and
- Finally, to stimulate sustainable growth in the Territory economy and extend employment, economic, environmental and health benefits to all Canberrans.

It is against this vision and objectives that the project can be assessed.

Through the Light Rail Project Advisory Board, the government is monitoring actual project outcomes against the expectations set out in the Business Case.

The 2014 Business Case estimated the City to Gungahlin light rail project to deliver benefits to the community of around \$3.6 billion over 30 years in nominal terms, or approximately \$1 billion in present value (PV) terms.

In addition to transport benefits totalling \$406 million PV, the project was anticipated to deliver significant land use benefits by unlocking higher density developments along the light rail corridor, anticipated to be \$381 million. Additionally, wider economic impacts delivered through improved connectivity between firms and to workers was anticipated to provide \$198 million in benefits.

Due to the long-term nature of investment in infrastructure, benefits will be derived and measured over many years and decades. However, many of the benefits, particularly within the transport network and changes in land use can start to be measured only 12 months into operations.

A method to systematically capture and measure the project outcomes was established at the outset of the delivery phase in 2016 in a *Benefits Realisation Framework*. By establishing this Framework, the light rail project provides a leading example of embedding benefits realisation into the governance and operational arrangements of project delivery to ensure alignment to the original project objectives.

The Framework identifies sixteen discrete project benefits across transport, land use and wider economics impacts and sets out the key indicators to measure and track the realisation of those benefits.

In this way, the government continues to monitor the performance of the project across a number of areas including not just the use of public transport

patronage but also customer experience, improvements to the city entrance and public realm, urban growth and property values, and job creation.

As more data becomes available, including through the 2021 Census, the ACT government is well placed to continue to monitor the realisation of benefits.

Transport benefits

A key measure of success for the light rail project has been the strong level of patronage through the first year of operations.

It is now clear after twelve months that the number of people using light rail for trips to work and at other times is well on-track with the original forecasts.

Across February 2020, the final full month of operations before the impact of Covid 19, total patronage was 398,082, with weekday patronage of 16,395 and 7,799 on the weekend. This was the highest recorded daily averages since the free travel month across April and May 2019, surpassing the 2021 target of 15,120 weekday customers.

Over a more extended period from 1 July to 31 December 2019, the weekday average patronage was 15,041, in line with the target daily patronage for 2021.

Each of these travellers are of course benefitting from journey times as originally targeted in the business case, with a full trip from Gungahlin to the City in under 25 minutes.

However, the benefits of the project extend beyond the light rail system alone, with a key objective of the project being to build transport capacity and grow public transport patronage.

With the introduction of the new bus network in conjunction with light rail in April 2019, the city has seen a significant increase public transport patronage, recording a 7.1 per cent increase in public transport journeys in the December quarter of 2019 when compared against the same period in 2018.

In raw terms, this is an additional 2,786 journeys per day in the December 2019 quarter compared to the previous year. This increase already compares favourably to the government's target of over 3,000 additional public transport boardings each day across the network by 2031.

It's only been one year since operations commenced and we have increased light rail service frequency in response to demand, fine-tuned the bus network in response to demand, and we are confident these sensible changes will drive further increases in bus and light rail patronage.

Customer satisfaction is also a key measure for this government. The most recent of these surveys show an overall satisfaction of 89 per cent and targets being exceeded for all questions within the survey. Pleasingly, 94 per cent of customers were satisfied with the ease of use of the light rail.

Some of the drivers of this high level of satisfaction are that customers feel safe and appreciate the reliability and frequency of light rail services.

Surveys during February 2020 found most participants reported satisfaction in regard to safety and security whilst travelling on the Light Rail. 69 per cent of respondents reported being very satisfied and 24 per cent satisfied. Only 1 per cent of respondents were dissatisfied with this measure.

Canberrans have experienced the high level of reliability of light rail services. By way of example, through February 2020 Canberra Metro provided 99.9 per cent of scheduled services and achieved 98.6 per cent "on time" running.

These measures were both above the contracted targets of 99.5 per cent and 98 per cent respectively.

Light rail has also been seen to support the government's active travel policies and the resulting health benefits. Light rail stops are connected to the local cycling network, each light rail vehicle has space for four bicycles, and bike racks are installed at access points and adjacent to light rail stops along the alignment. Based on the February 2020 survey, around three in five customers used active travel to get to the light rail stop: 57 per cent walked while 3 per cent rode a bike and had it on board and 1 per cent rode a bike and left it at the station. This is the equivalent of over 600 boardings per day accessing light rail through a bike journey.

The government continues to engage with disability reference groups on light rail safety and awareness around interacting with and accessing light rail vehicles and stops, and builds these lessons into future projects and stages of the light rail network.

Land use benefits

An objective of the light rail project was to enhance Canberra's sustainable redevelopment. We want more people to live around transport corridors, to drive less and to use more public transport. We also want urban renewal that benefits residents, businesses and the wider community.

To support this objective, in January 2016 the government released the City and Gateway Urban Renewal Strategy discussion paper for public consultation.

In December 2018 a City and Gateway Urban Design Framework was jointly launched by the ACT and Commonwealth. The Framework recognises the significant opportunities the city centre and the gateway corridor of

Northbourne Avenue and Federal Highway presents for urban renewal, growth and investment in the city centre, by enabling more people to live and work close to sustainable transport options, services and infrastructure.

The Framework provides a collective ACT and Commonwealth long-term vision and sets the policy context for the city and gateway corridor to ensure broader urban renewal and community benefits are achieved, including new business and lifestyle opportunities.

While changing the shape of development within the city takes many years, it can be observed that the government's investment in the light rail project has already influenced urban development.

Based on 2016 Census data, population growth in suburbs along the corridor has exceeded what was initially expected in the business case by nearly 2,500 people. It is clear to anyone that has travelled along Northbourne Avenue that the corridor is undergoing significant rejuvenation as a direct consequence of the light rail project.

The ACT Government's investment in the light rail project can also now be seen to have provided direct benefit to new and existing residents and investors within the corridor.

The 2014 business case established that efforts to activate development along the light rail corridor would generate economic benefits by replacing existing land use with higher value use by improving the quality of developments. Data available to this point in time indicate that this has been the case. The average increase in the unimproved value of blocks within the light rail corridor between 2011 to 2018 was 35.2%, which was significantly greater than the average of 21.7% across the Territory.

Wider economic impact

The government's commitment to this project has provided 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.

In addition to the direct employment by Canberra Metro and its sub-contractors to operate, maintain and manage the light rail services, the ACT Government's complementary investment in bus services has seen an 8 per cent increase in the number of bus operators from 740 in June 2018 to 801 in June 2019 with the commencement of the new public transport system.

The economic impact of the project goes beyond direct employment, however.

Prior to the ACT Government's investment in light rail, public housing sites on the Northbourne Avenue Corridor were past their economic life.

By divesting these assets and developing new public housing, the Territory was able to derive additional financial benefit under the Commonwealth Government's Asset Recycling Initiative. Through this initiative, the ACT Government received its full allocation of \$67 million in incentive payments from the National Partnership Agreement on Asset Recycling for investment into the light rail project.

Just as important, those public housing residents were all rehoused in newer higher quality housing, often co-located with friends and neighbours of many years.

The light rail 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 urban renewal of Northbourne Avenue is well-underway and is generally exceeding expectations. The value of development approvals granted along Northbourne Avenue through the delivery phase of the project exceeded \$394 million generating economic growth and employment.

The demonstrated economic benefit of light rail is reflected in the support that the business community has for the second stage of light rail to Woden.

Business and government want the success and benefits of light rail along this first stage to be extended to Woden residents, and other areas of Canberra in time.

Ongoing lessons learnt

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.

The light rail team within Major Projects Canberra continue to meet with key stakeholders along the City to Woden alignment and undertook consultation with businesses within the City West area to inform future 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.

While the number of businesses in the suburb of Gungahlin continued to grow through the construction period from a base of 490 businesses in 2014, to 529

in 2017 and up to 566 business in 2018, we know from our conversations and engagement there are areas for potential improvement. Local businesses have provided the ACT Government with ideas for consideration in advance of future construction projects, including:

- Providing accurate and robust information about project timeframes
- Reducing multiple road closures and limiting lane and road closures during peak times
- Ensuring parking provision for staff and clients and better utilising construction wayfinding signage
- Reducing the length of construction programs, and planning for all work to be integrated rather than reopening sites multiple times
- Taking advantage of historic business shutdowns, such as the Christmas period, to undertake condensed and extended construction activities
- Providing a holistic program of support for businesses prior and during construction including marketing materials and activities, advice/business expertise support and wayfinding signage/branding
- Giving consideration to business payments to government and other potential support measures
- Continually improving integration with existing public transport services including buses
- Considering the impact of public transport infrastructure on community safety, urban aspect and hygiene.

The ACT Government will consider these findings - as well as those from other jurisdictions that have and are delivering light rail such as the Gold Coast,

Newcastle, Parramatta - when planning for future construction activities, including for Stage 2A of light rail.

While 12 months into the operation of light rail Canberrans face challenging circumstances with the impact of Covid 19, businesses, residents and transport customers along the corridor can be confident of realising ongoing economic and social benefits from the light rail project.

The investment by this government in better public transport for Canberra has already proven to be successful, and to have improved the lifestyle and opportunities for the many Canberrans that now live along our first light rail corridor. Future reviews of light rail will continue to demonstrate this success.

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