



## **FACT SHEET**

# **ACT Light Rail Proposal to Infrastructure Australia**

### **Infrastructure Australia's national infrastructure audit**

Infrastructure Australia (IA) was created by the Commonwealth Government in April 2008 to provide advice about the state of Australia's nationally significant infrastructure, including developing a national list of priority infrastructure projects that could attract funding through the Building Australia Fund. The ACT included light rail as one of nine ideas it submitted to the IA "National Infrastructure Audit". A draft ACT light rail submission was provided to IA in November 2008 in line with its timeframes, and the project was included on the "longlist" of projects for possible Building Australia funding announced by IA in December 2008. The final submission was provided to IA in January 2009 following further refinement of economic and transport modelling.

### **Previous studies on light rail in the ACT**

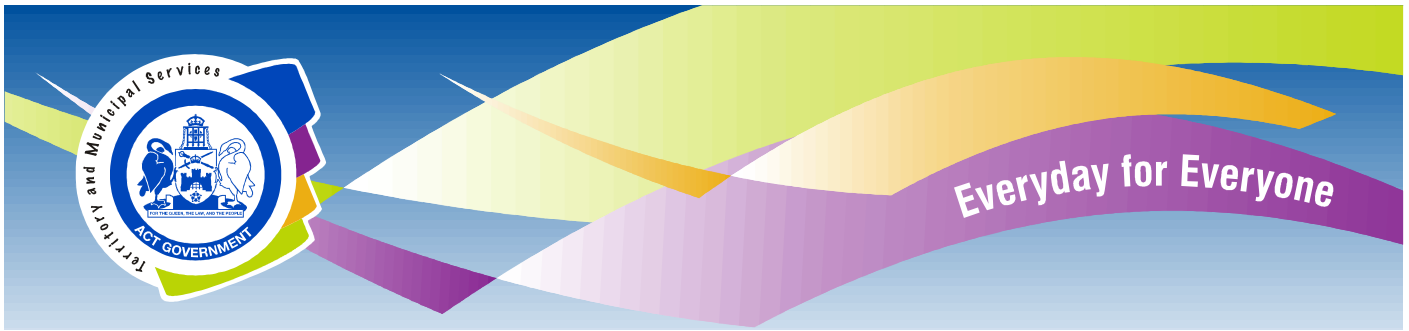
A 2004 light rail study demonstrated that a light rail system would be economically viable for the ACT. Such a system would also help the ACT address social and environmental issues like climate change and transport accessibility. Although the 2004 study established an economic case for a light rail system, the level of investment required was too large for the ACT to fund alone. The establishment of IA provided an opportunity for the ACT to partner with the Commonwealth to implement light rail, and address shared economic, environmental and social objectives.

### **Who prepared the light rail submission?**

PricewaterhouseCoopers (PwC) was chosen to develop the light rail submission for Infrastructure Australia based on its successful bid through a select tender process.

### **What were the economic findings of the light rail submission?**

The light rail submission found that the project would cost approximately \$2 billion. The project has a benefit-to-cost ratio (BCR) of 1.62. The BCR is an economic measure that assesses the merits of a proposal against costs. The higher the BCR, the more economically viable a project.



### **What were the key arguments of the submission?**

The submission found that a light rail system would help meet the goals of economic development, sustainability and social inclusion as outlined in the *Canberra Plan*, the *Integrated Transport Framework*, the *ACT Climate Change Strategy* and other policy documents. A light rail system (supported by a bus feeder network) would maximise transport accessibility, significantly improve the efficiency of the ACT's transport system, and minimise the social and environmental impacts of transport. Light rail would provide opportunities to make Canberra more sustainable by increasing greener transport choices, reducing car reliance and encouraging a more sustainable urban form built around transit corridors. The development of a light rail system would potentially decrease Canberra's traffic congestion and people's commuting time, and increase productivity. The reduction of congestion in Canberra would in turn reduce greenhouse gas emissions and air pollution.

### **When will we know if IA will fund the light rail project?**

The Commonwealth Government will decide when to announce projects to be funded out of the Building Australia fund. The focus of the first round of funding is likely to be on projects which are at a very advanced stage of development and can commence immediately. The light rail project is not yet at that point. The work done by PwC did not include engineering, delivery models or other implementation details due to the tight timeframe imposed by IA.

### **Why were alternatives to light rail not assessed by PwC?**

Alternatives to light rail such as bus rapid transit were not assessed in the light rail submission due to the short timeframe required by IA. However, PwC advised in the light rail submission that bus rapid transit would be a viable alternative given the lower capital expenditure costs than light rail, and would therefore warrant a comparative cost benefit analysis study with light rail to identify the transport technology that would offer better value for money, and would better meet the ACT's needs.

### **Where can I find further information?**

The light rail submission to Infrastructure Australia is available on the Department of Territory and Municipal Services website at [www.tams.act.gov.au/move/light\\_rail](http://www.tams.act.gov.au/move/light_rail), or can be viewed in hard copy at ACT Government Libraries and Canberra Connect Shopfronts. For further information, call Canberra Connect on 13 22 81.