



Australian Government

Department of Infrastructure, Regional Development and Cities

**Secretary
Dr Steven Kennedy PSM**

PDR ID: EC18-000895

Ms Peggy Danaee
Secretary
Joint Standing Committee on the National Capital and External Territories
PO Box 6021
Parliament House
CANBERRA ACT 2600

Dear Ms Danaee

Inquiry into Commonwealth and Parliamentary Approvals for the Proposed Stage 2 of the Australian Capital Territory Light Rail Project: Submission by the Department of Infrastructure, Regional Development and Cities

Thank you for your letter of 16 May 2018 concerning the Inquiry by the Joint Standing Committee on the National Capital and External Territories into Commonwealth and Parliamentary Approvals for the Proposed Stage 2 of the Australian Capital Territory (ACT) Light Rail Project. This letter in reply constitutes the submission by the Department of Infrastructure, Regional Development and Cities (the Department) to the Inquiry.

The National Capital Authority (NCA) is an independent statutory authority within the Infrastructure, Regional Development and Cities portfolio and has a significant role in assessment of the ACT light rail project. The NCA is providing its own submission to the inquiry consistent with its responsibilities. The Department's submission is intended to complement the NCA's.

1. Introduction – roles of the Department of Infrastructure, Regional Development and Cities, the National Capital Authority and Infrastructure Australia

The Department is responsible for the design and implementation of the Australian Government's infrastructure, transport, cities, regional development and territories policies, programs and regulations, to support the Government in achieving a strong economy and thriving communities now and for the future. This incorporates providing the Australian Government with strategic policy advice to assist it in shaping the framework underpinning Australia's transport system and in relation to its interests in all Australian territories, including the self-governing ACT.

1.1 Relations with the ACT

The Department maintains and provides advice on the Australian Government's legislative framework that ensures effective governance in the ACT – primarily through the functions outlined in the *Australian Capital Territory (Self-Government) Act 1988*. This Act sets out the form and function of the ACT's executive and legislature, and bestows the same legislative and executive powers and responsibilities over finances for the ACT as other jurisdictions.

The Australian Government has an enduring interest in Canberra as the nation's capital. This interest is primarily managed through the NCA, established under the *Australian Capital Territory (Planning and Land Management) Act 1988*. The NCA has planning and other responsibilities that co-exist with the ACT Government's planning and land management framework.

The NCA has responsibility for determining applications for works and planning approval for major projects on National Land. It prepares and administers the National Capital Plan, which sets out general provisions for the entire ACT and more detailed requirements for nationally important areas. The NCA manages the delivery of services including commissioning works in nationally important areas and maintains selected Australian Government assets such as major roads, bridges, Scrivener Dam and national memorials.

Infrastructure Australia is an independent statutory body with a mandate to prioritise and progress nationally significant infrastructure. It provides independent research and advice to all levels of government as well as investors and owners of infrastructure. Infrastructure Australia is responsible for strategically auditing Australia's nationally significant infrastructure, and developing 15-year rolling Infrastructure Plans that specify national and state level priorities. Under the *Infrastructure Australia Act 2008*, nationally significant infrastructure includes:

- a. transport infrastructure;
- b. energy infrastructure;
- c. communications infrastructure; and
- d. water infrastructure

in which investment or further investment will materially improve national productivity.

Infrastructure Australia also assesses the business cases for all projects that seek \$100 million or more in Australian Government funding.

1.2 Infrastructure programs and the ACT

The Government has committed more than \$75 billion over the next 10 years to new and upgraded transport infrastructure projects across Australia, building on its current investments to improve road, freight rail and urban transit networks. In the 2018-19 Budget, the Government committed to a new 10 Year Infrastructure Investment Pipeline. This is a set of land transport priorities in our major cities and across regional Australia that will benefit every state and territory.

The Pipeline will see substantial investment in urban road and rail initiatives, including under the National Rail Program, that will transform the way people commute across their cities. It will deliver vital investments on key corridors across regional Australia. The Pipeline recognises that major infrastructure projects take many years to plan, design and deliver. New projects will be added over time as further priorities are identified through continuing analysis and engagement with state and territory governments and the private sector.

In the ACT, the Australian Government has committed up to \$100 million to a Monaro Highway Package in the 2018–19 Budget to address the pressure that continued population and employment growth in the ACT is placing on its existing transport networks. The ACT will also benefit from the Government’s \$100 million contribution to continue the upgrade of the Barton Highway under the Roads of Strategic Importance initiative.

In total, the Australian Government has committed \$557.5 million from 2013-14 to 2021-22 to fund transport infrastructure projects in the ACT. This includes \$67.1 million provided to the ACT Government for Stage 1 of the ACT Light Rail Project through the Asset Recycling Initiative. It includes \$2 million towards a \$4 million project that will plan for the future duplication of Pialligo Avenue. Beyond 2021-22, a further \$60 million is committed to infrastructure projects in the ACT. The Australian Government has made no commitment to fund Stage 2 of the ACT Light Rail Project.

The ACT will continue to benefit from funding under the Roads to Recovery, Black Spot, Heavy Vehicle Safety and Productivity, and Bridges Renewal programs. These programs are addressing safety, efficiency and reliability concerns across the ACT’s transport network.

The ACT benefits from Financial Assistance Grants, which can be used to build and maintain local roads. The ACT will receive \$52.2 million under the Financial Assistance Grant program in 2017-18, which includes the early “bring-forward” payment of \$26.3 million of 2018-19 funding to be paid in June 2018.

Furthermore, through the Treasury, the Australian Government provides \$40 million per year, indexed annually, to the ACT Government to assist in meeting the additional municipal services that arise from Canberra’s role as the capital. In addition, under the National Capital Functions program, the Australian Government, through the Department, provides funding annually to the ACT Government (\$1.9 million in 2017-18) for providing services associated with obligations resulting from the establishment of the national capital.

2. National capital significance of ACT Light Rail Stage 2

The Australian Government's vision for the ACT is for increasing sustainable economic prosperity combined with effective governance consistent with the national interest. In the context of national capital planning, the Department considers the proposed Stage 2 of the ACT light rail project to be a significant project because the ACT Government’s preferred route traverses some of the most symbolically significant land in the nation around Lake Burley Griffin and the national Parliament, including major ceremonial routes to Parliament House.

As the nation’s capital, Canberra has a unique purpose, setting, character and symbolism. Canberra’s pre-eminent roles as the centre of national capital functions and as the symbol of Australian national life and values make it important to conserve and enhance sites, approaches and backdrops for national institutions and ceremonies. This particularly applies to areas of central Canberra around Parliament House. A statement of Canberra’s national significance is provided in the National Capital Plan, section 1.1 ‘Matters of National Significance’ and section 1.2 ‘Designated Areas.’¹

¹ <https://www.nca.gov.au/consolidated-national-capital-plan/part-one-national-significance-canberra-and-territory-0>

The project design for the proposed Stage 2 of ACT Light Rail would need to take account of implications for the symbolism, heritage value and day-to-day operational use of central Canberra. The NCA will take similar national interest and operational considerations into account in assessing works and planning applications.

3. Processes for considering and approving the construction of ACT Light Rail Stage 2

3.1 National Capital Authority approval processes

The NCA is responsible for approving works that occur in the Central National Area of Canberra in accordance with the powers set out in the *Australian Capital Territory (Planning and Land Management) Act 1988*. These powers include activity on the land within the Parliamentary Zone.

The ACT Government is yet to submit a Works Approval Application for Light Rail Stage 2 to the NCA. We understand that the NCA's submission to this Inquiry will outline the key issues the NCA will consider when making a decision on the Works Approval Application for this project.

3.2 Parliamentary approval: the *Parliament Act 1974*

The ACT Government's preferred Light Rail Stage 2 route passes through the Parliamentary Zone. This is the area encompassed by the southern shore of Lake Burley Griffin, Commonwealth and Kings Avenues, and State Circle.² A map of this route is provided as an attachment to this submission.

Building works in this zone also fall under the *Parliament Act 1974* and must undergo a parliamentary approval process. Following an initial assessment by the NCA of the proposed works, including ensuring consistency with the statement of planning principles set out at section 2 of the National Capital Plan, the NCA may recommend that the Minister responsible for territories table the works approval for Light Rail Stage 2 in each House of Parliament for both Houses to approve by resolution.³

While this process is coordinated by the NCA, it is separate from, and in addition to, the NCA's own approval process. Once a decision on the proposed works has been made by both Houses of Parliament, the NCA would make a final decision on its own Works Approval Application.

3.3 Other approvals likely to be required

Ministerial referral for consideration under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) for the Light Rail Stage 2 project is also likely, given the heritage significance of the area concerned. The EPBC Act is the Australian Government's central piece of environmental legislation and provides a legal framework to protect and manage nationally and internationally important flora, fauna, ecological communities and heritage places. Implementation of this legislation is managed by the Department of the Environment and Energy and requests for further information on the operation of the EPBC Act should be addressed to them.

National Land consists of areas of the ACT that the Australian Government retains for its own use. While not specifically an approval, a license agreement to occupy National Land would also need to be established through the NCA under the relevant provisions of the *National Land*

² Section 3 (1) of the *Parliament Act 1974* formally defines this area; the schedule to this Act provides a map.

³ <https://www.nca.gov.au/consolidated-national-capital-plan/part-two-statement-planning-principles-0>

Ordinance 1989. The nature and extent of the agreement can only be determined once the route is finalised. Other ordinances relating to National Land may also prove relevant, such as the *Lakes Ordinance 1976*, the *Roads and Public Places Ordinance 1937* and the *Protection of Lands Ordinance 1937*.

4. Transport design aspects of the project

Infrastructure Australia has identified capacity on parts of the north-south and east-west transport corridors in Canberra as a potential constraint that may need to be addressed in the medium term. Infrastructure Australia's Infrastructure Priority List includes "Canberra public transport improvements" as a proposed medium term initiative to address public transport capacity. The "Canberra CBD to north corridor" also remains on the List as a proposed initiative, although the construction of Light Rail Stage 1 from Gungahlin to Civic may address this constraint.⁴

Although light rail may be one solution to these capacity constraints, Infrastructure Australia and the Department would need to undertake further analysis to reach an informed view. In particular, the information that would typically be provided in a business case would need to be reviewed and considered. At this stage, the Department and Infrastructure Australia have not been provided with a business case.

However, for the purposes of this Submission, and your consideration of the impact on the area of national significance, you may wish to take account of the following:

- network integration with other modes of transport such as well-connected feeder buses, cycle paths, car parking facilities at stations and interoperability of ticketing;
- service speed and journey times: fast services typically attract commuters to use passenger rail services in congested peak periods;
- service frequency and reliability: low waiting times and high reliability are important components of rail service quality;
- station accessibility and facilities: commuter access to stations is important for successful passenger services; and
- access to jobs, education and services: effective and efficient passenger rail services commonly link communities within cities and their surrounding regions to each other and to jobs, education and services.

More broadly, an assessment of any infrastructure project would normally pass through the following five-stage Infrastructure Australia assessment process in order to be included in the Infrastructure Priority list:

1. Problem Identification and Prioritisation;
2. Initiative Identification and Options Development;
3. Business Case Development;
4. Business Case Assessment; and

⁴ Infrastructure Australia, *Infrastructure Priority List, Australian Infrastructure Plan, Project and Initiative Summaries*, March 2018, pp. 115-116.

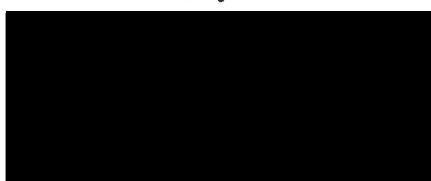
5. Post Completion Review.⁵

Any further inquiries about project assessment should be referred to Infrastructure Australia.

In summary, the proposed Light Rail Stage 2 represents a major infrastructure investment by the ACT Government that is of significance to the Australian Government. It has the potential to affect the broader transport network and structure of the national capital, and to have a considerable impact on some of the most symbolically significant land in the nation. As such, the Department welcomes the Committee's consideration of possible impacts the proposal may have on heritage values and the national importance of the Parliamentary Zone and of Australia's national capital.

The Department would be pleased to expand on these issues if needed to assist the Committee in this Inquiry.

Yours sincerely



Steven Kennedy

15 June 2018

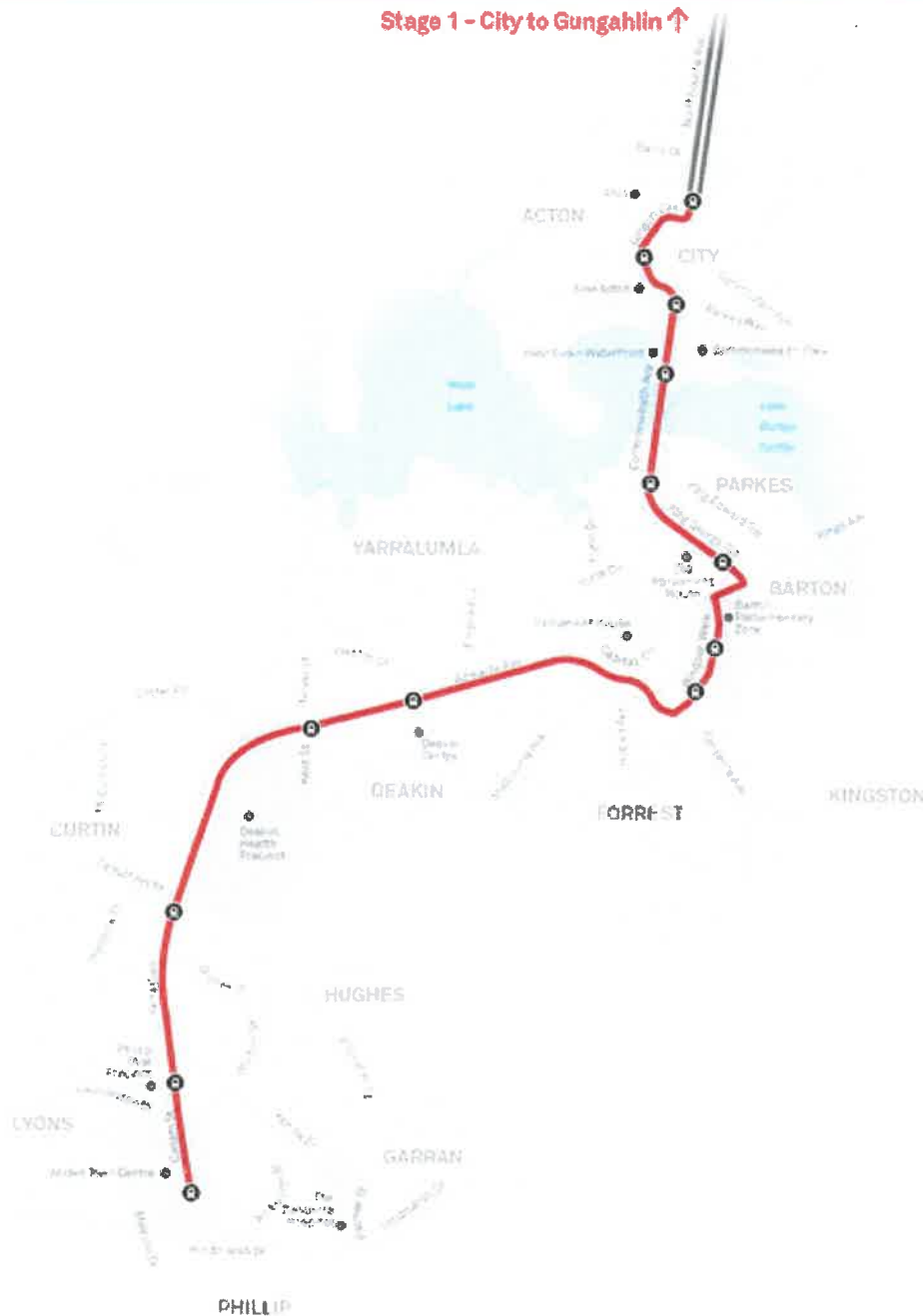
⁵ Infrastructure Australia, *Assessment Framework*, March 2018.

ATTACHMENT – ACT Government’s preferred route for Light Rail Stage 2

Stage 2 Route Map: City - Woden



Stage 1 - City to Gungahlin ↑



Preferred Light Rail Line Light Rail Stop (indicative only)

0m 1km



TTC Transport Canberra

