
AUSTRALASIAN RAILWAY ASSOCIATION SUBMISSION

To

ACT Government

On

Territory Budget 2016-17



THE ARA

The Australasian Railway Association (ARA) is a not-for-profit member-based association that represents rail throughout Australia and New Zealand. Our members include rail operators, track owners and managers, manufacturers, construction companies and other firms contributing to the rail sector. We contribute to the development of industry and government policies in an effort to ensure Australia's passenger and freight transport systems are well represented and will continue to provide improved services for Australia's growing population.

The ARA thanks the Treasurer for the opportunity to provide this submission to the ACT Government's 2016-17 Budget. For further information regarding this submission, please contact Scott Martin, Manager Rail Policy via smartin@ara.net.au or 02 6270 4511.

Introduction

Better public transport in Canberra is vital for the social, economic and environmental well-being and productivity of the city and its wider region. Improving public transport accessibility to Civic and the town centres (Belconnen, Tuggeranong and Woden) are particularly important as these are places where high-value, high-skilled service sector jobs agglomerate. Additionally, Civic and the town centres are often integrated with or adjacent to key educational, medical, retail and commercial precincts.

A recent study on the relationship between public transport and urban productivity identified Canberra's CBD (Civic) as one of a group of emerging "high value-service sector clusters" powering the Australian economy. In FY 2012-13, Civic was noted as contributing

\$5.6 billion to the nation's GDP and was the 15th most valuable location in Australia by gross output in FY 2012-13.¹

As the peak body of the Australasian Railway industry, the ARA supports the development of better rail-based transport systems in Canberra and the region. The ARA believes the three most important investments the ACT Government can make in the 2016-17 Budget and across the Forward Estimates period to ensure a more socially, economically and environmentally sustainable future for Canberra are:

1. The Capital Metro light rail system
2. A better Sydney-Canberra passenger rail service
3. An improved bus network.

Capital Metro

The ARA expresses its continued support for the Capital Metro light rail project, its scope of works and methods of project delivery and operation. It supports the initial choice of route for Stage One from Civic to Gunghalin, connecting Canberra's CBD to the city's fastest growing residential area. The ARA also supports the ACT Government's extension of the scope of Stage One's route from Civic to Russell Offices. Connecting this major employment hub (and major interchange point on the ACTION bus network) to Civic by light rail will improve Capital Metro's patronage, its connectivity to the rest of the public transport network and public transport patronage overall.

The ARA also recommends the ACT Government in its next Budget makes a commitment to planning and early works (such as utilities relocation and corridor protection/acquisition) for future stages of Capital Metro. While not directing the ACT Government toward selection of any particular corridor, the ARA concluded in its 2015 report *Capital Metro*:

¹ PwC for Tourism and Transport Forum (2014). *Better Public Transport. Better Productivity*, Sydney.

Canberra's Light Rail project in a global context that a number of corridors with high residential population densities would be supportive of future light rail expansion that support the ACT Government's land use priorities in the *Territory Plan*. These include:

- Kings Avenue/Wentworth Avenue (Barton, Kingston, railway station)
- Ginninderra Drive (Bruce, Lyneham, University of Canberra)

There are also other corridors with lower adjacent residential densities, but anchored by medium-density residential and employment sites in existing town centres and significant specialised activity centres that could provide future extensions to the light rail system utilising existing rights-of-way in arterial road corridors. These corridors could include:²

- Adelaide Avenue/Yarra Glen (Woden, Canberra Hospital)
- Barry Drive/Belconnen Way (ANU, Calvary Hospital, Belconnen)

There are also significant out-of-centre developments that are not part of the ACT Government's *Territory Plan* which could be served in future stages of light rail development in the Canberra region, including:

- Canberra Airport (around five kilometres from a light rail terminus at Russell Offices), or
- Queanbeyan in NSW.

The ARA supports the development of future stages of Capital Metro to better integrate high-quality public transport with development of increased residential densities and supporting enhanced development of business, educational and medical services in the ACT.

The ARA also supports the ACT using 'value capture' methods as part of the funding mix for present and future stages of the Capital Metro project. A 2014 study by the ARA found that

² Australasian Railway Association (2015), *Capital Metro: Canberra's Light Rail project in a global context*, Canberra, p. 12. Viewed on 7 October 2015 at: <http://ara.net.au/UserFiles/file/Publications/Light-Rail-Canberra-and-around-the-Globe-FINAL%281%29.pdf>

proximity to quality public transport (such as heavy or light rail) has positive impacts on property values.³ Internationally, light rail is proven to increase the long-term average land values along light rail corridors and at stations by up to 20 per cent.⁴ Many overseas jurisdictions (particularly in the United States and United Kingdom) make use of value capture methods such as Tax Increment Financing (TIF) that captures some of the uplift in land values for public benefit. This helps fund the capital costs of present and future transport infrastructure. Such 'value capture' methods also have a long history of use in Australian jurisdictions, including the use of special rates and local levies on beneficiary land holders to help fund the construction of the Sydney Harbour Bridge, Melbourne's Underground rail loop and more, recently Stage One of the Gold Coast Light Rail.⁵

If the ACT Government can put some budgetary measures in place to capture some of the long-term increase in land value along the route of Capital Metro Stage One either through instituting special rates, local levies or Tax Increment Financing on land along the light rail corridor and around stations, a long-term stream of revenue to either offset the capital cost of Stage One construction or help fund future stages of Capital Metro.

Better rail services to Sydney

The ARA proposes the ACT Government work in conjunction with the NSW and Commonwealth governments and private sector to develop and implement improved passenger rail services between Canberra and Sydney within the next decade. Given the high likelihood that any East Coast High Speed Rail (HSR) network will not enter service until at least the mid-2030s, there is a 20-year window of opportunity to improve

³ Australasian Railway Association (2014), *Innovative Funding and Financing of Public Transport*, Canberra, p. 12.

⁴ SGS Economics and Planning (2015), <http://www.sgsep.com.au/insights/insights-bulletin/canberra-insights-bulletin/light-rail-understaning-the-urban-impacts/>

⁵ Australasian Railway Association (2014), *Innovative Funding and Financing of Public Transport*, Canberra, p. 13-14.

passenger rail services on this corridor to pave the way for a future HSR system on Australia's east coast.

The existing rail service has advanced little over the last 50 years. Although transit times were lowered (to a current average of 4 hours and 10 minutes), the railway is built to relatively tight engineering standards meaning sustained high-speed running occurs only on short stretches. Frequency remains poor at three return trips a day. The current service cannot compete on city-to-city travel time either with private cars and frequent express bus services (around 3-3.5 hours) using the fully duplicated Federal/Hume Highway or over 30 return commercial aviation flights a day (50 minutes).

Using a new or upgraded alignment between Canberra and the existing Sydney-Melbourne mainline and newer, faster passenger trains, travel times could be reduced to around 3.5 hours, equivalent to express buses. With additional work on the Sydney-Melbourne mainline and the Sydney suburban rail system, travel times could be reduced to around 2.5 hours, faster than road travel and more competitive with flying, particularly for CBD to CBD business travel.⁶

While much of the work required to improve the Canberra-Sydney rail service would necessarily take place outside the ACT, some elements can be worked on by the ACT Government now prior to a decision to proceed being made. If a new alignment from Canberra the Sydney-Melbourne main line was selected, the ACT Government could update the *Territory Plan* to protect its portion of the HSR corridor identified in the Stage Two East Coast HSR report.⁷

The ARA supports improvements to the Canberra – Sydney passenger rail service and recommends that the ACT Government undertake further investigation on how best to improve the service in conjunction with other relevant governments.

⁶ Michell, M; Martin, S & Laird, P (2014), 'Medium Speed Rail: Bringing Australian High Speed Rail closer', *Railway Digest*, August, p. 30-33.

⁷ AECOM for the Australian Government (2013), *High Speed Rail Study: Phase 2 Report*, Canberra, p. 216.

Improving the bus network

The ARA has identified improvements to the ACTION bus network as vital to Canberra's light rail future, with improved, high-quality bus services able to act as a precursor for conversion to light rail in the medium to long-term. A similar strategy is currently being pursued by Queensland's Sunshine Coast Council as part of its light rail development strategy.⁸ The ARA supports the ACT Government's actions to improve the performance of the ACTION bus network in its *Transport for Canberra* policy, particularly the development of a package of traffic signal and bus priority measures alongside high-speed, segregated rights-of-way on key bus corridors between Civic and the town centres.⁹ Ensuring high-quality bus 'spines' on arterial road corridors are successful such as Kings Avenue/Wentworth Avenue, Barry Drive/Belconnen Way and Adelaide Avenue/Yarra Glen will build the long-term case for light rail in Canberra.

Greater integration also needs to occur between the ACTION bus network and NSW bus operators that service Canberra from Queanbeyan and Yass. The lack of service integration and an integrated fares and ticketing system means relatively easy opportunities to improve public transport use with increased service frequency and connectivity (again as a precursor to light rail) are being missed, particularly on the Kings Avenue/Wentworth Avenue/Canberra Avenue corridor between Canberra and Queanbeyan.

The ARA also recommends that the ACT Government undertake planning work and investment in service provision on the bus network to create an overall public transport 'mobility package' for Canberrans that provides a viable alternative to car use for a range of work and leisure trips. This would mean that walking, cycling, bus and, ultimately, light rail are integrated to provide a system of mobility for residents in the city to allow a households to reduce their car ownership and car usage, further improve the liveability of

⁸ Hassell for Sunshine Coast Council (2014), *Sunshine Coast Light Rail: Shaping our Future*, Maroochydore, p. 30-1.

⁹ ACT Government (2012), *Transport for Canberra*, Canberra, p. 25-7.

the Canberra and achieve a broader range of the ACT Government's goals around social inclusion, public health and access to jobs, education and other services.