QTON No. 14

Legislative Assembly for the **Australian Capital Territory**
Standing Committee on Transport and City Services

Inquiry into annual and financial reports 2024–2025

Answer to question taken on notice

Asked by: Mr Mark Parton MLA

Addressed to: Minister for Transport

In relation Commonwealth Funding for Light Rail

Hearing: 18 November 2025
Uncorrected Proof Transcript p 14-15
Transcript provided: 26 November 2025
Answer Due: 3 December 2025

MR PARTON: All right. Well, in 2023, the ACT signed a 50-50 funding split with the federal government. When the funding arrangement was signed, the federal contribution was 343.8 million or about half of the then total project cost. Since then, the project cost has blown out by around 135 million and I guess I am asking, will the ACT government be seeking a revised funding profile with the federal government?
Mr Steel: I do not think we accept the premise of the question there.
MR PARTON: Well, the numbers are all there, Mr Steel.
Mr Steel: The commonwealth provides 50-50 contribution, but to a limited scope for this type of project. So for example, they do not contribute to the rolling stock for rail infrastructure projects that they invest in. So that is why there would be a sort of lower contribution amount from the commonwealth for the overall project that would not add up to 50 per cent if you included things like the rolling stock, for example. The cost of the additional rolling stock and the retrofit work that is being done on the existing fleet.
MR PARTON: So you just mentioned the rolling stock and the retrofit; are you telling me that they are the sole contributors to the $135 million differential?
Mr Steel: I do not think we accept the premise of the question. Do you want to explain it to the committee and to us what you are referring to?
MR PARTON: Well, when the funding arrangement was signed it was very clearly sold as a 50-50 funding split and at that stage, the federal contribution was 343.8 million which was pretty much a 50-50, but that based on the numbers that are presented to us in the annual report, that figure is now greater by around $135 million so I just do not understand how we can—
Mr Steel: Well, I think this is the difference between the scope of what the commonwealth funds as part of its 50-50 contribution. There are certain things that are not included that it will not fund under the FFA that exists for land transport infrastructure projects.
MR PARTON: So is it then, I do not know, somewhat disingenuous to pitch it as a 50-50 funding split when it is actually not?

Mr Steel: Well, I am happy to provide that clarity to the community. I think it is well known and understood, as part of federal financial funding arrangements, that the commonwealth will only contribute to a certain part of an infrastructure project if it has a rail component. They obviously contributed to 50 per cent of the scope that they are prepared to fund.
MR PARTON: So you have stated that it is well known and understood, Mr Steel. Do you think it is well known and understood, I don't know, in Charnwood and in Richardson and in Ngunnawal?
Mr Steel: Well, I think it would be articulated in the federal financial agreement, but we can take that on notice and provide some information where there is publicly available information that the community could access and see if we can provide that.
MR PARTON: Excellent, thank you. Thank you, Chair.

Chris Steel MLA: The answer to the Member's question is as follows-

Information on the Commonwealth's contribution to ACT Government transport projects, including Light Rail, is publicly available through several sources:

- **Federation Funding Agreement Schedule on Land Transport Infrastructure Projects (2025–26):** This schedule outlines the funding allocations agreed between the Commonwealth and ACT Government. It can be accessed here.
- **National Land Transport Act 2014 (Cth):** This legislation defines the types of projects eligible for Commonwealth funding. Part 3, Division 1, Section 10 provides detailed guidance on categories of investment projects. The Act is available here.
- **Notes on Administration:** These notes explain how Commonwealth funding arrangements operate for land transport infrastructure projects. They are available here.

Under the current arrangements, the 50/50 funding split means that the Commonwealth and ACT Government share the cost of eligible project components equally. This typically includes major phases such as design, construction, and delivery of the infrastructure. The split does not cover operational costs or unrelated works - it applies specifically to approved investment components under the *National Land Transport Act 2014*.

Approved for circulation to the Standing Committee on Transport and City Services

Signature:

Date: 1/12/25

By the Minister for Transport, Chris Steel MLA