



**LEGISLATIVE ASSEMBLY FOR THE  
AUSTRALIAN CAPITAL TERRITORY**

**STANDING COMMITTEE ON TRANSPORT AND CITY  
SERVICES**

(Reference: [Inquiry into Annual and Financial Reports 2024-25](#))

**Members:**

**MS L CASTLEY (Chair)  
MR A BRADDOCK (Deputy Chair)  
MR T WERNER-GIBBINGS**

**TRANSCRIPT OF EVIDENCE**

**CANBERRA**

**TUESDAY, 18 NOVEMBER 2025**

**Secretary to the committee:  
Mr J Bunce (Ph: 620 50199)**

**By authority of the Legislative Assembly for the Australian Capital Territory**

Submissions, answers to questions on notice and other documents, including requests for clarification of the transcript of evidence, relevant to this inquiry that have been authorised for publication by the committee may be obtained from the Legislative Assembly website.

## APPEARANCES

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*Amended 20 May 2013*

## **The committee met at 12.45 pm.**

Appearances:

Cheyne, Ms Tara, Berry, Manager of Government Business, Attorney-General, Minister for Human Rights, Minister for City and Government Services and Minister for the Night-Time Economy

Infrastructure Canberra

Haraldson, Mr Anthony, Executive Group Manager, Transport and Civil  
Cahif, Mr Ashley, Deputy Director-General  
Geraghty, Ms Gillian, Director-General

**THE CHAIR:** Good afternoon and welcome to this public hearing of the Standing Committee on Transport and City Services for its inquiry into annual and financial reports for 2024-2025. This afternoon, the committee will hear from the Minister for City and Government Services and the Minister for Transport.

The committee wishes to acknowledge the traditional custodians of the land we are meeting on, the Ngunnawal people. We wish to acknowledge and respect their continuing culture and the contribution they make to the life of this city and the region. We would also like to acknowledge and welcome any other Aboriginal or Torres Strait Islander people who may be attending today's event.

The proceedings today are being recorded and transcribed by Hansard and will be published. The proceedings are also being broadcast and web-streamed live. When taking a question on notice, it would be useful if witnesses used these words: "I will take that question on notice." This will help the committee and witnesses to confirm the questions taken on notice from the transcript.

We welcome Ms Tara Cheyne MLA, the Minister for City and Government Services, and officials. Please note that, as witnesses, you are protected by parliamentary privilege and bound by its obligations. You must tell the truth. Giving false or misleading evidence will be treated as a serious matter and may be considered contempt of the Assembly.

There will be no opening statements today, so I will kick off with the first question. Page 195 of the Infrastructure Canberra annual report shows an increase of \$26.1 million in the project value of the FOGO facility. It states that the delivery of the facility is still yet to be decided. Can you walk us through the factors for the increase in cost delivery of the FOGO facility?

**Ms Cheyne:** I cannot, but someone can.

**Mr Haraldson:** I have read and understand the privilege statement. Thank you for the question. We are still determining some of the timeframes in which the FOGO facility will be delivered. We have asked for expressions of interest for the project. We have gained some valuable insights into what the FOGO facility may look like and what the industry's experience is with processing food organics and garden organics material. We are utilising that information to inform the next stage, which will be the request for

proposal stage of the procurement. We expect that to be released in the new year—Q1 of 2026—and it will then work its way through a process where we have three respondents shortlisted as part of the REOI process. Those three respondents will respond to our request for proposal.

**Ms Cheyne:** What is the change in the project value?

**Mr Haraldson:** There have been a number of considerations as part of the FOGO project. The \$26 million is still there, which is the part-contribution from the Healthy Soils Fund, as well as the funding that the ACT government has provided. Regarding the difference, I will go to the line in the project.

**Mr Cahif:** Sorry, Ms Castley, but could you repeat where the line is that you are referring to?

**THE CHAIR:** It is page 195: “Project transferred from TCCS”.

**Mr Haraldson:** It has been transferred from TCCS and that is how it has landed in our Infrastructure Canberra domain.

**Ms Cheyne:** The two columns, three and four across—original project value of \$3.5 million?

**Mr Haraldson:** We might have to take that on notice.

**Ms Geraghty:** I think it is because the commonwealth funding came in, but I will confirm that.

**THE CHAIR:** Okay. So it is not about an increase; it is just that the commonwealth is contributing half. Is that correct? Is it paid for evenly by the territory and the commonwealth?

**Mr Haraldson:** There is \$13 million from the commonwealth, and the territory has provided additional funding for the delivery. We will have to come back on the \$3.5 million original cost. The \$26 million, with \$13 million from the commonwealth, has been in place for a number of years. I believe it is potentially because of the transfer to iCBR. However, we need to take that question on notice. But it is not an increase in project value; it is something else.

**Ms Cheyne:** Let’s take it on notice and we will tell you how we have arrived at that figure.

**THE CHAIR:** Thank you. That would be awesome. My understanding is the government was ordered to produce a business case for the FOGO facility earlier this year. This might have been what we have just discussed. The documents we got in the OPD had that different project value redacted, despite it being published in the annual report. Did the government request to have the total project value in the business case redacted? And, if it did, why, since it is in the annual report?

**Ms Cheyne:** That would not be a process that I was involved in, so I will go to officials.

**Ms Geraghty:** We will have to take the question on notice. I do not have the answer.

**Ms Cheyne:** We claimed privilege—is that what you are saying?

**THE CHAIR:** Yes. It is redacted. Would you be able to release it unredacted? In the question taken on notice, give us a bit of an understanding as to why it was redacted in one spot and then released in the annual report. That is all I have for FOGO.

**MS CLAY:** The *ACT Infrastructure Plan update: Climate action, energy and environment* lists the FOGO project as a \$100 million to \$250 million project. Of course, we do not know the full cost, but it is in that ballpark. It is quite a lot. Why are we getting only \$13 million in commonwealth funding for that?

**Ms Cheyne:** Because of the stage of the project we are at. They have provided that through the Healthy Soils Fund, and we need to do the request for proposal. Once we select a preferred supplier, we will know what the cost will be, and that is effectively when we can go to the commonwealth for more.

**MS CLAY:** At that point, do we seek 50-50 funding?

**Ms Cheyne:** That is still to be determined, but that seems to be the model that has worked pretty successfully for us so far.

**MS CLAY:** So the ACT government would seek commonwealth funding?

**Ms Cheyne:** Correct me if I am saying anything that is wrong.

**Mr Cahif:** Part of the pricing is also for operation and maintenance, and there is construction. Often the commonwealth will not fund the operation and maintenance components of that. We will need to see what they will fund.

**MS CLAY:** When you have that contract in place, you will know which bits are for the construction and which bits are not for the construction?

**Mr Cahif:** Yes, we will.

**MS CLAY:** That is great to know. I am interested in progress. I think that has slipped again. The RFP is not going out until 2026. Earlier, did we hear that we would be getting RFPs on it this year? I am pretty sure we did.

**Ms Cheyne:** The request for expressions of interest closed on 12 August. What was received by the directorate was, in some ways, detail rich. Based on that, we have needed to do some more work before we get to the point of releasing the RFP. Given where we are in the year, the time that it has taken and wanting to have regard for suppliers and likely tenderers in the shutdown period, next year looks most likely.

**MS CLAY:** I think you are realistic. The question was: I am pretty sure we were previously told the RFP would be in 2025.

**Ms Cheyne:** I would have to check.

**MS CLAY:** Could you check that?

**Ms Cheyne:** Sure.

**MS CLAY:** That would be great. We heard from the climate minister recently that we have missed our legislated climate targets for the first time ever. She cannot provide details until she publishes the inventory but has cited two sources. One of them was waste emissions. Waste emissions have gone up by 27 per cent in the last couple of years, and she was talking about legacy emissions. We did not have a terribly helpful conversation about how legacy emissions could be avoided if you did not send organic waste to landfill in the first place. Who in government is in charge of modelling the impact, given this facility was originally meant to be open in 2023? We were meant to have Canberra-wide FOGO facilities—

**Ms Cheyne:** And you know why we do not.

**MS CLAY:** I understand your reasons—yes. We were meant to have it in 2023. The RFP will not be out until 2026. I do not know when you think it will—

**Ms Cheyne:** And 2026 is in nine weeks, so—

**MS CLAY:** Yes—a 2026 RFP. I do not know when that means it will be operating. Is it in 2026?

**Ms Cheyne:** No. We are still working to the timeframes that we put out in our election commitments, which I believe is 2028.

**MS CLAY:** Who is modelling that five-year delay that has now had a fairly big impact on our ability to meet our climate targets? Is there any business decision?

**Ms Cheyne:** I would not say that it is iCBR, so that is probably a question to put on notice to Minister Orr.

**MS CLAY:** So I should go back to Minister Orr and ask her about that?

**Ms Cheyne:** Yes. It may be that there is no modelling about the delayed decision because, in our view, we had no choice—MRF fire; MRF priority. We could not do both to market at once. Respectfully, we have talked through this for years.

**MS CLAY:** If there are further delays, will somebody suggest that the government needs to look at the climate impact of the further delays? I am trying to work out who takes charge of that. If Infrastructure Canberra is running the building of it and we obviously cannot have the services until it is built—

**Ms Geraghty:** It will be the City and Environment Directorate.

**MS CLAY:** Is there a client working group or something?

**Ms Geraghty:** We have project governance associated with this project.

**Mr Haraldson:** Under project delivery, we have a project control group. We work closely with ACT NoWaste to make sure they are aware of the timeframes, are in agreement and understand either what the procurement timeframes are or the work that we have been doing. As to the climate modelling, we would have to go back to CED to find out what information they have and whether that has been modelled, along with whether it has been modelled against the most recent landfill surveys, to make sure that they are getting all the information they can about the organics that are actually making their way into the red bin.

**MS CLAY:** I want an update on the recycling facility. Where are we up to with the new recycling facility? When will we have that operating?

**Mr Haraldson:** It would be operational in 2028. That is what we are looking towards. We have just gone through—

**MS CLAY:** Start of construction?

**Mr Haraldson:** The start of construction is next year. We have just demolished the existing facility. If you go there now, you will see that the shed is gone and the concrete is gone. They are doing the preparatory work and are working through final approvals. A DA will be approved shortly. We are looking at early next year to start construction.

**MS CLAY:** That is great. We have commonwealth funding for that, I think—\$29.4 million. Is that right?

**Mr Haraldson:** It was \$26 million and there was a contribution of, I believe, 50 per cent from federal—

**MS CLAY:** It is 50-50 funding?

**Mr Haraldson:** For the facility?

**MS CLAY:** Yes.

**Mr Haraldson:** I will find the exact number. I believe it was—

**Ms Cheyne:** It is being built through a build-own-operate-transfer delivery model. Veolia is funding the up-front capital costs for the construction. We are making a contribution of \$26 million to the overall capital costs during the construction period, and then the balance of the construction costs will be paid by us over the operational term, and the commonwealth has gone 50-50. No—it is just us?

**Ms Geraghty:** There is no commonwealth funding on MRF.

**Mr Haraldson:** I have just found it: no capital funding for MRF.

**MS CLAY:** No commonwealth funding? Why is that? This seems pretty core. We get 50-50 funding on lots of roads and things. How come we do not on our recycling

facility? Did we ask for it?

**Ms Cheyne:** We are on FOGO.

**MS CLAY:** Sure. Did we ask for this one? Did we put in a bid?

**Ms Geraghty:** It relates to the different funding agreements that we have with the commonwealth. I do not believe this falls under a particular funding agreement, but I will take that on notice.

**Ms CLAY:** Maybe you can take on notice whether we sought commonwealth funding.

**Ms Geraghty:** Yes. It would not have been us, but I am happy to work through NoWaste and probably our Policy and Cabinet division to understand what would have been done and if it is an applicable fund.

**Mr Haraldson:** I have an update. It was part of the Recycling Modernisation Fund. This goes back a number of years, before the fire. That is why it goes back so far. It was \$26 million and it was a 50-50 split.

**MS CLAY:** So \$13 million from the commonwealth?

**Mr Haraldson:** It would have been \$13 million from the commonwealth and \$13 million from the ACT.

**MS CLAY:** I suspect you will tell me to ask Minister Orr this question, and that is fine. You are building this facility. Who does the work to make sure that what the facility does matches what the community expects the facility to do? Who does this work?

**Ms Cheyne:** NoWaste has done an incredible amount of work in getting us to the point that we are at. Obviously iCBR is a delivery and construction agency. That is the point that we are at now. ACT NoWaste is still a project partner, and ultimately the operation of the facility will go back to the City and Environment Directorate once the facility is open.

**MS CLAY:** If that work is done, it will be done by CED?

**Ms Cheyne:** Work has been done and it is continuing to be done as we are working through the RFP. Then CED will ultimately be the main client delivering it when the facility is operational.

**MS CLAY:** Was there any community consultation as part of that work?

**Ms Cheyne:** Yes, particularly in going to market. As part of the overall procurement, there was first a request for information, then there was obviously the request for expressions of interest. Particularly, the request for information was the point at which we were seeking info.

**MS CLAY:** Is that community consultation, though, or is that industry consultation? I mean for the Canberra community, like on YourSay or something.

**Mr Haraldson:** It was an EIS process. The draft EIS process closed in October 2023 and that included a public consultation process.

**MS CLAY:** That is about the use of the land. I mean what the facility does. Has there been any community consultation on what the community expects from their recycling facility and whether it will recycle what the community wants? We are building it, so we are obviously asking the contractors to build it in a certain way and it will perform in a certain way. It is okay to take it on notice. Has anyone in government done a—

**Ms Cheyne:** That is actually a question for me in the CED portfolio.

**MS CLAY:** Would you like to take it on notice or would you like me to lodge it on notice for a different session?

**Ms Cheyne:** If you could lodge it for a different session, to save a whole lot of—

**MS CLAY:** That is fine. I am happy to. Do we have a total project cost for this one now? Given that the contract has been finished, do we have a total build cost?

**Mr Haraldson:** The MRF, the new recycling facility, has a 20-year contract term. As part of that, we would have to take on notice what the actual capital component was.

**MS CLAY:** Take it on notice. That is fine.

**Mr Haraldson:** But the contribution is the \$26 million up-front through the construction period. Veolia will do the operations construction. That will include a proportion of construction costs. It is important to note that a lot of the material that they are recycling is from the ACT, but it is also from the surrounding region and other councils. There is a revenue stream which provides revenue and commodity to the operator. That will contribute to the capital costs. So we are not taking the whole capital cost; it is spread across.

**MS CLAY:** Can you take on notice the cost breakdown?

**Ms Cheyne:** To the extent that we can.

**Ms Geraghty:** I apologise for the confusion about the funding for the new recycling facility. I confirm that the commonwealth has provided \$10.5 million, and the remainder of the \$26 million is provided by the territory. I apologise for the confusion.

**Ms Cheyne:** I also need to withdraw what I said about the RFI. By “RFI” I meant the EIS. When I said, “request for information”, I was talking about the EIS. Talking about two at once, one after the other, is hurting my head!

**MR WERNER-GIBBINGS:** This is also a materials recovery facility question. I refer to page 20. The planned annual capacity is 115,000 tonnes of mixed recyclables, which is 50,000 tonnes more than in the previous facility. You might have answered the question in your previous response about it taking in material not just from the ACT. Is that the reason or is it about expected growth? Is that going to meet the growth of

recyclables in the next five years or is it a much longer window for this much greater capacity?

**Ms Cheyne:** It is about population growth and potentially neighbouring councils, and consumer behaviour is changing. People are recycling more. I would say that people are also receiving more packaging for recycling from Amazon, Temu or whatever it might be. A lot of packaging is also going into recycling. It is a combination.

**MR WERNER-GIBBINGS:** So not only is the volume increasing; habits are also changing. Are there any other features that the new facility will have that the old one did not that will account for the change in recycling habits?

**Ms Cheyne:** It will have capability to sort paper and cardboard, glass, plastic, steel and aluminium. Something that has been really important for us is having a high resource recovery rate and purity of the product. When it is able to sort the products into the different types—

**MR WERNER-GIBBINGS:** “It” is the robot or machine?

**Ms Cheyne:** Yes. We can all imagine what this looks like, but the words I have in front of me are: advanced sorting technology; sophisticated automatic recognition; screens to separate paper; laser optical identification; air jets to separate plastics; and powerful magnets to extract ferrous metals. It will also have data technology capturing real-time information about the materials that are coming through the facility and the quality. That will help us report on contamination rates and will also be quite attractive in going to market about the recoverable materials.

**MR WERNER-GIBBINGS:** “This is the material we hold and this is how good it is or useful it is”?

**Ms Cheyne:** That is right.

**MS CLAY:** I refer to Mr Werner-Gibbings’ question. I toured the old materials facility 25 years ago, I guess, and they also used blasts of air to separate the paper, laser-reading technology and gravity and magnets for the metal. There was the list of advanced sorting technology that you read out. Are there any new things that the old one did not have?

**Mr Haraldson:** Do you want me to touch on the glass crushing?

**Ms Cheyne:** Sure.

**Mr Haraldson:** As part of the procurement, it is really important to ensure that we are getting all the material that we can and create a commodity that can be used within the ACT and more broadly. Glass crushing is an important part of that—making, essentially, a glass sand. That glass sand has a number of uses, such as pipe bedding—bedding around pipes for construction and civil works—or washing it and then using it within concrete. That is a higher end use. With the contractor, we are currently working through the process of crushing and washing. That is one that the old facility did not have to this degree. It did take some of that material and made crushed material, but it

was not to the standard that could be used in broader applications.

**MS CLAY:** Thank you. There might have been bids to add that technology to the old facility before it burnt down.

**Ms Cheyne:** It would have been before iCBR's time.

**Ms Cheyne:** I am going to hate myself for saying this, but this session also covers the major road projects that iCBR has. I reflect on the program. It just mentioned the two: recycling and FOGO. But there are also roads. So, if you are excited about any big road project, I can make use of my six minutes.

**MR BRADDOCK:** I am trying to figure out what those questions were and where I stored them. I was not prepared for this. I might have to put them in on notice.

**Ms Cheyne:** The Molonglo Bridge, the Monaro Highway, William Hovell Drive and Athllon Drive.

**MR WERNER-GIBBINGS:** I would potentially have questions about the Monaro Highway and Athllon Drive.

**THE CHAIR:** Fire away.

**MR WERNER-GIBBINGS:** Athllon Drive has just started. The Monaro Highway overpass, as it were, is getting quite obvious now. Where is it up to? Are the timelines as were announced or are they being extended?

**Mr Haraldson:** The Monaro Highway is on track, which is fantastic. We have just installed the girders for the flyover. When you drive through there now, you will see that the bridge structures are up. They are up to doing panels and concreting. That is on track. On 28 November, we have a pretty major road closure. We will be closing the southbound carriageway of the Monaro Highway from Hindmarsh Drive.

**Ms Cheyne:** The one that was supposed to be—

**Mr Haraldson:** It was supposed to be last week. We did not get as much wet weather as we thought. We will be raising the Monaro Highway outside the Alexander Maconochie Centre so that we can have a flyover tie-in. There are pretty major earthworks in that area. We are raising the road section—the pavement. We have just gone out for procurement for stage 1C early works. That involves the intersection of David Warren Road, which is outside AMC. It will travel through to Sheppard Street. We will have a new intersection there and are putting new traffic lights in. As part of the early works, we are getting some of the utilities moved out of the way. The Monaro Highway is on track to be fully operational at the end of next year.

**MR WERNER-GIBBINGS:** And Athllon Drive?

**Mr Haraldson:** The Athllon Drive duplication will be going out to tender early next year. We had an industry briefing session recently and went through the project and some of our thinking around the procurement process. We received great feedback from

industry. They are ready to tender for that project. The duplication will be a two- to three-year build.

**Ms Cheyne:** The DA is nearing approval, we reckon. The representation period closed in early September, and then there was a request for more information from the Planning Authority. That has been provided. Hopefully we will have some good news and that will open the door to get started.

**MR WERNER-GIBBINGS:** Thank you both.

**MR BRADDOCK:** Regarding the Athllon Drive duplication, what have the considerations been in terms of future light rail alignments?

**Mr Haraldson:** It does not preclude light rail. It has not informed part of the utility work we are doing now, but there is space for light rail. Light rail can go down that section, but it is subject to further master planning and network planning to understand exactly where it will go. That is one option. One of the things that we probably have to grapple with is the spillway at Lake Tuggeranong—getting around that spillway with light rail. That is more a—

**MR WERNER-GIBBINGS:** The spillway—a dam type of thing—which is not built for light rail?

**Mr Haraldson:** That is correct. How that would go is more an engineering and budget decision. When you think about network planning, there are other ways of getting through to the Tuggeranong town centre. The Athllon Drive duplication does not stop it from happening. It can still occur.

**MS CLAY:** Do we have the total project costs for William Hovell Drive and the Monaro Highway?

**Mr Haraldson:** We do. William Hovell Drive is jointly funded by the commonwealth government and the ACT government. It is \$107,250,000.

**MS CLAY:** And the Monaro Highway?

**Mr Haraldson:** The Monaro Highway is also an ACT government and commonwealth government funded project. The commonwealth government is putting forward \$145.25 million and ACT is putting forward \$115.25 million, which is a total of \$260.5 million. That is for all the packages in that area.

**MS CLAY:** Great. I confess I have not been holding the transport portfolio. Did we resolve the separated cycle lane along the Monaro Highway?

**Mr Haraldson:** I believe we did.

**MS CLAY:** Fully separated?

**Ms Cheyne:** The design is done. It is not part of the funding.

**MS CLAY:** Is it funded elsewhere?

**Ms Cheyne:** No.

**MS CLAY:** So there is no funding to build the separated cycle lane?

**Ms Cheyne:** Not at this stage.

**MS CLAY:** Does that mean people will be riding on the Monaro Highway?

**Ms Cheyne:** Like they are currently?

**MS CLAY:** Yes.

**Ms Cheyne:** Yes.

**MS CLAY:** Is there an on-road lane on the Monaro Highway?

**Ms Cheyne:** I believe so.

**MS CLAY:** Does your project meet the Australian standard for that?

**Mr Haraldson:** It does.

**MS CLAY:** I think the problem last time we were looking at this was that having an on-road cycleway with traffic of that speed did not meet the Australian standard. I am a bit concerned about that. It does meet the Australian standard?

**Mr Haraldson:** The information I have is that it does. I would rather take that one on notice to make sure that I get the information right.

**MS CLAY:** Take that one on notice and advise on the speed for the road and whether it meets the Australian standard to have on-road cycling, and also whether the government has a timeline to have a separated cycle lane if there isn't one.

**Ms Cheyne:** I cannot give you a timeline. There is no budget for it at this stage, so there is no timeline.

**THE CHAIR:** Thank you. On behalf of the committee, thank you for your attendance today. A number of questions have been taken on notice, so please provide your answers to the committee secretary within five business days of receiving the uncorrected proof *Hansard*. Thank you.

**Short suspension**

Appearances:

Steel, Mr Chris, Treasurer, Minister for Planning and Sustainable Development,  
Minister for Heritage and Minister for Transport

Infrastructure Canberra

Haraldson, Mr Anthony, Executive Group Manager, Transport and Civil

Cahif, Mr Ashley, Deputy Director-General

Bell, Ms Hayley, Executive Group Manager, Health, Education and Justice Delivery

**THE CHAIR:** We welcome, hopefully soon, Mr Chris Steel, the Minister for Transport, and we thank officials for being here. Please note that, as witnesses, you are protected by parliamentary privilege and bound by its obligations. You must tell the truth. Giving false or misleading evidence will be treated as a serious matter and may be considered contempt of the Assembly. We do not have any opening statements, so we will proceed to questions. Mr Parton, do you have a question to start with?

**MR PARTON:** Thank you, Ms Castley. I do not know how I will go here, ministerless. I will just put it out into the atmosphere and see what comes back. I was going to start with a question about the total project cost of light rail stage 2A. According to the summary of infrastructure programs, which is on page 191—I will pause and allow Mr Steel to be seated. I was going to start with a question about the total project cost of light rail stage 2A, because, according to the summary of infrastructure programs, which is on page 191, the original project value was \$780.8 million and that has now increased to \$822.06 million. First, what has caused the \$42 million project value increase?

**Mr Cahif:** What that increase reflects is a combination of the agency costs into that budget line item.

**MR PARTON:** A combination of the agency costs?

**Mr Cahif:** A combination of the two previous line items. They were combined into one.

**MR PARTON:** I am still not really clear on how that makes the bottom line \$42 million higher than was originally the case. I do not understand.

**Mr Cahif:** The agency costs were not previously in that line item. They have been included in them now.

**MR PARTON:** All right. 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. Will the ACT government seek a revised funding profile with the federal government?

**Mr Steel:** I do not think we accept the premise of the question.

**MR PARTON:** Well, the numbers are all there, Mr Steel.

**Mr Steel:** The commonwealth provides a 50-50 contribution but to a limited scope for this type of project. For example, they do not contribute to the rolling stock for rail infrastructure projects that they invest in. That is why there would be a lower contribution 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:** 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 tell us what you are referring to?

**MR PARTON:** 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 split, but, based on the numbers that are presented to us in the annual report, that figure is now greater by around \$135 million. So I do not understand how we can—

**Mr Steel:** 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—things it will not fund under the FFA that exists for land transport infrastructure projects.

**MR PARTON:** Is it then somewhat disingenuous to pitch it as a 50-50 funding split when it is actually not?

**Mr Steel:** I am happy to provide that clarity to the community. It is well known and understood that, as part of federal financial funding arrangements, the commonwealth will only contribute to a certain part of an infrastructure project, if it has a rail component. They obviously contribute 50 per cent of the scope that they are prepared to fund.

**MR PARTON:** You stated that it is well known and understood, Mr Steel. Do you think it is well known and understood in Charnwood, in Richardson and in Ngunnawal?

**Mr Steel:** It would be articulated in the federal financial agreement. We can take that on notice and provide some information as to where there is publicly available information that the community could access. We will see if we can provide that.

**MR PARTON:** Excellent. Thank you.

**MR BRADDOCK:** I have a question in terms of light rail stage 2B and the possible extension from Woden to Mawson. What work has been performed to date to analyse that option, in terms of both patronage and the design required to do that?

**Mr Steel:** I will pass over to the team.

**Mr Haraldson:** I have read and understood the privilege statement. The Mawson extension had some work done on it to understand what the design would look like. It

will not be proceeding. We are going to Woden at this stage. Whether we go further to Mawson will be subject to future decisions of government. We did quite a bit of work on what the design would look like and how far it would go, and there were also some considerations around whether there would be a stabling area, if needed, for light rail.

**MR BRADDOCK:** Minister, in response to a question on notice in the chamber—I cannot recall the exact date, but let's say it was in the past couple of months—you mentioned that the extension to Mawson will be considered as part of the business case and decision-making around stage 2B. That seems to contradict the information just provided, so I will try to clarify: what is the exact state of that decision?

**Mr Steel:** There is further work to do in developing the business case. Yes, some early work has progressed, but there is further work to do to understand that option so that it can be presented in a business case for a decision.

**MR BRADDOCK:** Will it be done and presented as part of the 2B business case for a decision or is this for a future decision, beyond 2B?

**Mr Steel:** There will be a decision in the business case to make about whether the scope of the project includes—

**MR BRADDOCK:** As part of 2B?

**Mr Steel:** Yes—whether the scope of the project includes the Mawson extension.

**MR BRADDOCK:** What further work needs to be done between now and when that business case is developed for the Mawson extension?

**Mr Haraldson:** In the stage 2B draft environmental impact statement, which closed on 5 September, that work goes to Woden. It studies the environmental impacts and social and economic impacts from Commonwealth Park to Woden. That is the work that 2B is looking at. What the minister is referring to is a budget decision and a decision from government in the future about whether it incorporates that Mawson link. That will be part of that consideration.

**Mr Steel:** Further work would be required to understand what the decision would be around going to Mawson, but that will be included in the business case that will be considered in 2028-29.

**MR BRADDOCK:** As part of that 2B—

**Mr Steel:** As I explained previously in an answer to the Assembly, the government had previously made a decision around splitting the project of stage 2 to Woden into two, 2A and 2B, noting the difference in the environmental approvals that would likely be required for those two different projects, with 2A having less environmental sensitivity and less heritage sensitivity. We could get on with that work more quickly. That is obviously in contract now. It did not require a full EIS and is progressing. 2B has required an EIS, so we are doing that work. It is unlikely that there will be the same level of environmental risk with a future extension to Mawson, so it has not been included as part of the EIS for stage 2B, but it would still be considered in a business

case in 2028-29, about whether the government wanted to take up the option of going to Mawson. Some early work has been done in the corridor, and further work will be required to inform that decision.

**MR BRADDOCK:** In terms of the stop-start nature of the work, where you design a section and construct it and start working on the design of the next section, what is the impact on the workforce compared to a continuous design process, where you finish designing one section and the team just moves on to the next section? In this way, you appear to have a workforce that is stopping and starting the projects in spurts; hence, you would have trouble in trying to recruit, train and get the team working when they dissipate and have to reconvene a short time afterwards.

**Mr Steel:** I will hand over to the experts and engineers next to me to answer that, but it is not as simple as that. Different professions and experts are required at different stages of the project. Those who are working on the later stages of a project may not be required at the beginning of a project, so there will not be continuity for many of the people working on the project. There has been continuity in relation to our agency team, who continue to work across multiple stages of the project: stage 1, stage 2A, stage 2B and future stages. For staff within government, there is continuity, but, in terms of the contractors used, there will be different contractors at points in time and subcontractors will come in at different times and will do pieces of work. I suspect your question is going to the efficiency of delivering these things, but different contractors are required and different levels of expertise are required at each stage of the project.

**MR BRADDOCK:** When would they be able to start work on designing stage 3? As you come to the end of design for stage 2, will they be able to immediately start work on stage 3?

**Mr Steel:** The focus at the moment is delivery on stage 2B. We have set out a broad timeline for that that we have presented to the Assembly. The government's focus is on the delivery of stage 2B, not working on the design of stage 3. As I said, there will not be continuity because the timeline for delivering stage 3 has not yet been set. I will hand over to Ash and the team to talk about it.

**Mr Cahif:** There are a few things to take into account on something like that. One is: what level of design do you do within government before you do a procurement process? A level of design will already have been done internally, along with a needs analysis, the objectives and integration into the current network. As you mentioned, Mr Braddock, the staging is to build a whole-of-Canberra network. That cannot be done in one fell swoop. A fair degree of work is done within the agency before we procure either people who work for us or a contractor who will become our delivery partner in relation to that. That has to be thought through. There are significant costs involved in that and a business case has to be done. Normally, we are not just rolling. We still have to deliver, and what you are delivering has to integrate into the next design, because that will have some upgrades, from where you started to when it is ultimately delivered. It is not something where, as soon as design is finished on one part, you just move to the next part, because you need to take into account what has actually been constructed and the latest technology that has been put into the system.

**MR BRADDOCK:** Do we have any timelines for stage 3?

**Mr Steel:** The government's focus is on stage 2 and, given the timeframes that we expect for that, it is a decision of a future Assembly and a future government to make.

**MS CARRICK:** Some would say that going from Woden to Mawson is reasonably straightforward because it is a couple of kilometres in a straight line. Is it straightforward? And what are the barriers?

**Mr Steel:** That is the work that needs to occur over the coming years to help inform a decision of government. Notionally, there are some benefits to the extension to Mawson. It does not have the same sorts of constraints that we have seen on the earlier part of the route. Down Adelaide Avenue we would expect fewer heritage issues, but it would have its own issues that would need to be considered around flooding and water-sensitive urban design—all those sorts of issues—and, of course, it would have its own cost.

**MR PARTON:** Mr Steel, this project—stage 2 in its entirety to Woden—was originally promised by the Chief Minister, prior to the election of 2020, to be completed by 2025. If indeed that promise had been fulfilled, given the escalating agency costs, the supply chain issues and the massive inflationary impact, how much money do you think ACT taxpayers would have saved against what it is going to cost by 2035? What I am asking is: what is the cost impact of this project not being rolled out at its originally promised timeline? Is it two, three or four thousand million dollars? How much is it? What is the cost impact?

**Mr Steel:** What you are asking is a hypothetical question.

**MR PARTON:** Yes, it is.

**Mr Steel:** But I can speak in general terms, because that is not a question that can be answered. We have had several intervening events, one of which was a global pandemic that resulted in supply chain issues and inflation right across the economy, particularly for infrastructure projects and the cost of delivery. The No 1 impact that it had, which is why we were really clear that we were not going to sign a contract on, firstly, 2A, was that there was literally no capacity to deliver the project. The factories had shut down and the entire country was in a state of uncertainty. We were not going to sign a contract during that period, which, by the way, would have resulted in the contractor coming to government to ask for more money to deliver a project that they could not deliver on time or against the original costings of the project, even if a contract were signed earlier. They would have come to us and asked for the money anyway to deliver the project. That is why it is a hypothetical question. It is not as simple as perhaps the original question.

There is no doubt that infrastructure costs go up generally over time. The longer you take to deliver infrastructure projects, there is an increase in associated costs. And, of course, that has to be balanced against the capacity of the budget to finance the infrastructure projects. That is why we look so closely at the infrastructure pipeline that we have set out in our Infrastructure Plan, to be able to manage that, not just for light rail and other transport projects but also for school projects and hospitals. All of that needs to be fitted into the infrastructure program and our ability to finance it.

In terms of light rail, we have always seen this—and this is part of the Transport Strategy—as part of an investment in future-focused infrastructure projects that we want to deliver earlier, generally speaking, before we see some of the congestion and impacts of rapid population growth that other cities have faced. I visited Parramatta light rail the other week. Stage 1 has been in operation around a year. That sort of infrastructure project has clearly been built after you have seen substantial population growth, although that will continue in that area with transit-oriented development.

We would like to deliver things early, but it really depends on market capacity. It depends on our ability to finance the projects through the budget, and we consider that as part of business case development. We were really clear to the community about what we could and could not deliver. And there were intervening factors and intervening announcements that you did not mention in the question.

**MR PARTON:** Thanks for the answer. That was good.

**MR WERNER-GIBBINGS:** I refer to page 63, which says:

The Light Rail Project has a 2% spend target on Aboriginal and/or Torres Strait Islander enterprise capability through providing opportunities for Aboriginal and/or Torres Strait Islander enterprise subcontractors.

That is a specific two per cent spend target. From what I can find, other projects have varying spend targets. How was the light rail target determined?

**Mr Cahif:** I will throw to Anthony in a sec. Noting it was with Canberra Metro, stage 2A is effectively an extension of the stage 1 system which built on the stage 1 contract, with many of the contractual terms and risk allocations repeated, as well as the local industry. That was used as a benchmark. We took some of the learnings through that process, where they were not able to achieve some of the targets that they had—not in this space—for various reasons. There was some amendment to that schedule in terms of their targets. I believe that this one was a repeat of what they successfully delivered in stage 1.

**Mr Haraldson:** I will add that, currently, they are achieving a six per cent workforce. That is—

**MR WERNER-GIBBINGS:** That was my next question: how are we tracking against that target?

**Mr Haraldson:** The workforce of Aboriginal and/or Torres Strait Islanders on the project is at six per cent of the total workforce of Canberra Metro.

**MR WERNER-GIBBINGS:** And the target against subcontract opportunities?

**Mr Haraldson:** There are subcontract opportunities—yes. Regarding the total spend, I do not have a figure on what they are currently achieving, but a total of two per cent is the target. Six per cent is the amount of Aboriginal and Torres Strait Islander employees working on the project.

**MR WERNER-GIBBINGS:** Do you have to wait until the project is finished to determine whether the target has been achieved? Are we tracking against the target, do we seem to be well in front of it or are we behind it?

**Mr Haraldson:** I would have to check on how we are tracking at the moment, but, over the timeline of the project, it will go up and down. It would be at the end of the total spend for the project. So, depending on the stage you are at and the subcontracts you have with the identified contractors, how much the spend is will depend on where you are in the process.

**MR WERNER-GIBBINGS:** I would appreciate a couple of lines on what it is looking like right now, with the best case scenario and the worst case scenario.

**Mr Haraldson:** Yes.

**MR WERNER-GIBBINGS:** Thank you very much.

**MS CARRICK:** I would like to ask why the Woden bus interchange is taking so long to open. I understand it will be three years in February, so it will be over three years by the time it is open.

**Mr Steel:** The major issue is utilities. That has been known for some time. It has hampered the project throughout the construction timeframe. That still continues to be the major issue. I will hand over to Ms Bell to provide some further information about the timeframe, which has been delayed.

**Ms Bell:** In addition to what the minister touched on, there are inground latent conditions that we have encountered on that project. Some of the future-proofing initiatives that were added into the project have also taken some additional time for us to coordinate. We have done that to avoid disruption in the future. All the inground services have conduits and things to enable light rail to be commissioned in the future, and some of the other services, like the sewer and water infrastructure, have also been increased in capacity to be future-proofed for the growth that we expect to see in that region. We acknowledge that it has taken longer and has been more disruptive than originally planned, but hopefully it will avoid disruption in the future when those infrastructure assets are required.

**MS CARRICK:** Thank you. Assumably, power is in there too to power up all the growth in the area.

**Ms Bell:** Conduits are in place for that—yes.

**MS CARRICK:** Will the buses using Bowes Street and Easty Street cease when it opens?

**Mr Steel:** They will start to use Callam Street. Easty Street will still be used by buses as there are still layover facilities there that will be used by the buses, but we expect fewer buses will be using Easty Street post-completion.

**MS CARRICK:** If a bus comes from the south and goes through the new interchange, how does it turn around to go south again if it is not progressing through to the city?

**Mr Steel:** That is not part of Infrastructure Canberra's direct responsibilities. You may want a comment on what Transport Canberra's plans are. But we can take that on notice and provide some information from Transport Canberra about the directions, if you would like.

**MS CARRICK:** Thank you. I have always wanted to know how the buses will turn around.

**Mr Steel:** Easty Street will be used.

**MS CARRICK:** I note there is no town plan or anything that says where the bus network will spread to. There is no town plan that says where the layovers will be. I do not know. It is taking up precious space in our town centre and there is no plan for all this.

**Mr Steel:** Plans were approved for the new layover, located near Phillip Oval, which was built in an earlier stage of the project, and the layovers as part of Easty Street were also planned and brought forward for consultation and approved. The interchange itself will be considered as part of broader planning for the future bus network. There is the Woden depot as well, separate to the interchange. The two are often confused. Obviously, the work on the new depot is complete, and that has taken a bit of capacity, in terms of buses that are laying over for long periods of time. They can now go to the depot instead of laying over in the interchange on Easty Street.

**MS CARRICK:** I appreciate that. I guess what I am trying to say is that there is no town plan for what will go where. They were just piecemeal, one-off DAs for these things, not in the context of a—

**Mr Steel:** No—the master plan envisaged that Callam Street would be included.

**MS CARRICK:** And Easty Street? Callum Street—yes. That is the main thing, but not Easty Street for layover.

**Mr Steel:** Yes; that is right. Easty Street supports the vision for Callam Street.

**MS CARRICK:** Can you provide me the document that shows that?

**Mr Steel:** It is the Woden Town Centre Master Plan that you have previously seen.

**MS CARRICK:** Easty Street is not in there. It is just spread.

**Mr Steel:** That had the vision of the Callam Street interchange, and Easty Street has been necessary, particularly in the period of construction, to enable buses to lay over—during the construction of both the interchange, which obviously has a lot of extra capacity added compared to the old one—

**MS CARRICK:** I appreciate that—

**Mr Steel:** but also the depot. During the depot construction, a bit of extra layover was required, and that is why Easty Street was critical, but also the new layover—

**MS CARRICK:** So, basically, without a town plan, you can just take a bit for something that you want without a broader plan around how everything hangs together.

**Mr Steel:** That is your comment. I disagree. It was in the master plan.

**MS CARRICK:** You did. You took Easty Street.

**Mr Steel:** It was in the master plan for Woden some time ago, and we will be doing further planning work.

**MS CARRICK:** Easty Street was not in it. On page 191, it says, “Delivering better community facilities for Woden town centre”. What are they? It is for \$725,000.

**Mr Steel:** That is a separate project. That would be associated with the Infrastructure Canberra’s responsibilities around the Woden Community Centre project, which does not sit in my portfolio of responsibilities anymore.

**MR PARTON:** With regard to Canberra Metro’s fleet of three CAF Urbos 100 trams, my understanding is that the vehicles currently in service consist of five modules, but that the Urbos platform allows for expansion of up to seven modules and has a capacity then in excess of 420 passengers. Is the ACT government considering adding two additional modules to each vehicle in the light rail fleet? I am looking at the stops planned to get to 2A and I note the difference between those stops. I wonder what the plan is.

**Mr Steel:** That answer is no, not in the short term. Noting that I visited Parramatta light rail, it has the same CAF Urbos vehicles but uses the full seven modules. It is high capacity but runs at a lower frequency. At the moment, we are running at a higher frequency than Parramatta, and that will continue with stage 2B, when it is constructed, and stage 2A.

**MR PARTON:** So there is a level of future-proofing with those stops?

**Mr Steel:** Yes, there is future-proofing with the stops—absolutely—in terms of the potential to extend them to service vehicles that have more modules and longer length.

**MR PARTON:** But not absolutely in the plan moving forward?

**Mr Steel:** It has been future-proofed in the design.

**Ms Haraldson:** And stage 2B will have 45-metre platforms along Commonwealth Avenue and through the Triangle section, as well as Woden. That allows for up to, I think, six carriages. Stage 1 allows for further extension of the stops. It has been future-proofed so that you can extend the stop.

**MR PARTON:** Thanks, Chair. They did good!

**THE CHAIR:** On behalf of the committee, thank you for your attendance today. For questions taken on notice, please provide your answers to the committee secretary within five business days of receiving the uncorrected proof *Hansard*. On behalf of the committee, I thank all witnesses who have assisted the committee through their experience and knowledge. We also thank broadcasting and Hansard staff for their support. If a member wishes to ask questions on notice, please upload them to the parliamentary portal as soon as possible and no later than five business days from today.

**The committee adjourned at 1.50 pm**