



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

**STANDING COMMITTEE ON PLANNING, ENVIRONMENT
AND TERRITORY AND MUNICIPAL SERVICES**

(Reference: Capital Metro Agency)

Members:

**MS Y BERRY (Chair)
MR A COE (Deputy Chair)
DR C BOURKE
MR A WALL**

TRANSCRIPT OF EVIDENCE

CANBERRA

WEDNESDAY, 27 AUGUST 2014

Secretary to the committee:

Ms M Morrison (Ph: 620 50435)

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.

WITNESSES

CORBELL, MR SIMON, Minister for Capital Metro 1

ALLDAY, MR STEPHEN, Executive Director, Procurement and Delivery,
Capital Metro Agency 1

EDGHILL, MR DUNCAN, Executive Director, Finance and Economics,
Capital Metro Agency 1

SMITH, MR BENJAMIN, Executive Director, Communications and Stakeholder
Engagement, Capital Metro Agency 1

THOMAS, MS EMMA, Project Director and Director-General, Capital Metro
Agency 1

Privilege statement

The Assembly has authorised the recording, broadcasting and re-broadcasting of these proceedings.

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“Parliamentary privilege” means the special rights and immunities which belong to the Assembly, its committees and its members. These rights and immunities enable committees to operate effectively, and enable those involved in committee processes to do so without obstruction, or fear of prosecution.

Witnesses must tell the truth: giving false or misleading evidence will be treated as a serious matter, and may be considered a contempt of the Assembly.

While the Committee prefers to hear all evidence in public, it may take evidence in-camera if requested. Confidential evidence will be recorded and kept securely. It is within the power of the committee at a later date to publish or present all or part of that evidence to the Assembly; but any decision to publish or present in-camera evidence will not be taken without consulting with the person who gave the evidence.

Amended 20 May 2013

The committee met at 1.17 pm.

CORBELL, MR SIMON, Minister for Capital Metro

THOMAS, MS EMMA, Project Director and Director-General, Capital Metro Agency

EDGHILL, MR DUNCAN, Executive Director, Finance and Economics, Capital Metro Agency

SMITH, MR BENJAMIN, Executive Director, Communications and Stakeholder Engagement, Capital Metro Agency

ALLDAY, MR STEPHEN, Executive Director, Procurement and Delivery, Capital Metro Agency

THE CHAIR: Welcome to the public hearing for the Standing Committee on Planning, Environment and Territory and Municipal Services on the capital metro project. This hearing is being held pursuant to the Legislative Assembly's resolution on 27 January 2014 that the relevant minister and officials for the Capital Metro Agency should be available for 3½ hours to appear at a public hearing before this committee to discuss the capital metro project. This time is additional to the periods of at least two hours that the Assembly resolved should be provided at both the estimates hearings and annual report hearings. The Select Committee on Estimates 2014-2015 held two hours of hearings with the minister and capital metro officials on Wednesday, 25 June. The Standing Committee on Planning, Environment and Territory and Municipal Services will also provide for two hours of hearings on capital metro during the committee's annual reports hearings to be held later this year.

The committee today comprises me as chair and Mr Coe as deputy chair, in accordance with standing order 231, which provides that two members constitute a quorum for the purposes of taking and authorising the publication of evidence. Unfortunately, Dr Bourke and Mr Wall are unable to attend today, but have agreed to the hearing going ahead in their absence. Other members of the Assembly may be present during the hearing and may, by leave of the committee, question witnesses in accordance with standing order 235. As committee members have priority in examining witnesses, I will be first calling on committee members to ask questions and then calling on other members who have questions.

On behalf of the committee, I would like to welcome to the hearing the Minister for Capital Metro, Simon Corbell, and officials from the Capital Metro Agency. I remind you of the protections and obligations afforded by parliamentary privilege and draw your attention to the privilege statement before you on the table. Could each of you please confirm that you have read and understand the implications of that statement.

Mr Corbell: Yes, thank you, Madam Chair.

THE CHAIR: Thank you. I also remind witnesses that the proceedings are being recorded by Hansard for transcription purposes and webstreamed and broadcast live. We will break at 2.45 to 3 pm for afternoon tea. We will finalise the hearings today at 4.45 pm; the hearing will not go later than 5 pm.

Before we proceed with questions, minister, would you like to make an opening

statement?

Mr Corbell: Yes, thank you very much, and thank you for the opportunity to appear before the committee this afternoon.

At the outset, I would like to indicate that the government has made available, and will continue to make available wherever prudent, as much information as possible about this significant infrastructure project for our city. The capital metro project is planning, designing and proposing to deliver one of the most significant urban transformation activities that have been undertaken by the ACT government. We are delivering the project in a consultative and responsible way. The government has ensured there are well-qualified and experienced personnel and staff being engaged to guide and develop the project to date.

I would like to take a brief moment to set out the strategic context for this project, because it is not just a public transport project. The project is, in many ways, the glue that holds together urban renewal and urban intensification plans for our city. Canberra is growing, and it is the government's responsibility to sustainably accommodate and plan for this growth while nurturing the city's identity and creating economic and social opportunity for its residents. To meet these responsibilities, the government's vision sees Canberra as a smart and sustainable city with a strong sense of confidence and a great way of life that can attract visitors, businesses and residents alike.

As a city, we have a lot to offer, and we need to capitalise on our strengths. Light rail is one way, one innovative new way, that could help boost Canberra's sustainable growth. Light rail can change and improve transport options. It can change settlement patterns and employment opportunities. And it is innovative because it marks a significant departure from the preference that has really been in place ever since our city was first developed for roads and for designing our city around the private automobile. Without investment in light rail, Canberra's transportation expenditure is heavily skewed to roads-only expenditure.

The proposed investment in light rail over the next four years compares with the total cost for road and associated infrastructure between 2010 and 2014 of \$1.13 billion. After decades of under-investment, with public transport infrastructure receiving less than an estimated 10 per cent of the investment in road infrastructure, it is the time to try and rebalance that equation.

Our population will grow to half a million people and more by 2050. With a car dependency rate of over 80 per cent, transport and congestion will increasingly be a critical issue for our city. We do not need to look very far to see the results of other cities that have failed to address this growing problem. In Canberra we have a choice: we can start addressing transport issues now at a relatively low cost or we can wait until congestion, pollution and poor accessibility cripple our city and are of detriment to us economically.

The bureau of transport and regional economics estimated that congestion was costing the territory \$110 million per year in 2005, and projected that that cost would increase by 82 per cent to more than \$200 million in 2020. So Canberra has a great opportunity

to stay true to our planned city heritage and to not fall into the pitfalls of other cities.

In addition to addressing these emerging transport challenges, light rail plays a very important role in the government's planning strategy. To accommodate future growth in the most cost-effective and sustainable way, the government is seeking to accommodate a significant proportion of the territory's population growth over the next 20 years along this key corridor. By encouraging urban infill along transport corridors, we are ensuring that those who live there have access to high-quality, accessible infrastructure and services. Continuing to spread the city out is no longer feasible; it is costly, is isolating and is certainly not sustainable.

The development of the Northbourne Avenue corridor will demonstrate how planning along transport routes can create vibrant, urban hubs of residential, commercial and business activity. This is very much a city-shaping project. We are at the important first stage of a strategy that will help transform the way the whole of Canberra grows and develops over time.

I would like to give the committee a brief update on the project's delivery. Stage 1 is now well underway. Capital Metro Agency is working on critical elements of the project, including establishing a definition design, undertaking market sounding, consulting with the community and developing and finalising an optimal procurement and delivery method for government consideration.

The strategic priorities for the agency in this financial year include finalising the business case for stage 1 of the light rail network, working across government to identify and optimise priorities for urban revitalisation and land development along this lengthy corridor, identifying potential financial and funding models for the delivery and operation of the light rail service, engaging and consulting with the community to help inform the design, and engaging with industry to refine, finalise and agree a procurement strategy as well as working across government to develop effective integration of light rail with our existing transport system, including walking, cycling, public transport and private motor vehicle use.

To support this work, Capital Metro Agency will continue a program of strategic engagement of key advisers, particularly for those aspects of the project that are new to the ACT. For example, the investigation of innovative and prudent operating parameters and design considerations for a light rail service and specialist commercial and legal experience is required to finalise the delivery strategy.

Over the last six months there has been extensive work to determine the technical aspects in relation to engineering, urban design and light rail operations. A technical advisory consultancy consisting of Arup, Hassell, PB, Brown Consulting and others has progressed the project through a range of phases, including feasibility, scoping and definition design. This work has been completed in three phases: a feasibility phase, scoping phase and definition phase. Each phase has been delivered as required and in accordance with the time frames set out by government.

Internally, the Capital Metro Agency has been regularly discussing the elements of each design phase across ACT government directorates, sharing updates and information and building collaboration. Externally, there has been a great deal of

dialogue with stakeholders and the community at large. Capital metro's consultation program, which I will detail later, has complemented our efforts to evolve early designs to create a design that we can take confidently into a procurement process.

There has been a great deal of market interest in the project from all aspects of its delivery, including planning, financing, construction and operations. In addition to completing a number of market-requested individual briefings, the Capital Metro Agency has completed a detailed market-sounding process, and that feedback received from participants has been overwhelmingly positive. A project of this size and significance does require significant organisation on the private sector side. Therefore, it is important that we do all that we can to inform industry and facilitate their preparation.

For this reason, the Capital Metro Agency will be providing a briefing to industry on 15 September this year. This will be an important event for any and all of those who have an interest in the project. The purpose is to provide market participants and potential market participants with all the information they need to understand the project and to respond strongly to our expression of interest process. We also expect a strong turnout from local suppliers, who are very keen to understand the opportunities for their businesses. The Capital Metro Agency, as members would know, has developed a local industry participation policy to ensure that local businesses and suppliers are involved in the delivery of the first stage of light rail.

The industry briefing will also provide the government with an opportunity to outline key aspects of the project, including the project's role, its benefits, progress to date, technical specifications, design and environmental considerations, procurement steps and community expectations. We have already seen a strong flow of registrations in response to the invitation to the market industry briefing, and we expect this to continue.

Finally, in relation to consultation, over the past few months capital metro has been seeking feedback from the community on the design features of light rail. This consultation has sought to set a benchmark in engagement and develop a level of ownership across the community in this project. There has been a comprehensive six-week consultation period. There were activities like the pop-up information centre on Mort Street at the city bus interchange that was open during business hours for the entire consultation period. Detailed project plans and engineers drawings were available for public information and comment. Community information sessions were held at Gungahlin, Dickson, Erindale and Tuggeranong shopping centres. There was a letterbox drop to 17,000 residents within the corridor and a direct email to Canberra Connect registered residents of over 20,000.

A dedicated engagement hub was established on the capital metro website, supported by social media channels, to inform, engage and encourage discussion. An online survey to seek feedback on specific aspects of the project's design was also undertaken. And a stakeholder deliberative forum, which was opened by the Chief Minister, was held on 22 July. This provided an opportunity for more detailed discussion on issues such as design and broader development issues along the corridor and saw representatives from industry, social services, businesses, universities, special interest groups and community groups.

There are also presentations and workshops with stakeholders and community councils. There was media and print advertising and a strong social media program. Consultation covered four areas of the design: the strategic approach, the passenger experience, urban design aspects of the corridor and the nuts and bolts of what will be built and how it will work.

We saw great interest from the Canberra community. More than 16,500 interactions were recorded, including visits to the website. More than 500 people visited community displays, including the capital metro pop-up shop in the city. Some 430 people completed the online survey. And there was a strong array of tweets and Facebook posts from across the community during the consultation period.

In response to the four key design themes, we heard that the people of Canberra are interested in learning more about the project, how much it is likely to cost, the cost to benefit analysis and how the government plans to fund it. We also saw feedback from the community about the importance of effective integration with other modes of transport, including cycling, cars and the ACTION bus network.

There was strong interest during the consultation period in options associated with storing and travelling with bikes. Some 44 per cent of those completing the online survey said they would take their bicycle on light rail, with 25 per cent of those suggesting they would take a bicycle on light rail every day. Meetings with cycle groups highlighted the importance of planning for bicycles, taking this opportunity to integrate cycling into the overall design and construction of the transport corridor and our existing cycleway network.

I know that some people do not yet understand the need for light rail, and some argue that further investment in the bus service will meet current demand. Research and experience suggest that investment in buses alone will not provide the transport solution we need. It is clear that we need to reduce our car dependency, for a range of reasons, including our own personal health and wellbeing, and environmental and economic reasons, such as outlined by the bureau of transport and regional economics figures I mentioned earlier.

The fact is that more buses are unlikely to tempt Canberrans out of their cars. Light rail is the only public transport mode that has demonstrated it can attract 20 per cent of its passengers directly out of private motor vehicle use. We need a well-integrated public transport solution—light rail at its core, supported by a well-integrated bus, cycle and pedestrian network.

This is a vision that any resident or visitor is able to get anywhere in the city easily, efficiently and cheaply. Canberra is designed and can operate with more than one form of public transport. The most successful public transport systems in the world are those that integrate bus and light rail. Capital metro will work with, not against, the ACTION bus network.

Through investing in this project, we are putting people first. With one of the highest car dependency rates of any city in the world, we need to re-invent our public transport network to ensure that our growth can be sustainable for all of us.

Congestion and travel time along the corridor will become unsustainable if we do not allow for a priority transport lane. Giving buses priority means either taking away a lane each way on Northbourne Avenue or building a dedicated bus transit lane down the median of Northbourne Avenue. Neither of these options is the right solution for our community. In Canberra's case, this project is not just a public transport project; it is very much the glue that can hold the city together.

Madam Chair, thank you for the opportunity to give a brief opening statement. I am happy to try and answer your questions.

THE CHAIR: That was a very comprehensive brief opening statement. Thank you for that. You talked about stage 1 being well on its way for this project. Could you take us through, step by step, the time line from where we are now to when we first see a train run down the lines, from a procurement and financing perspective?

Mr Corbell: Thank you, Ms Berry. I will refer you to Ms Thomas shortly to give some more detail. But in general terms, the key decision point for government at this time is consideration of the final business case, which will go to government in the next one to two months. Following the government's consideration and decision on that final business case, we will be in a position to indicate, firstly, whether or not we are proceeding with this project and, if we are, what steps will then be taken. Presuming that the government does agree to proceed with this project, then the next steps will be to seek expressions of interest from the market, from consortia who are willing to bid in a request for proposal stage.

Similar to the process that is currently underway for the public-private partnership with the Supreme Court project, we have seen a strong level of interest through the EOI process and six consortia have come forward for that project. We will run the same process now for capital metro, and then there will be a shortlisting of those consortia that put their proposals forward, or their presence forward. We will ask them to put forward their detailed bids for this project in terms of its delivery and in terms of their costs.

Once those shortlisted consortia have bid, the government will then shortlist again and enter into negotiations with at least two of those consortia to choose a preferred consortium. Once that consortium is chosen, which we expect to be in the second half of next year, towards the end of next year, there will then be a process whereby the consortium will put in train their requirements to commence delivery of the project, and delivery of the project is expected to commence in 2015.

That is the general outline. In respect of construction, I think you asked for a period until a light rail line is operational. The construction period is approximately 2½ to three years, with operations commencing in 2019 or early 2020. I will ask Ms Thomas to give you some more detail.

Ms Thomas: Thank you, minister. I have a small cold; so forgive me if you cannot hear what I am saying. The minister has already outlined quite a detailed process. Part of the government decision in the business case is selecting the type of contracting that we might be moving ahead with, and particularly if that is similar to the Supreme Court with something like a PPP approach. If that is the case and if it is the

government's wish to proceed down that direction, then the minister is right, we would issue an expression of interest.

We would seek industry bids for that expression of interest with an aim to getting them back as soon as possible, obviously giving industry enough time to consider them and consider the consortia that they might wish to form. Post that period in time, we would then do a period of assessment to provide the shortlisted groups. Again, the minister has outlined that that would be at least two. Our partnerships guidelines for the ACT say that we will select a minimum of two, and it would be a preference to have two. Sometimes there are reasons to go to three. That is outlined in the partnerships guidelines as well. So we will be following that process to take any procurement forward under that basis.

We then interact in an RFP process. The RFP processes tend to be interactive in these types of contracts to make sure that there is very good understanding of the ACT's clear requirements through that process before accepting those bids back, selecting a preferred tender, providing that to government for approval before undertaking any final negotiations.

Ultimately, it is the market that defines how long the task will be. We can make our own assessments on how long we think that task will be, but it depends how the market packages in work such as utilities, such as anything that they might want to offer in terms of alternative planning approvals or requirements that will ultimately define the length of time for that. So we think at the moment that an assessment of commencement of construction in 2016 is viable in the design and construct process and then that would take people through to either 2½ or three years to the end of 2019, perhaps early 2020, depending on how a winning consortia might bid for that work.

THE CHAIR: What are the costs and at what point in the project will the ACT incur them through that staging out?

Mr Corbell: The costs the government is incurring currently are in relation to the preparatory and facilitative work that involves the Capital Metro Agency itself and the related consultancies, investigations and analyses being undertaken by CMA. So those costs are budget funded and are outlined in the current budget papers.

The government has provided funding for the work to continue in relation to market engagement, as Ms Thomas has outlined. At the completion of that process, the actual delivery of the project will be the responsibility—presuming the decision is to proceed with a public-private partnership—of the consortium chosen on the ground to do the physical works, both the preparatory works and the actual construction and delivery works, the procurement of rolling stock and so on for the project.

Those costs will be costs that are borne by the chosen PPP consortium. They manage those costs throughout the project. It is not drawn on by the ACT government budget. When the consortium has delivered the project, consistent with the agreement that it has with the government, which would normally be for a delivered and operational project ready to provide services, at that point there would be a point—a trigger, if you like—for the government to recognise that a regular concession payment would be made on a yearly basis to the successful consortium.

THE CHAIR: Thank you. Mr Coe?

MR COE: Minister, would you please advise whether the government has decided to go ahead with light rail?

Mr Corbell: As I have said to you previously, Mr Coe, and in the Assembly, the government's commitment is very clear. This is an election commitment to deliver this project, and it is contingent on satisfactory conclusion of the final business case and its endorsement by government.

MR COE: In which case, why are there five-year contracts for staff?

Mr Corbell: That reflects the government's commitment to deliver this project. It is not unusual for a staffing arrangement of this sort. If we are to obtain and secure the necessary personnel we need, we need to provide security of employment for a reasonable period with the reasonable expectation that, subject to successful completion of the business case process, there will be ongoing responsibilities that the agency and its staff will have to deliver.

MR COE: We repeatedly hear, from the Chief Minister in particular, that all this is still dependent on cabinet endorsing the final business case. Yet you keep saying that you have got a firm commitment. I am wondering whether you could please explain to me, and perhaps to anybody else who might be confused, the difference in language between yourself and the Chief Minister.

Mr Corbell: I do not think it is fair to characterise it that way. There is no difference. An election commitment is that—it is an election commitment, and it is contingent on a robust and thorough process, including the effective conclusion and endorsement of the final business case.

MR COE: What was your election commitment?

Mr Corbell: The election commitment was to proceed with stage 1 of this project from Gungahlin to the city.

MR COE: Was it to proceed or to construct?

Mr Corbell: To construct.

MR COE: Are you sure about that?

Mr Corbell: Yes, I am.

MR COE: So why did the election commitment only contain \$30 million?

Mr Corbell: The \$30 million recognised the preparatory costs associated with the project and presumed the delivery of the project through a PPP framework.

MR COE: We have just heard that a PPP has not been determined as the best way as

yet. So how could you make that call back then when you have said that the government still does not have a decision on whether a PPP is the best mode of delivery?

Mr Corbell: All these commitments are contingent on the adequate and sufficient finalisation of a detailed business case.

MR COE: So why is a PPP the best way forward?

Mr Corbell: The government considers at this point in time that a PPP should be very seriously considered because it is an effective way to manage risk and to minimise risk exposure to the territory taxpayer. The ACT government, for as long there has been an ACT government—indeed, before that when it was the commonwealth administration—does not have any in-house capacity or experience in the delivery of urban rail infrastructure either in terms of its construction or its operation.

Therefore, the use of a PPP framework allows us to shift those risks to the private sector, to entities, to companies and to organisations that do have experience, significant experience, in the construction, delivery and operation of a light rail line. The PPP framework allows us to ensure that those risks are borne by consortia with the experience and expertise to manage those risks effectively without additional exposure to the taxpayer.

In simple terms, we believe it is a prudent approach that should be very seriously considered by the government as a way of shifting risk from the taxpayer, from the government itself, to the private sector for what is a complex and very large construction and operational project.

MR COE: Given that that risk can be quantified and the investors will want seven, nine or 11 per cent return on this, why would you do that as opposed to simply doing it yourself at the government bond rate?

Mr Corbell: I will ask Mr Edghill to give you some detail on that, Mr Coe.

MR COE: Sure.

Mr Edghill: The ACT jurisdiction is one of the last to the world of PPPs in Australia. So we have the good fortune of there being a body of experience elsewhere in Australia in the PPP field. The point that you raise is essentially at the nub of the matter. Setting aside risk, which I will come to in a second, when it comes to sheer financing costs, part of the equation is looking at what the cost of private sector funding would be versus the cost to government. But that is only part of the story. The other part of the story is around the efficiency of delivery, because that also then has a big impact on the actual cost of delivering a project.

Looking at the financing side of it first, I think there are maybe two points to make there: the first one is that when you look at the cost of private sector financing, at the moment we are in a favourable environment where the private sector, on the debt side, is able to borrow relatively cheaply for projects like this. There is also an equity component as well as a debt component to a PPP project.

There is another more theoretical debate, which I will not go into at length here, around whether the right cost to be looking at from the government's perspective is the marginal cost of debt or whether government should be taking a broader view as to its actual cost of funds.

But the second component—there is not just the cost of borrowing but who can deliver the project more efficiently. For example—I am just making up numbers here—if private sector financing cost one per cent more than what government could finance it for, but they could deliver the project five per cent more cheaply and more efficiently, then the overall cost is better by going through the private sector rather than government trying to do it itself.

In a project such as capital metro, if you go back to the fundamentals of what we are looking to build here, it is a light rail line. The ACT government has no experience whatsoever in building light rail. In contrasting our in-house capabilities against what the private sector is able to do through its experience, not just elsewhere in Australia but around the world, I think it is perhaps reasonable to say that the private sector, the people who do this sort of thing for a living, would be able to do it more efficiently than government trying to do it itself.

That then comes to the risk question. Part of the thinking which has gone into our assessment of various delivery models is not only the cost side and what provides the greatest degree of cost certainty, but there is the risk element to the equation too. Silly though it may sound, there are risks associated with building light rail—for example, something as simple as making sure that the trams that you buy actually fit at the stations.

That sounds silly, but there was an experience in France reasonably recently where the national rail company—this is heavy rail rather than light rail—purchased a series of rail cars that did not fit at their regional stations. That is a rail organisation which had been in existence for a very long time and still managed to get that wrong. So these are very real risks.

One of the attractions, if government decides to go down the route of a PPP, is that that risk is not borne by government. That risk is passed to the private sector. If, for example, they built the system and the trams did not fit on the stations, then government is not paying a cent until that is rectified and is rectified at the private sector's own cost. So there is more to be taken into account when assessing PPP versus doing it yourself than just the marginal cost of debt to government.

MR COE: But in the event of any procurement, those circumstances which you just spoke about should still be the fault of the supplier, should they not? If capital metro say, "We want a tram for this gauge and it has got to be this height," and it is not supplied by the supplier, then that is their fault. Surely all these risks can be mitigated through conventional government contracts.

Mr Edghill: The risk then becomes that government actually gets it wrong in telling the suppliers what it wants. This is a simple hypothetical example, but if government says to the people building the stations, "This is how long we want the stations," and

government says to the people building the trams, “This is how wide the trams need to be,” and we get that wrong, then that is our risk and we have to bear it, whereas if you go down the path of a PPP, it is not the government who is talking to the suppliers and telling them what the dimensions are. It is the private sector itself. So if they get that wrong, it is not actually government paying for it; it would be the private sector.

MR COE: That all sounds very reasonable. I am surprised to hear it from a Labor government. So would that be applied to other areas in the government as well, do you think, minister?

Mr Corbell: The government’s focus is very much on investigating new and innovative ways of delivering infrastructure. Clearly, the PPP framework is new to the territory. We have invested considerable time and expertise in the development of a PPP framework. The first PPP project is now underway with the law courts project. Certainly, as Mr Edghill has said, we have undertaken significant work in learning and understanding the issues and the approaches that have been adopted in other Australian jurisdictions that are much more familiar with PPPs when it comes to the ACT’s framework.

MR COE: So what are the major risks identified by the preliminary risk assessments that you have done so far?

Ms Thomas: I am happy to give a bit of is summary, but obviously some of that information is privy to the cabinet submission and the information we will be providing to the business case. But to talk to the interface risk, as such, which was one Duncan was just talking about, light rail is the interface of many different technical components. It involves a rail, it involves geotechnical work and a pathway, a roadway. It interacts with the roadways and pedestrian crossings and traffic lights. It involves signalling that needs to be integrated into the whole system as well. It involves buying a train or rolling stock, a tram that has to go together with all of those other pieces. Those other pieces then need to integrate with stations and the amenities that we require for people in terms of DDA compliance and just general human amenities in terms of operating. We need to integrate it with a timetable with some real time, with ticketing systems.

All of those things provide areas of interface that require some element of consideration. Some of those risks will be borne on the government’s side. For instance, if we chose to continue with the MyWay ticketing system, then that is something we need to continue to support and provide information to the consortium on. That is just an example of why these systems are quite complex and the interface risks drive us to look for alternative solutions for delivery.

One of the risks that has been discussed quite a lot is utilities, and that has been discussed in every light rail project around the world. That is one we are continuing to study and understand at the moment, and we continue to have some understanding of where those utilities risks might sit for us. Risks such as contamination can happen across any project—any roadway, any major infrastructure project, building a hospital, building a court. No-one really knows the condition of the soil until they start doing some of the survey works to understand those risks.

Then there is the risk of planning approvals. Planning approvals is something that is a risk across all jurisdictions; it is not unique to the ACT. It is important that we follow a fairly structured approach for that risk and understand well how we are going to work through the various elements of our design so that we can have design approval in time for someone to come forward and do the construction works.

MR COE: The risk of excavation, no PPP is going to take on that risk, so, therefore, it is going to be dependent upon the government providing all the information, and unless that is absolutely 100 per cent correct, you have major variations and all sorts of escalating costs. Given that the utilities down Northbourne are highly unlikely to be taken on by a PPP and the government has to do that as a hard tender, what risk left in the project, other than patronage, is any different to any other procurement, whether it be a new school, whether it be buses, whether it be a new fire or emergency services station or anything else?

Ms Thomas: I am interested in your view that no company will take on utilities risks. In Sydney light rail, the utilities risks were provided to the consortium to take on fully. In the Gold Coast many elements of the utilities risk were taken on by the consortium. It is important to understand which parts of the risk need to be shared by both government and a consortium taking them on versus which ones make sense for us to be able to transfer.

Having a PPP-style contract does not mean we just flog all the risk off to somebody else and they just take it on; it means we take quite a considered approach to the risks that are there and take an assessment as to which ones are best owned by the government. If we assess that we should own some of those risks, we make provision for those risks, we make an assessment of them and a provision as part of our overall costing estimates. It comes down to the negotiation and the negotiated discussions with the proponents as to what elements of risk they are prepared to take on to make sure there is a value-for-money assessment in that risk transfer as well. It is all well and good to transfer risk, but it is important to understand at what cost that risk is transferred and just who is in the best position to manage it.

In the case of some of our utilities, such as ActewAGL, we may have better interaction and ability to work with them to manage some of the utilities risks, or we might be able to have them working with the consortium to do it. That is part of the consideration as we move into our RFP phase as to just how much is there.

Part of the work that we do in assessing the risks and assessing the corridor for utilities is to understand as much as we can about what is there so that we can take a considered view on what those risks might be and who might be best placed to manage those at the time.

MR COE: It looks like the George Street utilities in Sydney are going to be taken out of the PPP. Is that your understanding as well?

Ms Thomas: That is correct, but the rest of the utilities along the remainder of the route remain in the consortium's scope of work for them to take on.

MR COE: Sure. And that could be so here in the ACT whereby you could take out

Northbourne but everything else is within the PPP. Given utilities are likely to be taken out of the PPP in Sydney, do you think there is a fair likelihood that the utilities are going to be taken out of the risk in a PPP for Northbourne Avenue?

Mr Corbell: As Ms Thomas has already indicated, this is contingent on discussions and negotiations with the preferred consortium, and a range of approaches can be adopted that can lead to inclusion or the exclusion of some of these risks in terms of the contract with the PPP partner. But that is yet to be determined. The work that is being undertaken by the government to date is designed to as adequately and as effectively as we can scope that risk so that we can understand whether it is reasonable to transfer it to the public-private partner or not and, equally, for the public-private partner to see what our level of knowledge and understanding is of those utility risks.

That is why the government is investing now in works along the corridor. I think there is in the order of over 500 excavations or other investigations into the conditions below ground along the corridor. It is a mixture of trenching work and other work which is designed to ensure that we have a good picture of the situation in that regard.

MR COE: If the utilities are taken out, the next biggest risk in contrast to any other government tender would be patronage. Why, then, would you not just construct it using conventional tendering and then just do an operating contract?

Mr Corbell: I think your question is premised on a supposition that is not yet in contemplation. As Ms Thomas has said, there may or may not be elements of the utilities risk that are in the PPP framework. That is yet to be determined.

THE CHAIR: I understand that PPPs are new to the ACT, and I understand that part of what the PPP does is removes the risk from the government and it is the responsibility of the person who receives the contract to build it if anything goes wrong. How does the government hold them to account for problems that happen? Mr Coe touched on this earlier, but can you include in the contract arrangements that they need to meet certain standards or guidelines?

Mr Edghill: If government decides to go down the path of a PPP, part of the contractual arrangement will be to include an abatement regime in the contract. The abatement regime may have several tiers to it, starting off with small problems—if there are small problems, then the risk the private sector bears is that we will not pay them as much as they would otherwise be entitled to—through to the extreme end, if you like, where, if for reasons within the private sector's control, the light rail system just is not working, then, in that situation government would be entitled not to pay them anything.

Sitting within the private sector consortium is a number of people potentially, so there is the constructor, particularly during the early years, you would have an operator in there, but you would also have both banks from a debt side and equity finance providers. Both the equity providers and the debt financiers, as you can appreciate, are very keen to get paid. Again, one of the potential advantages to government of the PPP arrangement is that as well as government bringing pressure to bear upon the operators or the maintainers to do what they are meant to do, if the risk is there that

the equity participants or the debt participants will not get their money back, you have an additional group of people separate to government but whose interests are aligned with government bringing significant pressure to bear upon the operators and the maintainers to ensure that the service is delivered as has been contracted with government.

THE CHAIR: I want to talk about the communication and consultation plan through this project. You talked about the consultation that has already happened. What sorts of feedback have you had? You have talked about some percentages and figures, but have you had feedback from the people that you have spoken to during the pop-up shop about what they like most about the light rail idea?

Mr Corbell: One of the key messages we have heard from people is the transport benefits they believe will come as a result of the project—that is, the reliability of a dedicated fixed line that is not going to change like a bus route can, that is not going to be cancelled or turned into an extra traffic lane, like a bus lane can. The permanence of this fixed piece of physical rail infrastructure is a significant demonstration of a commitment to a particular level of public transport service delivery which people respond to very positively.

We see right now on the corridor property owners and prospective property owners taking into account the potential for this project. That is consistent with what people have told us in the consultation period—that is, people consider the reliability, the travel time savings, particularly in the long term, and the permanence of the infrastructure as real benefits for the city.

The other message that I found very interesting to hear in my discussions is that people also have said this is a project that has potential for the rest of the city as well. Obviously stage 1 is from the Gungahlin district to the city centre. But the potential is, of course, to grow that network over time and incrementally expand it. People see that, by the government making this commitment from Gungahlin to the city, the government is also indicating in the longer term that the territory has the capacity to expand and grow a network and that that obviously has benefits for the city as a whole.

THE CHAIR: One of the things about this project—because it is such a big project and it is such a big change for our city—is that people are quite fearful about it. How will the government now and into the future, if there is a PPP, ensure that whoever is responsible for building the rail properly communicates and consults with the community about the project all the way through from now until the train arrives?

Mr Corbell: The effective delivery, for example, through a PPP, of this project includes the effective communication by the PPP consortium with anyone who is affected by or interested in the project. There needs to be strong engagement, particularly with those people and organisations and businesses that are directly interfacing with the project during its construction. That will be a critical part of the contractual terms with the PPP consortium—that is, their capacity to deliver and effective and ongoing public engagement, communication and consultation mechanisms. Getting the project built will require a high level of communication, information and adjustment to the feedback received in terms of the physical delivery of the project.

The Capital Metro Agency itself will have an important role to continue to explain progress on the project and how it fits into the broader picture of transport planning in the city in conjunction with other government directorates. There will be an ongoing function for CMA as well as for the chosen consortium, should a PPP be entered into.

THE CHAIR: Is there room for the government to require the developer to have a pledge to the community about how they communicate and that they be held accountable to that somehow?

Mr Corbell: Certainly the territory would spell out in the contractual agreement we have with the PPP operator our expectations and the commitments the PPP consortium needs to make in terms of engagement. That is absolutely right, Ms Berry.

THE CHAIR: Communication is always very important at the front, but more of the problems occur during a project's development. I think that is a really important part of the project.

Mr Corbell: It is worth highlighting, too, that the chosen consortium is not just the constructors; it is also the operators. They have a long-term interest in having a good relationship and an open level of engagement with the community they will be serving for around 20 years. It is in their interests as well to have a strong level of engagement and commitment to consultation and information sharing. That is certainly our expectation of them.

THE CHAIR: Regarding the feedback that you had from the conversations that you had and through the pop-up shops, I have heard people's preference for light rail described as model love and that people are more likely to catch trains. Has the evidence that you have seen supported this?

Mr Corbell: Certainly there is a good understanding that there is something intrinsic about the delivery of the physical, dedicated right of way, permanent right of way, that comes with a rail line, whether it is a heavy rail or a light rail line, that is not delivered by other forms of public transport infrastructure, as I was indicating earlier. Bus services can change. That can be an advantage, but it can also mean they can be cancelled or removed. Physical right of way for buses can be converted to general traffic lanes. So there are problems with bus-dedicated right of way that light rail overcomes.

There is a role for this type of infrastructure, but in the long term the decision for our city is what sort of priority do we want to really give to public transport and start getting people to understand the benefits and see and realise the benefits of good, high-quality, frequent public transport and achieve shift not just from one public transport mode to another but from out of motor vehicles into public transport, which is the real objective.

We know that the experience of light rail in other cities in Australia, where these projects have often been contentious but have ultimately been delivered successfully, whether that is in Adelaide or the Gold Coast, for example, and, indeed, the extensions of the light rail network in Sydney, have fundamentally changed the way

people see their choices for how they move around the city and have achieved a level of patronage that is well in excess of the expected or projected patronage at the time those projects were first proposed.

THE CHAIR: I met a woman who recently bought her first home, on Flemington Road, and she purchased her home there due to the certainty given by the planning process and the ease of access in the corridor that is going to be offered to the city through this light rail project. Is there a master plan being developed for services around the rail line that will increase the certainty about this amenity?

Mr Corbell: Yes, you are right to highlight that, in addition to the delivery of the transport infrastructure itself, there is a need to undertake detailed planning and development work for the corridor as a whole. The Environment and Planning Directorate is undertaking a detailed body of work at the moment which includes an urban design framework, particularly for Northbourne Avenue because that is important in terms of the expectations and the requirements of the National Capital Authority who have significant say and control over works within that part of the corridor but also for along Flemington Road itself.

The work undertaken by capital metro and its consultancies to date has indicated that there is a need for an active development strategy along the corridor that looks at the opportunities for the creation of hubs along the corridor, not just for housing but for mixed-use development, a range of business or retail uses where appropriate, that is complementary to and consistent with the broader planning strategy for the city. That work is underway right now and is a very important part of the overall delivery of this project.

Really the point you are making only emphasises how this is not just a public transport project; it is an urban development project for the city to meet significant population growth, particularly on the north side of Canberra.

THE CHAIR: You talked about why people like getting on trains. You talked about there being some certainty with travelling on trains as opposed to buses and that it is a more open system of public transport. Are there other benefits to light rail, like level of entry? I know it seems like a small thing, stepping up onto a bus, but for a lot of people, level of entry might be something that they would appreciate more.

Mr Corbell: Yes, effective disability access is a benefit of this project. The government will expect that delivery of the project will ensure DDA-compliant stops at all stops and no-step entry into the light rail vehicle for passengers. So that is a very important consideration for the elderly, for people with disability, for people with other mobility challenges, and that will be a key requirement of the project. All station and stops are anticipated to be fully DDA compliant without the need for steps, and one of the great advantages of this form of infrastructure is that you can deliver that level of accessibility at all locations where the service stops and provides a service.

THE CHAIR: I am not sure how you will get bikes on light rail. Will it operate the same as buses? Do they sit on the front or do they go into the train itself?

Mr Corbell: There are a range of views as to whether or not bicycles should be

accommodated and carried on light rail, and it is one of the questions that we are asking Canberrans about at the moment as part of the recent consultation process. There are basically two options. One is to allow bicycles to be carried within the light rail vehicle, and that would involve the use of part of the inside of the vehicle where people can stand with their bicycles. The second is to provide for bike-and-ride facilities where bicycles cannot be taken on light rail vehicles but people can park and secure their bicycles at stations and then complete their journey by light rail.

We have had some very good engagement, feedback and comment from cyclists groups, particularly Pedal Power and associated groups. They have given us some very good feedback on what their members' views are on this issue, and we are seeking to take that into account.

Generally speaking, in Australia bicycles have not been permitted on light rail vehicles themselves but provision has been made for secure bike-and-ride-type facilities at stations. That is the case, I think, in the Gold Coast, Sydney and Adelaide. However, it is a matter that government has not yet decided upon.

THE CHAIR: Have you had feedback from the Guide Dogs Association about taking guide dogs on the train and providing room, I guess, for them? When you get on a bus with a guide dog, the poor dog is usually shoved under the seat or something like that, or people trip over it or things like that. I do not know how light rail is placed to take that sort of thing into account in their development.

Mr Corbell: It is absolutely the case that seeing eye dogs are permitted on public transport now and that would be the case with light rail. They would be permitted. Provision would be made for seating for people with a disability, including seeing eye dogs, consistent with the DDA standards. Disability seating needs to be provided for on the light rail vehicle so that there is sufficient space, whether that is if you are in a wheelchair or if you are accompanied by a seeing eye dog.

THE CHAIR: Or you have a pram?

Mr Corbell: Indeed, or if you have a pram.

MR COE: And how does the median alignment for light rail tie in with that? It means that someone who is vision impaired has to cross the road every single time that they hop on and off of a tram. Therefore, is that not actually going to leave some people in a worse situation than if they are on buses?

Mr Corbell: You have to cross the road each time, depending whether you have a median or a kerb alignment. Indeed, if you have a median alignment, the total amount of area you have to cross is less potentially than if you have to cross, for example, to one whole side and then the other whole side of Northbourne Avenue, which you would have to do with a kerbside alignment. Crossing the road is going to be part of any solution, regardless of whether you choose median or kerbside. Crossing the road is going to be part of the transit journey for passengers.

It is important to make sure that stations are located at points along the route which provide for safe crossing for passengers as they enter or leave a light rail station. The

design that the government has put forward to date has focused very strongly on the location of stations adjacent to existing major, signalised intersections so that the station infrastructure can be aligned with those signalised intersections to provide for signalised and safe pedestrian crossing.

THE CHAIR: But it is not going to look like Melbourne, for example, with trams going around corners and cars crossing over? It is going to be a very different look in Canberra, is it not, our light rail? That is the vision, is it not?

Mr Corbell: It is not like the inner CBD streets of Sydney or Melbourne. We are fortunate to have a dedicated, purpose-built median for most of the length of the corridor. That has been built of course, and provision been created from the beginning for public transport priority. That is why the median is of the generous size it is.

The design of the light rail route carries the vehicles for the majority of the journey along the median. There are some elements of the journey, particularly once you leave Antill Street until you enter Flemington Road, where road would need to be realigned and a more generous median created to provide for light rail. We will not see the sorts of stops you see in some parts of Melbourne where the stop is in the middle of the road and you are dealing with all the potential conflicts between pedestrians and motor vehicles that you see at some of those stops.

MR COE: Why did the URS report recommend a kerbside alignment?

Mr Corbell: The URS report recommended a kerbside alignment based on their assessment of the corridor. I would have to go back and review the details of URS's reasoning to provide you with a more detailed answer than that.

MR COE: And when did you decide to go for a median alignment?

Mr Corbell: On consideration of capital metro's analysis of the different options.

MR COE: And when was that?

Mr Corbell: Formally it was determined earlier this year.

MR COE: Are you going to tell me when that was formed?

Mr Corbell: I would have to take it on notice.

MR COE: Yes, please do. With regard to consultation, will you please advise what the rationale was for the recent survey that was undertaken?

Mr Corbell: The rationale? The purpose of the survey?

MR COE: Yes.

Mr Corbell: The purpose of that survey was to ascertain community views in relation to the project, questions or concerns the community had with the project, to inform the communications strategies being undertaken by the Capital Metro Agency in its

subsequent consultation exercise with the community.

MR COE: And when was that decision made to go ahead with the survey?

Mr Corbell: Prior to the commencement of the formal consultation period on the design options for the route.

MR COE: And when was that?

Mr Corbell: I would have to get an exact date for you, but it was prior to the consultation.

MR COE: If you could take that on notice, that would be good. Is there a reason why the questions put to respondents did not include the cost of light rail?

Mr Corbell: The government has indicated that issues in relation to the cost are subject to finalisation of a business case. And it is not our practice to put out figures that may be misleading or inaccurate.

MR COE: Who determined the questions that were asked?

Mr Corbell: The Capital Metro Agency.

MR COE: You engaged a market research firm. Did they give you any advice about the questions, or did you develop them all and—

Mr Corbell: No, it was done in conjunction with the accredited research firm, but Ms Thomas can give you some more context.

Ms Thomas: We started out with the market research activity to try to understand what people might need more information on, what they might know about capital metro, where we needed to communicate more. And that was our basic principle, but we worked with the market research agency, after going through a tender process to select them, to structure the questions and structure how they might, using their expertise, tackle that market research.

MR COE: They ticked off all these questions as being scientific and worthy?

Ms Thomas: Absolutely. That was their advice and recommendation.

MR COE: Is not a question like “Would you support extra money being spent on a light rail system rather than buses if you knew there would be more long-term benefits for Canberra?” a leading question?

Mr Corbell: I do not believe so.

MR COE: How could you say no to that question, if you knew? How could you say no to that question?

Mr Corbell: It is designed to test people’s opinions and views.

MR COE: But how could somebody say no to “Would you support extra money being spent on a light rail rather than buses if you knew there would be more long-term benefits”?

Mr Corbell: The fact is some people did say no to that.

MR COE: It is curious, is it not? Even despite that, people still said no.

Mr Corbell: I think you are arguing against yourself. It is not a leading question. People were able to indicate their own view on that matter.

Ms Thomas: And their preferences.

Mr Corbell: And their preferences, and there were a range of views.

MR COE: What about a question “Light rail will help to upgrade and uplift Northbourne Avenue”?

Ms Thomas: That gave people an opportunity to say yes or no. Again, it was testing them as to whether they thought the Northbourne Avenue corridor was part of the light rail project.

MR COE: “Do you think your family and friends would want a new light rail system for Canberra?” There is no mention of the price, no mention of how it is going to come about. Nowhere in these questions is there any mention of any of that, and you are saying this is a scientific survey?

Mr Corbell: The survey has been devised and ultimately approved based on both the work undertaken by Capital Metro Agency and by an approved and accredited market research firm. It is important to stress that the survey was undertaken to ascertain people’s views, concerns or questions about the project. If your concern is that somehow this was designed to gloss over or avoid the issue of the cost of the project, then I can reassure you that that is not the case. It is not the case because in the results of the survey, it was quite clear, as the government has already indicated in our release of the results, that one of the main issues of concern to residents, even those residents who support the project, is obviously the issue of cost.

So it would be wrong to characterise the survey as avoiding or ignoring the issue of cost or not being able to capture concerns about cost, because it quite clearly did, and it quite clearly indicated that the key question or concern that people had in relation to the project, even amongst the clear majority who supported the project, was the cost of the project. And I think that demonstrates that the survey has been a robust exercise.

MR COE: It is interesting, because throughout the entire survey there were many mentions of pros but the costs were not even mentioned. People had to volunteer that. You had pros throughout and no cons mentioned. How is it possible that this could possibly be a scientific survey when it is riddled with pros and no cons mentioned?

Mr Corbell: If you want to criticise a recognised and very respected market research

firm, that is a matter for you. But I simply draw your attention to the answers to question 13—

MR COE: “What aspect of the rail project is of concern to you?” It is an open-ended question.

THE CHAIR: Just a moment—

MR COE: And they still volunteered cost.

THE CHAIR: Just a moment, Mr Coe.

MR COE: Nowhere else—

THE CHAIR: Just a moment, Mr Coe. He is trying to answer your question. Then you can ask another question.

Mr Corbell: If I could just answer the question, question 13 states, “What aspect of the light rail project is of concern for you?” Cost and affordability for perceived benefits is the number one issue that people raised. 54 per cent of respondents cited cost and affordability for perceived benefits as an issue of concern for them. When you look at the breakdown from question 13 in terms of cost affordability and perceived benefits, 44 per cent of those people who indicated they were supportive of the project cited cost affordability and perceived benefits as a concern. 71 per cent of those people who indicated they did not support the project cited cost affordability and perceived benefits as their key concern. I think the survey speaks for itself. It has been able to capture those views—both the positives as well as people’s concerns.

MR COE: So you have got a premise in question 14:

The current trees along Northbourne Avenue are reduced in number due to poor health and weather impact. Building a light rail along Northbourne Avenue may mean replacing the current trees with new and longer lasting trees. Do you support this approach?

Given that question 14, why was there not a question that said something along the lines of, “Constructing light rail is likely to cost in the vicinity of \$614 million. In light of this, do you support the construction of light rail?”

Mr Corbell: As I said, the government is not in a position to cite the final capital or operational cost for this project because that is contingent on the final business case.

MR COE: Given that, why is it that the survey undertaken by CRSMS, which was on the capital metro website, has been taken down?

Mr Corbell: We are not familiar with that, Mr Coe.

MR COE: You are not familiar with the survey?

Ms Thomas: I do not know which survey you are referring to?

MR COE: I am referring to the survey “Results to a series of questions on the city to Gungahlin transit corridor” conducted for transport planning, Environment and Sustainable Development, reporting 7 May 2012. It is the one that asked a question such as, “If bus rapid transit might cost \$300 million to \$360 million where light rail might cost \$700 million to \$860 million, which one would you prefer? You are not aware of that survey?”

THE CHAIR: Where was the survey, sorry?

MR COE: This is the survey that was on the capital metro website—

Mr Corbell: This survey has not been undertaken by capital metro or commissioned by capital metro.

MR COE: This survey was on the capital metro website until recently. It is no longer there. That is where I got this survey from. It is interesting because the findings of this survey clearly show that after informing people—they still use a figure, despite not being passed through cabinet—more people preferred bus rapid transit to light rail transit. I find it an absolutely appalling demonstration of poor process if the head of capital metro has not been provided with this survey.

Mr Corbell: As I have said, Mr Coe, it is not a survey that has been commissioned by the Capital Metro Agency. I am not familiar with it. I will seek to ascertain some advice on that for you before we finish the hearing this afternoon.

MR COE: Were you the Minister for Environment and Sustainable Development in 2012?

Mr Corbell: Yes, I was.

MR COE: So you were not aware of this survey which was commissioned by your agency?

Mr Corbell: I cannot recall such a survey, no.

THE CHAIR: They have taken that question on notice. Did you have something else that you wanted to ask, Mr Coe.

MR COE: Perhaps someone might like to ask if any of the advisers here are aware of this survey.

Mr Corbell: Those inquiries are being made now, Mr Coe. As I have said, I will endeavour to get an answer to you before the close of the hearing this afternoon.

THE CHAIR: Thank you, minister.

MR COE: Therefore, can we assume that this survey has not been used to inform any decisions by capital metro?

Mr Corbell: As I have said, I am seeking further advice in relation to that matter and I am happy to try and answer those questions once I have received that advice before the conclusion of the hearing this afternoon.

MR COE: Who manages the capital metro website?

Mr Corbell: The Capital Metro Agency does.

MR COE: Who prepared the capital metro website?

Ms Thomas: I would have to refer that to Ben Smith.

Mr Smith: The capital metro website was produced in house through the government platform with TAMS, I believe, at the time. It is administered by our staff. There are a number of historical documents that have been added to the website. We currently are looking to investigate your query regarding that survey.

MR COE: Mr Smith, are you aware of this survey? Have you ever seen it?

Mr Smith: No, I am not. No. I was trying to understand whether it was part of some of the previous reports, but myself personally, I am not aware of that.

MR COE: How many hits are you getting to the website and what analysis have you done about the popularity of that communication channel?

Mr Smith: The website has actually increased hits significantly during the consultation period. We increased our traffic by over 100 per cent. We are finding particularly through the traction we have gained through our social media push and the production of new content, which is aimed to sustain the discussion that we are aiming to facilitate for the next two to 2½ years, that the website is becoming increasingly popular. I think over 35,000 page views have been achieved through the consultation period.

MR COE: How many unique visitors?

Mr Smith: Within that, there is 9,200 individual sessions.

MR COE: Individual sessions; do you know how many unique visitors, or unique IPs?

Mr Corbell: I think we have to take that question on notice.

Mr Smith: I will take that on notice.

MR COE: Sure. Minister, are you aware of a media release you put out on 21 May entitled “Survey shows strong support for city to Gungahlin transit”?

Mr Corbell: Yes, I am familiar with that media release, although I do not have the detail of it in front of me at the moment.

MR COE: Can you take a stab in the dark as to what survey it was referring to?

Mr Corbell: It was referring to the survey, I believe, that was released by the Capital Metro Agency that we have just been discussing.

MR COE: No, 21 May 2012 I said?

Mr Corbell: 21 May 2012? I would have to check my records, Mr Coe. I issue a lot of media releases in a year and I cannot recall that media release.

MR COE: Sure. Do you have more questions, chair?

THE CHAIR: I will ask about the web page. I refer to social media and the Twitter account. I have not looked to see how many followers you have, but do you know how many followers you have on your Twitter account? Do people go from your Twitter account to a page? I do not know if you can measure that or not?

Mr Smith: On the Twitter account, we have around 196 followers. Certainly that is the intent. The same goes for Facebook.

MR COE: How many followers?

Mr Smith: 196.

MR COE: Right.

Mr Smith: The idea with your social media channels is that you push out your content to that audience. We work across government, particularly across other directorates that have a wider base, so we can amplify that message. Certainly the aim is to use the website as a central repository that you are driving that traffic back to. The good thing is you can leverage a lot of good conversations using social media platforms.

THE CHAIR: That is what I was going to ask. Through the Twitter account, do you have a conversation on your Twitter account when you post on the Twitter account? How do people have a conversation on Twitter and on Facebook with you? Not how do you do it, but how often does that happen? Does it happen each time? Is there a way that you are measuring that? Do you keep that information and collate it somehow?

Mr Smith: We do. For example, during the consultation period, we took each of those comments and brought them back to our—we have a software package where we put each interaction. We classify that in terms of the type of feedback that we are providing. The conversation does not occur every time on Twitter or Facebook.

THE CHAIR: It does not happen with me every time either on Twitter or Facebook.

Mr Smith: No, these are channels where part of your goal is awareness. But certainly we have held a lot of conversations in recent months. It is a good opportunity to have a less formal discussion. There are a lot of people that prefer these channels above and

beyond the traditional channels; so we are very happy to—

THE CHAIR: I am just mindful of the time. We will go to a quick break in a minute. Do you do paid advertising on your Facebook account?

Mr Smith: We have done a bit. It is very cost effective. There were a couple of instances during the consultation period where we felt some of the media articles and some of the discussions were worth amplifying during that period. You can gain a significant reach with a very value-driven investment via Facebook. We certainly did that.

THE CHAIR: Thank you. We will have a quick break and resume at 3.

Meeting suspended from 2.45 to 3.01 pm.

THE CHAIR: The public hearing into capital metro will resume.

Mr Corbell: Madam Chair, I have some further information in relation to the questions Mr Coe was asking about a survey undertaken by Winton Sustainable Research Strategies, the so-called Canberra and Region Social and Market Survey, or CRSMS, and I would be happy to provide some further information to the committee.

THE CHAIR: That would be useful.

Mr Corbell: That survey was conducted between 28 April and 3 May 2012. The purpose of the survey was to assess community views as to public transport improvements along the city to Gungahlin corridor, in particular, along Northbourne Avenue. I released a media statement on this survey on 21 May 2012. The results of the survey are a matter of public record.

I indicated in my media release that before people were informed of a notional cost for bus rapid transit of somewhere between \$300 million and \$360 million and for light rail transit of somewhere between \$700 million and \$860 million, 68.5 per cent supported light rail, 24.3 per cent supported bus rapid transit and a small percentage of people did not support either or they were unsure. After being informed of those notional costs, the number in support of light rail was 45.8 per cent and bus rapid transit was 46.5 per cent, again, with a small percentage either supporting neither or unsure.

Those results were released by me on 21 May 2012. I have been provided with a copy of my statement made at that time, which is over two years ago. This material was not on the capital metro website because, when the Capital Metro Agency had fully engaged all its communications staff, the purpose-built Capital Metro Agency website was established. Prior to that, Capital Metro Agency material was hosted on the then Environment and Sustainable Development Directorate website, and this material was commissioned by the Environment and Sustainable Development Directorate before the Capital Metro Agency was established.

MR COE: Are you saying that that was never on the capital metro website?

Mr Corbell: I am advised it was on the interim website, which was hosted by ESDD prior to the purpose-built capital metro website being established.

MR COE: That is useful information; however, it still does not go to the real concern, which is why the agency was not aware of it?

Mr Corbell: It would be fair to say that Ms Thomas was not even in Canberra at the time of the issuing of the survey. Clearly, the survey shows that even when people are informed of the relative costs, of light rail versus bus rapid transit—

MR COE: They go for buses.

Mr Corbell: Approximately 0.7 of one per cent in favour of buses.

MR COE: Yes, that is right.

Mr Corbell: Effectively, it shows that, even when people are informed of the relative notional costs of BRT or LRT, respondents are evenly split.

MR COE: Evenly split, like 55-45 perhaps?

Mr Corbell: 45.8 to 46.5; that is less than one per cent.

MR COE: A ringing endorsement! So what other documents might exist from ESDD that capital metro do not have, and is it reasonable for the head of capital metro to look at documents produced prior to her moving to Canberra?

Mr Corbell: It is reasonable to expect agencies to be familiar with all relevant documentation. This survey was a survey about people's support for public transit improvements along the corridor and choices between modes. It is consistent with what we have seen in subsequent survey work, which is that there is strong support for LRT and for improvements in public transit generally along the corridor.

MR COE: Minister, has your agency seen a copy of the 2003 KBR study?

Mr Corbell: The government as a whole is familiar with the KBR study, yes.

MR COE: Has your agency seen it? Again, it is before the Capital Metro Agency was formed, as was the 2012 Infrastructure Australia report, as was the 2008 Infrastructure Australia report, as were the numerous ones before that. Have any of these reports been viewed by your agency?

Mr Corbell: Yes, they have.

MR COE: So which ones have and which ones have not?

Mr Corbell: Well, which ones are you asking about, Mr Coe.

MR COE: It is a real concern that you have reports generated for the Gungahlin to city corridor that were not known to the agency.

Mr Corbell: I am happy to indicate to you, if you ask me which documents you are referring to, which ones the agency is familiar with.

MR COE: Is the agency familiar with the 2003 KBR report?

Mr Corbell: Yes.

MR COE: Is the agency familiar with the 2012 CRSMS report?

Mr Corbell: Yes.

MR COE: Is that in contradiction to what was said earlier?

Mr Corbell: We are aware of it.

MR COE: So how has that document, commissioned at, I would say, considerable expense to the taxpayer, informed policy decisions, or is it just another of the \$750,000 spent on surveys that has been a self-gratification exercise?

Mr Corbell: I would not accept your characterisation of it that way, Mr Coe. The government's view on that survey and its findings are set out very clearly in my media statement, which is that there is strong support from Canberrans for improvements in public transit services along the Northbourne Avenue Gungahlin to city corridor, that that support is consistent across the city as a whole and, further, that the results of the survey demonstrate that, even when people are informed of the relative costs of BRT and LRT, the views of survey respondents are effectively 50-50 in terms of their preference for either LRT or BRT.

THE CHAIR: As part of capital metro's communication plan and that of the potential builder and operator of a light rail, would that be continually surveying people in the community about their views to gauge how people are feeling in the community?

Mr Corbell: It is the case that the government will continue to engage with the community and undertake a range of approaches to secure information on people's views, expectations, concerns or questions about the light rail project. It is important for the ongoing communication effort in relation to this project.

THE CHAIR: As time goes by and as people learn more about the project, people's views will change either for or against, so it is important to continue to find out how people feel and manage the project appropriately.

Mr Corbell: That is absolutely the case, Ms Berry. Obviously some people's views will change dependent on the informational perspectives they adopt over time in relation to a project. It is important that we continue to be aware of that, and where there are issues that need to be addressed because of community views or concerns, the government will seek to provide the relevant information to the community to assist the community with those matters.

THE CHAIR: I want to ask some questions around employment opportunities, which

you talked about in your opening statement. Can you take us through what sort of employment opportunities the project will create in its development, in its operation and within the area surrounding the corridor?

Mr Corbell: The government has, through Capital Metro Agency, undertaken a jobs analysis to understand the impact in terms of employment should this project proceed. That forecasting exercise was undertaken by the global accounting and economics firm EY and indicates that approximately 3,560 direct and indirect jobs would be supported in Canberra during the construction phase of this project and that over a 30-year operational period, including from the start of construction, up to around 50,000 jobs would be supported. This is a very strong level of employment generation associated with the project. It is important that the government and the community understand the extent to which the project will support jobs as well as operate as a catalyst for development along other parts of the corridor and the associated employment that will come with that.

THE CHAIR: How will businesses not just along the corridor but across the ACT be able to secure participation in this project?

Mr Corbell: The government recognises there is a great opportunity to support local jobs during construction and operation. As part of that, we recognise there needs to be a proactive policy to encourage and support local businesses to potentially secure work and, therefore, economic benefit from the project. A local industry participation policy has been developed, and that policy outlines the needs to match industry skills with those required for the project and identifying where there are gaps in that industry skill base that can be addressed through effective forward planning in terms of education provision planning, whether that is in our CIT or whether it is at universities or wherever the case may be, and also opportunities for specific workforce groups to be managed between peaks, for example, civil components from other infrastructure projects, such as, the Majura parkway, that could be utilised in the future on the capital metro project.

Close discussions are ongoing between a range of government directorates, particularly the Education and Training Directorate, in terms of the assessment of the local workforce, priority education activities and opportunities to develop new capability in the workforce and our training sector to respond to the needs of the project in the future.

THE CHAIR: Currently do you think in the ACT there are enough skilled workers for that kind of work in the construction phase? Or is that something you have been talking about with the Education and Training Directorate and registered training organisations? How do we meet the needs for the future skills required to develop this project?

Mr Edghill: Part of the jobs analysis which was undertaken by EY looked at the types of jobs which may be generated as part of the light rail project. They are not simply construction jobs, although construction jobs are one of the most obvious categories that would exist. But in a complex transportation system, there will be jobs directly generated through the construction, the operations and some of the more technical jobs that come with people who will be sitting in the operational control centre, for

example, which forms part of the depot facilities. Then there will be indirect jobs generated through the urban densification and the urban renewal that happens along the corridor. Again, that has a knock-on effect to quite a number of professions beyond simply the construction professions.

In the jobs analysis there was an assessment of some of the vocational education and training programs which would be required, for example. Part of what capital metro is looking at when considering the jobs impact of light rail is not just the jobs created but the opportunities for developing education and vocational training programs to help supply the workforce.

THE CHAIR: Earlier you talked about light rail being a fairly specialised project—building light rail—and that the ACT does not have necessarily the specialist knowledge to build and operate light rail. If you are looking at a workforce with everything from construction to operation and everything that goes with that, have you done a breakdown within each of those areas? When you look at construction, most people would be thinking building, but light rail is not building; it is building a light rail network. I imagine it has a specialised program of education that we do not offer yet in the ACT.

Mr Corbell: Some of the skill sets are specialised, particularly in the engineering and electrical fields, but other skills are common to civil construction projects. Skills in general construction, bricklaying, concreting, formwork and so on are common skills across the civil construction and building construction sector and are equally applicable and needed on this project.

In terms of the operations of the project, once the project is physically complete, there will be a need for further specialised skills. Obviously you need trained drivers for the vehicles and other trained operational staff to ensure the delivery of the project and the ongoing maintenance of both the infrastructure and the rolling stock. These are particular skills.

The local industry plan is designed to identify that those aspects of the task in particular are a further opportunity to develop new skill sets here in the ACT in terms of training. Whether those training packages are delivered, for example, by the operator itself, through the operator being a registered training organisation in its own right, or whether they are delivered in conjunction with one of our technical and further education providers, like CIT, is yet to be determined. But there are certainly opportunities in that area. I will just ask Ms Thomas to elaborate a bit more.

Ms Thomas: I think there is a really fantastic opportunity, particularly in tram operations. If we look at the recent example of the Gold Coast, their tram operators, who require a specific skill, were trained by the local consortium, but they were taken from the local area. It was a very open application process, because it requires not so much a skill as an attitude and behaviour for customer experience, and not taking risks and driving safely. They went through quite an extensive recruitment project up on the Gold Coast. I was lucky enough to meet one of the recruits, who was a man in his mid-40s who had lived on the Gold Coast all his life and was a croupier at the Gold Coast Jupiters casino. He had seen this opportunity, had passed all of the testing and saw his whole life being changed by the opportunity to be a light rail operator.

I think we can expect to see similar sorts of outcomes here in the ACT, where people who may never have considered a career as a light rail operator all of a sudden have that opportunity to do that.

THE CHAIR: I think it is probably quite a skilled job. Driving light rail is not something I know anything about, but I am sure there are some skills, as well as attitude, that are important in that. That was probably my next question: how do we keep it local? Is there a plan for how we recruit and keep the jobs here locally in the ACT by providing those opportunities for training and education here in the ACT and getting—

Mr Corbell: There are two aspects to that. There is the construction workforce and then there is the operational workforce. In terms of the operational workforce, obviously the operator is going to be here for the long term. So it is with a high degree of certainty that we can predict that their personnel will be located here in the ACT or the immediate region. That is a workforce of up to 100 people.

THE CHAIR: Within the whole—

Mr Corbell: In terms of the overall operations. That includes maintenance and customer service delivery, and the drivers themselves and so on. That is a reasonable standing workforce. And that will certainly be people who are physically residing in or adjacent to the ACT.

In relation to the construction workforce, obviously the construction workforce is, of its very nature, more mobile than an operational workforce. That is why we are particularly keen to make sure that local businesses have the opportunity to win work and secure contracts through the development of this project, perhaps through a subcontractor arrangement with some of the larger head contractors that will lead the delivery of the project. Again, that is where the local industry plan comes into play. It would be an expectation, as part of our negotiations with our successful PPP consortium, that they demonstrate compliance and the ability to deliver against the local industry plan that the government has agreed to.

THE CHAIR: We are talking about how businesses participate in this project regarding the Dickson area, people around Dickson who were concerned about what was going to happen to their precinct as a result of this project. What are the benefits for places like Dickson, and are there opportunities for more hipster-type places like Braddon along the rail?

Mr Corbell: Whether or not there are hipster benefits is yet to be determined. But in terms of the broader benefits for those centres, it is the case that the centres you mention—Dickson and the development of new areas adjacent to the city proper, in places like Braddon—are going to be significant beneficiaries from this project. The Dickson group centre will be the site of the major intermediate station between the two terminuses along the light rail line, and it will also involve effective integration with bus operations at the Dickson group centre, where people will be able to transfer effectively on the north-south capital metro service into east-west running bus services that go in and out of the adjacent residential areas.

We are seeing Dickson undergoing significant change and growth right now, driven by existing changes in population in that area which are only expected to continue. Obviously, the proximity of Dickson to immediately adjacent residential areas, and also the way it can be connected up to points further to the north, along, for example, Flemington Road, into the Gungahlin district, are going to strengthen Dickson as an alternative destination for retail and other activities.

The government, as part of the land development assessment that is ongoing in relation to redevelopment along the corridor, sees Dickson as a site for some important redevelopment opportunities, potentially locating some employment opportunities along the corridor at Dickson. That will further strengthen the Dickson centre in terms of a daytime work force that obviously is going to be valuable patronage for the retail activities of Dickson as well as a sensible place to locate employment along the service of the light rail line.

THE CHAIR: Okay.

MR COE: Do you still stand by the figure in the EY report that only 10 per cent of the jobs created will be in addition to the ACT at present?

Mr Edghill: The EY report contained a number of figures, and they set out in the report what each of those figures represented. They talk about net jobs; they also talk about supportable jobs and achievable jobs. I think the 10 per cent was in relation to a net increase, but it does not take into account the jobs which are supported from people who have been working on Cotter Dam, for example, who have then moved to the Majura parkway and who may move to the capital metro construction project. Those people would be counted within the supported number, but they are not captured within that 10 per cent. That is a situation where—if, for example, capital metro did not go ahead and a project like the Majura parkway finished—the supportable number captures the fact that those people continue to have a job during the construction period of capital metro. But, as I say, it is not captured within that 10 per cent.

MR COE: This is really no different from any other capital works project, is it, insofar as there are jobs during construction and then there are going to be jobs during maintenance or ongoing operations?

Mr Corbell: It is the case that, like any significant capital works project, there are jobs during construction and there are jobs during operation.

MR COE: So—

Mr Corbell: The difference between this and a significant road project, for example, is that the ability to drive ongoing economic activity above business-as-usual projections is significant with this project. That has been confirmed in the analysis the government has undertaken to date. That is why the government says this is not just a public transport project, as important as that is. It is also a city-building project. We know that the capacity to leverage and bring forward investment and development decisions along the corridor that move the pattern of redevelopment along the

Northbourne Avenue to Gungahlin corridor above the business-as-usual rate is significant from this project. That is part of where that larger jobs benefit is revealed. That stands in marked contrast to some other capital works projects where you have got a big workforce during construction but then the construction finishes. If it is a dam, the dam is providing benefits, a range of important benefits, but it is not necessarily driving an ongoing or enhanced level of economic activity in the same way a light rail project can.

If you look at Perth, Adelaide and other cities around the country and around the world, whether it is heavy rail or light rail, the leveraging of new investment decisions in new urban development projects alongside the light rail line is very significant. If we want to achieve our planning strategies as a city—which are clearly outlined in the ACT planning strategy, and clearly outlined in the territory plan: consolidation of residential development around centres such as Civic, Dickson and Gungahlin and along transport corridors like this corridor—light rail is a very important tool for achieving that end. In doing so, you achieve a more sustainable pattern of urban development but you also, importantly, drive a level of economic activity which is above what would otherwise be considered the business-as-usual pattern of redevelopment and consolidation that would be occurring along the corridor in the absence of light rail.

MR COE: Going back to the flow of information between agencies, either before capital metro or after capital metro is established, did you have a documented plan as to how you were to communicate?

Mr Corbell: The governance arrangements for capital metro are designed to provide for a whole-of-government approach and view. That is represented in the membership of the Capital Metro Agency board. The board of the Capital Metro Agency reports to me as the minister responsible for capital metro and then through me to the subcommittee of cabinet, which meets regularly to receive reports on and make important decisions about the project.

The board of the Capital Metro Agency is composed of an independent chair and members who are the directors-general of the key ACT government agencies engaged in this project and who have overlapping and important responsibilities in relation to it. That includes the directors-general of what was called the Economic Development Directorate but is now part of the Chief Minister, Treasury and Economic Development Directorate, the Director-General of the Environment and Planning Directorate, the Director-General of the Community Services Directorate and the Under Treasurer, as well as the Director-General of the Territory and Municipal Services Directorate. So reflected in the composition of the Capital Metro Agency board is a commitment to high-level information sharing and dialogue across the relevant government directorates, who all have a stake and all have a role to play in the delivery of this project.

MR COE: Given that one of the risks identified is poor information dissemination amongst stakeholder audiences, if it is an identified risk and we have just had it revealed that what I would call a pretty significant piece of documentation regarding the project was not known to the Capital Metro Agency, does that mean that the government's arrangements are not working, especially given that that risk was

identified?

Mr Corbell: I certainly would not characterise that as the case.

MR COE: So what would be—

Mr Corbell: If I could answer your question—

MR COE: the intention of putting something in the risk register—

Mr Corbell: If I can answer your question—

MR COE: such as “poor information dissemination amongst stakeholder audiences”?

Mr Corbell: If I can answer your question, I certainly would not characterise the survey that we discussed earlier this afternoon as a critical or a highly significant piece of information—

MR COE: I think you did in the press release.

Mr Corbell: It is a valuable piece of information, and the results of that information are on the public record and have been on the public record for over two years.

MR COE: If that risk has been identified, what is the plan to manage that risk and preferably to minimise it?

Mr Corbell: The reference that is being made there is that a range of directorates have important gatekeeper or statutory decision-making roles or responsibilities that intersect with the delivery of this project. Whether that is Territory and Municipal Services, who have important responsibilities in terms of the operation of the road network, and in particular the operation of the road network along Northbourne Avenue and Flemington Road, and the adjacent road network, whether it is the Environment and Planning Directorate, who have important statutory responsibilities in relation to development assessment and the custodianship of the territory plan, whether it is the Community Services Directorate, which has custodianship and management responsibility for key government land along the corridor that is currently used for public housing—there are a whole range of important roles being performed by a range of government agencies, and there needs to be clarity and visibility about emerging issues that are the responsibilities of each of those agencies, for example, in respect of those matters that I have just referred to, to make sure that that information is effectively shared or emerging issues are identified, foreshadowed and discussed.

That is the type of issue that is being referred to there. And that is why the government has put in place the governance arrangements that it has—so that there is clear accountability and so that the heads of each of the relevant government directorates are coming to the Capital Metro Agency board with the ability to provide for full disclosure of critical issues that affect their portfolio directorates directly and that have a clear intersection with the capital metro project.

That is the type of macro risk management that your quote alludes to, and it is the work that the Capital Metro Agency is very focused on. As a result of the governance arrangements we have put in place, I think we have got a very high level of coordination and cooperation across government, because the key accountabilities are being held by the most senior public servants in each of those relevant areas of the government.

MR COE: Has a communique been sent to all agencies requesting all relevant documents, perhaps saying, “The Capital Metro Agency has been set up. We are looking for anything to do with utilities up and down Northbourne, anything to do with planning studies, anything to do with people movement et cetera, et cetera”? There will be bodies of work that have been done over the last 10 or 20 years by all the different agencies that may well be relevant, so has such a request gone out to everyone?

Mr Corbell: Capital metro is engaging directly, face to face, with all the relevant government agencies in terms of key issues and risks associated with the project. So whether that is utilities, whether that is transport planning—

MR COE: It is obviously not working, then, is it?

Mr Corbell: I think it is working very well. There is very clear evidence of that based on the robust and strong nature of the business case coming forward and the regular advice I receive both from Ms Thomas as the director-general and project director and, indeed, from the chair of the board. The governance arrangements are robust. They are seeing strong engagement between all the relevant directors-general, and that is effectively informing cabinet decision-making on these matters.

MR COE: What analysis has been undertaken so far with regard to MyWay data?

Mr Corbell: The government and Capital Metro Agency have had regard to MyWay data as part of the development of the final business case.

MR COE: Has all the MyWay data been released to capital metro?

Mr Corbell: Yes, the government has been able to secure the MyWay data it requires for this assessment.

MR COE: What is the extent of that request?

Mr Corbell: Any information Capital Metro Agency has required in relation to MyWay data has been provided.

MR COE: When was the first MyWay data provided to capital metro?

Mr Corbell: I do not think we could give you an exact date today, Mr Coe, but if you want one, I am happy to take it on notice and give you some advice.

MR COE: Given more than half the full-time staff of the agency are here, is it not possible that somebody could say, “Well, we first got it three months ago,” maybe?

Mr Edghill: I can answer that. I know definitely within the last two months we have used MyWay data to undertake an assessment of the potential financial impact of light rail upon the bus network within the corridor. We have certainly used MyWay data as part of our analysis feeding into the business case.

Ms Thomas: Obtaining MyWay data is a continuous process; it is not something we just go to MyWay and say, “Can we just have a dump of this?” We are interested in the MyWay data throughout the entirety of the project. I would say the first lot of it was gained well before I got there as parts of the initial discussions and studies as part of ESDD’s work. It is something we have open access to. We use it as a component of the modelling that comes into play; it is not the only way of modelling, but it is a feature of us understanding what is happening out in the public transport network today. We will continue to use that data from MyWay to continue to drive various decisions on the project.

THE CHAIR: Is that one of the lessons learned from projects similar to this one in Australia and overseas? What are some of lessons you have learned from projects similar to this one in order to avoid some of the risks or manage better the risks Mr Coe referred to earlier?

Ms Thomas: I have been quite impressed at the way the ACT government has come together to share information across all the boundaries. The minister rightly pointed out that it is not just the board; there is engagement across directorates at every level to share data with us. Every member of my team here today would have some interaction at various committee levels or group levels or general meeting levels with their counterparts. We have people either embedded or specifically for the purpose of capital metro within various agencies that have been allocated to assist us. We have great access to the other directorates, and probably a great spirit of collegiality that I have not seen, in fact, in larger jurisdictions, because our boundaries in our government are actually working much more closely together.

The very fact that we have a board that has a responsibility and accountability to the minister keeps that focus there. For instance, I am sure Duncan could tell you he meets with Treasury on a weekly basis to meet with his counterparts there and make sure we are working in conjunction with their requirements. We have people that meet with TAMS and with EPD to look through the planning requirements and any road or utilities information that we need. The fact we might not know about one piece of information does not mean we are not out there actively sharing information; it just means we are very specific in targeting to the relevance of the project today and we are making sure we have all the conversations that we need to have across all levels of government to make that happen. As I said, compared to my experience in other jurisdictions, that is happening a lot more effectively here.

THE CHAIR: That is good to hear. Have you learned anything else from other projects like this one overseas and here in Australia that have helped in the planning of this in order to mitigate risks around the development of the project itself but also in how we communicate what things can go wrong and how can we avoid it here?

Ms Thomas: We have been collecting a lessons learned database from everywhere.

We have had lessons that have been shared with us from the Gold Coast and from Sydney light rail. Sydney light rail had done quite a detailed study with the Edinburgh light rail and shared the lessons learned from there with us. We are keeping a lessons learned database, if you like. Some of those lessons learned they have asked us to keep in confidence. Obviously there are things that they do not necessarily want spread around, but they inform our team in terms of our risk mitigation to make sure that we are on top of the risks that have been seen and realised in other projects.

THE CHAIR: Are there some of the lessons that you learned that can be shared today?

Mr Edghill: If you take a step backwards, we have a number of advisers helping us through this process, and they bring their lessons learned to us in everything they do. Perhaps the discussion around the median alignment we had earlier is a good example. By having the advantage of somebody who has been through this process before come and tell you, “You know what? If you don’t have it in the median alignment and you have it in the street, then you’re losing a lane of traffic,” or, “If you put it in the outer lanes, how are cars going to turn in and out of driveways?” Very practical lessons learned from many other projects that have gone before them feed directly into everything we are thinking about day to day.

THE CHAIR: I remembered watching a program on TV about whether or not the tracks were more expensive than the trains? Is this one of the lessons that has been learned? Are there certain types of tracks that are a higher quality or a lesser quality that would not be used for this project because of weather? Are those sorts of things on the lessons learned list?

Ms Thomas: Yes, they are. Certainly there have been a number of discussions about track quality and track installation in technical groups recently and just what makes good track installation, particularly as it relates to how we earth the system and it relates to the utilities around it. A lot of technical lessons are being translated across to other groups at the moment. As Duncan pointed out, our advisers have been across a number of these different projects, so they are helping with those lessons, but also they will be things that we feed into our RFP to make sure that we have the best quality outcome.

THE CHAIR: How many actual trains will fit on the line? Is there a minimum and a maximum? Can you add more or take some off? How does it work?

Mr Corbell: You could fit lots on the line, but if you want them to move, it is a different thing.

THE CHAIR: Yes, we want them to move, obviously.

Mr Corbell: The anticipation is approximately 14 tram sets, as they are described.

THE CHAIR: Is that altogether, or just one side?

Mr Corbell: No, that is for the operation of the line, providing the service required north and southbound throughout the day.

MR COE: Based on seven substations, is that right?

Mr Corbell: Seven substations, that is correct.

MR COE: Is it as simple as a substation will power two trams? Is it as simple as that as a rule of thumb?

Ms Thomas: No, it is not as simple as that. If you want to get into some technical detail, I can get Steve to have a chat about that?

MR COE: Sure.

Mr Allday: Currently the design shows seven substations. We are building an amount of redundancy into everything we do. You have to allow for failures. We could have a substation out and we could still run a full service by feeding either side of the default or out-of-service substation. When we build the seven, there is capacity for growth.

MR COE: Just, say, for instance, there is one out and just, say when that is being worked on another one goes out, will you be able to simply divert power from external substations?

Mr Allday: The substations feed back into the 11 kV network, so the substations are dedicated purely to the light rail network. As I said, if one goes out then either side of that one goes out, you can still continue service. If you have two consecutive ones out, that is a different issue. But you can actually live with n minus one redundancy, if you like, in technical terms. You can live with a substation out and then as long as the adjacent ones are there, they can continue to feed and you can have another one out further along and that will still continue to feed.

MR COE: The diagrams that were published yesterday showed some electrical network-type plans. For instance, a substation was proposed for at or around Macarthur House. On those plans it is simply next to the footpath. Is there a thought that they should be accessible and open and on public land or will the government pursue other options which has been spoken about before about including them in basements or elsewhere?

Mr Corbell: In general terms, these issues will be resolved through the contract negotiation with the preferred PPP consortium. They will devise their own technical solution that seeks to meet the territory's criteria. The territory's criteria include the considerations that you mentioned, such as the ability to effectively screen or integrate the substation infrastructure into the broader urban environment and not create an overly intrusive element into the urban environment, particularly along Northbourne Avenue but, generally speaking, everywhere, because obviously there are residential environments to the north along Flemington Road and so on. The capacity to be able to disguise or integrate that infrastructure into the broader urban environment is an important consideration and is part of the overall specifications the government will have for the project.

MR COE: What is a comparable substation in operation now in the ACT, so that we

can get a handle on the size of these?

Mr Allday: To give you a handle on the size, they are probably about 12 metres long, they are about five metres deep and about the same high.

Ms Thomas: A shipping container.

MR COE: And half of it is submerged, you say?

Mr Allday: No, that is as it is above ground.

MR COE: That is right, but it is the same again under the ground?

Mr Allday: No. All of it is on the ground; they just sit on a basement foundation.

MR COE: Is there a similar substation in Canberra at the moment, or are they particular compact ones that we have not had to construct in the past?

Ms Thomas: I have noticed there are a couple of relatively large substations along Northbourne Avenue at the moment in the median. They are probably a little smaller, but they are not completely different to what we would be talking about. I think the best example to look at is the Gold Coast at the moment. It has just finished the designs and there are substations there. They are generally screened off with fairly nice looking timber fencing and are fairly discreet along the route of the light rail corridor.

MR COE: Are they noisy?

Mr Allday: No, they are not noisy. As part and parcel of us doing our planning, we cover off environmental noise and vibration as part of our assessments.

THE CHAIR: Are the trains quieter than buses or about the same?

Mr Allday: The trains are very quiet. The only area where there is a little bit of assessment to be done is where we go around curves. The specific curve that we would look at is obviously when we come off of Flemington Road on to the Federal Highway. Everywhere else they are much quieter than buses.

MR COE: Whilst we are on corners, there was a proposal some time ago to deviate from the median in towards Dickson and to have a station on the eastern side of the southbound carriageway. When did that come off the drawing board?

Mr Corbell: That option was quoted but it was never formally determined one way or the other. But it was identified as an option. The consideration of the CMA and its recommendation to the government was to maintain to the greatest extent possible a straight line track along the entire length of the route both in terms of cost and in terms of technical buildability.

Also in relation to deviation from Northbourne Avenue into Dickson, the issues there also involved overly complicated arrangements to leave the median, cross

Northbourne Avenue or associated roads into Dickson and then cross those roads again to return to the median. Having regard to the need for significant interruption to traffic, including additional signalisation at at least two points immediately to the south of Antill Street-Northbourne Avenue intersection, the government determined that it was not sensible to introduce that level of complexity and interruption to the existing road network.

MR COE: That all sounds very reasonable and rational. Why was it ever included? I have spoken to a lot of people who said from the very beginning that that was a very odd inclusion?

Mr Corbell: There is a whole range of ideas that were floated at the time—

MR COE: It was not just floated; it was actually proposed and put out as the route, as the draft route.

Mr Corbell: No, the government did not release—

MR COE: It was the draft route.

Mr Corbell: a specific route. There may have been an option identified. That is reasonable. Option identification is a normal part of this type of process.

MR COE: So staying on the question of the route, the rapid business case suggested stopping at Dickson. Has that been ruled out?

Mr Corbell: The government's preference is to complete the project from Gungahlin to the city.

MR COE: With regard to the city, I note that the plans yesterday had the terminus at or just north of Alinga Street. Is that where the government proposes to stop it?

Mr Corbell: That is the preferred stop at this time, but it is subject to the final consideration of the business case. It is also subject to further consideration of possible extension of this stage to incorporate a station further into the CBD itself and options for a Russell extension.

MR COE: When you say “in the CBD”, do you mean going to the east of Northbourne Avenue?

Mr Corbell: The east of Northbourne Avenue? Yes, there are three options that are subject to further consideration. One would be a stop somewhere on City Walk between Alinga Street and Akuna Street. One would be an alignment that travels along London Circuit, and the third would be an alignment that travels along Vernon Circle, all of which would then result in a route extension through to Russell along Constitution Avenue. But those are matters that are subject to further assessment by the Capital Metro Agency and will be considered for possible augmentation either as part of the current project or as part of a future expansion.

MR COE: So the drawings that were released yesterday or put online yesterday, I

think, or in the last few days, what is the purpose of those drawings? How will they be used to develop the project further?

Mr Corbell: Could you just be clear about which documents you are referring to, Mr Coe?

MR COE: They are the documents which show the alignment where the substations are et cetera.

Mr Corbell: On which website are you referring to, Mr Coe?

MR COE: I believe they were put on the capital metro website.

Ms Thomas: Ben, do you—

MR COE: I can open them up; just a second. Detailed designs—

Mr Corbell: I just want to make sure we are talking about the same thing.

MR COE: Yes, sure. The capital metro detailed design drawings; that one there.

Mr Smith: Yes, so just to clarify, Mr Coe, we have been requested through the consultation period to put more of our detailed designs online to inform those discussions and to provide more detail around the route in relation to some of that infrastructure.

MR COE: These drawings—it is a 63-page document; it talks about all the various alignments—is quite detailed. It shows the topography on the way et cetera. What will these drawings actually be used for? Are these actually drawings that are going to form part of cost estimations or are these, in effect, still part of the communications strategy and not actual documents that you can actually do calculations on?

Ms Thomas: It is a combination of both. Those drawings are part of our design documentation that came out of our technical advisers. They advise us on costings. Obviously that helps us with a greater level of detail, but it also helps have more detailed discussions with some members of the community. We always had those documents available to us during consultation.

We had them in hard copy form at all the consultations which we attended as well as in our pop-up shop in the city. So those documents have been available for some time. It is just through some general community feedback that people wanted a little bit more time to review and read those documents in their own time and provide questions to us should they have them. So they have been put up for inspection.

MR COE: There are station designs and intersection designs. Obviously a fair bit of work has gone into these. Can people assume that this is pretty close to what it is going to be, should cabinet decide to go Gungahlin to the city?

Mr Corbell: That analysis and those drawings are designed to ultimately inform the reference design. The reference design is the detailed design that the government is

using as the basis for the work, including the business case work that Ms Thomas referred to earlier, and would be the reference design that the government would engage with industry on for the purposes of them preparing their proposals, including their detailed designs for this project.

MR COE: So it is—

Mr Corbell: So it is a reference design, and it is called that for that reason.

MR COE: Sure. Have drawings to a comparable standard been produced for going through City Walk, Constitution Avenue and Russell, or London Circuit or Vernon Circle?

Mr Corbell: Drawings to that standard will be developed, but have not yet been completed.

MR COE: When can we expect the government to make a decision on the termini?

Mr Corbell: Sorry, I missed the beginning of your question?

MR COE: When can we expect the government to make a decision on the termini?

Mr Corbell: In the city or both?

MR COE: Both.

Mr Corbell: The final decision on that will be confirmed with the government's consideration of the final business case.

MR COE: Yes, but that said, when can we expect—

Mr Corbell: I beg your pardon. As I said, the consideration of the final business case is expected in the next one to two months. I should stress that the final business case that will be considered by government looks at the Gungahlin to city length only. Subsequent extensions, such as to Russell or further into the city but without going completely to Russell, will be considered by the government after our consideration of the final business case.

THE CHAIR: I wanted to ask questions around the environmental benefits of the project, which you have talked about a bit in your statement and in the Assembly. Can the environmental benefits be measured at any stage during the project? Does the project have any sustainability requirements or goals?

Mr Corbell: Thanks, Ms Berry. With your indulgence, I will finally complete my answer to Mr Coe. It is worth stressing also that we expect to see a level of innovation from the private sector in terms of their proposals. It is not simply a case that the government will specify X deliverables in the PPP, should that be the process that is adopted, and there will be nothing else in that. It may be the case that PPP bidders will obviously specify to the standards the government outlines but then will also innovate and go beyond that. That will then be the subject of detailed consideration through the

assessment process.

In relation to the environmental benefits of the project in general, and more specifically in terms of sustainability, first of all, the government is registering this project through the Infrastructure Sustainability Council of Australia. So the ISCA framework is being adopted for this project. It has registered for ISCA certification for its design phase and will use the ISCA framework to guide the project's overall approach.

The Infrastructure Sustainability Council of Australia's framework scores projects across a range of areas, including management and governance, the use of resources, emissions, pollution and waste, impact on ecology, people and place and innovation. So it is a very important part of this project overall that it delivers specific levels of performance in terms of its sustainability performance during development and operation.

More broadly at a macro level, the sustainability benefits of this project are very clear: first of all, it is capacity to deliver public transit infrastructure that is not vulnerable to the use of liquid fuels, which have an impact in terms of their pollution but also place the ongoing operation of the infrastructure at the vulnerability of movements in the price of liquid fuels. The opportunity to source renewable energy for the delivery of the operational power for the project is obviously a direct sustainability benefit in terms of emissions.

More broadly, though, the project has the capacity to deliver a more sustainable pattern of urban development. This comes back to the points I have made earlier in this hearing. Our planning strategy for the city focuses on the consolidation of urban development closer to the city centre, closer to established services and facilities and enabling more people to be able to move around the city and to their places of employment or social, recreational or commercial activities without having to be so reliant on their private motor vehicle.

A very high level of car dependence leads to a fundamentally unsustainable public transport system. By directing urban development and incentivising urban development close to the fixed infrastructure of a light rail line, we are creating a more sustainable pattern of urban development where people can cycle, walk or use public transit for more of their journeys, reduce their reliance on the private motor vehicle and reduce the need to own perhaps as many private motor vehicles as many households in Canberra already do. So that is a very important sustainability benefit for the city as a whole.

Obviously there will be opportunities with the construction of this project to focus on, as I have said, offsetting operational electricity requirements with renewable energy generation. That fits in very well with the government's 90 per cent renewable energy target. It also fits very well with the government's objectives to ensure that the revitalisation of building stock provides for more energy efficient buildings as part of redevelopment along the corridor. So there is a range of opportunities for sustainability outcomes.

The other sustainability outcome that perhaps needs to be emphasised more is the

overall benefits for public health in the city. We know that we are facing significant public health challenges as a result of so-called lifestyle illnesses which are driven largely by a highly sedentary lifestyle, a non-active lifestyle and also poor nutrition choices on the part of many people. The ability to provide for more active transport is critical in terms of people's day-to-day journeys to improve public health outcomes.

The more active people are, the more people we can have walking or cycling as part of their public transport journey rather than simply getting in their car, going from A to B, and then sitting in their office all day is, I think, a real challenge for us as a city into the future. Light rail infrastructure does give us the capacity to drive a higher level of active transport choices. That has to be a good thing and, indeed, we know it is a good thing in terms of overall public health outcomes.

I am not saying that light rail along this route on its own is going to address those problems; it is not. But it is an important step in the right direction and one that we can potentially build on when this first length of light rail is in place.

THE CHAIR: I was just sitting here doing the math. I live in Belconnen, so I would not be necessarily going into Gungahlin to catch a train right now, but maybe I would in the future, when the train is there, if there is future development with the train and it does come to Belconnen. I am sure we will all be campaigning hard for that being the next stage, but for me right now, with multiple drop-offs, light rail or public transport can be difficult for me to navigate. And lots of other families are in the same sort of situation.

I think some people have some feeling of resentment that the government is trying to push them into a situation which just is not going to work for them right now. But in the future it might well do as their children grow older; then they can move out of their two-car home and into a one-car home and start using public transport. Are they some of the things that the government has been thinking about in this project as well?

Mr Corbell: Yes. I understand the point you are making, Ms Berry. The first point to make is that this is about providing better transport choices for people to make and to give them better choices. We know that at the moment over 90 per cent of all journeys undertaken in our city are undertaken by the private motor vehicle. The government's objective is to have approximately 80 per cent of journeys by private motor vehicles. It is not about saying that people have to stop using their cars. Our transport planning and our assumptions about modal split over the next 25 to 30 years still assume a high level of usage of the car for journeys. But if we can achieve 80 per cent instead of 90 per cent, that is a very significant change in transport choices across the city and in the types of journeys that are undertaken and how they are undertaken.

If we can increase the share, it is about increasing the share of journeys that are undertaken by walking, cycling and public transport, but still recognising that cars are going to continue to play a significant role. And there will be a range of other technological responses over time to the sustainability of the private motor vehicle fleet, whether that is electric vehicles, hybrid vehicles or whatever it might be. Over the next 30, 40 or 50 years, there will be other changes at play in relation to the private motor vehicle fleet.

This is about rebalancing; it is not about saying to people who have multiple drop-offs in the morning—child care, school, activities after school, whatever it might be—“You can’t use your car anymore.” It is not about that. It is about saying, “You shouldn’t have to own three or four cars to get around this city effectively and efficiently.” Yes, you will probably need a car, and you might even need two cars in a household, but perhaps we can avoid the need for households to buy the third or fourth car, and all of the costs that come with that, and see more people, where it suits them, having better choices rather than only having the choice of having to buy another car. I think that is the difference that we are trying to make.

MR COE: How will this project help achieve those goals for someone living in Macgregor, Rivett or Monash?

THE CHAIR: They will be campaigning for the next stage in Belconnen, I guess.

MR COE: How did they choose Gungahlin to the city?

Mr Corbell: There are a couple of points to make. The first is that the project along this length of route from Gungahlin to the city has benefits in terms of the overall operation of the road network: less congestion on this part of the roadwork has network-wide benefits. So depending on a person’s destination or their journey, there are potential benefits in the wider road network, because we know that reducing congestion on one part of the road network has benefits on other parts of the road network.

MR COE: You could say that for any route.

Mr Corbell: I am just trying to answer the question. The second benefit is in relation to the opportunity to grow the network over time. What we know from the experience of other cities is that once this investment decision is made, once there is a length of light rail line in place, once there is the operational supporting requirements, with rolling stock, maintenance and so on, your capacity to incrementally extend the network over time suddenly becomes much less difficult than the first step.

The first step is a very big step to make. It is a big investment; it is a big change; and it is controversial. The government recognises that. What we know, for example, in Adelaide, is that once they went past the first extension of their remnant piece of light rail from the city to Glenelg and extended it into the CBD, there was immediate demand to extend it further. They were able to extend it in very manageable and relatively short pieces of line—two or three kilometres at a time. But they were able to extend it and grow the network incrementally. That is what is happening in Sydney as well, with their light rail network. They are incrementally extending it, because you do not have to buy all the rolling stock from scratch again; you do not have to build new maintenance sheds from scratch; you do not need to train a workforce from scratch. You can grow the network incrementally over time.

That is why I would say, and the government says, that this is a long-term investment. It is not just about one length of line; it is about laying the foundation and the capacity to incrementally grow a network over time that has benefits for the city as a whole.

THE CHAIR: And what are the benefits? I know you have talked about this before in the Assembly, but sometimes we get bogged down in the conversation about the cost. That is an important conversation, but there is more than that, as you have already talked about before and in the Assembly. The issue of the benefits of this project as a whole is an important conversation to have. Why now rather than starting this conversation in 2020, for example, which is when we are hoping to see trains down Northbourne Avenue? Why are we starting it now? Why don't we start it in 2020?

Mr Corbell: I would back-cast that to say we have been having this conversation for about 20 years.

THE CHAIR: I guess the planning of it.

Mr Corbell: I think that at some point we need to make a decision. The choice for us is: do we make a decision when things have become completely unworkable, as they are on George Street in Sydney, for example, or do we proactively plan for the future growth and development of our city?

We know that the Gungahlin to city corridor is the fastest growing area of our city. There is going to be significant population growth over the next 10 to 20 years. These projects have long lead times. We are talking about a 2½ to three-year construction period. We are talking about effectively another two to three years of detailed planning and design in front of that, which we are going through right now. So all of a sudden, you are close to 10 years before you have got an operation on the ground. There are long lead times.

It is important, I believe, to take that step at this time. I do not want to live in a city where we are still talking about this in another 20 years and congestion has become worse and travel time has deteriorated dramatically—which it will, and we know it will, between now and 2030 if we do not take action now. Travel time from Gungahlin to the city is going to rise to 51 minutes from Gungahlin to the city by 2030 for a 12-kilometre journey. That has big impacts on productivity; that has big impacts on amenity along the corridor and in terms of people's travel time and broader impact on their day-to-day lives. So we do need to be thinking about these decisions now and planning proactively for the future.

THE CHAIR: Just back on that question around renewable energy resources, does anybody else in the country or across the world use renewable resources to run their light rail? And at this stage of light rail, what would it take to run it on renewable energy?

Mr Corbell: In terms of energy demand, I think Ms Thomas has characterised it as about the electricity needs of a 10-storey building—one 10-storey building. It is not as though you are going to dim the lights across the rest of the city when you switch on a light rail length along this corridor.

Renewable energy is used commonly now as a dedicated source of electricity for large-scale infrastructure projects. The most obvious example that is adjacent to us is the capital wind farm at Lake George. It was first developed with a power purchase arrangement to meet the energy needs of the Sydney desalination plant, so it was

directly linked to the development of that infrastructure. It was directly designed as an offset, effectively, for the energy needs of that project to be delivered, effectively, through a large-scale wind farm. That is a good Australian example; there are other examples around the world.

Increasingly, cities and regions are switching their electricity supply to renewable sources to a very significant degree. This would be consistent with that trend and certainly consistent with the government's long-term objectives between now and 2020—perhaps I should not say “long term”, but our objectives between now and 2020—to achieve 90 per cent renewable energy for the city as a whole.

THE CHAIR: On the look of the light rail, and I know this is not a decision that will be made right now, how does how it looks integrate with our current bus service? It will not be something that is bright red running down the middle of the track and standing out like a sore thumb? How will it be aesthetically pleasing to the eye?

Mr Corbell: We have not made any decisions about livery at this time, but it is an important consideration. The aesthetics of the project are important, and, indeed, are directly linked also with the approvals that we will need to secure from the National Capital Authority, in particular, for how the project integrates into the Northbourne Avenue corridor. Those are matters that are being given close consideration. I do not know whether Ms Thomas can elaborate on those at all, but they are certainly subject to consideration

Ms Thomas: No; it is absolutely something that we would leave to bidding teams to propose. One of the important elements of the terms proposed is the overall concept of urban design and the sense of entry to Canberra. The rolling stock is not unique or different from that; it is part of the overall picture as people are entering our city. It will be one of the evaluation criteria that we would be putting forward to government with the winning consortium as to how that might look. Choices can be made on that, but that is very much further down the track.

MR COE: I imagine there is a fair chance that it is a moot point if they are covered in advertising anyway. If somebody sponsors a whole tram, then it is a moot point.

Mr Corbell: One of the questions will be the extent to which the government permits advertising on the vehicles, particularly given the controls on advertising that exist along corridors of national significance like Northbourne Avenue. That is an active question. And there are different levels of advertising that can be permitted. For example, there are choices that could be made between the full vehicle wraps that you see, where the entire vehicle is covered in one giant ad, and sections of the vehicle carrying advertising, as our buses do today. There are a range of options that will have to be considered.

MR COE: With regard to the route, do you have a BCR for the other routes yet—the other options?

Mr Corbell: BCR development is in relation to the Gungahlin to city route.

MR COE: Yes, but you spoke about this being a long-term plan, et cetera. If it is a

long-term plan, the staging is critical, including the first stage being absolutely vital, to ensure that it does not, in effect, blow up any hopes for a city-wide network later on down the track. With that in mind, do you yet have a BCR for the other routes being considered in the master plan?

Mr Corbell: No, not at this time.

MR COE: Have you ever had a BCR for the other routes—before you chose to go ahead with Gungahlin to the city—if it is a long-term plan?

Mr Corbell: The government has undertaken BCR analysis on the specific route that it has chosen as the first corridor. That BCR analysis obviously has built on previous BCR analyses that have been undertaken in earlier studies, including comparing between different types of mode, such as BRT or LRT. The focus has been on Gungahlin to the city. It is not the government's objective at this point in time, in relation to the light rail master plan, to undertake economic analysis associated with benefit-cost outcomes on each of those possible legs. The purpose of the light rail master plan at this time is to ascertain the land use planning and other strategic planning considerations that would dictate where the extension of light rail could go in the future.

MR COE: Do you think it has been a major shortcoming of the process that you did not actually do an economic assessment of the other options, such as city to Belconnen?

Mr Corbell: No, I do not believe so, because there has already been a body of work undertaken in relation to a variety of these works, including some early economic analysis for a variety of those routes, including the Belconnen to city route. At the end of the day, the city has to make a decision about whether or not it wants to proceed with this type of infrastructure, and the government has chosen a corridor which we know has a positive benefit-cost outcome for the city and fits with other objectives, including strategic planning objectives and population growth considerations, in deciding on this corridor as the first length.

MR COE: The previous studies that did look at the appropriate staging or the appropriate rolling out of a network showed that it is not best to start with Gungahlin to the city, is that correct?

Mr Corbell: No, that is not correct.

MR COE: What did they show?

Mr Corbell: The analysis that has been undertaken to date highlights Gungahlin to the city is one of the corridors that should be considered early.

MR COE: Mind you, there are only four.

Mr Corbell: And then there are a range of other considerations that go beyond immediate economic analysis. Obviously there are considerations about congestion, capacity of the existing road network, population growth and integration with

strategic planning objectives that also need to come into play. All of those factors were taken into account by the government in determining this corridor.

MR COE: Were things like time savings, noise emissions, included in the BCR?

Mr Corbell: Issues such as travel time savings and other benefits are captured in the BCR analysis for this route, yes.

MR COE: Therefore, you cannot say you have got the BCR and then you have also got other benefits such as carbon emissions and the environment because they have already been captured in the BCR.

Mr Corbell: I did not mention those. The ones I mentioned were population growth considerations, broader strategic planning considerations, land use and road network capacity. And these are all important considerations. For example, where your population growth is going to be over the next 20 to 25 years, I would have thought, was a pretty significant and important consideration. The capacity of the existing road network, I would suggest, is a pretty important consideration as, I would suggest, is the long-term planning objectives, land use planning objectives, for the territory and how those land use planning objectives align with those other factors I just mentioned. So these are factors that go beyond just a straight economic benefit of a project. It is about what is right for the future growth and development of the city as a whole at this point in time.

MR COE: Given that, how is it that under your watch land in Moncrieff is being released? Why would you release land in Moncrieff if you have got this conviction to build up the population in the corridor? Moncrieff is not in the corridor. It is a fair walk from Moncrieff to the nearest train station. Why would you consider releasing more greenfield land nowhere near the route when you could easily be relocating those people to the corridor?

Mr Corbell: I am not sure whether you are advocating that we switch off all greenfields land release tomorrow.

MR COE: No, I just think you are inconsistent.

Mr Corbell: I think your analysis is simplistic. The fact is that the city, in my view, is in a process of transition. We have been used to a pattern and model of development that is almost entirely reliant on greenfield land release. And we have been relying on that for the purposes of housing supply and for land sales revenue.

This project allows us to, over time, shift that balance and to see less greenfield land development and more focus on urban intensification. And governments of both political persuasions have notionally said that they believe in a model of 50-50 housing supply—that is, 50 per cent greenfield, 50 per cent through redevelopment activity and urban consolidation.

In reality, though, when you look at the history of self-government with governments of both persuasions, it has been very difficult to achieve that 50-50 outcome and, generally speaking, greenfields land release has continued to be a majority of housing

supply.

MR COE: The lease variation charge is not going to help that, is it?

Mr Corbell: My position and the government's position as a whole is that we recognise there are significant constraints on our capacity to continue to rely entirely on greenfields land release, or to the degree that we have, indefinitely. The first obvious consideration is that we are running out of land and at some point in the future land supply will become significantly constrained—that is, greenfields land supply within the territory's borders.

Secondly, continued greenfields land release without a serious attempt to increase the level of development that occurs in redevelopment areas is going to have very significant environmental impacts. We are already running into significant environmental impacts with development in Gungahlin, and that has been the subject of a very detailed assessment through commonwealth environment protection law. Similar issues have arisen in Molonglo. Similar issues are arising in west Belconnen, and it can be expected that similar issues would arise with any proposal such as, say, on the west Murrumbidgee in Tuggeranong.

These are matters that are going to make greenfields land release more expensive because of the environmental impacts that have to be mitigated or offset; also more difficult to achieve, therefore, because of infrastructure requirements; and also more limited in their effectiveness because of the amount of land that ultimately becomes available because of environmental concerns.

So we do, as a city and as a community, have some decisions to make. I would characterise the light rail project as a way of transitioning away from greenfields land supply to the extent that we deliver it at the moment and provide for more opportunities, both in terms of affordability and liveability, for people to live close to existing infrastructure and excellent services and facilities. That is what this project gives us the capacity to do.

But it is not the case that we should or can switch off greenfields land supply overnight. We cannot do that, and I am not advocating that we do that. We need to make a transition to a more sustainable pattern of urban development, and light rail assists us in that task.

MR COE: The intensification along the corridor is going to make the commute much slower for Gungahlin residents. Therefore, it is actually going to deter people from actually riding the tram from Gungahlin, is it not?

Mr Corbell: I do not see how that follows.

MR COE: The economic assessment that I have seen shows that, in actual fact, if you are interested in getting commuters to go from the end of the line to the end of the line, then having as few stops as possible and having as little development along the way is actually going to make that journey faster. By actually putting intensification along the corridor rather than at the hubs means that you are going to have longer load times and you are going to have a slower journey from one end to the other and, therefore,

as the corridor becomes more populated and the tram goes slower due to the load time and congestion, it is actually going to deter people from riding the tram from Gungahlin rather than do the opposite.

Mr Corbell: I do not believe that is the case at all. Careful consideration is being given to the number of stops versus journey time and the balance that has to be struck between those two factors of convenience and accessibility in terms of stations and a reliable and good journey time that can be sustained over the long term. The alternative is to see continuing deterioration in journey time. That is the prospect we face right now if we do nothing.

MR COE: You could have an express bus, could you not?

Mr Corbell: To answer your question, if we do nothing—

MR COE: You could have an express bus. You cannot have an express train.

Mr Corbell: Sorry, if I can answer the question. Doing nothing means a deterioration in journey time. Doing nothing means buses continue to compete with private motor vehicles on Northbourne Avenue. They do not have priority now and doing nothing means they do not have priority in the future. That means their journey time is just as poor and deteriorates just as much as the journey time of the general motorist if we do nothing on the corridor. So doing nothing is not an option.

We have to give priority to transport and, as you have indicated, the Liberal Party does not believe in taking away the left-hand lane north-south for priority for buses. That assumes that your policy is to build a bus lane down the median strip of Northbourne Avenue. The government's position is that we do not support using the median strip of Northbourne Avenue for a bus lane, for a road, nor do we think the National Capital Authority would approve the development—

MR COE: Have you sought that? Have you sought that opinion?

Mr Corbell: We know from earlier discussions that the National Capital Authority wishes to retain the landscape quality of the corridor, and I can assure you that the idea of bituminising a two-lane road down the median strip is not going to cut it in terms of maintaining the landscape quality.

MR COE: Have they given you that advice?

Mr Corbell: That is the very clear—

MR COE: Are you putting words in their mouth?

THE CHAIR: Can you just wait for him to answer the question so that we can keep up.

Mr Corbell: That is the very clear position that the National Capital Authority has made to us about preserving the landscape quality of the median strip. Coming back to your question, the issue for us is to recognise that doing nothing along the corridor is

not an option. And in relation to journey time, the project will be able to deliver a reliable and consistent journey time as population continues to grow. That is its long-term benefit. If you have got a higher population in the corridor, which we expect to occur, you will still be able to maintain the same journey time, and that will be part also of the contractual obligations on the part of the operator, because they will have to meet certain performance standards in terms of journey time along the corridor. That is one guarantee that we have.

The other that we have is our ability to make sure that we properly balance accessibility and availability of stations with the ability for the route to continue to operate at a guaranteed level of journey time.

THE CHAIR: Just speaking of the buses, how are we going to integrate the bus network into the rail network in terms of stops and routes and everything that goes with it, transfers?

Mr Corbell: There will have to be a clear redesign of a number of routes that currently traverse north-south along Northbourne Avenue, and that thinking and analysis is already underway. Integration with the bus network is critical. It is one of the key issues that we have had feedback on from the community, and it has also been identified internally within government as a critical issue. Effective integration, both at the city end in the first instance and also at Dickson and Gungahlin, is part of our planning and includes the close location of bus transfer facilities at each of the three key stops along the route, which are the Gungahlin town centre at Hibberson Street, at Dickson and at the city end at Alinga Street.

THE CHAIR: I am trying to get a picture in my mind of how the workforce will look during the construction phase and where they will be living, in what parts of the ACT. I do not imagine they will be living along the actual corridor where the work is happening. Has capital metro or the government considered specialised public transport for workers, if it is found that there are workers living in Tuggeranong, Belconnen and Gungahlin, to transport them into the city to their workplace and then transport them home again? It saves all those parking issues and filling up other public transport routes with people who are working on that particular project.

Ms Thomas: There are probably a few elements to that. We are hopeful that a number of the people who will be employed on the project are already resident in the ACT and already have preferred modes of transport. But it is really a consideration for the construction company of the consortium who wins. And we would be more than happy to work with them to find some innovative solutions with respect to that. I am sure that there are some really excellent examples around, and I think that is a really good point that you make that we can consider.

THE CHAIR: If the idea is to try not to have cars come into the city, having a bus that is dedicated to that workforce—

Ms Thomas: Depending on where they are located, obviously.

THE CHAIR: Yes, a couple of buses.

Ms Thomas: I think a lot of them will be dispersed fairly well. Yes, it is a great idea and something that we will take up to have a look at.

MR COE: Can you please give an update as to the projected operating costs—and if not the operating costs, the outgoings for the government—once the Gungahlin to the city is operational?

Mr Corbell: I am not able to give that figure at this time. First of all, that is subject to the government's consideration of the final business case, which is before cabinet. Secondly, it is also subject to the contractual negotiations that we will ultimately enter into with a constructor and an operator.

MR COE: Sure. But you must have some idea what the liability is going to be?

Mr Corbell: Again, yes, there is an assessment, but it is currently subject to the cabinet process, and therefore I cannot disclose it at this time.

MR COE: I think this, minister, is one of the reasons why there is scepticism about this project. If you cannot give people an idea of what it is going to cost to run the tram, it is going to be very hard to win people over.

Mr Corbell: The government has said that it will provide a very high level of disclosure of the information contained in the final business case once it has been considered by the government. We have consistently said that now for a number of months, and that remains our position. Canberrans can expect a high level of disclosure of the details of the business case once it has been considered by the government, but it has not yet been considered by the government.

THE CHAIR: What is the difference between a tram and a light rail?

Mr Corbell: How long is a piece of string? I think there are a range of views about how—

THE CHAIR: When I think tram, I think Melbourne. When I think light rail, I think Gold Coast.

Mr Corbell: Light rail is, I think, considered to be a modern-day tram. It has the capacity to travel at low speed through a mixed-use environment like a shopping mall or it has the capacity to travel at a higher speed on its own dedicated right of way. That is essentially what a light rail is. It is a vehicle that can deliver what is traditionally associated with a tram, but also a higher speed dedicated right of way rail service.

THE CHAIR: One of the questions that I have not asked today and has not been talked about today is what evidence there is for property value increase and densification around light rail lines. I wondered if you could walk us through that.

Ms Thomas: We have got several examples around the world. I guess one of the most recent examples has been Minneapolis-St Paul, where they have just finished constructing their light rail. Even only months before they had finished construction—

again, I think it was a similar 12-kilometre-style alignment—property values along that area they had sold had increased by up to \$1 billion in that area. It appears that wherever light rail is there are a number of studies and information on what people would term value capture, which is really just the increase in land value that occurs along a light rail corridor. Dr Peter Newman, if you have read any of his work, has done substantial work in this area across a number of rail areas across Australia and the world to look at particularly the impact effects of property value increase along rail corridors once they are built. There are just numerous examples of that. But ultimately his studies are really the ones that define it.

THE CHAIR: And that is residential property as well? I am not assuming that a home goes up to a billion dollars, but the property value includes not just big buildings along the corridor but residential homes as well?

Ms Thomas: That is right, the value of ordinary people's homes. You may have seen in Melbourne, if you have been down there, that often properties are still advertised as having proximity to a tramline as part of their selling feature.

MR COE: This happened in Portland as well, I think. There was a considerable increase, and in actual fact it led to all the poorer people that were living around the old tramline where it was going to go being priced out of the market, especially the rental market.

Ms Thomas: I think there are other good examples of where that consideration of both social housing and amenity and a balance of mixed housing is still important. If you looked at any of the work that Natalie Howson, my colleague in CSD, has been doing, you would see that they have a strong commitment to keep people along the corridor and provide a mix of housing. Part of that is the planning and ability of the government to provide that mix.

Mr Corbell: The government very much sees this as an intersection of a range of policy settings. Obviously increases in land value almost certainly will lead to an increase in rentals and have an impact on people on lower incomes. That is why an effective social policy framework and social housing framework are just as critical in these corridors, because accessibility to these corridors improves physical mobility, particularly for people who do not own a private motor vehicle or who suffer from a disability. People who are perhaps more likely to be reliant on social housing benefit from good public transport and living in proximity to good public transport.

The government has looked very closely at these issues. I am very strongly of the view that we must retain a strong level of social housing within walking distance of the light rail service so that people can easily and effectively access the light rail service—including people on lower incomes. I do not see the two as mutually incompatible. It is about deploying a range of policy settings that include an effective social housing policy for the corridor as well as an understanding of the benefits that come from value uplift as a result of this infrastructure investment.

MR COE: Do you have an updated ballpark figure for the cost of an ACT-wide network?

Mr Corbell: The government does not at this point in time have a concluded figure in relation to that matter, no.

MR COE: But you are working on that, are you?

Mr Corbell: The light rail network master plan is not designed to be an economic analysis; it is a land use planning and transport planning analysis. Economic analysis would follow from that.

MR COE: What about with regard to how the tram will integrate with city to the lake? What work have you done other than there being a passing mention of city to the lake in light rail work and then a passing mention of light rail in city to the lake work? There seems to be very little by way of substantial integration between the two.

Mr Corbell: There is significant consideration of those matters occurring at the moment, recognising that city to the lake incorporates an area from West Basin effectively through to Anzac Parade, in different locations. The government's consideration for a possible route extension from Alinga Street through to Russell includes consideration of where the route should go to enable effective integration and future service delivery to areas of the proposed city to the lake project. That analysis is ongoing.

MR COE: Have you done any work to incorporate the tram with West Basin?

Mr Corbell: The first consideration is where route extensions should be planned to ensure that there is the capacity to integrate with West Basin. That, for example, brings into play whether or not any possible extension to Russell should travel via Vernon Circle, via London Circuit or into the CBD itself. There are a range of pluses and minuses to each of those options that are the subject of further consideration.

MR COE: That is why it is so important to do this work before you start construction, is it not?

Mr Corbell: That is why that work is occurring now.

MR COE: Yes. Is that extra work going to include BCR assessments of each of those extensions, or is it simply going to be a detached planning exercise?

Mr Corbell: The extension through to Russell includes an economic analysis, and the options that I have outlined are part of that analysis.

MR COE: What about West Basin?

Mr Corbell: As I say, the key consideration at this point in time is how to make sure that wherever we build any extension, should the government choose to do that, it is able to effectively integrate with services that would operate potentially into the area of West Basin or other parts of the city to the lake project.

THE CHAIR: Minister, just back on the densification of the rail corridor and what that is going to mean around social housing, I can recall, through other hearings,

discussion around what the choices were for people who are living in the corridor right now, about where they were going to be living following the development of this light rail. What are the health benefits for those people who still live in the corridor but are in social housing? And do you know whether people in the corridor are choosing to move out of the corridor, out of public housing, to other areas in Canberra, and what are the reasons for them leaving where they are living now?

Mr Corbell: I can only make some general observations about this, because the more specific details are properly matters for the Community Services Directorate, which are responsible for Housing ACT. They would have much better detail to provide you about some of those questions. But in general terms, what we do know is that, first of all, the existing public housing stock along Northbourne Avenue is of a low quality. Part of that has to simply do with its age and the nature of the materials and how it was built at the time. As part of our reconsideration of the use of those sites into the future, the government has given clear commitments about roof-for-roof replacement in relation to public housing properties, and we have also given clear commitments about the need to ensure that there is a sufficient number of properties located within the Gungahlin to city corridor to enable people to access the benefits of light rail services.

In terms of housing preference, I know from previous redevelopments of public housing complexes that there has been a mixture of responses from public housing tenants. Some public housing tenants have wanted to relocate away from their existing accommodation into alternative accommodation that better suits their needs and have also indicated a desire to relocate away from that location to other parts of the city—into a more suburban environment, for example, in some cases. So it is a mixture. It is not uniformly that everyone wants to stay here, nor is it uniformly that everyone wants to go somewhere else. Housing's policy is to work individually with each tenant to ascertain the best option for them and to support them in that.

THE CHAIR: Given that what you are saying today is that there will be an increase in the value of land along the corridor, based on examples across Australia and the world, and that the land that the public housing stock is currently on would be much more valuable than it is now, is there an opportunity, then, to increase the public housing stock through some of the profits that are made through that uplift that is going to be related to this?

MR COE: Outside the corridor, though, otherwise you would be buying in the corridor at the same inflated price.

THE CHAIR: Perhaps.

Mr Corbell: There are a range of choices and options open to government. Clearly, there is uplift in land value along the corridor, including public housing sites. It will depend on when the government chooses to realise that value. Do we choose to sell those sites or redevelop those sites only when light rail is in place where perhaps value capture is more certain, or do we do it in anticipation of that? And there will be a range of choices for the government there.

Equally, the government will want to procure alternative accommodation, and if there

is, if you like, a windfall gain to the territory as a result of the uplift in value we will certainly want to capitalise on that in terms of redeployment of housing stock in other areas. It will come down to what the demand is for housing. We know that the highest level of demand for public housing is two-bedroom apartments or townhouse-type accommodation, semi-detached-type accommodation, followed by detached, single dwelling, three-bedroom homes. There is a range of demand for different types of housing, and Housing has to try to manage its housing portfolio to meet and match that demand.

Clearly, if there is more value available from a site, that gives the government an option to redeploy more of that uplift in value to other purchases, but that comes down to the decisions that the government would have to make with Housing ACT. I am not really placed to get into the detail of that.

MR COE: When will the active development strategy be prepared?

Mr Corbell: That work is ongoing as part of the government's overall consideration of the final business case, and it will be an ongoing process in the lead-up to and following the government's consideration of the final business case.

MR COE: Can you give us an overview of the scope of that piece of work?

Mr Corbell: In general terms, the intention is to look at the opportunities for redevelopment along the corridor, both in terms of land availability and the sites that the territory has ownership of or is custodian of, along with the opportunities to coordinate with known or expected private sector redevelopment and also opportunities to integrate that redevelopment, whether it is private or public sector initiated, with the broader urban design outcomes for the corridor, recognising that there are some important locations along the corridor that could benefit significantly from an effective urban design response coordinated with redevelopment activity.

MR COE: One such area is Dickson. It will be an interesting development insofar as the requirements for it, of course, have to incorporate the tram, have to incorporate buses and then try to get some value capture there as well. What work has been done about planning that and how are you going to have passengers traversing the southbound lane of Northbourne and where the buses are actually going to feed into? Does it mean getting rid of the motor registry and doing some transit-oriented development there?

Mr Corbell: In simple terms, yes. The existing Dickson motor registry site is identified as a significant development opportunity site and to provide the potential for a transit interchange with bus services at that point along with possible mixed-use development—commercial and/or residential development—on that site. That is the subject of detailed analysis now by the Economic Development Directorate and the LDA.

MR COE: And is the government considering a tunnel, a pedestrian tunnel?

Mr Corbell: I have not seen any proposals for a tunnel.

MR COE: To connect the tram on the median to the buses towards Dickson?

Mr Corbell: I have not seen a proposal. No, I have not seen any proposals for that.

MR COE: And what about whether the government will be the anchor tenant for that development?

Mr Corbell: That is an option, but no decision has been taken on that matter. But clearly, there are some existing tenancies, government tenancies, in the immediate vicinity of Dickson which will be expiring over the next five years or so. And there is the opportunity to consolidate those existing government tenancies into a new building, but no decision has been taken on that at this time.

MR COE: In part, is that development dependent upon a government decision on a city office block?

Mr Corbell: I am not privy to the detailed analysis on those matters. That is a question best directed to the Economic Development Directorate.

MR COE: As the Minister for Capital Metro, is your consideration regarding a transit-oriented development in Dickson contingent on a decision by someone else, or something else, being a body of cabinet?

Mr Corbell: It is a redevelopment site. Whether it ends up being a commercial site or a residential site and whether it ends up being a government tenant or a private tenant are simply matters that have not been resolved at this point in time. From my perspective as Minister for Capital Metro, what is important is that the site is identified for a mixed-use, transit-oriented development. The nature of that and the tenancy and whether it is a government tenancy or so on are simply matters of detail that are yet to be determined.

MR COE: However, are the government staff who work in that precinct, be it the motor registry or the Telstra building—I am not sure of the name—or over in Macarthur House, incorporated into the BCR and the demand projections for the Dickson station?

Mr Edghill: The economic analysis which feeds into the BCR is not dependent upon identifying specific employees and where exactly they are.

MR COE: No, but is it dependent upon the current level of staffing, the current occupancy of those buildings, or is it dependent upon full occupancy or no occupancy?

Mr Edghill: The population and the transport and the land use assumptions which we look at and which feed into the economic analysis actually look at the ACT and the region as a whole and look at the movement within that broad region when it comes to stuff like transport and when it comes to employment and population. So the short answer is no, the BCR analysis—

MR COE: But you are talking about macro analysis. I am talking about the route-

specific analysis and, for instance, the assessment of where stations go et cetera. Surely that has got to take into account the occupancy of the buildings and how many people are within 400 or 800 metres of that building for both employment and for residential.

Mr Edghill: The stops analysis and where the stops are in the end located will be determined at the end of the procurement process. It will be a result also of decisions that the government makes. There are a lot of factors which feed into where the stops are going to be located, and I think the community consultation process that was discussed earlier is part of what feeds into those decisions. Some of the transportation modelling as opposed to the economic analysis will feed into that also.

MR COE: But the rapid business case specifically suggests as an alternative going from Dickson to the city as a possibility, to which the government said no. And I respect that. However, making that call was based on a certain amount of demand in Dickson. Therefore, what is that demand in Dickson and what is the basis for calculating those figures?

Mr Edghill: It is a mixture of the raw number of people living within the corridor. So the modelling is quite detailed and looks at the people that are living within the corridor. It looks at people working within the corridor. It looks at people who are studying within the corridor. So it does not look at exactly what function those people are performing within the corridor, but it does look at—

MR COE: That is what I am getting to. If you take a thousand people out of Dickson who are currently working there, is the assumption that they are going to be replaced with another thousand people?

Mr Edghill: Essentially, you would not take a thousand people out of an area and leave it blank. If you are taking a thousand people—

MR COE: They would be going to the city, into the new office building.

Mr Edghill: If they are performing one function, then the opportunity arises to more effectively engage that piece of land in another use. It could well be the case that if you are taking a thousand—that is just a number—people out and putting them into another office block and then that provides you with the opportunity to redevelop that land and then you are effectively using it for 2,000 people, then you would actually see an uplift from that decision to move from Dickson to another area.

Mr Corbell: This is why—

MR COE: Then you are dragging from the rest of the ACT.

Mr Corbell: This is why, again, I say—

MR COE: Once again, that is at the expense of the rest of Canberra.

Mr Corbell: This was why I was saying that the issue for me, as capital metro minister, is to make sure that the land use is suited to the integration of land use and

transport planning considerations that we have for the corridor. It is not dictated by who the tenant is or what their particular work function is.

THE CHAIR: Sadly, on that note, after 3½ hours, we are out of time. Thank you, minister, capital metro and everybody for coming along this afternoon. You will receive a copy of *Hansard*. If there is anything in there that needs to be corrected, please let us know. On that note, we will adjourn.

The committee adjourned at 5.02 pm.