

[Redacted]

From: [Redacted]
Sent: Friday, 22 January 2010 10:33 AM
To: [Redacted]
Subject: IA Stage 7
Attachments: 20100122092050408.pdf

[Redacted]

I think recognising the attached article we should try and get the IA stage 7 for Majura Parkway in ASAP. I'll pop up and see you.

A portfolio of eight ACT submissions was forwarded for consideration by Infrastructure Australia in December 2009.

Each submission provided for stages 1-6 of the Reform and Investment Framework. Treasury explained that due to the amount of work required to develop Stage 7 - Solution resolution, this component of the proposal would be provided upon preliminary feedback from Infrastructure Australia.

The purpose of this email is to coordinate the delivery of Stage 7 to Infrastructure Australia to ensure the completeness of each submission put forward by the ACT.

Stage 7 - Solution Prioritisation culminates the analysis from the preceding six stages and provides a 'snapshot' of the specific proposal put forward for consideration. It comprises three components:

- strategic fit and profiling;
- appraisal; and
- deliverability.

To ensure the integrity of the initiatives presented in the ACT submission, it is important to ensure that the structure of the planning process required by Infrastructure Australia is met in a well developed, robust and timely manner.

To guarantee the completeness of each individual proposal and warrant the consideration of Infrastructure Australia in the 2009-10 infrastructure planning process, I would appreciate Stage 7 of your submission by XX XX 2010, upon which time it will be forwarded on to Infrastructure Australia.

If you have any questions, please don't hesitate to contact me.

[Redacted]

Spending on freight transport 'a priority'

By Danielle Cronin
Political Correspondent

Prime Minister Kevin Rudd has flagged "substantial new investment" in infrastructure to meet the "truly staggering" need and to prevent the country falling behind in terms of productivity and living standards.

Freight transport would be the priority for federal, state and territory leaders this year, Mr Rudd said yesterday in a speech about investing in infrastructure.

He emphasised the need to lift productivity and overcome challenges posed by an ageing population.

Opposition infrastructure spokesman Ian Macfarlane said the Rudd Government had displayed "no hint of failure" when it came to infrastructure spending.

Despite a massive accumulation of \$153 billion net debt, a mere \$8.5 billion has been allocated for productivity building infrastructure in the next few years, the Rudd Government has failed to plan for capacity generating infrastructure, preferring instead to focus on school halls, Mr Macfarlane said.

Mr Rudd said investment in infrastructure - as a percentage of GDP - had decreased under the Howard government.

If this trend continues, Australia will fall further behind other nations on productivity and in the long term on future growth and living standards, Mr Rudd said.

Australia's shortfall on infrastructure investment has generated a yawning gap between the infrastructure we've got and the infrastructure we need. We see this in some of the potholes on our roads

and in the freight transport bottlenecks around the country - was expected to triple by 2050.

Meeting this task will require a massive effort. Companies will have to improve transport and logistics strategies and efficiencies and governments will have to undertake substantial new investment and policy reform, he said.

It has been estimated \$62.5 billion should be spent on infrastructure by 2050 - almost four times the spending level in 2008.

In its interim priority list, Infrastructure Australia had identified 40 road projects worth \$69 billion, eight freight rail projects worth \$16 billion and six port and airport projects worth \$6 billion.

Mr Rudd made the comments in the third in his series of speeches on Building Australia's Future delivered in the lead-up to Australia Day.

In the first, he argued every Australian would be \$16,000 a year better off if productivity growth returned to 2 per cent a year by 2050.

In the second, he warned Australians to brace for some unpopular belt-tightening to repair the damage caused by the Howard government's spending.

Opposition frontbencher Nick Minchin said yesterday Mr Rudd's splotchy attack was designed to mask the reckless spending that had marked his own first term in office.

Kevin Rudd was selective in his attack and totally ignores the fact that the former Howard government was left with a horrendous legacy of \$90 billion of net Labor debt which took the Coalition the best part of a decade to pay off, but was debtless, Senator Minchin said.

Opposition finance spokesman Barnaby Joyce said Mr Rudd's comments were "almost [Money]

It pays to shop

CHECKING IT OUT

Supermarket	Price per litre
Coles - Central Belconnen	\$1.22
Woolworths - Woden	\$1.23
Woolworths - Central Belconnen	\$1.24
Woolworths - Dickson	\$1.24
Woolworths - Holt	\$1.25
Woolworths - Gungahlin	\$1.30
Coles - Jamison	\$1.30
Woolworths - Weston Creek	\$1.31
Woolworths - Conder	\$1.31
Woolworths - Hyperdome	\$1.32
Woolworths - Karambah	\$1.33
Woolworths - Calwell	\$1.33
Coles - Manuka	\$1.33
Woolworths - Wannassa	\$1.33
Coles - Hyperdome	\$1.35
Woolworths - Charwood	\$1.35
Coles - Chisholm	\$1.36
Woolworths - Queanbeyan	\$1.36
Coles - Gungahlin	\$1.36
Coles - Woden	\$1.36
Supabarn - Wannassa	\$1.37
Supabarn - City	\$1.37
Woolworths - Woden	\$1.37
IGA - Clean	\$1.38
IGA - City	\$1.38
IGA - Yarralumla	\$1.38
IGA - Richardson	\$1.38
IGA - Fraser	\$1.38
IGA - Hawker	\$1.38
IGA - Waramanga	\$1.38
IGA - Lynnham	\$1.38

Item Number	Item Surveyed
1	Red Delicious Apples 1kg
2	Bananas 1kg
3	Apples 1kg 2000 original 250g
4	Supermarket Brand tissues
5	Kleenex facial tissues white family pack 250
6	Pine-O Clean disinfectant 500ml
7	Cold Power powder concentrate regular 1kg
8	Supermarket Brand Anti-bacterial disinfectant 2L
9	Colgate toothpaste medium 175g
10	Supermarket Brand toothpaste
11	Paracetamol tablets 120
12	Supermarket Brand Paracetamol 24
13	CSR Super White 1kg
14	Zarwell pasta spaghetti No.4 500g
15	Supermarket Brand Spaghetti 500g

From Page 1
But Coles Manuka was cheaper than Coles Gungahlin and Woolworths Charwood.
The report also found that having a greater number of supermarkets (of any brand) in close proximity to each other did not lower the prices of these supermarkets relative to those of locally located supermarkets.

proximity to Aldi Inc charged by supermarket Gallagher said.
The report found items increased from Flat-O-Clean and Coles Supermarket White by 3.49 per cent and Flat-O-Clean by 2.01

From: [REDACTED]
Sent: Tuesday, 16 February 2010 11:54 AM
To: [REDACTED]
Subject: RE: Meeting with Anthony Albanese & Katy Gallagher 9 March at 5:30pm [SEC=UNCLASSIFIED]
Attachments: Treasurer's Letter to IA - December 2009 Submission.doc

I have attached a copy of the letter from the Treasurer to Mr Michael Deegan that accompanied the ACT's submission to the national infrastructure pipeline in December 2009.

The letter includes an attached summary of projects put forward in the submission.

The actual submission provided to IA is very large, containing multiple documents, independent reports and CD's.

I trust that the attached letter provides sufficient information for you in preparation for the meeting with Minister Gallagher.

Please don't hesitate to call me if you have any questions Janice, happy to help.

Regards,

[REDACTED] | FINANCIAL ANALYST | BUDGET COORDINATION AND REPORTING
 FINANCE AND BUDGET DIVISION | ACT TREASURY | GPO BOX 158 CANBERRA ACT 2601
 PH: (02) 6207 5390 | FAX: (02) 6207 0298 | EMAIL: [REDACTED]@ACT.GOV.AU

From: [REDACTED] [mailto:[REDACTED]@infrastructure.gov.au]
Sent: Tuesday, 16 February 2010 11:09 AM
To: [REDACTED]
Subject: RE: Meeting with Anthony Albanese & Katy Gallagher 9 March at 5:30pm [SEC=UNCLASSIFIED]

Hi [REDACTED]

I will be attending the meeting between Ms Gallagher and Anthony Albanese. Do you have a copy of the submission you can forward me?

Thanks

[REDACTED]
 Adviser

Office of the Hon Anthony Albanese MP
 Minister for Infrastructure, Transport, Regional Development, and Local Government
 Leader of the House
 Federal Member for Grayndler
 Canberra: (02) 6277 7680
 Sydney: (02) 9291 3200

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Katy Gallagher MLA
 DEPUTY CHIEF MINISTER
 TREASURER
 MINISTER FOR HEALTH
 MINISTER FOR INDUSTRIAL RELATIONS

MEMBER FOR MOLONGLO

Mr Michael Deegan
 Infrastructure Coordinator
 Infrastructure Australia
 Level 21, Deutsche Bank Building
 126 Phillip Street
 SYDNEY NSW 2000

Dear Mr Deegan

I am writing in response to your letter of 12 June 2009 to the Department of Treasury, in which you sought new submissions to carry out assessment and evaluation for the national infrastructure pipeline.

I appreciate Infrastructure Australia's (IA) consideration of these Submissions.

Further to earlier advice to Infrastructure Australia listing the projects identified for inclusion by the ACT, please find attached the ACT submissions for the national infrastructure pipeline for consideration. I have provided a brief summary of each individual project at Attachment A.

Please note that a number of these projects have been previously submitted to IA, and were included in its list of projects for further development. Where applicable, the submissions have been updated or revised for any additional information and analysis available since that time.

The submissions provide for stages 1-6 of the Reform and Investment Framework. The Stage 7 – Solution Prioritisation component of the submission will be provided to IA by Treasury as they are considered.

If you require any further information or clarification please do not hesitate to contact Mr Neil Bulless, Executive Director – Finance and Budget Division, on (02) 6207 0264 or neil.bulless@act.gov.au.

Yours sincerely

Katy Gallagher
 Treasurer
 December 2009

ACT LEGISLATIVE ASSEMBLY

[REDACTED]

From: [REDACTED]
Sent: Monday, 22 February 2010 2:50 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: FW:
Attachments: 20100222122847513.pdf

[REDACTED]

See the attached letter. We are preparing a response that will focus on Majura Parkway corridor. If you have any information, data or suggestions for content please let me know.

Cheers

[REDACTED]

-----Original Message-----

From: ricoh@act.gov.au [mailto:ricoh@act.gov.au]
Sent: Monday, 22 February 2010 1:29 PM
To: [REDACTED]
Subject: [REDACTED]

This E-mail was sent from "RNPB97FEB" (Aficio MP C4500).

Scan Date: 22.02.2010 12:28:47 (+1000)
Queries to: ricoh@act.gov.au

C319/10



Australian Government
Infrastructure Australia

8 February 2010



Hon Jon Stanhope
Chief Minister
ACT Legislative Assembly
GPO Box 1020
CANBERRA ACT 2601

Dear Chief Minister

In his Australia Day address in Adelaide this year, the Prime Minister advised that Infrastructure Australia is developing a National Freight Network Plan. I am writing to invite your Government or agencies to contribute to the development of this initiative.

Issues for consideration include:

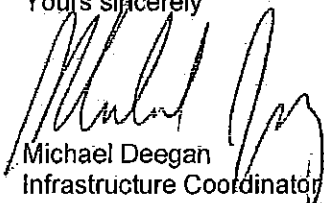
- scope of the network;
- freight use and priorities;
- operating and infrastructure standards;
- ownership and control;
- planning regimes (including in urban areas);
- regulatory responsibilities; and
- financing, including cost recovery and funding.

Submissions will close on 5 March 2010.

Submissions can be mailed to:
The Infrastructure Coordinator
Infrastructure Australia
GPO Box 594
CANBERRA ACT 2601

Queries can be directed to Mr John Austen (02) 8114 1900.

Yours sincerely


Michael Deegan
Infrastructure Coordinator

Infrastructure Australia
GPO Box 594, Canberra ACT 2601 Australia
Telephone (02) 8114 1900 facsimile (02) 8114 1932
www.infrastructureaustralia.gov.au

[REDACTED]

From: [REDACTED]@infrastructure.gov.au
Sent: Tuesday, 23 February 2010 10:20 AM
To: [REDACTED]
Subject: Submission for the Majura Parkway Project to Infrastructure Australia
[SEC=UNCLASSIFIED]

Flag Status: Flagged

Hi [REDACTED]

As per our recent conversation, could you please send me a copy of your submission to IA for the Majura Parkway project.

My street address is
ALSE
111 Alinga Street
Canberra City

My extension is 6027

Kind Regards

[REDACTED]
[REDACTED]
Project Officer
South East Roads | Nation Building - Infrastructure Investment
Department of Infrastructure, Transport,
Regional Development and Local Government
Ph: 02 6274 6027
Fax: 02 6274 7400
email: [REDACTED]@infrastructure.gov.au
Please Note: I am not in the office on Fridays

Disclaimer

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[Redacted]

From: [Redacted]
Sent: Tuesday, 23 February 2010 1:56 PM
To: [Redacted]
Cc: [Redacted]
Subject: RE: [Redacted]

I will check their website and advise you

TG

-----Original Message-----

From: [Redacted]
Sent: Tuesday, 23 February 2010 1:51 PM
To: [Redacted]
Cc: [Redacted]
Subject: RE: [Redacted]

Tony, thanks, yep we'll use the existing material. Any idea where we can get the BTIRE reports?

-----Original Message-----

From: [Redacted]
Sent: Monday, 22 February 2010 3:37 PM
To: [Redacted]
Cc: [Redacted]
Subject: RE: [Redacted]

Information already provided should help this - there is some BTIRE reports on freight levels by 2020 that are also relevant

TG

-----Original Message-----

From: [Redacted]
Sent: Monday, 22 February 2010 2:50 PM
To: [Redacted]
Subject: FW: [Redacted]

[Redacted]

See the attached letter. We are preparing a response that will focus on Majura Parkway corridor. If you have any information, data or suggestions for content please let me know.

Cheers

[Redacted]

-----Original Message-----

From: ricoh@act.gov.au [mailto:ricoh@act.gov.au]
Sent: Monday, 22 February 2010 1:29 PM
To: [Redacted]
Subject: [Redacted]

This E-mail was sent from "RNPB97FEB" (Aficio MP C4500).

Scan Date: 22.02.2010 12:28:47 (+1000)

C319/10



Australian Government
Infrastructure Australia

8 February 2010

Hon Jon Stanhope
Chief Minister
ACT Legislative Assembly
GPO Box 1020
CANBERRA ACT 2601



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Issues for consideration include:

- scope of the network;
- freight use and priorities;
- operating and infrastructure standards;
- ownership and control;
- planning regimes (including in urban areas);
- regulatory responsibilities; and
- financing, including cost recovery and funding.

Submissions will close on 5 March 2010.

Submissions can be mailed to:
The Infrastructure Coordinator
Infrastructure Australia
GPO Box 594
CANBERRA ACT 2601

Queries can be directed to Mr John Austen (02) 8114 1900.

Yours sincerely

Michael Deegan
Infrastructure Coordinator

Infrastructure Australia
GPO Box 594, Canberra ACT 2601 Australia
Telephone (02) 8114 1900 facsimile (02) 8114 1932
www.infrastructureaustralia.gov.au

From: [redacted]@infrastructure.gov.au
Sent: Wednesday, 24 February 2010 9:36 AM
To: [redacted]
Subject: RE: Submission for the Majura Parkway Project to Infrastructure Australia [SEC=UNCLASSIFIED]

Flag Status: Flagged

Hi [redacted]

Thank you very much for your assistance with this matter.

Appreciated.

Regards

[redacted]
[redacted]
Project Officer
South East Roads | Nation Building - Infrastructure Investment
Department of Infrastructure, Transport,
Regional Development and Local Government
Ph: 02 6274 6027
Fax: 02 6274 7400
email: [redacted]@infrastructure.gov.au
Please Note: I am not in the office on Fridays

From: [redacted] [mailto:[redacted]@act.gov.au]
Sent: Wednesday, 24 February 2010 9:35 AM
To: [redacted]
Subject: RE: Submission for the Majura Parkway Project to Infrastructure Australia [SEC=UNCLASSIFIED]

Hi [redacted]

As I had mentioned, there are quite a few documents that we have provided to IA in two rounds. The CBA has been updated following consultation and final alignment. Some of these are quite large and difficult to transmit electronically. I am arranging for a folder of documents and CDs to be dropped to your office today. That should happen in the next few hours.

Best regards

[redacted] | Executive Director | Policy Coordination and Development Division | ACT Treasury
Phone: (02) 6207 0228 | Mob. [redacted]

From: [redacted] [mailto:[redacted]@infrastructure.gov.au]
Sent: Tuesday, 23 February 2010 10:20 AM
To: [redacted]
Subject: Submission for the Majura Parkway Project to Infrastructure Australia [SEC=UNCLASSIFIED]

Hi [redacted]

As per our recent conversation, could you please send me a copy of your submission to IA for the Majura Parkway project.

My street address is
AL5E
111 Alinga Street
Canberra City

My extension is 6027

Kind Regards

[Redacted]
[Redacted]
Project Officer
South East Roads | Nation Building - Infrastructure Investment
Department of Infrastructure, Transport,
Regional Development and Local Government
Ph: 02 6274 6027
Fax: 02 6274 7400
email: [Redacted]@infrastructure.gov.au
Please Note: I am not in the office on Fridays

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COPY

Jon Stanhope MLA

CHIEF MINISTER

MINISTER FOR TRANSPORT MINISTER FOR TERRITORY AND MUNICIPAL SERVICES
MINISTER FOR BUSINESS AND ECONOMIC DEVELOPMENT MINISTER FOR LAND AND PROPERTY SERVICES
MINISTER FOR ABORIGINAL AND TORRES STRAIT ISLANDER AFFAIRS
MINISTER FOR THE ARTS AND HERITAGE

MEMBER FOR GINNINDERRA

Mr Michael Deegan
Infrastructure Coordinator
Infrastructure Australia
Level 21 Deutsche Bank Building
126 Phillip Street
SYDNEY NSW 2000

Michael
Dear Mr Deegan

Thank you for your letter of 8 February 2010 inviting submissions relating to the National Freight Network Plan being developed by Infrastructure Australia (IA).

Please find attached the ACT Government's submission. The submission draws particular attention to the potential regional and national benefits of the Federal Highway Link to the Monaro Highway (Majura Parkway Project) and opportunities for further developments to rail infrastructure in the ACT, in the context of improving national freight movements.

Thank you for the opportunity to provide a submission for this important initiative.

Yours sincerely

Jon Stanhope MLA
Chief Minister

11 MAR 2010

ACT LEGISLATIVE ASSEMBLY

London Circuit, Canberra ACT 2601 GPO Box 1020, Canberra ACT 2601
Phone (02) 6205 0104 Fax (02) 6205 0433 Email stanhope@act.gov.au



Australian Government
Infrastructure Australia

Ref: 09/087.1

3 March 2010

Mr Floyd Kennedy
ACT Department of Treasury
GPO Box 158
CANBERRA ACT 2601

Dear Mr Kennedy

Federal Link to Monaro Highway (Majura Parkway) project

Thank you for the additional information dated 19 February 2010 to Infrastructure Australia.

Your additional information will receive careful consideration as Infrastructure Australia continues its work in identifying reforms and investments which are vital to ensuring Australia's economic infrastructure continues to support and drive the nation's economic, social and environmental success.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Stephen Alchin'.

Stephen Alchin
Executive Director Infrastructure Planning

Infrastructure Australia
GPO Box 594, Canberra ACT 2601 Australia
Telephone (02) 8114 1900 facsimile (02) 8114 1932
www.infrastructure.gov.au

**DEPARTMENT OF TREASURY
MINUTE**



To: Treasurer Copy To:

Subject: **ACT Infrastructure Australia Submission – Meeting with The Hon Anthony Albanese MP**

Timing: **For action** — You are to meet with Minister Albanese on 9 March 2010.

Purpose: To brief you in preparation for the meeting.

Key Points:

- The meeting details are shown in the table below.

Time	Tuesday 9 March 2010 from 5.30pm to 6pm.
Attendees	Minister Albanese, his adviser Janice Lee, Gabrielle Hummel, and yourself.
Location	The meeting will be held at Parliament House in Minister Albanese's office, Room Number MG 43. Entry via the Ministerial entrance.

Background

- In October 2008, the ACT provided an initial submission of priority infrastructure projects to Infrastructure Australia (IA) for consideration as part of the National Infrastructure Pipeline (the Pipeline), and the \$20 billion *Building Australia Fund* (BAF).
- Projects included in the submission are detailed below:
 - Transport – Majura Parkway, Very Fast Train and Light Rail System for the ACT.
 - Water – Cotter Dam Upgrade and Murrumbidgee to Googong Transfer.
 - Energy – Electricity Networks Projects: Southern Supply to the ACT Stage 1 and 2, and Gas Networks Projects: Hoskinstown to Fyshwick Looping Stage 1 and 2.
 - Health Capital Asset Development Plan.
- Each of the above projects was shortlisted onto the Infrastructure Priority List for the Pipeline, and detailed in Infrastructure Australia's *Report to the Council of Australian Governments* in December 2008 (Attachment A1). However, on 12 May 2009, when the Commonwealth Government announced the list of projects that would be funded through the BAF, unfortunately no ACT project was chosen for funding (see Budget documentation at Attachment A2).
- In June 2009, IA called for updated submissions to further progress the list of pipeline projects, including advice of any new potential projects. At this time there was considerable uncertainty about whether any funding would be provided by the Commonwealth for another funding round of projects.

Contact: [REDACTED] Senior Manager Ext: 70176 File No: TSY-F10/02

- For example, in a COAG Infrastructure Working Group meeting in late 2009 jurisdictions were advised by Minister Albanese, that noting the fiscal environment facing the Commonwealth no funding was available in the BAF for future projects (as the fund had been fully allocated), that significant funding (out to 2013-14) was already committed through the *Nation Building Program*.
- Notwithstanding the uncertainty of funding becoming available, the ACT provided a new and updated submission to IA on 21 December 2009. Attachment B is a copy of the accompanying letter and includes a summary of the projects put forward.

Majura Parkway


- Of most significance and key importance in the ACT submission is the Majura Parkway project. The project was put forward as a nomination in the ACT's original submission for inclusion in the Program in October 2008. Despite the projects high priority ranking, it failed to secure funding in the initial funding round.
- Attachment C summarises the arguments in favour of the Commonwealth providing funding to assist in the development of the Majura Parkway.
- The ACT is seeking a 50/50 funding arrangement with the Commonwealth for the delivery of this important transport project.

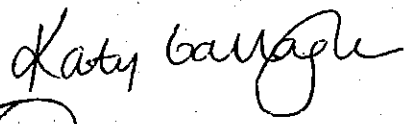
National Freight Network Plan

- On 10 February 2010, the Chief Minister received a letter from the IA Infrastructure Coordinator, Mr Michael Deegan, inviting the ACT Government to contribute to the development of the *National Freight Network Plan* by providing a submission.
- The ACT submission is due with IA on 5 March 2010. The submission draws attention to the potential regional and national benefits of the Majura Parkway project and also highlights the opportunities for further developments to rail infrastructure in the ACT, in the context of improving national freight movements.
- A copy of the submission will be provided to you shortly.

Recommendations:

- It is recommended that you note the above.


 Marsha Guthrie
 Acting Director, Budget Coordination and Reporting
 4 March 2010



Noted / Approved // Not approved / Please discuss
 Katy Gallagher MLA 10/ ~~10~~ / 2010
 3

esp with development of airport that Commonwealth has approved

I need an urgent letter to Min Albanese pointing at the issues ahead if we ~~do not~~ proceed with Majuraparkway - looking for 50:50 split



COPY

Jon Stanhope MLA

CHIEF MINISTER

MINISTER FOR TRANSPORT MINISTER FOR TERRITORY AND MUNICIPAL SERVICES
 MINISTER FOR BUSINESS AND ECONOMIC DEVELOPMENT MINISTER FOR LAND AND PROPERTY SERVICES
 MINISTER FOR ABORIGINAL AND TORRES STRAIT ISLANDER AFFAIRS
 MINISTER FOR THE ARTS AND HERITAGE

MEMBER FOR GINNINDERRA

Mr Michael Deegan
 Infrastructure Coordinator
 Infrastructure Australia
 Level 21 Deutsche Bank Building
 126 Phillip Street
 SYDNEY NSW 2000

Michael
 Dear Mr Deegan

Thank you for your letter of 8 February 2010 inviting submissions relating to the National Freight Network Plan being developed by Infrastructure Australia (IA).

Please find attached the ACT Government's submission. The submission draws particular attention to the potential regional and national benefits of the Federal Highway Link to the Monaro Highway (Majura Parkway Project) and opportunities for further developments to rail infrastructure in the ACT, in the context of improving national freight movements.

Thank you for the opportunity to provide a submission for this important initiative.

Yours sincerely

Jon Stanhope MLA
 Chief Minister

11 MAR 2010

ACT LEGISLATIVE ASSEMBLY

[REDACTED]

From: [REDACTED]
Sent: Friday, 22 January 2010 11:28 AM
To: [REDACTED]
Subject: RE: Infrastructure Australia Submission - Stage 7 Template
Attachments: IA Submission Coversheet - Fed Hway Link.doc; IA Reform Investment Framework Stages 1 to 6 - Fed Hway Link.doc; Fed Hway Link - Supp Info.doc; Ultimate Majura Parkway Economic Analysis - Rev4a 15 October 2009.pdf

No worries [REDACTED]

Here is the package of documents that were submitted for Majura.

From: [REDACTED]
Sent: Friday, 22 January 2010 11:21 AM
To: [REDACTED]
Subject: RE: Infrastructure Australia Submission - Stage 7 Template

Thanks. Can I please have a copy of the final Stages 1-6 Submission for Majura Parkway?

From: [REDACTED]
Sent: Friday, 22 January 2010 10:36 AM
To: [REDACTED]
Subject: Infrastructure Australia Submission - Stage 7 Template

Hi [REDACTED],

For you – a copy of the Stage 7 Template for the IA Submission.

[REDACTED] is coming up for a chat about it.

Cheers,
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

SUBMISSION COVERSHEET

This coversheet should be included with all submissions to Infrastructure Australia. Please complete all fields.

Organisation: ACT Government

Date: December 2009

Submission title: Federal Highway Link to Monaro Highway

Author(s):

Contact person: Khalid Ahmed Position: Executive Director, Policy Coordination and Development
Division, ACT Department of Treasury

Postal address: PO Box 158, Canberra ACT 2601

State: ACT

Postcode: 2601

Email address: khalid.ahmed@act.gov.au

Telephone: 02 6207 0228

Two (2) hard copies (one marked as the original), plus one (1) CD/DVD of the submission must be provided to:

SUBMISSIONS
Infrastructure Australia
Level 21, 126 Phillip St
Sydney NSW 2000
Ph: 02 8114 1900

CONFIDENTIALITY

If this submission contains material which you believe is **confidential**, this material should be marked as **confidential** on this coversheet and the **reason** for claiming confidentiality must be provided. The material must also be marked as **confidential** in the body of the submission. Infrastructure Australia may review claims of confidentiality with the proponent.

Document

Reason

ACKNOWLEDGEMENT

Please acknowledge the following submission guidelines:

- This submission conforms with Infrastructure Australia's requirements as set out in *Better Infrastructure Decision-Making: Guidelines for making submissions to Infrastructure Australia's infrastructure planning process, through Infrastructure Australia's Reform and Investment Framework* (available at www.infrastructureaustralia.gov.au).
- Where any third party material has been incorporated into the submission, the appropriate rights to use this material have been obtained.
- Infrastructure Australia may review claims of confidentiality with the proponent.
- I have included (please tick):
 - 2 hard copies and 1 CD/DVD of this submission
 - List of documents included in this submission (please complete page 2 of this coversheet)
 - Completed templates
 - GIS data
 - Other, please state:

Signed

Name (please print)

Position

Date

INFRASTRUCTURE AUSTRALIA

REFORM AND INVESTMENT FRAMEWORK TEMPLATES FOR USE BY PROPONENTS

(To be read in conjunction with Infrastructure Australia's
Better Infrastructure Decision-Making)

Summary Template and Templates for Stages 1-6

December 2009

Proposal Summary (2 pages, excluding maps)

Initiative Name:	Federal Highway Link to Monaro Highway
Location (State/Region(or City)/ Locality):	Canberra, ACT
Name of Proponent Entity:	ACT Government
Contact (Name, Position, phone/e-mail):	Khalid Ahmed, Executive Director, Policy Coordination and Development, ACT Treasury p. 02 6207 0228 e. khalid.ahmed@act.gov.au
Project Description:	<p>The ACT is seeking funding to create an efficient 11 kilometre dual carriageway freight transport, business travel and personal travel link between the Federal Highway and the Monaro Highway. Broadly, the project involves the construction of 11km dual carriageway with 7 bridges.</p> <p>The joining of these national highways will provide a vital transport link relevant to a significant population and geographic region of Australia. In essence, the project will 'complete' the Federal Highway by linking the regions north and south of the Australian Capital Territory. The proposed Majura Parkway will also form part of the Territory's arterial road network, improving north-south transit, particularly to the Airport, and eastwards towards Queanbeyan.</p> <p>The attached Economic Analysis paper includes maps showing the location of the proposed project.</p>
Theme alignment	<p>Once implemented this proposal will improve the national freight network by linking the Federal Highway to the Monaro Highway.</p> <p>The initiative will address an apparent decline in productivity in the transport and storage industry in the ACT and surrounding regional NSW.</p> <p>The deteriorating performance of the transport and storage industry in the ACT adversely affects not just the ACT but south eastern New South Wales. The project has significant benefits for the national freight transit system, essentially by providing a highway bypass to Canberra and improving the level of access to the Airport.</p>
Capital Cost of Initiative by Proponent (\$M, nominal, undiscounted):	The current estimated total cost is \$250 million.
Commonwealth contribution sought by Proponent, and cash flow in financial years (\$M, nominal, undiscounted):	<p>The ACT has already received funding commitment for \$30 million from the Commonwealth Government under its Building Australia Program for works around the Airport precinct. Those works are an integral part of the proposed link project.</p> <p>The funding being sought is therefore \$220 million.</p>
Other funding (source/amount/cash flow) (\$M, nominal, undiscounted):	0
BCR by Proponent excluding Wider Economic Benefits	3.32 at a discount rate of 7 per cent over 30 years.

Templates for Individual Stages in the Reform and Investment Framework

Stage 1: Goal Definition	
Goal Statements	<p>The Goals this initiative is seeking to address are:</p> <ul style="list-style-type: none"> • increase Australia's productivity; • expand Australia's productive capacity; and • develop our cities and/or regions. <p>Higher and/or lower order goals with reference back to existing plans and strategies include:</p> <ul style="list-style-type: none"> • increase the Capital Region's productivity; • expand the Capital Region's productive capacity; and • develop the Capital Region. <p>The ACT Government's Capital Development Plan states that Airports are a crucial part of the infrastructure of a modern economy. The primary economic function and wider social importance of airports is to facilitate the efficient movement of people and freight in and out of the regions they serve, improving inbound tourism and trade. The ACT Government recognizes the significant role that Canberra International Airport plays as a regional gateway and a generator of investment and employment.</p> <p>The ACT Government has committed to upgrading the road infrastructure around the airport to assist the flow of traffic and maximise transport opportunities.</p> <p>The ACT Chief Minister's Department in February 2008 commissioned the Report "<i>The ACT and its Region: economic relationships and key drivers of economic growth</i>" to support the preparation of the ACT's economic policy framework (Capital Development), and to inform policy deliberations and decision making by ACT Government agencies and businesses. The report examines economic activity and linkages in the ACT and its region, the outlook and structure of the ACT economy, and the economic opportunities and risks facing the ACT.</p> <p>The Report identified Majura Road (the focus of this initiative) as insufficient to meet needs as a Canberra bypass for freight. Majura Road is part of the "National Highway 23", and forms the connecting link between the Federal and Monaro Highways, meaning it is a significant link in the route between Sydney and the Snowy Mountains, as well as the truck freight bypass of Canberra.</p> <p>The Report also noted the inadequacy of the current link will increase as development of the airport at the southern end continues.</p>

Stage 1: Goal Definition

<p>Objective Statements</p>	<p>The proposed project will significantly increase traffic speed, and reduce freight transit times. It will also result in the Canberra Airport being within a kilometre or so of a north – south freight transit link. This coalescence can be expected to have significant economic output and productivity benefits for the south eastern region of Australia.</p> <p>The project will have wider implications by improving north – south links along the eastern seaboard, and more broadly by completing a link in the National highway system.</p> <p>Some draft targets/performance measures could include reduced freight delivery times, increased number of freight vehicles, higher activity at the airport and a rise in tourism to the capital.</p>
<p>Goal and Objective Alignment</p>	<p>Expand Australia's productive capacity, and Increase Australia's productivity – the highway link should reduce the cost of freight and storage, and improve the competitiveness of Australian exports.</p> <p>Develop our cities and/or regions – the joining of these national highways will provide a vital transport link relevant to a significant population and geographic region of Australia.</p>

Stage 2: Problem Identification

<p>Problem Identification:</p> <p>Current issues</p>	<p>The ACT's largest industry is public administration and defence. The ACT produces these public administration and defence services to the benefit of the Nation. As a predominately service producing economy, most goods are transported into the ACT.</p> <p>Efficient freight transport links into and through the ACT are vital to the efficient functioning of such an economy.</p> <p>The Australian Bureau of Statistics State Account data show that, in 2007-08, the ACT's State Final Demand (SFD) exceeded its Gross State Product (GSP) by \$15.4 billion or 66 per cent. This imbalance largely reflects the significance of the importation of goods into the ACT.</p> <p>However, freight transport in the ACT relates not only to residents of the ACT – the ACT also serves as an important regional centre and freight hub for south eastern New South Wales.</p> <p>Given the importance of freight transport links to the nation's capital, it is a matter of concern that the productivity of the transport and storage industry in the ACT is declining. This pattern of decline is in sharp contrast to a pattern of improved productivity in all other jurisdictions. ABS data show that over the 18 years from 1989-90 to 2007-08 the average annual rate of productivity improvement in other jurisdictions ranged from a low of 1.2 per cent in the Northern Territory up to a high of 4.2 per cent in Tasmania. The ACT was the only jurisdiction to record a decline (-0.5 per cent).</p> <p>Had productivity in the transport and storage industry not declined and remained at around the average level of the early 1990s then, assuming the same number of people employed, the value added by this industry in 2007-08 would have been \$702 million rather than \$544 million – an additional \$158 million. The cumulative loss over the 18 years since 1989-90 is estimated at \$412 million in today's dollars.</p> <p>The deteriorating performance of the transport and storage industry in the ACT most likely reflects the fact that the ACT has not had the capacity to enhance freight routes to accommodate growth in the local and regional economy.</p> <p>The deteriorating performance of the transport and storage industry in the ACT adversely affects not just the ACT but south eastern New South Wales.</p> <p>The proposed project will significantly increase traffic speed, and reduce freight transit times. It will also result in the Canberra Airport being within a kilometre or so of a north – south freight transit link. This coalescence can be expected to have significant economic output and productivity benefits for the south eastern region of Australia.</p> <p>Passenger numbers through Canberra airport are already the highest per capita of any airport – and not withstanding that Canberra airport is largely a domestic airport with limited international flights. In part, the relatively large traffic flow at the airport reflects a high proportion of business travel and Canberra's increasing role as a freight hub.</p>
<p>Problem identification:</p> <p>Future scenarios</p>	<p>The drivers with the greatest impact are likely to be economic and demographic growth and, in particular, growth of the Canberra Airport in terms of freight and passenger movements.</p> <p>There are negligible uncertainties regarding these drivers as the National Capital, Canberra and the Capital Region can be expected to continue to grow.</p>

Stage 2: Problem Identification

Future challenges related to this project could include environmental restrictions, land use parameters, geotechnical and heritage investigations, impact on Defence activities and negotiation with leaseholders.

Stage 3: Problem Assessment

Problem assessment	Relevant information provided in section 1 and 2 above.
Current problems	Relevant information provided in section 1 and 2 above.
Future problems	Relevant information provided in section 1 and 2 above.
Problem Prioritisation	Relevant information provided in section 1 and 2 above.

Stage 4: Problem Analysis

Problem analysis	Relevant information provided in section 1 and 2 above.
Identify fundamental cause, not symptoms, of the problem	Relevant information provided in section 1 and 2 above.

Stage 5: Option Generation

REFORM (ESSENTIALLY NON-CAPITAL INVESTMENT) OPTIONS

Option 1	Not Applicable.
Option 2	Not Applicable.
Option 3	Not Applicable.
INVESTMENT OPTIONS	
Option 1	(Option 5 in the SMEC report). Construct 11 km of dual carriageway linking the Federal Highway and the Monaro Highway. Work includes cross sections of 2 x 3.5m traffic lanes, 2.5m roadside shoulder and 1.0m offside shoulder, as well as associated ramps, interchanges and bridges.
Option 2	(Option 6 in the SMEC report). Similar to Option 1 but with some changes to alignment and interchanges layout in the northern part of the parkway which will reduce the impact on Majura Pines.
Option 3	(Option 7 in the SMEC report). Upgrade Majura Road in the northern part of the site, merge the parkway to the existing alignment of Majura Road with an at-grade intersection at the junction between Majura Parkway and the AFP Access Road.

Stage 6: Options Assessment

Infrastructure Australia is not mandating a particular process for moving from a long list of potential options to a short list of lead candidates. The following three-step process is an indicative guide.

<p>Long list</p>	<p>Option 1 is the current preferred option, which is similar to the previous preferred option presented in January 2009 but with some changes to the interchange design. This option was assessed against two additional alignment options.</p> <p>All three options were also assessed relative to the traffic operational conditions if the existing condition is continued (ie: a "do nothing" scenario).</p> <p>Strategic transport modelling was conducted to produce the demand matrix used for micro-simulation modelling. The modelling results were used as inputs for the economic assessment, which aims to produce the economic indicators to determine the feasibility of each option.</p> <p>The economic analysis considered construction and maintenance costs, travel related costs such as vehicle operating cost and accident cost, generated traffic flows, residual values, environmental externalities and other relevant factors.</p>
<p>Interim list</p>	<p>As above.</p>
<p>Short list</p>	<p>The economic analysis shows that all options could be considered economically feasible, with positive NPVs and BCRs greater than one.</p> <p>Option 1 is the preferred option, with the best economic results of a NPV over \$484 million and a BCR of 3.32 at a 7 per cent discount rate.</p>



Katy Gallagher MLA
 DEPUTY CHIEF MINISTER
 TREASURER
 MINISTER FOR HEALTH
 MINISTER FOR INDUSTRIAL RELATIONS

MEMBER FOR MOLONGLO

Hon Anthony Albanese MP
 Minister for Infrastructure
 PO Box 6022
 House of Representatives
 Parliament House
 CANBERRA ACT 2600

Dear Minister *Anthony*

Thank you for the opportunity to meet on Tuesday 9 March 2010 to discuss the infrastructure priorities of the ACT Government and the issues affecting the ACT, particularly in the context of the recent recommendations made in the Commonwealth Grants Commission's 2010 Review Report on State Revenue Sharing Relativities.

I would like to request that you give consideration to advancing the Majura Parkway project and making a 50% contribution from the Commonwealth towards its cost. This project will provide for an efficient dual carriageway road-freight transport, business travel and personal travel link between the Federal Highway and the Monaro Highway in the ACT.

Given the financial support that the Commonwealth Government has shown for the Canberra Airport precinct improvements, the ACT Government suggests that support for the development of the Majura Parkway project is highly complimentary to enhancing and further validating the Airport precinct works.

The Majura Parkway project will ensure that the road infrastructure surrounding the Airport precinct delivers improved traffic access to and from the Airport, that the Canberra Airport is within a kilometre or so of the north-south freight transit link and that the overall access to the Airport is improved.

As you would be aware the initial assessment of this project by Infrastructure Australia in 2009 confirmed the progression of the project as a priority to improve passenger and freight transport both nationally and in the ACT/NSW region.

As well as providing a vital transport link relevant to a significant population and geographic region of Australia the project will also improve north-south links along the eastern seaboard and improve access to the Canberra Airport, the Fyshwick and Hume Industrial Estates in the ACT, regional areas of NSW and the route between Sydney and the Snowy Mountains.

ACT LEGISLATIVE ASSEMBLY

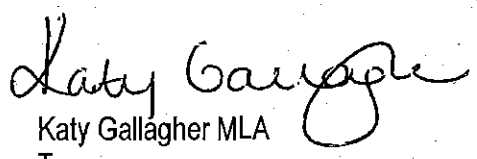
The proposed project will significantly increase traffic efficiency, and reduce freight transit times. It will result in the Canberra Airport being within a kilometre or so of the north-south freight transit link and will improve traffic performance to and from the Airport. This coalescence can be expected to have significant economic output and productivity benefits for the south eastern region of Australia.

The planning for the project is well advanced. Therefore construction can commence quickly. The draft EIS report for the Majura Parkway project was released in July 2009 with the final EIS report to be lodged with ACTPLA in March 2010. The detailed final design and documentation for the project is expected to reach completion by July 2010.

The Majura Parkway project is also an integral component of the ACT's submission into the *National Freight Network Plan* which has been prepared for IA in early March 2010. The submission draws attention to the potential regional and national benefits of the Majura Parkway project and also highlights the opportunities for further developments to rail infrastructure in the ACT, in the context of improving national freight movements.

I have also written to the Treasurer, Hon Wayne Swan MP, regarding this proposal and I look forward to your early response.

Yours sincerely



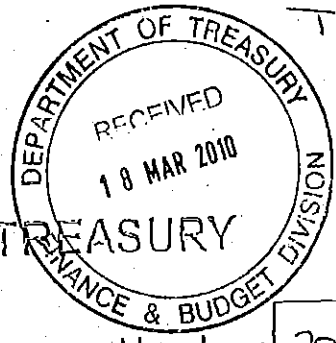
Katy Gallagher MLA
Treasurer

12 March 2010

Fyr Neil
megs

Master file
pk

T57-mio/117 1171



DEPARTMENT OF TREASURY

Number: 2010-114

Urgent:

Due Date: N/A

From: Katy Gallagher

Subject: Letter to Wayne Swan re Wealth
Grats from Outcome

Refer to: Mega Studies

ACTION REQUIRED

- | | |
|----------------------------------------------------------|---------------------------------------------------|
| <input type="checkbox"/> Acknowledgement by Minister | <input type="checkbox"/> Reply by Chief Executive |
| <input type="checkbox"/> Reply by Minister | • Letter |
| <input type="checkbox"/> Brief/Advice to Treasurer | • Telephone Call* |
| <input type="checkbox"/> Reply by Chief of Staff | • Meeting |
| <input type="checkbox"/> Reply by Adviser | <input type="checkbox"/> Reply by |
| <input checked="" type="checkbox"/> For information/file | • Telephone Call* |
| <input type="checkbox"/> For appropriate action | • Meeting |
| <input type="checkbox"/> Reply by Department | <input type="checkbox"/> Other |

* A file note summarising the conversation to be made.

Comments: _____

COMPLETION DETAILS

Action Officer: _____ Telephone no: _____
Papers placed on file no: _____ Date completed: _____



Katy Gallagher MLA

DEPUTY CHIEF MINISTER

TREASURER

MINISTER FOR HEALTH

MINISTER FOR INDUSTRIAL RELATIONS

MEMBER FOR MOLONGLO

Hon Wayne Swan MP
Treasurer
PO Box 6022
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear *Wayne* Treasurer

Thank you for the opportunity to meet on Wednesday 10 March 2010. I appreciated the opportunity to discuss with you the priorities of the ACT Government and challenges we face, particularly in the context of the recent recommendations made in the Commonwealth Grants Commission's 2010 Review Report on State Revenue Sharing Relativities.

Further to my letter to you dated 4 March 2010, in which I outlined the ACT's position as a result of the Report's recommendations and sought your consideration of an arrangement to ameliorate or offset the impacts, I would like to request your consideration of some key local capital projects that would be of great mutual benefit to the Commonwealth and the ACT.

Firstly, the upgrade of Majura Parkway is a vital project that will provide for an efficient dual carriageway road-freight transport, business travel and personal travel link between the Federal Highway and the Monaro Highway in the ACT. I would like to request that you give consideration to advancing the Majura Parkway project and making a 50% contribution from the Commonwealth towards its cost.

You would be aware that your colleague the Hon Anthony Albanese MP, Minister for Infrastructure, has approved the Canberra Airport Master Plan and most recently the Major Development Plan for the western concourse terminal extension. The ACT Government suggests that support and funding for the Majura Parkway project is highly complimentary to enhancing and further validating the Airport's role as a key economic driver for the Capital Region.

The Majura Parkway project will ensure that the road infrastructure surrounding the Airport precinct delivers improved traffic access to and from the Airport, that the Canberra Airport is within a kilometre or so of the north-south freight transit link and that the overall access to the Airport is improved.

ACT LEGISLATIVE ASSEMBLY

London Circuit, Canberra ACT 2601 GPO Box 1020, Canberra ACT 2601

Phone (02) 6205 0840 Fax (02) 6205 3030 Email: gallagher@act.gov.au

As you would be aware the initial assessment of this project by Infrastructure Australia in 2009 confirmed the progression of the project as a priority to improve passenger and freight transport both nationally and in the ACT/NSW region.

As well as providing a vital transport link relevant to a significant population and geographic region of Australia the project will also improve north-south links along the eastern seaboard and improve access to the Canberra Airport, the Fyshwick and Hume Industrial Estates in the ACT, regional areas of NSW and the route between Sydney and the Snowy Mountains.

The proposed project will significantly increase traffic efficiency, and reduce freight transit times. It will result in the Canberra Airport being within a kilometre or so of the north-south freight transit link and will improve traffic performance to and from the Airport. This coalescence can be expected to have significant economic output and productivity benefits for the south eastern region of Australia.

The planning for the project is well advanced. Therefore construction can commence quickly. The draft EIS report for the Majura Parkway project was released in July 2009 with the final EIS report to be lodged with ACTPLA in March 2010. The detailed final design and documentation for the project is expected to reach completion by July 2010.

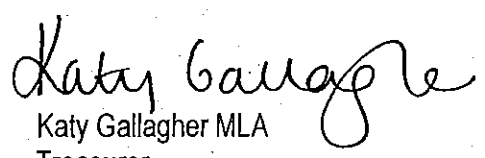
The Majura Parkway project is also an integral component of the ACT's submission into the *National Freight Network Plan* which has been prepared for IA in early March 2010. The submission draws attention to the potential regional and national benefits of the Majura Parkway project and also highlights the opportunities for further developments to rail-infrastructure in the ACT, in the context of improving national freight movements.

In addition, I would request that you consider revisiting the Commonwealth's position with regard to Constitution Avenue. The ACT is seeking a speedy renewal of the Commonwealth's earlier budgeted commitment to deliver these works, not only because they will meet the terms of an agreement between the Commonwealth and the ACT, but also because they will substantially enhance the road capacity serving the Commonwealth's new ASIO complex. Alternatively, we would be seeking a payment by the Commonwealth to the Territory for the value of the project.

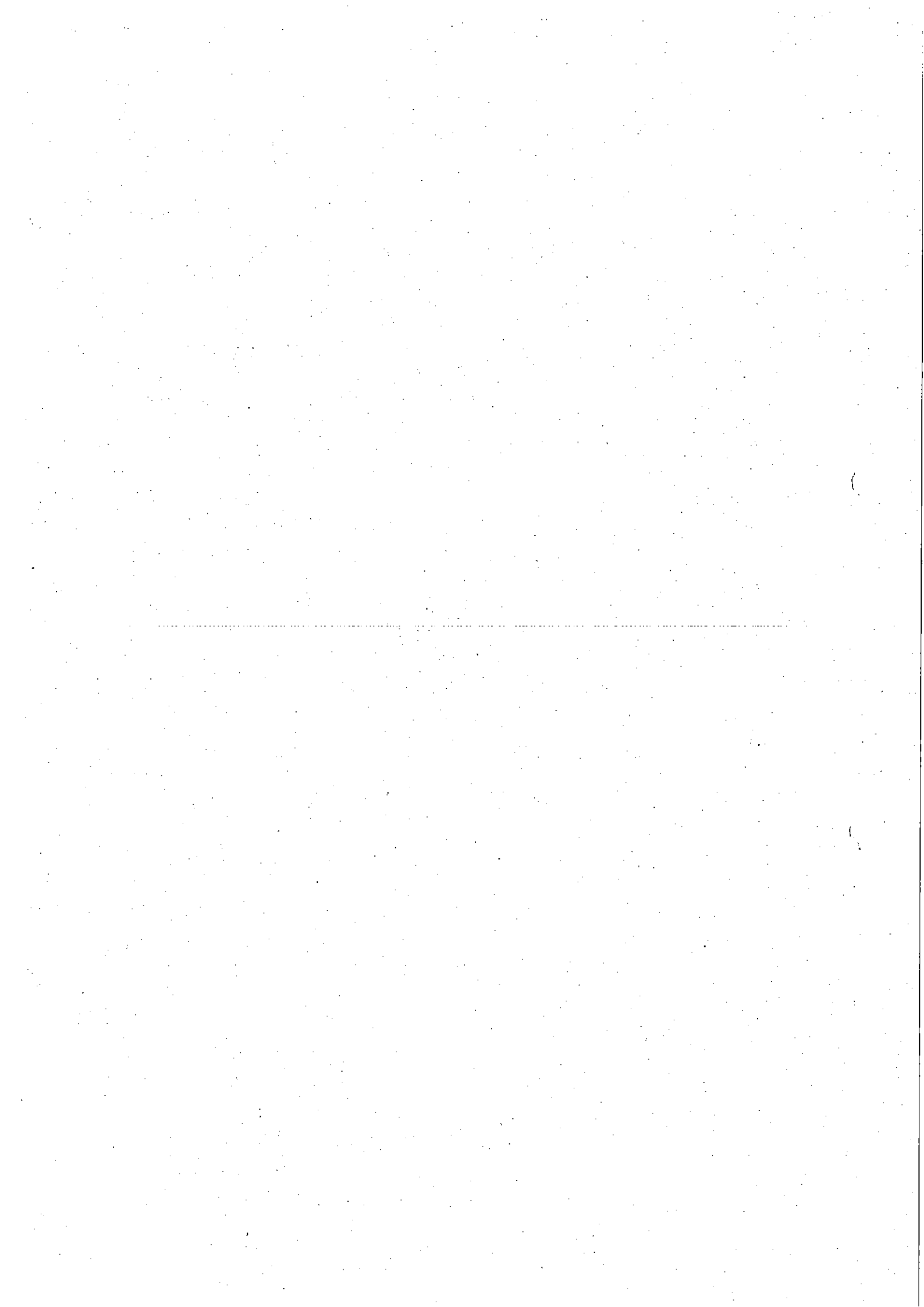
The renegeing by the Commonwealth on the agreement regarding Constitution Avenue is a significant ongoing issue for this jurisdiction and has already been raised a number of times by the ACT Government with the Prime Minister and other senior Commonwealth Government Ministers.

I would be pleased to discuss these proposals with you further, or to arrange for discussions to occur between our officials, and look forward to your early response.

Yours sincerely


Katy Gallagher MLA
Treasurer

15 March 2010



T51-M10/125

COPY FYI Neil from megs

DEPARTMENT OF TREASURY

Number: 2010-132

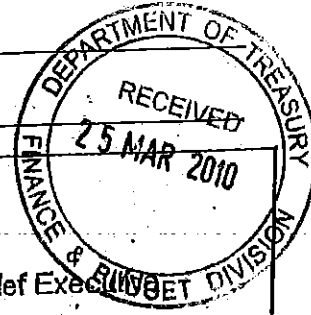
Urgent:

Due Date: N/A

From: Katy Gallagher

Subject: Ltr to Kevin Rudd re attention to the priorities of Colera

Refer to: Megan Sutcliffe



ACTION REQUIRED

- Acknowledgement by Minister
- Reply by Minister
- Brief/Advice to Treasurer
- Reply by Chief of Staff
- Reply by Adviser
- For Information/file
- For appropriate action
- Reply by Department
- Reply by Chief Executive
 - Letter
 - Telephone Call*
 - Meeting
- Reply by
 - Telephone Call*
 - Meeting
- Other

* A file note summarising the conversation to be made.

Comments: _____

COMPLETION DETAILS

Action Officer: _____

Telephone no: _____

Papers placed on file no: _____

Date completed: _____



Y903
COPY

Katy Gallagher MLA

DEPUTY CHIEF MINISTER

TREASURER

MINISTER FOR HEALTH

MINISTER FOR INDUSTRIAL RELATIONS

MEMBER FOR MOLONGLO

Hon Kevin Rudd MP
Prime Minister
PO Box 6022
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Prime Minister *Kevin*

As representatives of Australian Capital Territory businesses and industry, the community sector, unions and Government we write to draw your attention to the priorities of the Canberra community.

The ACT has not been immune to the effects of the global financial crisis, however, has recovered more quickly than expected from the economic downturn. There is no doubt that the Territory's economy has benefited from the Commonwealth Government's stimulus measures.

However, in the context of the recent recommendations made in the Commonwealth Grants Commission's 2010 Review Report on State Revenue Sharing Relativities and the impending 2010-11 Budgets of both the Commonwealth and the Territory, we wish to demonstrate the benefits to the Commonwealth of investment in the ACT to support our mutual aims.

It must be acknowledged that the potential for the Commonwealth to deliver on its agenda is greatly enhanced by a strong and capable business community in the ACT. It is those organisations operating locally that provide the services that support the operations of the Commonwealth Government in the ACT - be they information and communication technology, financial and legal advice, human resources and training, building and construction, transport, catering, cleaning, and a host of other services and activities.

We would strongly suggest that the private sector in the Territory is vital to the Commonwealth Government's functioning and in supporting the implementation of its policy agenda across the nation.

Further, it is important to each of us and the organisations, families and individuals we represent that consideration is given to the impact of decisions taken by the Commonwealth that have a direct impact on the Canberra community. We believe it should be a collective aim to ensure the sustainable growth of the Territory.

Given the small size and narrow taxation base of the Territory, and noting that the Commonwealth is its largest employer, the ability of the ACT Government to gather efficiencies through economies of scale is more difficult. Reductions in Commonwealth expenditure in the Territory have a considerable impact on the Territory's finances which poses substantial risk to the delivery of essential services and quality infrastructure to the ACT and surrounding region including transport, health and education.

ACT LEGISLATIVE ASSEMBLY

London Circuit, Canberra ACT 2601 GPO Box 1020, Canberra ACT 2601

Phone (02) 6205 0840 Fax (02) 6205 3030 Email: gallagher@act.gov.au

We also draw to your attention our concerns over the impact of the socio-demographic assessment of the ACT's population by the Commonwealth Grants Commission, particularly with regard to population growth and population characteristics such as low socio-economic status and Indigenous persons residing in the ACT. We are concerned that the ABS systematically underestimates the ACT's population and that the methodology used to make assumptions about the socio-economic status of Canberrans misrepresents the actual level of disadvantage experienced in our community.

It is in this context that we request your consideration of some key local capital projects that would be of great mutual benefit to the Commonwealth and the ACT.

For example, the upgrade of Majura Parkway is a vital project that will provide for an efficient dual carriageway road-freight transport, business travel and personal travel link between the Federal Highway and the Monaro Highway in the ACT. As you would be aware, this project was previously proposed to Infrastructure Australia and listed on its priority list but was the only project not to receive funding in the 2009 funding round.

The Hon Anthony Albanese MP, Minister for Infrastructure, has since approved the Canberra Airport Master Plan and most recently the Major Development Plan for the western concourse terminal extension. We suggest that support and funding for the Majura Parkway project is highly complementary to enhancing and further validating the Airport's role as a key economic driver for the Capital Region and we request that you give consideration to making a 50% contribution from the Commonwealth towards its cost.

The long-term commitment of the Commonwealth Government to the Nation's Capital is also very important. In this respect the continued presence, and growth, of Commonwealth agencies statutory and regulatory bodies, and of Commonwealth-partnered research and industry bodies underpins our economy. Indeed, with the presence of our tertiary institutions, the ACT provides an advantage to other jurisdictions when it comes to doing business and the business of government. We would very much like to see your Government consolidate more of your agencies into the ACT.

We appreciate your consideration of our concerns and proposals and look forward to your early response.

Yours sincerely

Katy Gallagher MLA
Treasurer

Catherine Carter, Executive Director
Property Council of Australia (ACT Branch)


Stuart Collins, Executive Director
Housing Industry Association (ACT Branch)



Roslyn Dundas, Executive Director
ACT Council of Social Services



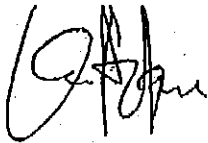
Chris Faulks, Chief Executive Officer
Canberra Business Council



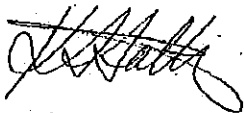
Joseph Griffith, Executive Director
Tourism Industry Council (ACT and Region)



John Miller, Chief Executive Officer
Master Builders' Association of the ACT



Christopher Peters, Chief Executive
ACT and Region Chamber of Commerce and Industry



Kim Sattler, Secretary
Unions ACT

23.3.10

Copy: Hon Wayne Swan MP, Hon Anthony Albanese MP

From: actgovmedia@act.gov.au
Sent: Friday, 2 July 2010 4:47 PM
To: noreply@chiefminister.act.gov.au
Subject: [ACT GOV MEDIA RELEASE] MAJURA PARKWAY STILL A PRIORITY FOR IA

MAJURA PARKWAY STILL A PRIORITY FOR IA

Published: July 2, 2010, 4:47 pm
Section: Jon Stanhope, MLA | Media Releases

The Majura Parkway and the ACT's half a billion dollar water security program, which includes the enlargement of the Cotter dam, have been listed as priority infrastructure projects by Infrastructure Australia today.

In a report titled *Getting the fundamentals right for Australia's infrastructure priorities*, IA also identified the ACT's Smart Grid Demonstration Pilot Project among a long-list of priority projects.

Chief Minister Jon Stanhope welcomed the report, which follows the release of the ACT Government's 10-year Infrastructure Plan.

"The Majura Parkway remains at the top of our wish-list to Infrastructure Australia for funding consideration," Mr Stanhope said. "The Majura Parkway would play an important role in any future development of the Canberra airport as a freight hub, as well as delivering significant benefits to local road users and road freight on the Monaro and Federal Highways."

Mr Stanhope also welcomed the inclusion, for the first time, of the ACT's Water Security Program and Smart Grid Demonstration Pilot Project.

"The ACT's half a billion dollar water security program is vital for securing Canberra's future water supplies," Mr Stanhope said. "This program includes the massive enlargement of the Cotter dam from 4 gigalitres to 78 gigalitres, and the planned Murrumbidgee-to-Googong project, under which water would be pumped from the river for storage in the Googong dam.

"The \$150 million Smart Grid demonstration pilot project would expand the existing smart grid pilot program in the ACT, increasing the number of smart meters installed from 4,000 to 10,000 in homes and businesses. Smart meters help consumers reduce their energy use, which is good news for household bills and the environment.

"Each of these projects has benefits that extend beyond the borders of the ACT, delivering potential benefits in terms of regional transport, regional water security and climate change.

"The ACT Government will continue to advocate for Commonwealth support for these and other priority infrastructure projects such as Light Rail and the VFT, which we believe are of national significance."

Media Contact:

Jess Wurf 6205 0504 0411 772 700 jess.wurf@act.gov.au

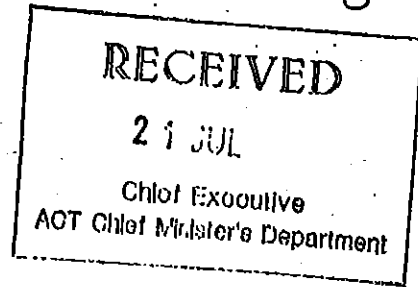
Feedback

We welcome your comments about the services provided by the ACT Government. Your comments will help us give you the service you want - the way you want it. Please use the [Feedback form](#) to send comments on the services we provide or any enquiry you may have.

You can unsubscribe from this newsletter at any time. Please use the [unsubscribe page](#) to remove yourself from these lists.



Australian Government
Infrastructure Australia



16 July 2010

Mr Andrew Capple-Wood
Chief Executive Officer
Chief Ministers Department
ACT Government
GPO Box 158
CANBERRA ACT 2601

Dear Mr Capple-Wood

Getting the Fundamentals Right for Australia's Infrastructure Priorities

I am writing to thank you for your submission as part of Infrastructure Australia's 2010 update of national infrastructure priorities. We look forward to maintaining a strong working relationship as Infrastructure Australia continues to identify national infrastructure priorities.

Infrastructure Australia seeks to play an enabling role, and to work with jurisdictions to identify and develop those initiatives to the point at which Infrastructure Australia can recommend them as 'ready to proceed'.

As a result, Infrastructure Australia now seeks to work more intensively with proponents to assist in the development and progression of nationally important reforms and projects. Our aim is to work with you to progress projects through the stages of the priority pipeline: Infrastructure Australia proposes to hold a series of workshops with you over the next 12 months to progressively identify infrastructure challenges; to consider potential options to address those challenges and to progress infrastructure priorities.

The first series of workshops would be an opportunity for:

1. proponents to present to Infrastructure Australia on nationally important infrastructure challenges both within their jurisdiction and which stretch across borders;
2. Infrastructure Australia to provide feedback on the most recent round of submissions; and
3. reaching agreement on the list of reforms and projects where Infrastructure Australia will work with jurisdictions (particularly in the form of focused feedback) in order to progress along the priority pipeline.

Infrastructure Australia will therefore be reducing its reliance on submissions in determining national infrastructure priorities.

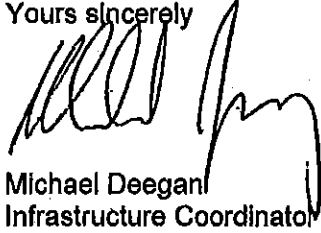
Infrastructure Australia
GPO Box 594, Canberra ACT 2601 Australia
Telephone (02) 8114 1900 facsimile (02) 8114 1932
www.infrastructureaustralia.gov.au

Proponents will however continue to have the opportunity to make submissions agreed between us in the process outlined above. It is Infrastructure Australia's intention to publish a report in June each year.

Accordingly, we propose to change the timetable for submissions from the October timetable of the two recent rounds of submissions to the end of January each year.

My office will be in contact to arrange the first workshop. If you have any questions please contact Paul Roe (02) 8114 1914.

Yours sincerely



Michael Deegan
Infrastructure Coordinator



Australian Government

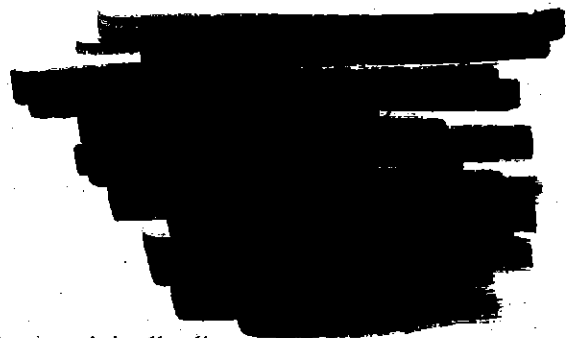
The Treasury

OFFICE OF
KATY GALLAGHER MLA
28 JUL 2010
RECEIVED

Infrastructure Competition & Consumer Division
The Treasury
Langton Crescent
Canberra ACT 2600

23 JUL 2010

Ms Katy Gallagher MLA
Deputy Chief Minister, Treasurer, Minister for Health
and Minister for Industrial Relations
Legislative Assembly for the ACT
GPO Box 1020
CANBERRA ACT 2601

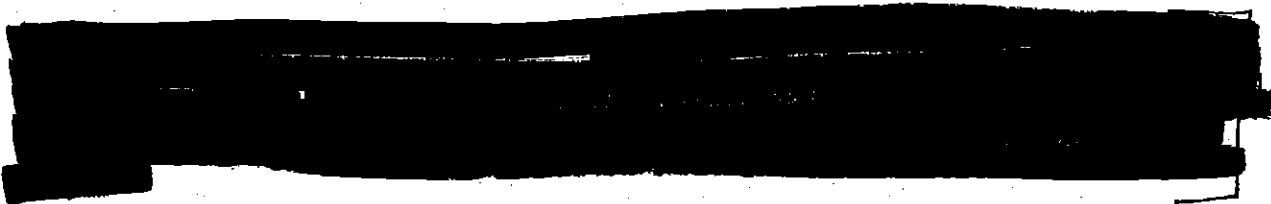


Dear Ms Gallagher

I acknowledge receipt of your recent correspondence, including a letter originally directed to the former Prime Minister, concerning the Australian Capital Territory's (ACT's) fiscal position and Australian Government funding for ACT capital projects. I am responding to you as the Government has assumed a caretaker role prior to the election on 21 August 2010. I apologise for the delay in replying.

In your letter, you raised concerns about the ongoing implications of the Commonwealth Grant Commission's (CGC) recommended relativities on the ACT budget. I understand that at the March 2010 Ministerial Council for Federal Financial Relations meeting, the Treasurer indicated that he intended to accept the recommendations of the CGC, consistent with past practice.

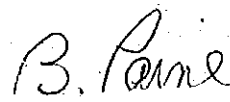
In addition, you requested that the Australian Government consider supporting local capital projects such as the Majura Parkway. As you would be aware, the Government decided not to provide additional funding for the Majura Parkway project in the 2010-11 Commonwealth Budget. However, I note that under the Nation Building Program, the Government had allocated \$30 million over six years towards the alignment of the Majura Parkway and Federal Highway, as part of the Canberra Airport Precinct upgrade.



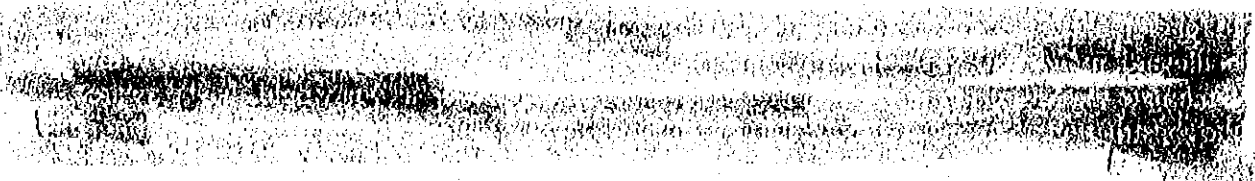
Under the current Nation Building Program, the Australian Government set aside \$201.6 million over six years (2008-09 to 2013-14) in road infrastructure funding for the ACT, including \$32.9 million in 2010-11. The 2010-11 Budget also contained \$26.0 million in funding to assist the ACT Government maintain and upgrade local roads.

I trust this information will be of assistance.

Yours faithfully



Bruce Paine
Acting General Manager



From: [Redacted]
Sent: Monday, 6 September 2010 12:31 PM
To: [Redacted]
Cc: [Redacted]
Subject: re: Infrastructure Australia - National Infrastructure Priorities 2011 Update
Importance: High

Colleagues

Infrastructure Australia (IA) has initiated the 2011 Update to the National Infrastructure Priorities.

As part of this process, IA is proposing to work more intensively with jurisdictions to assist in the development and progress of reforms and projects of national importance.

For the next phase of the 2011 Update process, IA is proposing to visit Canberra to get an update on the progress of projects and better understand our strategic plans, particularly how they relate back to announced COAG related reforms and policy agendas (eg the better integration of land use planning and infrastructure planning).

IA is proposing a full day visit to discuss -

- in the morning - the ACT's strategic planning which underpins and supports the major projects we have put forward to IA;
- in the afternoon - project updates (with possible site visits).

The dates proposed are **30 September or 1 October**.

Strategic plans they wish to discuss include: the Spatial Plan, the Infrastructure Plan, and issue-specific plans such as Transport for Canberra. I'd also suggest a quick overview of the ACT planning system (and how the various components relate to each other) would be beneficial.

Key projects that IA wishes to receive updates on are:

- Majura Parkway
- East Lake
- Belconnen / City Busway.

At this stage two IA representatives will be attending - one from the National Infrastructure Priorities team and one from the Major Cities Unit.

Treasury and TAMS recently met with IA to get feedback on the ACT's 2010 Submission, and an update on the process moving forward.

I would like to meet with CMD and ACTPLA to provide you with feedback from that meeting, but also to get feedback on the Capital Cities Strategic Planning Systems workshop that you recently had with IA.

I would also like to discuss with you any new projects that you might seek to propose for the 2011 ACT Update Submission to IA.

If you could please advise [Redacted] as soon as possible on your availability on the proposed dates.

Regards

[Redacted]

[REDACTED]

From: [REDACTED]
Sent: Monday, 6 September 2010 1:16 PM
To: [REDACTED]
Subject: FW: Infrastructure Australia - National Infrastructure Priorities 2011 Update

From: [REDACTED]
Sent: Monday, 6 September 2010 1:11 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: Infrastructure Australia - National Infrastructure Priorities 2011 Update

[REDACTED] I will be overseas between the 26 Sept and 7 October, so Kelvin would participate in my place, but it would be good to catch up prior to my departure to discuss your meeting with IA and also the one that Pam and I attended in Sydney. Between us we should be better able to hone our submissions.

Thanks

From: [REDACTED]
Sent: Monday, 6 September 2010 12:43 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: Infrastructure Australia - National Infrastructure Priorities 2011 Update

Hi [REDACTED] either 30 Sept or 1 October ok for me at this stage.

Did you want to set a day for our preliminary catchup meeting on all these different processes – ie how we try to align them, including the necessary alignment with wider strategic planning that IA will want to see reflected in infrastructure initiatives.

From: [REDACTED]
Sent: Monday, 6 September 2010 12:31 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: re: Infrastructure Australia - National Infrastructure Priorities 2011 Update
Importance: High

Colleagues

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I would also like to discuss with you any new projects that you might seek to propose for the 2011 ACT Update Submission to IA.

you could please advise [REDACTED] as soon as possible on your availability on the proposed dates.

Regards
[REDACTED]

[Redacted]

From: [Redacted]
Sent: Tuesday, 14 September 2010 5:10 PM
To: [Redacted]
Cc: [Redacted]
Subject: RE: Re \$30m Cwealth funding for Majura

[Redacted]

Roads ACT submitted a project report plan in March 2009 under a cover letter from the Chief Minister to the Federal Infrastructure Minister seeking to reallocate the \$30m from the Majura Parkway to a number of other projects including:

- Monaro Highway duplication in Fyshwick- \$20m
- Morshead Drive pavement rehabilitation- \$4.5m
- Majura Road/Fairbairn Avenue Pavement Rehabilitation- \$3.5m
- Intersection improvements to Morshead Drive/Russell Drive- \$2.0m

I understand the Federal Department of Infrastructure has recently resubmitted the report back into the "new" Federal Minister's office as they were reluctant to approve it before the election. I also understand that the Chief Minister is writing again to the Federal Minister to seek his approval of his request of March 2009.

The Monaro Highway works can be seen as a necessary package of works associated with the Majura Parkway project which essentially has as a key goal improvements to the freight route between the Federal and the Monaro Highways.

Hope this helps - let me know if there is any further advice you need

regards

[Redacted]
Roads ACT
14/9/20

From: [Redacted]
Sent: Tuesday, 14 September 2010 12:24 PM
To: [Redacted]
Cc: [Redacted]
Subject: Re \$30m Cwealth funding for Majura

Hi [Redacted]

can I have an update on what's proposed for this funding now we have a Cwealth govt, when decisions might be made and what project amendments will need to be put thru my CW system.

ta

[Redacted]



COPY

Katy Gallagher MLA
DEPUTY CHIEF MINISTER
TREASURER
MINISTER FOR HEALTH
MINISTER FOR INDUSTRIAL RELATIONS

MEMBER FOR MOLONGLO

Hon Ms Julia Gillard MP
Prime Minister
PO Box 6022
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Prime Minister *Julia*

Congratulations on your recent election as the Prime Minister of Australia. We look forward to working closely with your newly formed government and wish to bring to your attention a number of matters of importance to the community of the Australian Capital Territory. I previously raised these matters with the former Prime Minister, the Honourable Mr Kevin Rudd MP, back in March 2010.

A response to my previous letter, sent on behalf of myself and other representatives of the ACT business and industry, community sectors and unions, was provided by Mr Bruce Paine, Acting General Manager, Infrastructure Competition and Consumer Division, in the Treasury dated 23 July 2010, as the Commonwealth Government had assumed a caretaker role prior to the election. Copies of this response are attached.

I write to express my disappointment at the Commonwealth Government's delayed and somewhat dismissive response to the issues raised in our original correspondence, and would appreciate your consideration of our concerns and proposals regarding the priorities of, and challenges facing, the ACT Government.

The ACT Government has been working closely with the Commonwealth Government over a number of years to progress consideration of key local capital projects (the Majura Parkway Project and Constitution Avenue) that would be of mutual benefit to the Commonwealth and the ACT.

The Majura Parkway project has been ranked highly by Infrastructure Australia (IA) for the past two years and in the June 2010 IA Report the project was assessed as 'Ready to Proceed'. However, to progress this project it is essential that Commonwealth financial support is forthcoming.

The upgrade of Majura Parkway remains a vital project both for the Territory and nationally. It will provide an efficient dual carriageway for personal and business passengers and for road-freight transport, providing a link between the Federal Highway and the Monaro Highway in the ACT. The parkway will also assist with the safe and efficient travel of tourists to the southern regions and snowfields.

ACT LEGISLATIVE ASSEMBLY

We rank the Majura Parkway as one of our highest construction priorities. However, it requires Commonwealth support for funding given the national status of the road.

In relation to Constitution Avenue, the Chief Minister has previously raised concerns with the former Prime Minister regarding the circumstances in which the asset was transferred from the Territory. The Commonwealth's financial support, as identified in the 2007-08 Budget, was subsequently withdrawn as part of cost saving exercises. This has resulted in the Territory not receiving the negotiated benefits to support improvements to Constitution Avenue, as per the agreement at the time of the asset transfer.

It is essential that consideration now be given to reinstating the \$46 million promised for the upgrade and duplication of Constitution Avenue. Constitution Avenue is an important arterial road and the original plan was to widen and duplicate traffic lanes to cope with significant increased traffic flows associated with the expected influx of an additional 7,000 Commonwealth employees in the area, with a major Commonwealth Government Office Building currently under construction.

These are important issues for the ACT and hence decisions taken by the Commonwealth on these priorities and funding outcomes have a direct impact on the Canberra community.

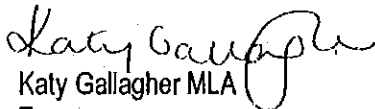
The ACT Government places great emphasis on, and takes much pride in, providing the services and infrastructure necessary to support our great city. We are particularly conscious of its status and role as the National Capital. However, given our small population and narrow tax base, and noting that the Commonwealth remains our largest employer, and so the largest driver of demand for these services and infrastructure, our ability to address large scale projects is more limited than that of other jurisdictions.

Reductions in Commonwealth support, however small, have a considerable impact on the ACT's finances, and pose significant risks to the Territory's (and region's) services and infrastructure.

We appreciate the Commonwealth Government's continued support and recognition of the challenges faced by our small jurisdiction, in realising efficiencies and economies of scale.

I would be pleased to discuss these priorities and concerns with you further or, if you would prefer, to arrange for these discussions to occur between our officials, and look forward to your positive response.

Yours sincerely


Katy Gallagher MLA

Treasurer

23.9.10



**ACT Government Submission
to Infrastructure Australia**

**Federal Highway Link to Monaro Highway
Majura Parkway**

Supplementary Information

JANUARY 2009

1. Background

The ACT Government had submitted a proposal for consideration by Infrastructure Australia (IA) for the construction of an efficient link between the Federal Highway and the Monaro Highway.

Following its initial appraisal, IA has sought further information and clarification. This paper provides summary of key information relating to the project, as well as response to specific questions and issues raised by IA.

2. The Proposal

The ACT is seeking funding to create an efficient freight transport, business travel and personal travel link between the Federal Highway and the Monaro Highway.

The joining of these national highways will provide a vital transport link relevant to a significant population and geographic region of Australia — from the south eastern coast, through the snowy mountains, the Nation's capital and further north to either side of the Great Divide.

In essence, the project will 'complete' the Federal Highway by linking the regions north and south of the Australian Capital Territory, as well as providing a highway bypass to Canberra.

The proposed Majura Parkway will also form part of the Territory's arterial road network, improving north-south transit, particularly to the Airport, and eastwards towards Queanbeyan.

The project involves the construction of around 11 km of dual carriageway and 7 bridges.

Appendix A provides an aerial view showing the proposed link.

3. Benefits and Costs

3.1 Cost Estimates and Economic Analysis

Construction staging and cost estimates have been updated by SMEC Australia from a previous study undertaken in 2007. The capital cost of the project is estimated at \$250 million over a three year construction period.

Economic appraisal of the project (also undertaken by SMEC Australia) has been updated to address feedback comments from IA. This is provided at **Appendix B**.

3.2 Approach to Analysis

The economic analysis is based on strategic and micro traffic modelling to estimate the effects of the proposed improvements.

Micro-simulation modelling was validated by traffic counts. The Paramics model was calibrated by adjusting the default parameters in the standard behavioural models to local conditions. This relied mainly on the RTA guidelines. The model validation is in line with the best practice minimum fits.

The total expected benefits are estimated by calculating the savings from the proposed option as compared to the base option ('do nothing') in terms of travel time, vehicle operating costs, accident costs, and environmental costs.

The 'generated traffic' in the study refers to the traffic diverted from elsewhere in the transport network – no induced demand is assumed¹.

The approach and the parameters used in the analysis are in accordance with the relevant guidelines.

3.3 Benefit to Cost Ratio

The economic analysis indicates a Benefit to Cost Ratio (BCR) of 4.05 over 30 years at 7 per cent discount rate. The analysis also provides BCR at discount rates of 4 per cent and 10 percent. The BCR is greater than 2.75 under all discount rates.

The Net Present Value (NPV) of benefits is estimated around \$637 million. The benefits largely arise from a reduction in travel time (captured through decrease in vehicle operating costs in the analysis), and accident costs.

Traffic modelling highlights significant increase in traffic congestion, and consequently, increase in transit times under a 'do nothing' scenario. This is considerably alleviated through the construction of this link.

The micro-simulation modelling was also used to estimate changes in key performance indicators. Those are summarised in the economic analysis report. In general, the level of service improves from F under 'do nothing' scenario to B. Average speed on North-South transit is projected to increase from 18km/hr to 77km/hr, and travel time in AM peak hour is projected to reduce from 40 minutes under 'do nothing' scenario to less than 9 minutes in 2031.

In summary, the project will significantly alleviate congestion and reduce transit costs.

3.4 Overall ACT Treasury Assessment

The overall approach and methodology appears reasonable. The BCR estimates appear robust, and are likely to be understated, as externality benefits for the rest of the network have not been estimated. Those are likely to be significant given that the proposed link would provide a more efficient link for freight traffic which is currently using the main thoroughfare, hence reducing congestion on Northbourne Avenue.

¹ In the analysis, the 'study area' refers to the project road. Freight carriers (and other traffic) diverted from, for example, Northbourne Avenue because of a quicker link between the highways is referred to as the traffic originated from outside the study area.

4. Related Studies and Project Readiness

The project has been developed to Preliminary Sketch Plan (PSP) stage. **Appendices C and D** provide PSP documentation and the detailed plans, respectively.

A detailed Environmental Impact Study (EIS) is currently underway. A draft of the EIS will be ready in March and the final EIS in April 2009.

Initial consultation was undertaken during the initial design stage. The alignment and PSPs incorporate input from the stakeholders. Further consultation is now being undertaken as part of the statutory process.

5. Related Projects

A number of other projects have been completed, or are currently underway, that are linked to this project in terms of traffic flows. Those are:

- Single eastbound bypass lane at Dairy Road/Morshead Drive roundabout;
- Duplication of Morshead Drive between Dairy Road and Monaro Highway;
- Three phase traffic signals at Monaro Highway/Morshead Drive;
- Widening of Morshead Drive between Pialligo Avenue and Fairbairn Avenue;
- Duplication of Fairbairn Avenue between Morshead Drive and Pialligo Avenue (including a new bridge over Woolshed Creek);
- Duplication of Pialligo Avenue between Morshead Dr and Fairbairn Avenue (including a new bridge at Woolshed Creek and signalised intersection at Fairbairn Avenue); and
- Duplication of Pialligo Avenue between Fairbairn Avenue/Beltana Road intersection and a new airport access (currently at Ulinga Place).

For the purposes of this economic analysis, it has been assumed that all of the above works will be completed prior to construction of the Majura Parkway.

The micro-simulation with updated traffic count information has highlighted that the performance of the proposed Federal Highway/Monaro Highway link could be improved further by removing emergent 'pinch points' at three roundabouts on the east-west transit. Without these improvements, the project has a negative impact on these parts of the east-west link. The improvements have not been included in the project scope at this stage. Further work is required to develop design solutions and cost estimates.

6. Response to Infrastructure Australia's Feedback²

6.1 Profiling Against IA's Strategic Priorities

More information required to justify ratings. In particular no information was provided against strategic priorities 'Diversify Australia's economic capabilities and build Australia's global competitive advantages'.

Ratings against strategic priorities have been completed and provided in **Appendix E**.

Analysis based on Australian Bureau of Statistics' national accounts data indicates that productivity of the transport and storage industry in the ACT has been declining. Had productivity in the transport and storage industry remained stable, the value added by this industry in 2007-08 would have been an additional \$158 million.

The deteriorating performance of the transport and storage industry in the ACT adversely affects not just the ACT but south eastern New South Wales³. The project has significant benefits for the national freight transit system, essentially by providing a highway bypass to Canberra and improving the level of access to the Airport. The reduced costs of freight transit will potentially improve competitiveness of Australian exports. A short paper summarising this analysis is at **Appendix F**.

6.2 Cost Benefit Analysis

Project mentions different stages, focuses on Stage 2. This raises two questions:

- *Need information on other stages to be clear that costs and benefits have been correctly apportioned to this stage and not hidden/taken from other stages where they are mutually dependent.*
- *Need BCR information specifically applying to this stage, not other stages (some info seems to come from Stage 1).*

As mentioned above in Section 5, from the ACT Government's perspective, the project forms part of a range of works around Airport, and hence was referred to as Stage 2. Reference to stages has now been removed to avoid confusion.

Undoubtedly, improvements at one point or part of the transport network have flow on effects on other parts of the network. For the purpose of this analysis, however, all the modelling assumes that those works have been completed, and that no costs or benefits from those works are attributed to this project.

- *Three flaws in the methodology – all likely to increase slightly the BCR: time period of evaluation short (24 vs 30 years); no residual value included; and no externalities assessed.*

² In this section, IA's feedback comments appear in italics.

³ It is noteworthy that the national accounts attribute a proportion of the transit costs of freight passing through Canberra to the ACT.

Time period of evaluation has been extended to 30 years. The analysis also includes BCR over 40 years for reference. This has been included given that a significant part of the project involves bridges which have much longer economic life.

Residual value has been included in the analysis. Residual value at the end of the appraisal period of 30 years is estimated as the present value of benefits for the remaining life of the asset for the remaining 10 years of the assumed 40 year economic life, in accordance with the *National Guidelines for Transport System Management in Australia, Volume 3 (Appraisal of Initiatives)* by the Australian Transport Council (ATC).

The economic analysis includes an assessment of externality benefits, albeit, partially.

6.3 Delivery

- *Cost and fund sharing arrangements not shown in the submission. Clarification sought on maintenance costs – unlike Auslink BAF does not include maintenance.*
- *Capital cost – clarification required – cost benefit analysis contains a capital cost of \$125 million while the submission refers to a preliminary design figure of \$250 million – require copy of report and any supporting analysis.*

The capital cost estimated for the project in July 2008 was \$242 million (excluding GST), as in Appendix C, Chapter 20. This has been escalated by 3 per cent to \$250 million. The final cost of the project is likely to be higher subject to further cost escalation to tender time.

The ACT has already received funding commitment for \$30 million from the Commonwealth Government under its Building Australia Program for works around the Airport precinct. Those works are an integral part of the proposed link project.

The funding being sought is therefore \$220 million. As mentioned above, this does not include the cost of works required to address the impact of this project on east-west transit.

Maintenance costs, while included in the economic analysis, do not form part of the \$250 million figure.

Risks – need more detail

In essence, the PSP report covers a number of the risks flagged by IA, and responds how these are being addressed. The report contains some useful information including environmental and cultural heritage assessments, geotechnical investigations, transport planning backgrounds and a progress on the public consultation and discussion with leaseholders and or key stakeholders to date.

In addition to the PSP report, there have been number of actions to address a number of project risks.

- An extended meeting with the Department of Defence in September 2008 to discuss the impact of the proposal on Defence lands and activities. A formal

approach to the Department of Defence is now being prepared to acquire necessary land

- A workshop in December with Senior Environmental Managers from the ACT Government's Parks Conservation and Lands and the ACT Commissioner for Sustainability and the Environment to identify a management strategy to protect high value native grasslands and areas of Yellow Box Gums.
- A request to the project team to prepare a project target out turn cost using the recently released *Best Practice manual in cost estimation for public road and rail infrastructure projects* by Evans and Peck prepared for the Federal Department of Infrastructure.
- The full EIS is now underway and includes a statutory consultation component - a draft of the EIS will be ready in March and the final EIS in April 2009.

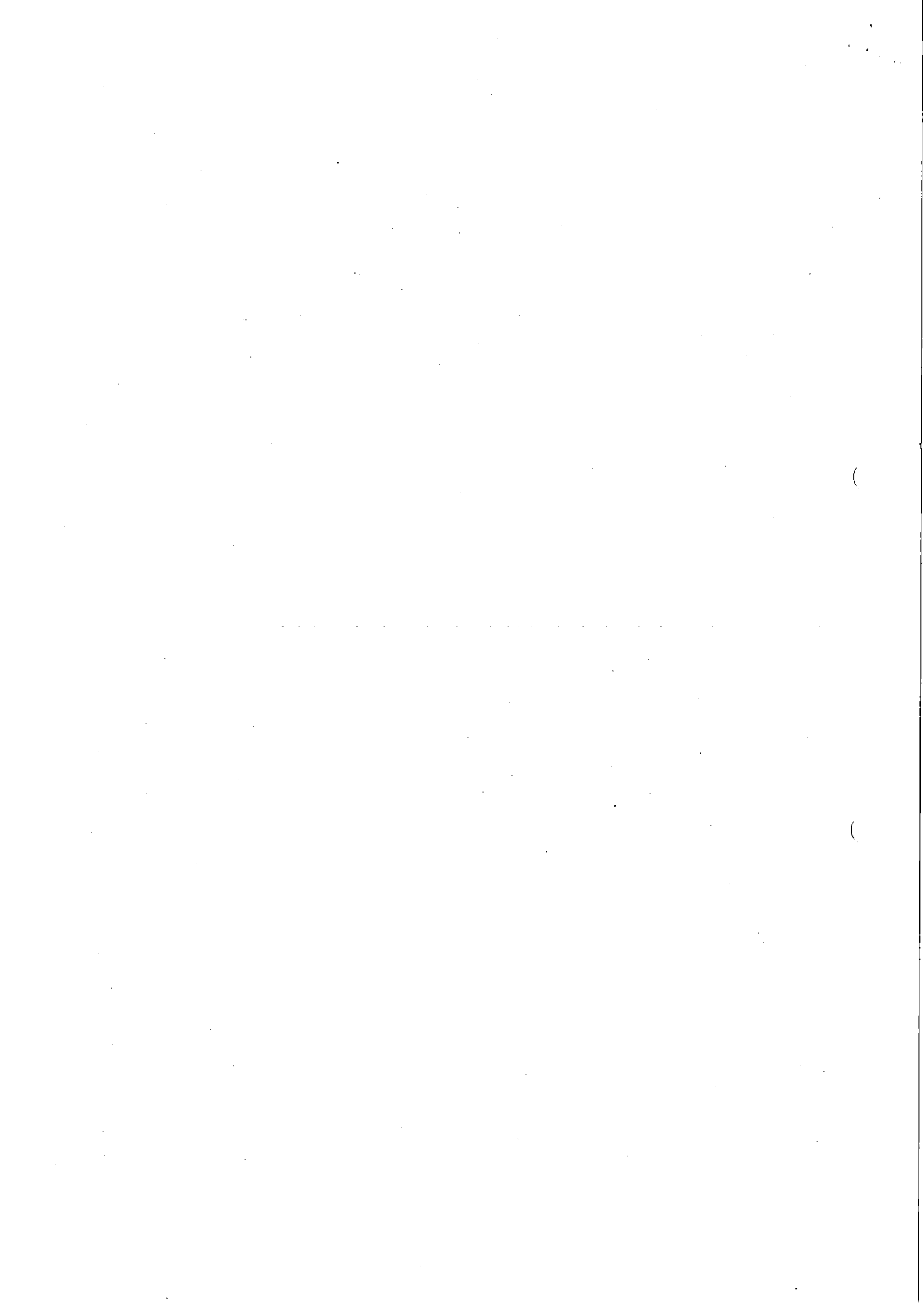
The target is to be in a position to go out for a construction tender in July 2009.

6.4 Infrastructure Australia's Minimum Requirements Template

This has been completed and provided at **Appendix G**.

Appendix List and Transmission Mode

- Appendix A: Aerial view showing the proposed link (hard copy; courier)
- Appendix B: Updated Economic Appraisal (electronic)
- Appendix C: Preliminary Sketch Plan Documentation (hard copy; courier)
- Appendix D: Preliminary Sketch Plan (detailed plans) (CD ROM; hard copy; courier)
- Appendix E: Rating Against Strategic Priorities (electronic)
- Appendix F: Transport and Storage Industry Productivity Analysis (electronic)
- Appendix G: Minimum Information Requirement Template (electronic)





COPY

Katy Gallagher MLA
 DEPUTY CHIEF MINISTER
 TREASURER
 MINISTER FOR HEALTH
 MINISTER FOR INDUSTRIAL RELATIONS

MEMBER FOR MOLONGLO

Mr Andrew Leigh MP
 Member for Fraser
 PO Box 6022
 House of Representatives
 Parliament House
 CANBERRA ACT 2600

Dear Mr Leigh *Andrew*

Congratulations on your recent election as the Member for Canberra. I am writing to bring to your attention a number of matters of importance to the community of the Australian Capital Territory, for which I seek your support as our Federal Member.

The ACT Government has been working closely with the Commonwealth Government over a number of years to progress consideration and assistance with key local capital projects (the Majura Parkway Project and Constitution Avenue) that would be of mutual benefit to the Commonwealth and the ACT.

The Majura Parkway project has been ranked highly by Infrastructure Australia (IA) for the past two years, and in the June 2010 IA Report the project was assessed as 'Ready to Proceed'. However, to progress this project it is essential that Commonwealth financial support is forthcoming.

The upgrade of Majura Parkway remains a vital project both for the Territory and nationally. It will provide an efficient dual carriageway for personal and business passengers and for road-freight transport, providing a link between the Federal Highway and the Monaro Highway in the ACT. The parkway will also assist with the safe and efficient travel of tourists to the southern regions and snowfields.

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In relation to Constitution Avenue, the Chief Minister has previously raised concerns with the former Prime Minister regarding the circumstances in which the asset was transferred from the Territory. The Commonwealth's financial support, as identified in the 2007-08 Budget, was subsequently withdrawn as part of cost saving exercises. This has resulted in the Territory not receiving the negotiated benefits to support improvements to Constitution Avenue, as per the agreement at the time of the asset transfer.

ACT LEGISLATIVE ASSEMBLY

It is essential that consideration now be given to reinstating the \$46 million promised for the upgrade and duplication of Constitution Avenue. Constitution Avenue is an important arterial road and the original plan was to widen and duplicate traffic lanes to cope with significant increased traffic flows associated with the expected influx of an additional 7,000 Commonwealth employees in the area, with a major Commonwealth Government Office Building currently under construction.

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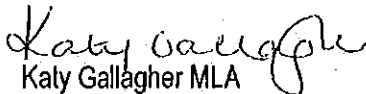
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We appreciate the Commonwealth Government's continued support and recognition of the challenges faced by our small jurisdiction, in realising efficiencies and economies of scale.

I would be pleased to discuss these priorities and concerns with you further and look forward to your positive response.

Yours sincerely



Katy Gallagher MLA

Treasurer

23.9.10

COPY



Katy Gallagher MLA
 DEPUTY CHIEF MINISTER
 TREASURER
 MINISTER FOR HEALTH
 MINISTER FOR INDUSTRIAL RELATIONS

MEMBER FOR MOLONGLO

Ms Gai Brodtmann MP
 Member for Canberra
 PO Box 6022
 House of Representatives
 Parliament House
 CANBERRA ACT 2600

Dear Ms ^{Gai} Brodtmann

Congratulations on your recent election as the Member for Canberra. I am writing to bring to your attention a number of matters of importance to the community of the Australian Capital Territory, for which I seek your support as our Federal Member.

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The Majura Parkway project has been ranked highly by Infrastructure Australia (IA) for the past two years, and in the June 2010 IA Report, the project was assessed as 'Ready to Proceed'. However, to progress this project it is essential that Commonwealth financial support is forthcoming.

The upgrade of Majura Parkway remains a vital project both for the Territory and nationally. It will provide an efficient dual carriageway for personal and business passengers and for road-freight transport, providing a link between the Federal Highway and the Monaro Highway in the ACT. The parkway will also assist with the safe and efficient travel of tourists to the southern regions and snowfields.

We rank the Majura Parkway as one of our highest construction priorities, however, it requires Commonwealth support for funding given the national status of the road.

In relation to Constitution Avenue, the Chief Minister has previously raised concerns with the former Prime Minister regarding the circumstances in which the asset was transferred from the Territory. The Commonwealth's financial support, as identified in the 2007-08 Budget, was subsequently withdrawn as part of cost saving exercises. This has resulted in the Territory not receiving the negotiated benefits to support improvements to Constitution Avenue, as per the agreement at the time of the asset transfer.

ACT LEGISLATIVE ASSEMBLY

It is essential that consideration now be given to reinstating the \$46 million promised for the upgrade and duplication of Constitution Avenue. Constitution Avenue is an important arterial road and the original plan was to widen and duplicate traffic lanes to cope with significant increased traffic flows associated with the expected influx of an additional 7,000 Commonwealth employees in the area, with a major Commonwealth Government Office Building currently under construction.

These are important issues for the ACT and hence decisions taken by the Commonwealth on these priorities and funding outcomes have a direct impact on the Canberra community.

The ACT Government places great emphasis on, and takes much pride in/ providing the services and infrastructure necessary to support our great city. We are particularly conscious of its status and role as the National Capital. However, given our small population and narrow tax base, and noting that the Commonwealth remains our largest employer, and so the largest driver of demand for these services and infrastructure, our ability to address large scale projects is more limited than that of other jurisdictions.

Reductions in Commonwealth support, however small, have a considerable impact on the ACT's finances, and pose significant risks to the Territory's (and region's) services and infrastructure.

We appreciate the Commonwealth Government's continued support and recognition of the challenges faced by our small jurisdiction, in realising efficiencies and economies of scale.

I would be pleased to discuss these priorities and concerns with you further and look forward to your positive response.

Yours sincerely



Katy Gallagher MLA
Treasurer

23.8.10

Dechert, Laure

From: [redacted]
Sent: Friday, 19 November 2010 10:30 AM
To: [redacted]
Cc: [redacted]
Subject: FW: TSY-B10/757 - Request from minister's office - additional letters from Treasurer for Majura

Attached are the additional four letters to members of federal parliament to complement the letters we drafted earlier in the week to Wayne Swan, Anthony Albanese and Mike Kelly. Also attached is a brief summary of the Majura Parkway Project to accompany these four letters and the letter to Mike Kelly.

The attached summary of the Majura Parkway Project is taken from the ACT's submission to the National Freight Network Plan earlier in the year.

Also, the letter to Mike Kelly has been amended from the one earlier in the week to refer to the attachment.



Treasurer letter to Andrew Lei... Treasurer letter to Gai Brodtm... Treasurer letter to Kate Lundy... Treasurer letter to Gary Humpr... Treasurer letter to Mike Kelly... Attachment - Summary of the Ma

Regards,

[redacted] | MANAGER | BUDGET COORDINATION AND REPORTING | FINANCE AND BUDGET DIVISION | ACT
TREASURY
PH: 02 6207 0234 | FAX: 02 6207 0298

Please consider the environment before printing this email - or if printing is necessary, please print double-sided.

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]



Katy Gallagher MLA

DEPUTY CHIEF MINISTER

TREASURER

MINISTER FOR HEALTH

MINISTER FOR INDUSTRIAL RELATIONS

MEMBER FOR MOLONGLO

Mr Andrew Leigh MP
 Member for Fraser
 PO Box 6022
 House of Representatives
 Parliament House
 CANBERRA ACT 2600

Dear Mr Leigh

I am writing to seek your continued support for the Majura Parkway, which is an important infrastructure project for the people of the Australian Capital Territory and considerable population of the surrounding region. As you would recall, I wrote on the 23 September 2010 about the project. This letter is to provide you with an update in the context of the ACT Government's 2011 Submission to Infrastructure Australia (IA).

Over the last few years, the ACT Government has sought financial support from the Commonwealth Government to progress the Majura Parkway project – a key project for the Territory and the South East New South Wales (NSW) Region.

We are a keen advocate of this project, not just for the Territory's benefit but for the benefits it brings both regionally and to the National Seat of Government.

The Majura Parkway has been categorised by IA as 'ready to proceed' in its July 2010 report to the Council of Australian Governments (COAG) *Getting the fundamentals right for Australia's infrastructure priorities*. The project has met all of IA's criteria and the report noted that it makes a strong contribution to strategic policy goals, is supported by methodologically robust cost-benefit analysis and has a thorough delivery plan in place. Despite its inclusion in the IA report, the project is yet to receive Commonwealth funding.

The Majura Parkway is highly beneficial to the region because it:

- is nationally significant, as it improves freight and passenger movements from the Sydney-Canberra corridor through to the growing agricultural and tourism region in South East NSW;
- will improve the efficiency of the Australian freight network and reduce freight transit times in the region by addressing a gap in the Australian Higher Mass Limited (HML) network;
- facilitates better use of existing assets, both private (eg the Canberra Airport) and public (eg the Hume and Monaro Highways); and

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London Circuit, Canberra ACT 2601 GPO Box 1020, Canberra ACT 2601

Phone (02) 6205 0840 Fax (02) 6205 3030 Email: gallagher@act.gov.au

- makes a contribution to economic growth in the Capital Region and regional South East NSW. In particular, it will partly address the apparent decline in productivity of the transport and storage industry in the ACT and regional NSW.

The upgrade of Majura Parkway remains a vital project on both a local and national scale. The ACT's revised 2011 submission to IA for National Infrastructure Priorities will provide an update on costs, information related to the recently approved Environmental Impact Assessment and an analysis of alternative delivery methodologies such as a Public Private Partnership (PPP).

The ACT continues to rank the Majura Parkway as one of its highest priority infrastructure deliverables, however, given the national significance of the road, Commonwealth financial support is also required.

Since my earlier correspondence to you in September this year, I have continued to lobby for the enhancement of our national road network to benefit the region. I am mindful of the ACT Government's responsibility in the region to maintain the provision of services and infrastructure necessary to support our city, recognising its role as the National Capital.

I have also written to other local members and senators in similar terms, and would appreciate any support you could provide for this valuable project. I have enclosed a brief summary of the project for your information and would be pleased to discuss this matter with you further.

Yours sincerely

Katy Gallagher MLA
Treasurer



Katy Gallagher MLA

DEPUTY CHIEF MINISTER
TREASURER
MINISTER FOR HEALTH
MINISTER FOR INDUSTRIAL RELATIONS

MEMBER FOR MOLONGLO

Ms Gai Brodtmann MP
Member for Canberra
PO Box 6022
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Ms Brodtmann

I am writing to seek your continued support for the Majura Parkway, which is an important infrastructure project for the people of the Australian Capital Territory and considerable population of the surrounding region. As you would recall, I wrote on the 23 September 2010 about the project. This letter is to provide you with an update in the context of the ACT Government's 2011 Submission to Infrastructure Australia (IA).

Over the last few years, the ACT Government has sought financial support from the Commonwealth Government to progress the Majura Parkway project – a key project for the Territory and the South East New South Wales (NSW) Region.

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Yours sincerely

Katy Gallagher MLA
Treasurer



Katy Gallagher MLA

DEPUTY CHIEF MINISTER
TREASURER
MINISTER FOR HEALTH
MINISTER FOR INDUSTRIAL RELATIONS

MEMBER FOR MOLONGLO

Senator Kate Lundy
Law Society Building
11 London Circuit
CANBERRA ACT 2601

Dear Ms Lundy

I am writing to seek your support for an important infrastructure project for the people of the Australian Capital Territory and the considerable population of the surrounding region.

Over the last few years, the ACT Government has sought financial support from the Commonwealth Government to progress the Majura Parkway project – a key project for the Territory and the South East New South Wales (NSW) Region.

We are a keen advocate of this project, not just for the Territory's benefit but for the benefits it brings both regionally and to the National Seat of Government.

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Yours sincerely

Katy Gallagher MLA
Treasurer



Katy Gallagher MLA

DEPUTY CHIEF MINISTER

TREASURER

MINISTER FOR HEALTH

MINISTER FOR INDUSTRIAL RELATIONS

MEMBER FOR MOLONGLO

Senator Gary Humphries
 Canberra Centre
 148 Bunda Street
 CANBERRA ACT 2601

Dear Mr Humphries

I am writing to seek your support for an important infrastructure project for the people of the Australian Capital Territory and the considerable population of the surrounding region.

Over the last few years, the ACT Government has sought financial support from the Commonwealth Government to progress the Majura Parkway project – a key project for the Territory and the South East New South Wales (NSW) Region.

We are a keen advocate of this project, not just for the Territory's benefit but for the benefits it brings both regionally and to the National Seat of Government.

The Majura Parkway has been categorised by IA as 'ready to proceed' in its July 2010 report to the Council of Australian Governments (COAG) *Getting the fundamentals right for Australia's infrastructure priorities*. The project has met all of IA's criteria and the report noted that it makes a strong contribution to strategic policy goals, is supported by methodologically robust cost-benefit analysis and has a thorough delivery plan in place. Despite its inclusion in the IA report, the project is yet to receive Commonwealth funding.

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Katy Gallagher MLA
Treasurer



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Katy Gallagher MLA
DEPUTY CHIEF MINISTER
TREASURER
MINISTER FOR HEALTH
MINISTER FOR INDUSTRIAL RELATIONS

MEMBER FOR MOLONGLO

Hon Dr Mike Kelly AM, MP
Parliamentary Secretary for Agriculture, Fisheries and Forestry
Member for Eden-Monaro
PO Box 6022
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Dr Kelly

I am writing to seek your continued support for the Majura Parkway, which is an important infrastructure project for the people of the Capital Region, including your electorate. As you would recall, I wrote on the 23 September 2010 about the project. This letter is to provide you with an update in the context of the ACT Government's 2011 Submission to Infrastructure Australia (IA).

Over the last few years, the ACT Government has sought financial support from the Commonwealth Government to progress the Majura Parkway project – a key project for the Territory and the South East New South Wales (NSW) Region.

We are a keen advocate of this project, not just for the Territory's benefit but for the benefits it brings both regionally and to the National Seat of Government.

The Majura Parkway has been categorised by IA as 'ready to proceed' in its July 2010 report to the Council of Australian Governments (COAG) *Getting the fundamentals right for Australia's infrastructure priorities*. The project has met all of IA's criteria and the report noted that it makes a strong contribution to strategic policy goals, is supported by methodologically robust cost-benefit analysis and has a thorough delivery plan in place. Despite its inclusion in the IA report, the project is yet to receive Commonwealth funding.

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The upgrade of Majura Parkway remains a vital project on both a local and national scale. The ACT's revised 2011 submission to IA for National Infrastructure Priorities will provide an update on costs, information related to the recently approved Environmental Impact Assessment and an analysis of alternative delivery methodologies such as a Public Private Partnership (PPP).

The ACT continues to rank the Majura Parkway as one of its highest priority infrastructure deliverables, however, given the national significance of the road, Commonwealth financial support is also required.

You would appreciate the number of benefits to your electorate as a result of the development of this project including, Queanbeyan and Southern NSW business access to an improved freight network, employment opportunities during the construction phase of the project, improved access for tourists to the Snowy Mountains and the possible improvement of traffic congestion between Queanbeyan and Canberra along Pialligo Avenue.

Since my earlier correspondence to you in September this year, I have continued to lobby for the enhancement of our national road network to benefit the region. I am mindful of the ACT Government's responsibility in the region to maintain the provision of services and infrastructure necessary to support our city, recognising its role as the National Capital.

I have also written to the Federal Treasurer, the Hon Mr Wayne Swan MP and the Minister for Infrastructure and Transport, the Hon Mr Anthony Albanese MP, in similar terms, and would appreciate any support you could provide for this valuable project. I have enclosed a brief summary of the project for your information and would be pleased to discuss this matter with you further.

Yours sincerely

Katy Gallagher MLA
Treasurer

Summary of the Majura Parkway Project

The Majura Parkway Project will create an efficient 11 kilometre dual carriageway road-freight transport, business travel and personal travel link between the Federal Highway and the Monaro Highway.

As well as providing a vital transport link relevant to a significant population and geographic region of Australia the project will also improve north – south links along the eastern seaboard and improve access to the Canberra Airport, the Fyshwick and Hume Industrial Estates in the ACT and regional areas of NSW, including South East NSW and the Snowy Mountains region.

The initiative will address an apparent decline in productivity in the transport and storage industry in the ACT and surrounding regional NSW.

The deteriorating performance of the transport and storage industry in the ACT adversely affects not just the ACT, but also the broader south east region of NSW. The project has significant benefits for the national freight transit system, essentially by providing a highway bypass to Canberra and improving the level of access to the Airport.

The Monaro Highway is an important passenger and heavy vehicle freight route which has been declared as part of the expanded route for Higher Mass Limited (HML) vehicles in NSW. This HML route currently stops at the ACT border and continues again in NSW on the Federal Highway.

The construction of the Majura Parkway will address this gap in the HML network. Given the Bureau of Infrastructure, Transport and Regional Economics (BITRE) forecast of the doubling of the freight task by 2020, this upgraded freight route will add significantly to the economic development of the Capital Region and provide improved connections with the Federal, Barton and Hume Highways which are part of the National Road Network thus contributing to the productivity of the nation.

Improvement to the national freight network by linking the Federal Highway to the Monaro Highway will only increase the significance of this link in the route between Sydney and South East NSW and the Snowy Mountains, as well as the truck freight bypass of Canberra.

The project will significantly increase traffic efficiency, and reduce freight transit times. It will also result in the Canberra Airport being within a kilometre or so of the north – south freight transit link. This coalescence can be expected to have significant economic output and productivity benefits for the south eastern region of Australia.

A full Environmental Impact Assessment of the project has been completed. The project has also been assessed by the Federal Department of the Environment under the requirements of the *Environment Protection Biodiversity Conservation Act*. The project was confirmed in December 2009 as an uncontrolled activity and the Commonwealth Department required no further referrals for the project.

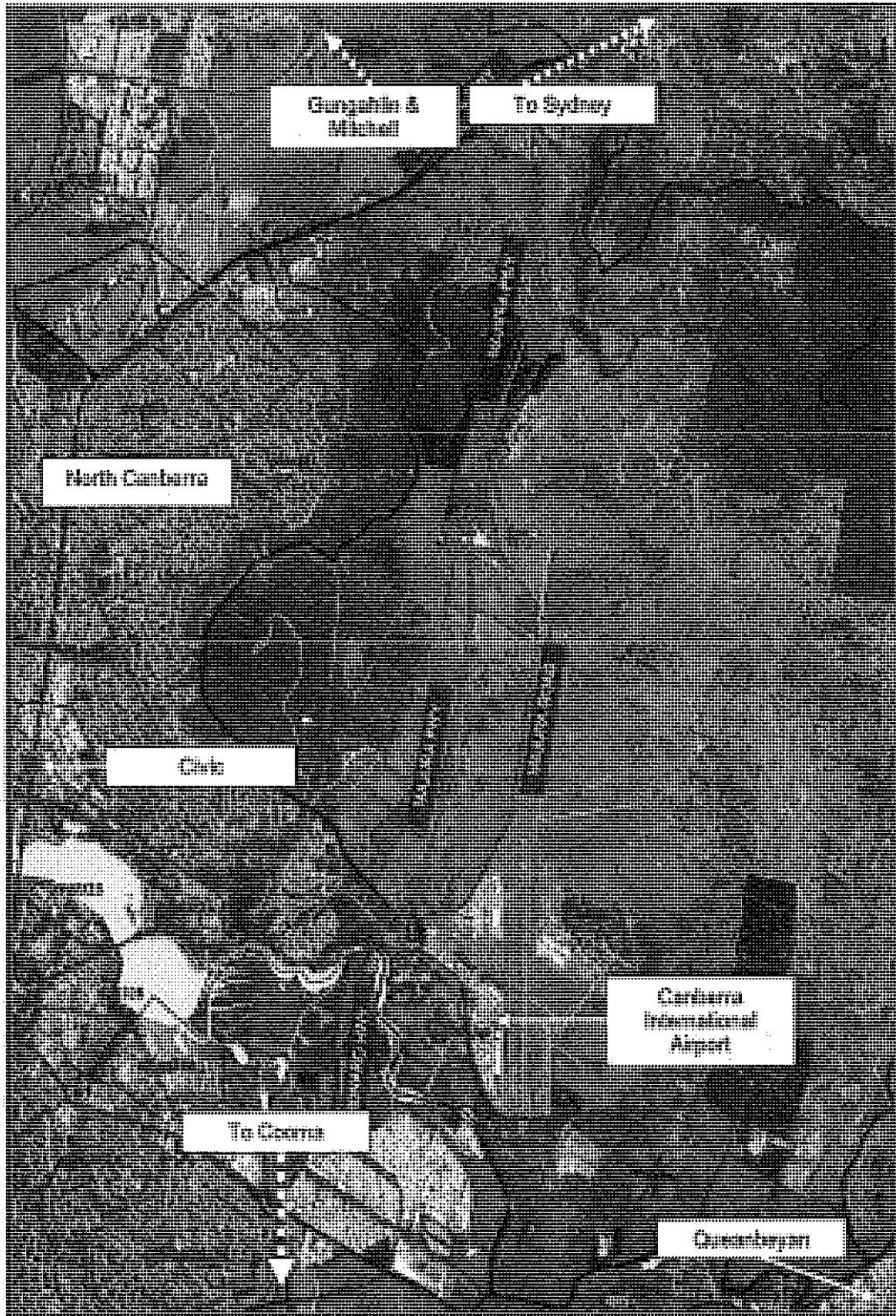


Figure 3: 3 Proposed Majura Parkway Alignment, showing connections to the Federal and Monaro Highways and its position relative to the existing Majura Road



COPY

Katy Gallagher MLA
DEPUTY CHIEF MINISTER
TREASURER
MINISTER FOR HEALTH
MINISTER FOR INDUSTRIAL RELATIONS
MEMBER FOR MOLONGLO

Hon Ms Julia Gillard MP
Prime Minister
PO Box 6022
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Prime Minister *Julia*

Congratulations on your recent election as the Prime Minister of Australia. We look forward to working closely with your newly formed government and wish to bring to your attention a number of matters of importance to the community of the Australian Capital Territory. I previously raised these matters with the former Prime Minister, the Honourable Mr Kevin Rudd MP, back in March 2010.

A response to my previous letter, sent on behalf of myself and other representatives of the ACT business and industry, community sectors and unions, was provided by Mr Bruce Paine, Acting General Manager, Infrastructure Competition and Consumer Division, in the Treasury dated 23 July 2010, as the Commonwealth Government had assumed a caretaker role prior to the election. Copies of this response are attached.

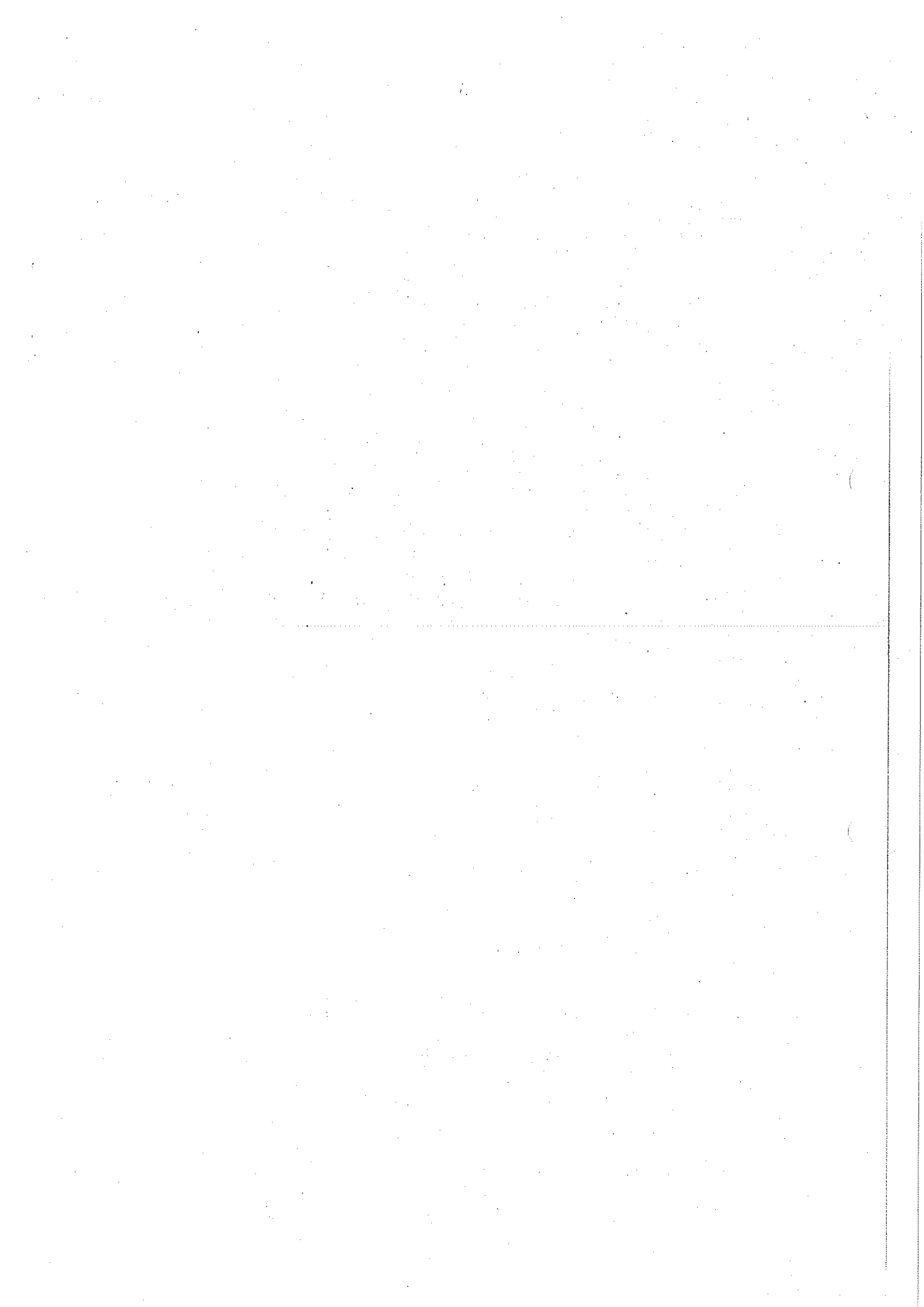
I write to express my disappointment at the Commonwealth Government's delayed and somewhat dismissive response to the issues raised in our original correspondence, and would appreciate your consideration of our concerns and proposals regarding the priorities of, and challenges facing, the ACT Government.

The ACT Government has been working closely with the Commonwealth Government over a number of years to progress consideration of key local capital projects (the Majura Parkway Project and Constitution Avenue) that would be of mutual benefit to the Commonwealth and the ACT.

The Majura Parkway project has been ranked highly by Infrastructure Australia (IA) for the past two years and in the June 2010 IA Report the project was assessed as 'Ready to Proceed'. However, to progress this project it is essential that Commonwealth financial support is forthcoming.

The upgrade of Majura Parkway remains a vital project both for the Territory and nationally. It will provide an efficient dual carriageway for personal and business passengers and for road-freight transport, providing a link between the Federal Highway and the Monaro Highway in the ACT. The parkway will also assist with the safe and efficient travel of tourists to the southern regions and snowfields.

ACT LEGISLATIVE ASSEMBLY



We rank the Majura Parkway as one of our highest construction priorities. However, it requires Commonwealth support for funding given the national status of the road.

In relation to Constitution Avenue, the Chief Minister has previously raised concerns with the former Prime Minister regarding the circumstances in which the asset was transferred from the Territory. The Commonwealth's financial support, as identified in the 2007-08 Budget, was subsequently withdrawn as part of cost saving exercises. This has resulted in the Territory not receiving the negotiated benefits to support improvements to Constitution Avenue, as per the agreement at the time of the asset transfer.

It is essential that consideration now be given to reinstating the \$46 million promised for the upgrade and duplication of Constitution Avenue. Constitution Avenue is an important arterial road and the original plan was to widen and duplicate traffic lanes to cope with significant increased traffic flows associated with the expected influx of an additional 7,000 Commonwealth employees in the area, with a major Commonwealth Government Office Building currently under construction.

These are important issues for the ACT and hence decisions taken by the Commonwealth on these priorities and funding outcomes have a direct impact on the Canberra community.

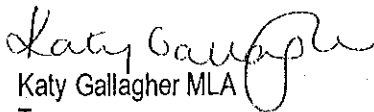
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Reductions in Commonwealth support, however small, have a considerable impact on the ACT's finances, and pose significant risks to the Territory's (and region's) services and infrastructure.

We appreciate the Commonwealth Government's continued support and recognition of the challenges faced by our small jurisdiction, in realising efficiencies and economies of scale.

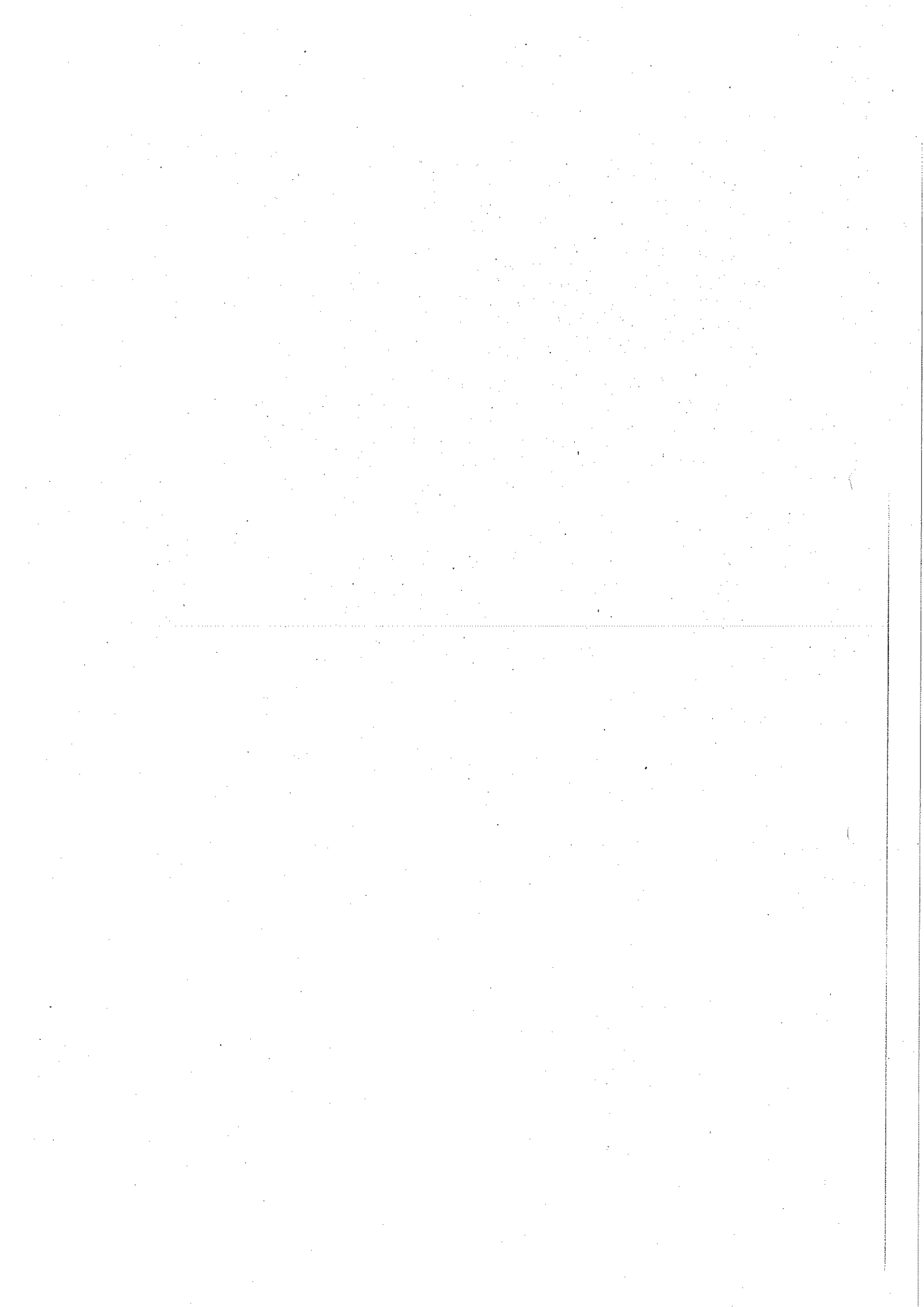
I would be pleased to discuss these priorities and concerns with you further or, if you would prefer, to arrange for these discussions to occur between our officials, and look forward to your positive response.

Yours sincerely



Katy Gallagher MLA
Treasurer

23.9.10





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Katy Gallagher MLA
DEPUTY CHIEF MINISTER
TREASURER
MINISTER FOR HEALTH
MINISTER FOR INDUSTRIAL RELATIONS

MEMBER FOR MOLONGLO

Hon Kevin Rudd MP
Prime Minister
PO Box 6022
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Prime Minister *Kevin*

As representatives of Australian Capital Territory businesses and industry, the community sector, unions and Government we write to draw your attention to the priorities of the Canberra community.

The ACT has not been immune to the effects of the global financial crisis, however, has recovered more quickly than expected from the economic downturn. There is no doubt that the Territory's economy has benefited from the Commonwealth Government's stimulus measures.

However, in the context of the recent recommendations made in the Commonwealth Grants Commission's 2010 Review Report on State Revenue Sharing Relativities and the impending 2010-11 Budgets of both the Commonwealth and the Territory, we wish to demonstrate the benefits to the Commonwealth of investment in the ACT to support our mutual aims.

It must be acknowledged that the potential for the Commonwealth to deliver on its agenda is greatly enhanced by a strong and capable business community in the ACT. It is those organisations operating locally that provide the services that support the operations of the Commonwealth Government in the ACT - be they information and communication technology, financial and legal advice, human resources and training, building and construction, transport, catering, cleaning, and a host of other services and activities.

We would strongly suggest that the private sector in the Territory is vital to the Commonwealth Government's functioning and in supporting the implementation of its policy agenda across the nation.

Further, it is important to each of us and the organisations, families and individuals we represent that consideration is given to the impact of decisions taken by the Commonwealth that have a direct impact on the Canberra community. We believe it should be a collective aim to ensure the sustainable growth of the Territory.

Given the small size and narrow taxation base of the Territory, and noting that the Commonwealth is its largest employer, the ability of the ACT Government to gather efficiencies through economies of scale is more difficult. Reductions in Commonwealth expenditure in the Territory have a considerable impact on the Territory's finances which poses substantial risk to the delivery of essential services and quality infrastructure to the ACT and surrounding region including transport, health and education.

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London Circuit, Canberra ACT 2601 GPO Box 1020, Canberra ACT 2601
Phone (02) 6205 0840 Fax (02) 6205 3030 Email: gallagher@act.gov.au

We also draw to your attention our concerns over the impact of the socio-demographic assessment of the ACT's population by the Commonwealth Grants Commission, particularly with regard to population growth and population characteristics such as low socio-economic status and Indigenous persons residing in the ACT. We are concerned that the ABS systematically underestimates the ACT's population and that the methodology used to make assumptions about the socio-economic status of Canberra residents misrepresents the actual level of disadvantage experienced in our community.

It is in this context that we request your consideration of some key local capital projects that would be of great mutual benefit to the Commonwealth and the ACT.

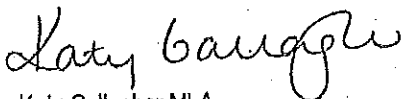
For example, the upgrade of Majura Parkway is a vital project that will provide for an efficient dual carriageway road-freight transport, business travel and personal travel link between the Federal Highway and the Monaro Highway in the ACT. As you would be aware, this project was previously proposed to Infrastructure Australia and listed on its priority list but was the only project not to receive funding in the 2009 funding round.

The Hon Anthony Albanese MP, Minister for Infrastructure, has since approved the Canberra Airport Master Plan and most recently the Major Development Plan for the western concourse terminal extension. We suggest that support and funding for the Majura Parkway project is highly complementary to enhancing and further validating the Airport's role as a key economic driver for the Capital Region and we request that you give consideration to making a 50% contribution from the Commonwealth towards its cost.

The long-term commitment of the Commonwealth Government to the Nation's Capital is also very important. In this respect the continued presence, and growth, of Commonwealth agencies statutory and regulatory bodies, and of Commonwealth-partnered research and industry bodies underpins our economy. Indeed, with the presence of our tertiary institutions, the ACT provides an advantage to other jurisdictions when it comes to doing business and the business of government. We would very much like to see your Government consolidate more of your agencies into the ACT.

We appreciate your consideration of our concerns and proposals and look forward to your early response.

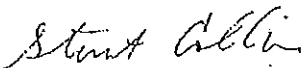
Yours sincerely



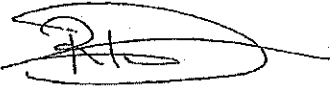
Katy Gallagher MLA
Treasurer



Catherine Carter, Executive Director
Property Council of Australia (ACT Branch)



Stuart Collins, Executive Director
Housing Industry Association (ACT Branch)



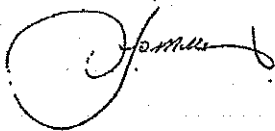
Roslyn Dundas, Executive Director
ACT Council of Social Services



Chris Faulks, Chief Executive Officer
Canberra Business Council



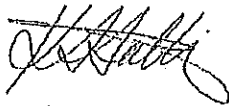
Joseph Griffith, Executive Director
Tourism Industry Council (ACT and Region)



John Miller, Chief Executive Officer
Master Builders' Association of the ACT



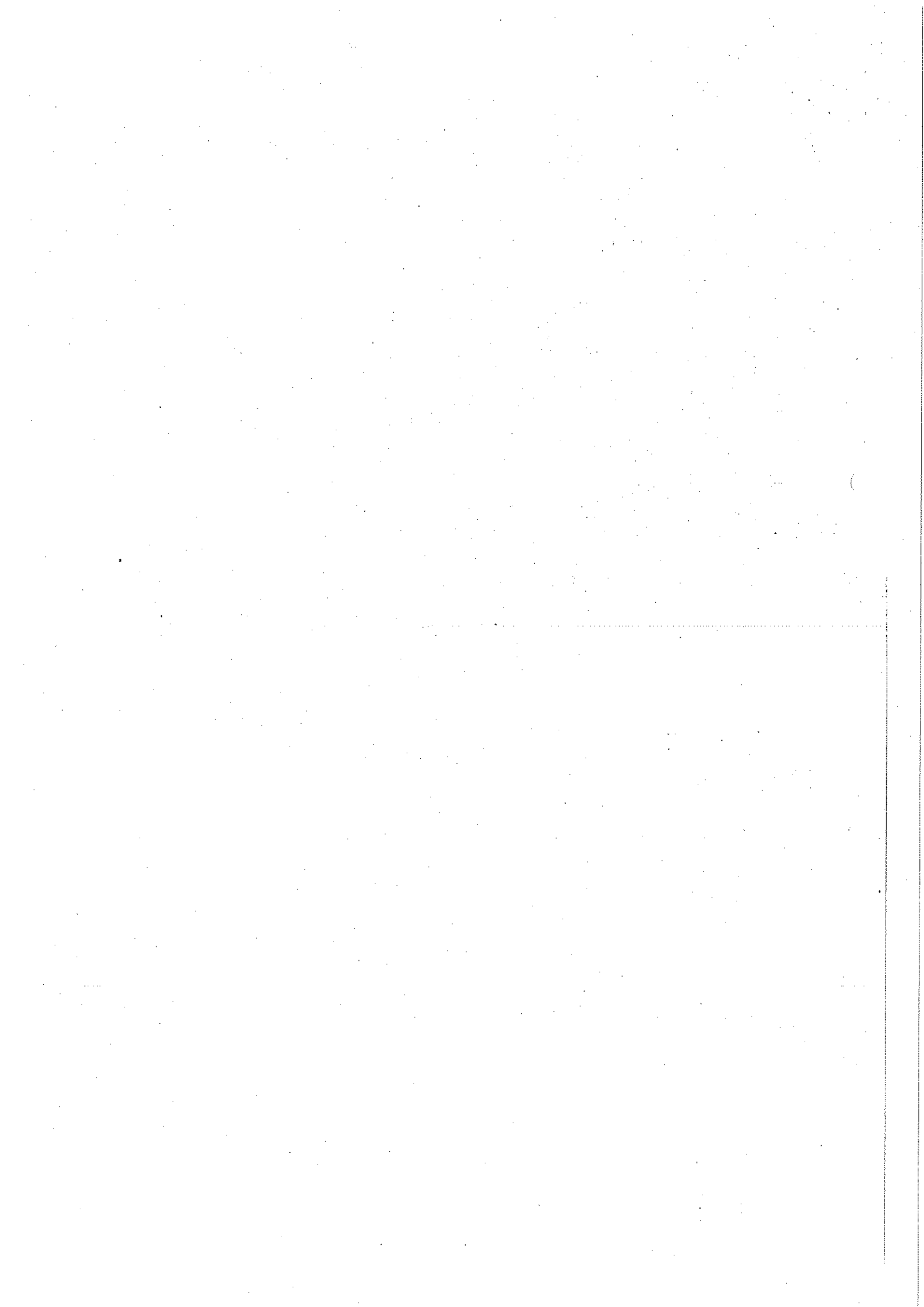
Christopher Peters, Chief Executive
ACT and Region Chamber of Commerce and Industry



Kim Sattler, Secretary
Unions ACT

23. 3. 10

Copy: Hon Wayne Swan MP, Hon Anthony Albanese MP





Australian Government

The Treasury

OFFICE OF
KATY GALLAGHER MLA
20 JUL 2010
RECEIVED

Infrastructure Competition & Consumer Division
The Treasury
Langton Crescent
Canberra ACT 2600

23 JUL 2010

Ms Katy Gallagher MLA
Deputy Chief Minister, Treasurer, Minister for Health
and Minister for Industrial Relations
Legislative Assembly for the ACT
GPO Box 1020
CANBERRA ACT 2601

Dear Ms Gallagher

I acknowledge receipt of your recent correspondence, including a letter originally directed to the former Prime Minister, concerning the Australian Capital Territory's (ACT's) fiscal position and Australian Government funding for ACT capital projects. I am responding to you as the Government has assumed a caretaker role prior to the election on 21 August 2010. I apologise for the delay in replying.

In your letter, you raised concerns about the ongoing implications of the Commonwealth Grant Commission's (CGC) recommended relativities on the ACT budget. I understand that at the March 2010 Ministerial Council for Federal Financial Relations meeting, the Treasurer indicated that he intended to accept the recommendations of the CGC, consistent with past practice.

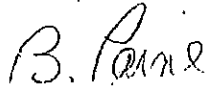
In addition, you requested that the Australian Government consider supporting local capital projects such as the Majura Parkway. As you would be aware, the Government decided not to provide additional funding for the Majura Parkway project in the 2010-11 Commonwealth Budget. However, I note that under the Nation Building Program, the Government had allocated \$30 million over six years towards the alignment of the Majura Parkway and Federal Highway, as part of the Canberra Airport Precinct upgrade.

In relation to the previous Government's proposal to redevelop Constitution Avenue into a boulevard, in February 2008, the Government announced that it would not proceed with providing funding to the National Capital Authority for this project. However, as you would also be aware, the construction of an overpass at the intersection of Kings Avenue and Parkes Way is continuing as planned.

Under the current Nation Building Program, the Australian Government set aside \$201.6 million over six years (2008-09 to 2013-14) in road infrastructure funding for the ACT, including \$32.9 million in 2010-11. The 2010-11 Budget also contained \$26.0 million in funding to assist the ACT Government maintain and upgrade local roads.

I trust this information will be of assistance.

Yours faithfully



Bruce Paine
Acting General Manager

COPY



Katy Gallagher MLA
DEPUTY CHIEF MINISTER
TREASURER
MINISTER FOR HEALTH
MINISTER FOR INDUSTRIAL RELATIONS

MEMBER FOR MOLONGLO

Hon Dr Mike Kelly AM, MP
Parliamentary Secretary for Agriculture, Fisheries and Forestry
Member for Eden-Monaro
PO Box 6022
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Dr *Mike* Kelly

Congratulations on your recent re-election as the member for Eden-Monaro and appointment to the position of Parliamentary Secretary for Agriculture, Fisheries and Forestry. I am writing to bring to your attention a matter of importance to the community of the Australian Capital Territory, which would also bring significant benefits to your electorate.

The Majura Parkway is a key project for the Territory and SE NSW Region. The ACT Government over the last few years has been seeking Commonwealth Government support through financial assistance to progress this important piece of infrastructure.

In the June 2010 Report of Infrastructure Australia, the Majura Parkway project was assessed as 'Ready to Proceed'. However, to progress this project it is necessary that a Commonwealth financial contribution is secured, given the significance of this road as a National Highway.

The upgrade of Majura Parkway remains a vital project both for the Territory and nationally. It will provide an efficient dual carriageway for personal and business passengers and for road-freight transport, providing a link between the Federal Highway and the Monaro Highway in the ACT. This parkway will also assist with the safe and efficient travel of tourists to the southern regions of NSW and snowfields.

As you would appreciate development of the Majura Parkway project would bring a number of benefits to your electorate including employment opportunities during construction, access to an improved freight network for businesses in Queanbeyan and Southern NSW and improved access by tourists to the Snowy Mountains. The Parkway may also improve traffic congestion between Queanbeyan and Canberra along Pialligo Avenue.

We rank the Majura Parkway as one of our highest construction priorities, however, it requires Commonwealth support for funding given the national status of the road.

ACT LEGISLATIVE ASSEMBLY

London Circuit, Canberra ACT 2601 GPO Box 1020, Canberra ACT 2601
Phone (02) 6205 0840 Fax (02) 6205 3030 Email: gallagher@act.gov.au



The ACT Government places great emphasis on, and takes much pride in providing the services and infrastructure necessary to support our great city, we are particularly conscious of its status and role as the National Capital. We are also very mindful of our role in the region, and are keen to enhance the effectiveness of our national road network to the benefit of the region.

I have written to the Prime Minister, the Hon Ms Julia Gillard MP, in similar terms to this letter, and would appreciate any support you could provide for this valuable project. I would be pleased to discuss these priorities and concerns with you further and look forward to your positive response.

Yours sincerely



Katy Gallagher MLA
Treasurer

23.9.10





COPY

Katy Gallagher MLA
DEPUTY CHIEF MINISTER
TREASURER
MINISTER FOR HEALTH
MINISTER FOR INDUSTRIAL RELATIONS
MEMBER FOR MOLONGLO

Mr Andrew Leigh MP
Member for Fraser
PO Box 6022
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr Leigh *Andrew*

Congratulations on your recent election as the Member for Canberra. I am writing to bring to your attention a number of matters of importance to the community of the Australian Capital Territory, for which I seek your support as our Federal Member.

The ACT Government has been working closely with the Commonwealth Government over a number of years to progress consideration and assistance with key local capital projects (the Majura Parkway Project and Constitution Avenue) that would be of mutual benefit to the Commonwealth and the ACT.

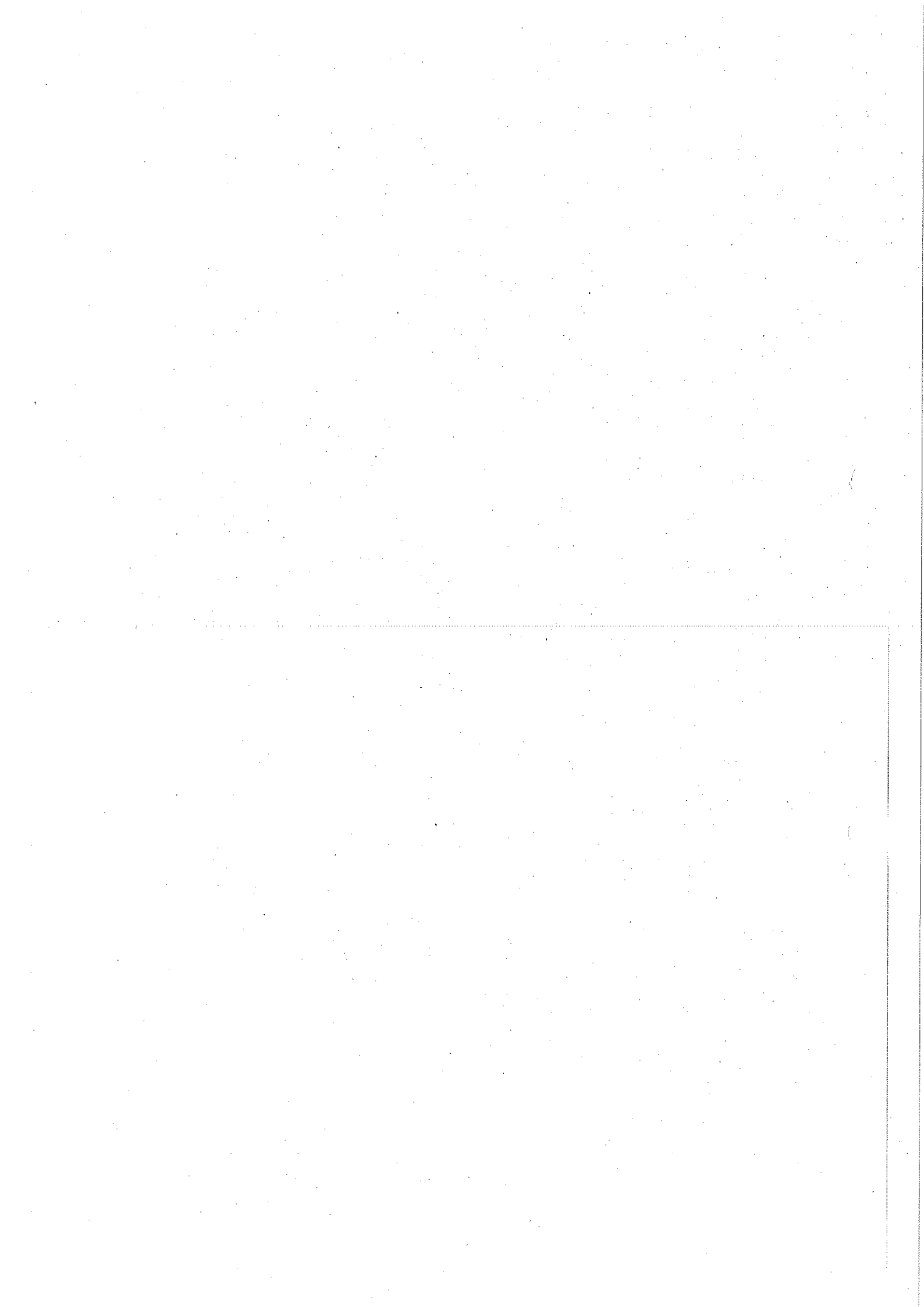
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The upgrade of Majura Parkway remains a vital project both for the Territory and nationally. It will provide an efficient dual carriageway for personal and business passengers and for road-freight transport, providing a link between the Federal Highway and the Monaro Highway in the ACT. The parkway will also assist with the safe and efficient travel of tourists to the southern regions and snowfields.

We rank the Majura Parkway as one of our highest construction priorities, however, it requires Commonwealth support for funding given the national status of the road.

In relation to Constitution Avenue, the Chief Minister has previously raised concerns with the former Prime Minister regarding the circumstances in which the asset was transferred from the Territory. The Commonwealth's financial support, as identified in the 2007-08 Budget, was subsequently withdrawn as part of cost saving exercises. This has resulted in the Territory not receiving the negotiated benefits to support improvements to Constitution Avenue, as per the agreement at the time of the asset transfer.

ACT LEGISLATIVE ASSEMBLY



It is essential that consideration now be given to reinstating the \$46 million promised for the upgrade and duplication of Constitution Avenue. Constitution Avenue is an important arterial road and the original plan was to widen and duplicate traffic lanes to cope with significant increased traffic flows associated with the expected influx of an additional 7,000 Commonwealth employees in the area, with a major Commonwealth Government Office Building currently under construction.

These are important issues for the ACT and hence decisions taken by the Commonwealth on these priorities and funding outcomes have a direct impact on the Canberra community.

The ACT Government places great emphasis on, and takes much pride in providing the services and infrastructure necessary to support our great city. We are particularly conscious of its status and role as the National Capital. However, given our small population and narrow tax base, and noting that the Commonwealth remains our largest employer, and so the largest driver of demand for these services and infrastructure, our ability to address large scale projects is more limited than that of other jurisdictions.

Reductions in Commonwealth support, however small, have a considerable impact on the ACT's finances, and pose significant risks to the Territory's (and region's) services and infrastructure.

We appreciate the Commonwealth Government's continued support and recognition of the challenges faced by our small jurisdiction, in realising efficiencies and economies of scale.

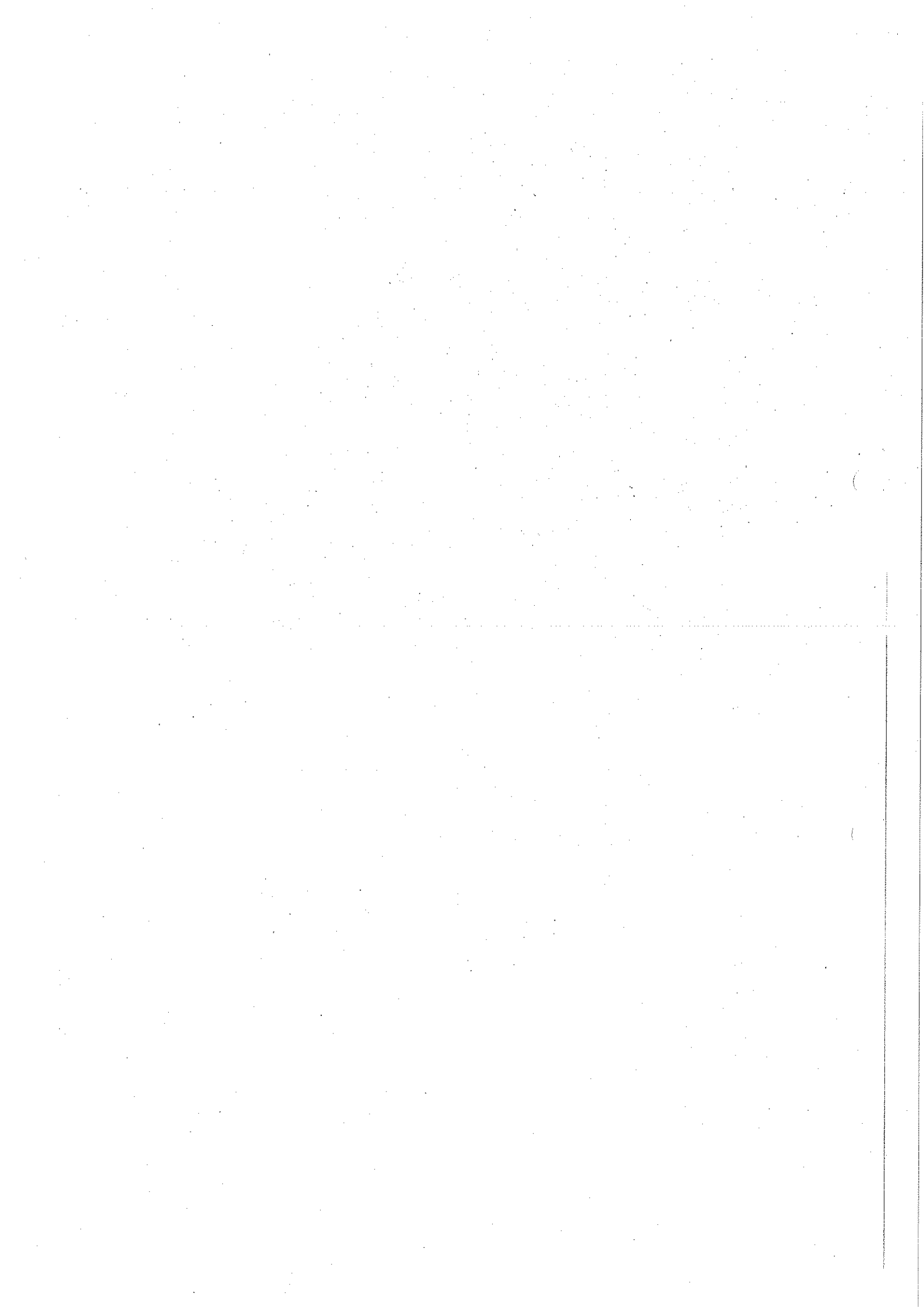
I would be pleased to discuss these priorities and concerns with you further and look forward to your positive response.

Yours sincerely



Katy Gallagher MLA

Treasurer
23.9.10



COPY



Katy Gallagher MLA
DEPUTY CHIEF MINISTER
TREASURER
MINISTER FOR HEALTH
MINISTER FOR INDUSTRIAL RELATIONS

MEMBER FOR MOLONGLO

Ms Gai Brodtmann MP
Member for Canberra
PO Box 6022
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Ms *Gai* Brodtmann

Congratulations on your recent election as the Member for Canberra. I am writing to bring to your attention a number of matters of importance to the community of the Australian Capital Territory, for which I seek your support as our Federal Member.

The ACT Government has been working closely with the Commonwealth Government over a number of years to progress consideration and assistance with key local capital projects (the Majura Parkway Project and Constitution Avenue) that would be of mutual benefit to the Commonwealth and the ACT.

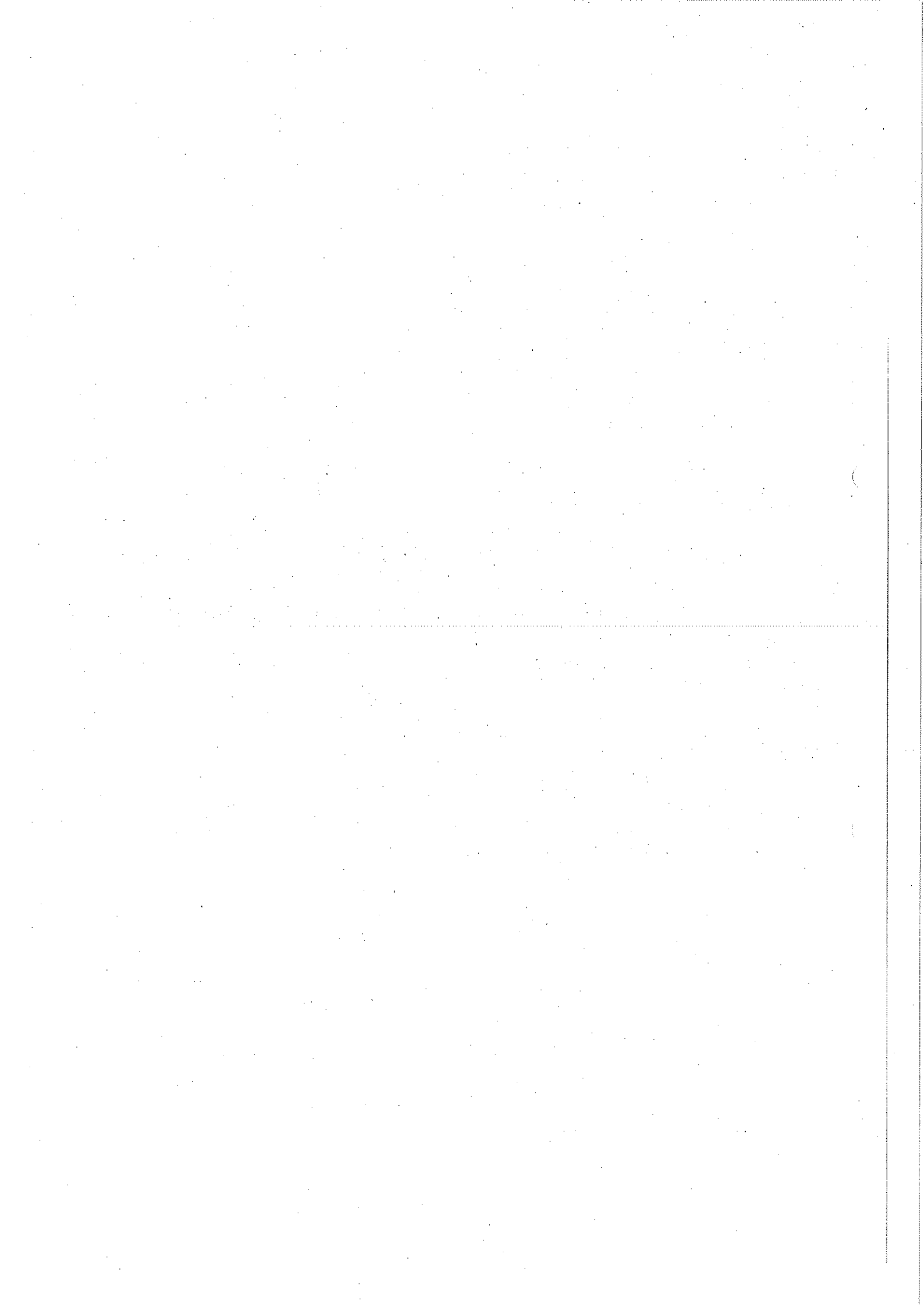
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ACT LEGISLATIVE ASSEMBLY



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These are important issues for the ACT and hence decisions taken by the Commonwealth on these priorities and funding outcomes have a direct impact on the Canberra community.


The ACT Government places great emphasis on, and takes much pride in/ providing the services and infrastructure necessary to support our great city. We are particularly conscious of its status and role as the National Capital. However, given our small population and narrow tax base, and noting that the Commonwealth remains our largest employer, and so the largest driver of demand for these services and infrastructure, our ability to address large scale projects is more limited than that of other jurisdictions.

Reductions in Commonwealth support, however small, have a considerable impact on the ACT's finances, and pose significant risks to the Territory's (and region's) services and infrastructure.

We appreciate the Commonwealth Government's continued support and recognition of the challenges faced by our small jurisdiction, in realising efficiencies and economies of scale.

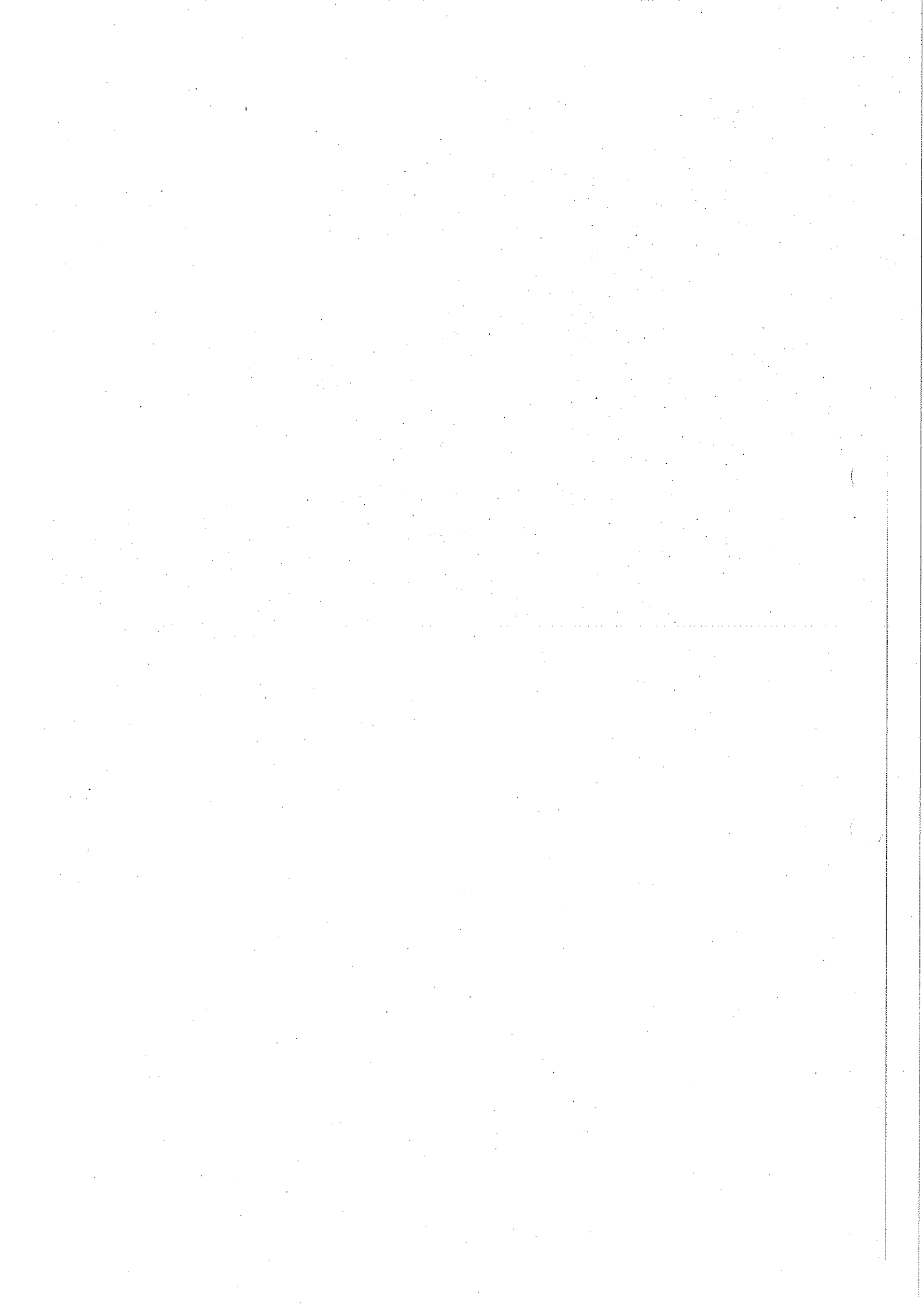
I would be pleased to discuss these priorities and concerns with you further and look forward to your positive response.

Yours sincerely



Katy Gallagher MLA
Treasurer

23.8.10



From: [Redacted]
 Sent: Monday, 22 November 2010 12:30 PM
 To: [Redacted]
 Cc: [Redacted]
 Subject: RE: Meeting with Chief Minister and Senator Wong
 Attachments: Brief for CM meeting with Wong - Constitution Av and Majura Parkway Project Nov 2010.doc; Signed - Treasurer Letter to PM Priorities of Canberra.pdf; Attachment - Summary of the Majura Parkway Project.doc

Info as requested [Redacted]

-----Original Message-----

From: [Redacted]
 Sent: Monday, 22 November 2010 11:25 AM
 To: [Redacted]
 Subject: FW: Meeting with Chief Minister and Senator Wong
 Importance: High

Hi - revise that - text will be full sentence briefing (rather than dot point)- preferred if you can provide in that format

Thanks

-----Original Message-----

From: [Redacted]
 Sent: Monday, 22 November 2010 10:39 AM
 To: [Redacted]
 Subject: Meeting with Chief Minister and Senator Wong

Thanks for your help on this. Breifing request as below - dot points would be best. I have left a message with George Tomlins about Constitution Ave, so grateful if Treasury could liaise with him on that part.

I apologise that the timing is 'as soon as possible'

Many thanks

[Redacted]
 Senior Manager
 Economic Regional and Planning
 ACT Chief Minister's Department
 X 55327

-----Original Message-----

From: [Redacted]



COPY

Katy Gallagher MLA
DEPUTY CHIEF MINISTER
TREASURER
MINISTER FOR HEALTH
MINISTER FOR INDUSTRIAL RELATIONS
MEMBER FOR MOLONGLO

Hon Ms Julia Gillard MP
Prime Minister
PO Box 6022
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Prime Minister *Julia*

Congratulations on your recent election as the Prime Minister of Australia. We look forward to working closely with your newly formed government and wish to bring to your attention a number of matters of importance to the community of the Australian Capital Territory. I previously raised these matters with the former Prime Minister, the Honourable Mr Kevin Rudd MP, back in March 2010.

A response to my previous letter, sent on behalf of myself and other representatives of the ACT business and industry, community sectors and unions, was provided by Mr Bruce Paine, Acting General Manager, Infrastructure Competition and Consumer Division, in the Treasury dated 23 July 2010, as the Commonwealth Government had assumed a caretaker role prior to the election. Copies of this response are attached.

I write to express my disappointment at the Commonwealth Government's delayed and somewhat dismissive response to the issues raised in our original correspondence, and would appreciate your consideration of our concerns and proposals regarding the priorities of, and challenges facing, the ACT Government.

The ACT Government has been working closely with the Commonwealth Government over a number of years to progress consideration of key local capital projects (the Majura Parkway Project and Constitution Avenue) that would be of mutual benefit to the Commonwealth and the ACT.

The Majura Parkway project has been ranked highly by Infrastructure Australia (IA) for the past two years and in the June 2010 IA Report the project was assessed as 'Ready to Proceed'. However, to progress this project it is essential that Commonwealth financial support is forthcoming.

The upgrade of Majura Parkway remains a vital project both for the Territory and nationally. It will provide an efficient dual carriageway for personal and business passengers and for road-freight transport, providing a link between the Federal Highway and the Monaro Highway in the ACT. The parkway will also assist with the safe and efficient travel of tourists to the southern regions and snowfields.

ACT LEGISLATIVE ASSEMBLY

We rank the Majura Parkway as one of our highest construction priorities. However, it requires Commonwealth support for funding given the national status of the road.

In relation to Constitution Avenue, the Chief Minister has previously raised concerns with the former Prime Minister regarding the circumstances in which the asset was transferred from the Territory. The Commonwealth's financial support, as identified in the 2007-08 Budget, was subsequently withdrawn as part of cost saving exercises. This has resulted in the Territory not receiving the negotiated benefits to support improvements to Constitution Avenue, as per the agreement at the time of the asset transfer.

It is essential that consideration now be given to reinstating the \$46 million promised for the upgrade and duplication of Constitution Avenue. Constitution Avenue is an important arterial road and the original plan was to widen and duplicate traffic lanes to cope with significant increased traffic flows associated with the expected influx of an additional 7,000 Commonwealth employees in the area, with a major Commonwealth Government Office Building currently under construction.

These are important issues for the ACT and hence decisions taken by the Commonwealth on these priorities and funding outcomes have a direct impact on the Canberra community.

The ACT Government places great emphasis on, and takes much pride in, providing the services and infrastructure necessary to support our great city. We are particularly conscious of its status and role as the National Capital. However, given our small population and narrow tax base, and noting that the Commonwealth remains our largest employer, and so the largest driver of demand for these services and infrastructure, our ability to address large scale projects is more limited than that of other jurisdictions.

Reductions in Commonwealth support, however small, have a considerable impact on the ACT's finances, and pose significant risks to the Territory's (and region's) services and infrastructure.

We appreciate the Commonwealth Government's continued support and recognition of the challenges faced by our small jurisdiction, in realising efficiencies and economies of scale.

I would be pleased to discuss these priorities and concerns with you further or, if you would prefer, to arrange for these discussions to occur between our officials, and look forward to your positive response.

Yours sincerely


Katy Gallagher MLA

Treasurer

23.9.10

Majura Parkway Project

- The Majura Parkway project will form part of the ACT's submission to Infrastructure Australia (IA) for the 2011 Update of the National Infrastructure Priorities.
 - The submission will provide an update on costs, information related to the recently approved Environmental Impact Assessment and an analysis of alternative delivery methodologies such as a Public Private Partnership (PPP).
 - The ACT will lodge a formal submission with IA in December 2010, with IA to present and updated report on supported initiatives to the Council of Australian Government's (COAG) in February 2011.
- The Majura Parkway has been categorised by IA as 'ready to proceed' in its July 2010 report to the Council of Australian Governments (COAG) Getting the fundamentals right for Australia's infrastructure priorities. The project has met all of IA's criteria and the report noted that it makes a strong contribution to strategic policy goals, is supported by methodologically robust cost-benefit analysis and has a thorough delivery plan in place. Despite inclusion in the IA report, the project is yet to receive Commonwealth funding.
- The Majura Parkway is highly beneficial to the region because it:
 - is nationally significant, as it improves freight and passenger movements from the Sydney-Canberra corridor through to the growing agricultural and tourism region in South East NSW;
 - will improve the efficiency of the Australian freight network and reduce freight transit times in the region by addressing a gap in the Australian Higher Mass Limited (HML) network;
 - facilitates better use of existing assets, both private (e.g. the Canberra Airport) and public (e.g. the Hume and Monaro Highways); and
 - makes a contribution to economic growth in the Capital Region and regional South East NSW. In particular, it will partly address the apparent decline in productivity of the transport and storage industry in the ACT and regional NSW.
- The Treasurer wrote to the Prime Minister, the Hon Ms Julia Gillard MP, the Hon Doctor Mike Kelly AM, MP, Mr Andrew Leigh MP and Ms Gai Brodtmann MP on 23 September 2010 to draw attention to the infrastructure priorities of Canberra, namely Constitution Avenue and the Majura Parkway. A copy of the signed letter to Ms Gillard is at Attachment A. Information regarding Constitution Avenue is included in this letter.
- The Treasurer is currently in the process of again writing to Mr Leigh, Ms Brodtmann, Doctor Kelly and the Hon Mr Wayne Swan MP, the Hon Mr Anthony Albanese MP, Senator Mr Gary Humphries and Senator Ms Kate Lundy to seek support from the Commonwealth Government and local members and senators for the Majura Parkway project.
- A summary of the Majura Parkway project is at Attachment B.



Y900 COPY

Katy Gallagher MLA
DEPUTY CHIEF MINISTER
TREASURER
MINISTER FOR HEALTH
MINISTER FOR INDUSTRIAL RELATIONS
MEMBER FOR MOLONGLO

Hon Kevin Rudd MP
Prime Minister
PO Box 6022
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Prime Minister *Kevin*

As representatives of Australian Capital Territory businesses and industry, the community sector, unions and Government we write to draw your attention to the priorities of the Canberra community.

The ACT has not been immune to the effects of the global financial crisis, however, has recovered more quickly than expected from the economic downturn. There is no doubt that the Territory's economy has benefited from the Commonwealth Government's stimulus measures.

However, in the context of the recent recommendations made in the Commonwealth Grants Commission's 2010 Review Report on State Revenue Sharing Relativities and the impending 2010-11 Budgets of both the Commonwealth and the Territory, we wish to demonstrate the benefits to the Commonwealth of investment in the ACT to support our mutual aims.

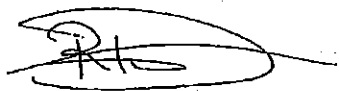
It must be acknowledged that the potential for the Commonwealth to deliver on its agenda is greatly enhanced by a strong and capable business community in the ACT. It is those organisations operating locally that provide the services that support the operations of the Commonwealth Government in the ACT - be they information and communication technology, financial and legal advice, human resources and training, building and construction, transport, catering, cleaning, and a host of other services and activities.

We would strongly suggest that the private sector in the Territory is vital to the Commonwealth Government's functioning and in supporting the implementation of its policy agenda across the nation.

Further, it is important to each of us and the organisations, families and individuals we represent that consideration is given to the impact of decisions taken by the Commonwealth that have a direct impact on the Canberra community. We believe it should be a collective aim to ensure the sustainable growth of the Territory.

Given the small size and narrow taxation base of the Territory, and noting that the Commonwealth is its largest employer, the ability of the ACT Government to gather efficiencies through economies of scale is more difficult. Reductions in Commonwealth expenditure in the Territory have a considerable impact on the Territory's finances which poses substantial risk to the delivery of essential services and quality infrastructure to the ACT and surrounding region including transport, health and education.

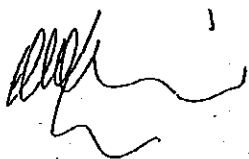
ACT LEGISLATIVE ASSEMBLY



Roslyn Dundas, Executive Director
ACT Council of Social Services



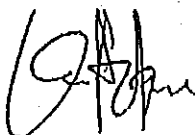
Chris Faulks, Chief Executive Officer
Canberra Business Council



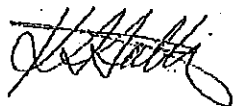
Joseph Griffith, Executive Director
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John Miller, Chief Executive Officer
Master Builders' Association of the ACT



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ACT and Region Chamber of Commerce and Industry



Kim Saller, Secretary
Unions ACT

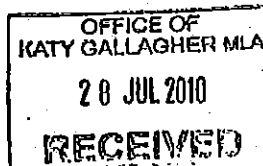
23. 3. 10

Copy: Hon Wayne Swan MP, Hon Anthony Albanese MP



Australian Government

The Treasury



Infrastructure Competition & Consumer Division
The Treasury
Langton Crescent
Canberra ACT 2600

23 JUL 2010

Ms Katy Gallagher MLA
Deputy Chief Minister, Treasurer, Minister for Health
and Minister for Industrial Relations
Legislative Assembly for the ACT
GPO Box 1020
CANBERRA ACT 2601

Dear Ms Gallagher

I acknowledge receipt of your recent correspondence, including a letter originally directed to the former Prime Minister, concerning the Australian Capital Territory's (ACT's) fiscal position and Australian Government funding for ACT capital projects. I am responding to you as the Government has assumed a caretaker role prior to the election on 21 August 2010. I apologise for the delay in replying.

In your letter, you raised concerns about the ongoing implications of the Commonwealth Grant Commission's (CGC) recommended relativities on the ACT budget. I understand that at the March 2010 Ministerial Council for Federal Financial Relations meeting, the Treasurer indicated that he intended to accept the recommendations of the CGC, consistent with past practice.

In addition, you requested that the Australian Government consider supporting local capital projects such as the Majura Parkway. As you would be aware, the Government decided not to provide additional funding for the Majura Parkway project in the 2010-11 Commonwealth Budget. However, I note that under the Nation Building Program, the Government had allocated \$30 million over six years towards the alignment of the Majura Parkway and Federal Highway, as part of the Canberra Airport Precinct upgrade.

In relation to the previous Government's proposal to redevelop Constitution Avenue into a boulevard, in February 2008, the Government announced that it would not proceed with providing funding to the National Capital Authority for this project. However, as you would also be aware, the construction of an overpass at the intersection of Kings Avenue and Parkes Way is continuing as planned.

Summary of the Majura Parkway Project

The Majura Parkway Project will create an efficient 11 kilometre dual carriageway road-freight transport, business travel and personal travel link between the Federal Highway and the Monaro Highway.

As well as providing a vital transport link relevant to a significant population and geographic region of Australia the project will also improve north – south links along the eastern seaboard and improve access to the Canberra Airport, the Fyshwick and Hume Industrial Estates in the ACT and regional areas of NSW, including South East NSW and the Snowy Mountains region.

The initiative will address an apparent decline in productivity in the transport and storage industry in the ACT and surrounding regional NSW.

The deteriorating performance of the transport and storage industry in the ACT adversely affects not just the ACT, but also the broader south east region of NSW. The project has significant benefits for the national freight transit system, essentially by providing a highway bypass to Canberra and improving the level of access to the Airport.

The Monaro Highway is an important passenger and heavy vehicle freight route which has been declared as part of the expanded route for Higher Mass Limited (HML) vehicles in NSW. This HML route currently stops at the ACT border and continues again in NSW on the Federal Highway.

The construction of the Majura Parkway will address this gap in the HML network. Given the Bureau of Infrastructure, Transport and Regional Economics (BITRE) forecast of the doubling of the freight task by 2020, this upgraded freight route will add significantly to the economic development of the Capital Region and provide improved connections with the Federal, Barton and Hume Highways which are part of the National Road Network thus contributing to the productivity of the nation.

Improvement to the national freight network by linking the Federal Highway to the Monaro Highway will only increase the significance of this link in the route between Sydney and South East NSW and the Snowy Mountains, as well as the truck freight bypass of Canberra.

The project will significantly increase traffic efficiency, and reduce freight transit times. It will also result in the Canberra Airport being within a kilometre or so of the north – south freight transit link. This coalescence can be expected to have significant economic output and productivity benefits for the south eastern region of Australia.

A full Environmental Impact Assessment of the project has been completed. The project has also been assessed by the Federal Department of the Environment under the requirements of the *Environment Protection Biodiversity Conservation Act*. The project was confirmed in December 2009 as an uncontrolled activity and the Commonwealth Department required no further referrals for the project.

COPY



Katy Gallagher MLA
 DEPUTY CHIEF MINISTER
 TREASURER
 MINISTER FOR HEALTH
 MINISTER FOR INDUSTRIAL RELATIONS

MEMBER FOR MOLONGLO

Hon Mr Wayne Swan MP
 Deputy Prime Minister, Treasurer
 PO Box 6022
 House of Representatives
 Parliament House
 CANBERRA ACT 2600

Dear Mr Swan *Wayne*

I am writing to seek your support for an important infrastructure project for the people of the Australian Capital Territory and the considerable population of the surrounding region.

Over the last few years, the ACT Government has sought financial support from the Commonwealth Government to progress the Majura Parkway project – a key project for the Territory and the South East New South Wales (NSW) Region.

We are a keen advocate of this project, not just for the Territory's benefit but for the benefits it brings both regionally and to the National Seat of Government.

As you may be aware, the Majura Parkway has been categorised by IA as 'ready to proceed' in its July 2010 report to the Council of Australian Governments (COAG) *Getting the fundamentals right for Australia's infrastructure priorities*. The project has met all of IA's criteria and the report noted that it makes a strong contribution to strategic policy goals, is supported by methodologically robust cost-benefit analysis and has a thorough delivery plan in place. Despite its inclusion in the IA report, the project is yet to receive Commonwealth funding.

The Majura Parkway is a highly appropriate proposition for Commonwealth funding as it:

- is nationally significant, as it improves freight and passenger movements from the Sydney-Canberra corridor through to the growing agricultural and tourism region in South East NSW;
- will improve the efficiency of the Australian freight network and reduce freight transit times in the region by addressing a gap in the Australian Higher Mass Limited (HML) network;
- facilitates better use of existing assets, both private (eg the Canberra Airport) and public (eg the Hume and Monaro Highways); and
- makes a contribution to economic growth in the Capital Region and regional South East NSW. In particular, it will partly address the apparent decline in productivity of the transport and storage industry in the ACT and regional NSW.

ACT LEGISLATIVE ASSEMBLY



Majura Parkway Economic Analysis – Ultimate Configuration Options



12th October 2009

Client: ACTPS\Roads ACT

AUSTRALIA | ASIA | MIDDLE EAST | AFRICA | PACIFIC

Project Name:	Majura Parkway
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Majura Parkway Economic Analysis - Ultimate Configuration Options

For: ACTPS / Roads ACT

12TH OCTOBER 2009

EXECUTIVE SUMMARY

SMEC was commissioned by the ACT Government to update the economic analysis of Majura Parkway, considering the ultimate configuration. This study is an update of a similar exercise done in January 2009 but with two additional options to be evaluated. The following alignment alternatives were assessed:

- **Option 5 (current preferred alignment):** similar alignment to the one evaluated in January 2009.
- **Option 6:** re-aligned Option 5 to reduce impacts on Majura Pines.
- **Option 7:** Upgrade of Majura Road, ie no direct impact on Majura Pines; at-grade intersection near the AFP facility; 90km/h design speed.

The most recent land use assumptions and updated modelling parameters, provided by the ACT Government, were used in the transport modelling process to provide a more accurate projection of future traffic demand. Thus, the old modelling assumptions, used in the January 2009 Economic Analysis Report, are no longer valid (*Refer detailed discussion in Chapter 2*).

Construction costs for Options 5, 6 and 7 were estimated as \$250 million, \$260 million and \$245 million, respectively. Appropriate maintenance costs (both annual and cyclic) were also estimated as a function of the corresponding construction costs of each option.

Model runs were conducted for the years 2011, 2021 and 2031 for all scenarios, including the base ('do nothing') case. Vehicle Operating Costs (VOC) and Vehicle Kilometres Travelled (VKT) were extracted from the model outputs and were used to determine the benefits associated with each option.

Benefits derived from the construction of Majura Parkway were estimated by calculating the cost savings for each option. These savings were mainly the differences between travel related costs associated with the 'do nothing' scenario and those associated with the upgrade cases (i.e. Majura Parkway). In addition to these travel cost savings, other benefits that were estimated include the generated traffic benefits, residual value of the project (in 30 years), and environmental cost savings.

The economic assessment results show that all 3 options are economically feasible, given that all produced positive NPVs and BCRs greater than 1. The estimated economic indicators for each option are summarised in the following table:

Discount Rate	NPV (\$,000)			BCR		
	Option 5	Option 6	Option 7	Option 5	Option 6	Option 7
4%	912,467	881,065	466,227	4.96	4.67	3.06
7%	484,285	457,205	261,040	3.32	3.11	2.28
10%	258,468	236,071	140,834	2.36	2.19	1.75

As expected, Option 7's performance is relatively poor when compared against the other two alternatives, having a lower speed limit and incorporating an at-grade intersection at the northern portion of the alignment near the AFP facility. This contributed heavily to the reduced travel cost savings, particularly in the future years when demand nears the network's capacity. Another disadvantage of Option 7 is the increased accident cost, which produces a negative benefit around 4 years after project completion, this due to the poorer standard of geometric alignment.

Option 5 (the preferred option) produced the best economic indicators, with an NPV over \$484 million and a BCR of 3.32 at a 7% discount rate. It is therefore considered the best option among the three. In terms of traffic operations, it performs very similarly with Option 6 since the only difference between the two alignments is that section near Majura Pines. Option 6 however costs \$10 million more than Option 4, hence the lower NPV and BCR.

In light of recent announcements by the Canberra Airport to develop a 24hr Freight Hub, a sensitivity of the economic indicators to the proportion of heavy vehicle percentage was also tested using three additional HV% scenarios – 6%, 10% and 12% (current analysis being based on 8%). The estimated NPVs and BCRs increased at 6% and 10% heavy vehicles, while economic indicators were found to decrease at 12% heavy vehicles. The reductions in NPV and BCR at 12% HV (50% increase from the reference scenario of 8% HV) in Option 5 at a 7% discount rate were estimated at 71.07 million (14.7% of NPV at 8% HV) and 0.34, respectively. Even with a 50% increase in heavy vehicles during the AM peak hour, the project still appears to be economically feasible.

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APPENDIX A: Economic Analysis Spreadsheets

1 INTRODUCTION

1.1 Majura Parkway

The Majura Parkway is proposed to be constructed in the Majura Valley on the east side of Canberra. As well as its metropolitan functions, the Majura Parkway is important in enabling traffic from Sydney and other northern destinations to the Monaro region to bypass Canberra. In selecting a route for the Parkway, several considerations were taken into account:

- To protect the important natural and cultural heritage features of the Majura Valley;
- To provide access to all the existing and future development in the Majura Valley from Majura Road;
- To make provision for a possible future very high speed train (VHST);
- To avoid major constraints on potentially important long-term land uses, such as the upgrading of facilities at Canberra International Airport;
- To limit the impacts on other existing land uses where practicable; and
- To construct the road at a realistic cost to the community

The Majura Parkway comprises a number of ramps, interchanges, and structures. The total length is about 11 km of dual carriageway linking the Monaro Highway and the Federal Highway. For each carriageway, cross sections of 2 x 3.5 m traffic lanes, 2.5 m roadside shoulder and 1.0 m offside shoulder are provided.

Public and Stakeholder comments received during the environmental planning process identified the need to investigate 2 x additional alignment options (Option 6 and 7) in the northern part of the project which reduced impact upon the Majura Pines and made more use of the existing Majura road. A separate report has been prepared which analyses the advantages and disadvantages of these options (*refer "Review of Environmental Factors - Majura Parkway – Option 6 & Option 7, SMEC August 2009"*). This economic analysis report does not intend to duplicate the previous information and focuses on economic analysis only. There is however a summary of alignment options impacts included in Chapter 4

1.2 Objective

The main objective of this study is to update the economic assessment conducted for the Majura Parkway Ultimate Configuration (*SMEC, Jan 2009*) and to evaluate 2 x additional alignment options. The current analysis involves the economic evaluation of three options, which are as follows:

- **Option 5 (the current preferred option):** very similar to the one presented in January 2009, but with some changes in interchange design. (*Figure 2*)
- **Option 6:** also very similar to the preferred option but with some minor changes in alignment and interchange layout in the northern portion of the parkway which reduce the impacts upon Majura Pines. (*Figure 3.*)
- **Option 7:** Essentially an upgrade of Majura Road in the northern part of the site, merging of the parkway to the existing alignment of Majura Road, with an at-grade intersection at the junction between Majura Parkway and the AFP Access Road. This option also reduces the impacts upon Majura Pine. (*Figure 4.*)

These were assessed relative to the traffic operational conditions if the existing condition is continued (or a 'do nothing' scenario) (*Figure 1*)



Figure 1: Majura Rd Existing Conditions



Figure 2: Majura Parkway – Option 5



Figure 3: Majura Parkway – Option 6

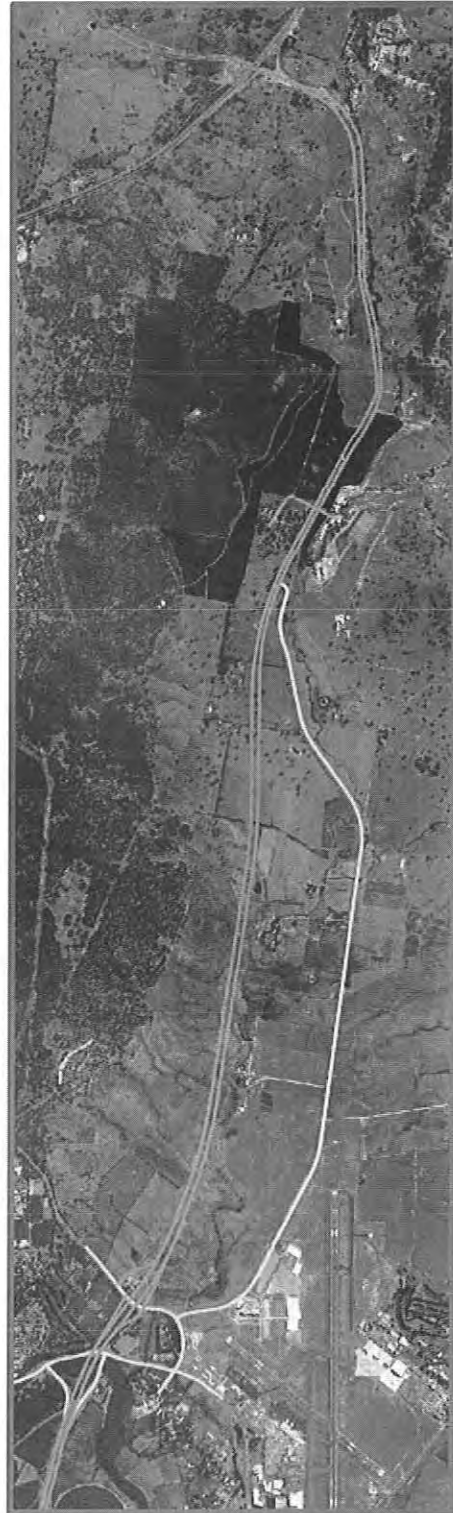


Figure 4: Majura Parkway – Option 7

2 TRAFFIC MODELLING

Strategic transport modelling (in TransCAD) was initially conducted to produce the demand matrix used for micro-simulation modelling (in Paramics). The modelling results are then used as inputs for the economic assessment, which aims to produce the economic indicators to determine the feasibility of each considered option. This process is similar to the one conducted by SMEC in January 2009, which evaluated the economic feasibility of the preferred option (Option 5).

For this study however, the most recent land use assumptions provided by the ACT Government were used in the modelling process to provide a more accurate projection of future traffic demand. The models used in the January 2009 report not only used the old land use assumptions, but also a different set of modelling parameters (e.g. trip generation rates, generalised cost function, trip distribution equation, etc). In May 2009, SMEC was provided a new set of modelling parameters by the ACT Government, which was mainly based on the Traffic Modelling and Analysis – Study Report by MRC (February 2009). Furthermore, the land use assumptions have been recently updated (September 2009), particularly the population and employment projections, and these were also provided to SMEC.

SMEC found it appropriate to use the updated parameters and assumptions in conducting the economic assessments and comparisons of the three options for the Majura Parkway Ultimate Configuration – Options 5 (the preferred option), 6 and 7. Using the old assumptions (as used in the January 2009 Economic Analysis Report) is no longer valid. SMEC understands that the purpose of the current economic assessments for Options 6 and 7 is to compare the economic indicators of these options with those of the preferred option as evaluated in January 2009. To be able to do this properly, all the modelling parameters and assumptions used, and all the common elements in the design of the three alternatives should exactly be the same. Given that the main differences between the three options lie in the northern portion of the alignment, the southern half of Majura Parkway should be the same for all options to be assessed. However, the alignment used in the January 2009 report still had the off-ramp loop at Fairbairn Avenue, which has since been changed into a diamond interchange.

The comparison of economic assessment results between the three options can therefore be only achieved by doing either of the following procedures:

1. Use the January 2009 assumptions and (southern) alignment as the reference point in making all the options 'comparable':
 - Re-configure the southern half of both Options 6 and 7 to match that of the alignment used in the January 2009 analysis, and use this as the basis for traffic modelling.
 - Apply the old land use assumptions used in the January 2009 traffic modelling and analysis.
 - Apply the old traffic modelling parameters used in the January 2009 analysis.
2. Use the most recent land use and modelling assumptions, as well as the updated alignment of the preferred option, as the reference point in making all the options 'comparable':
 - Use the updated alignments for all options as the basis for traffic modelling.
 - Apply the most recent land use assumptions and traffic modelling parameters provided by the ACT Government.

SMEC has decided to adopt the second procedure mainly because:

- This will utilise the most recent information applied in the modelling process and therefore would produce the more valid results.
- The first procedure will only provide the relative differences of the assessment results between the options, but the actual values of the economic indicators (i.e. NPV, BCR) will no longer be valid. In the end, the second procedure will most likely have to be conducted anyway, in order to provide the more valid results based on the updated parameters and assumptions.

2.1 Model Calibration

The existing Paramics model was calibrated by adjusting the default parameters in the standard behavioural models contained in the micro-simulation software to local conditions. This relied mainly on the RTA default Paramics input files.

2.2 Matrix Estimation

Origin-Destination (OD) matrices for forecast years 2006, 2011, 2021 and 2031 were obtained from SMEC's strategic transport model of the ACT. As mentioned earlier, these outputs were then used as the demand inputs for the subsequent micro-simulation modelling done in Paramics.

2.3 Micro-Simulation In Paramics

Assignment runs were conducted for the existing road network and the considered network option as listed in *Table 1*. Network layouts are shown in Figures 1 through 4. It should be noted that although Majura Parkway is still assumed to be under construction in 2011, a model run for this year was necessary to determine the benefits for the years 2012 to 2020 (through interpolation).

Table 1: Paramics Runs

	2006 AM	2011 AM	2021 AM	2031 AM
Do Nothing	✓	✓	✓	✓
Option 5 (Preferred)	-	✓	✓	✓
Option 6	-	✓	✓	✓
Option 7	-	✓	✓	✓

3 ECONOMIC ANALYSIS

In order to assess the economic feasibility of constructing the Majura Parkway, an analysis of the costs and benefits of the project against the 'do nothing' scenario was undertaken over a 30 year period. Through this process the Net Present Value (NPV) and Benefit Cost Ratio (BCR), associated with the full implementation of the Majura Parkway design and construction in the first 3 years of the analysis period, were estimated. The Australia Transport Council (ATC) *National Guidelines for Transport System Management in Australia* recommends a 30 year life for road projects and a 'much longer life' for bridges. The Majura Parkway has several major bridges and therefore the economic life of the project has been assumed to be 40 years, which still leaves it with a 10 year residual value after the 30 year evaluation period.

3.1 Construction And Maintenance Costs

Capital construction costs and maintenance life costs were estimated relating to the implementation of the Ultimate Majura Parkway.

Table 2 below indicates an initial approximate estimate of the project design and construction costs. Although the estimate is still subject to further detailed design, it provides a broad overview of the magnitude of costs, which is considered appropriate for economic analysis purposes at this stage.

Table 2: Initial Project Costs

Option	Project Cost (\$,000)
Do Nothing	0
Option 5 (Preferred)	250,000
Option 6	260,000
Option 7	245,000

A simplified maintenance cost was also calculated for the analysis. The cyclic maintenance was assumed to occur every 5 years from the year of work completion and opening to traffic. The cyclic maintenance cost was estimated as 0.5% of the construction cost for the first application and then for the remaining 3 applications was estimated as a 1% of the construction cost. Similarly for annual maintenance, its cost was estimated as 0.125% of the construction cost for the initial years of application prior to the first cyclic maintenance, and this is raised to 0.25% of the construction cost in the succeeding years of application. In years that cyclic maintenance is applied, the annual maintenance cost is assumed to be \$0.

3.2 Travel Related Costs

Several indicators of travel were obtained as output from the Paramics runs in the AM peak, namely the number of Vehicle Kilometres Travelled (VKT), the number of Vehicle Hours Travelled (VHT) as well as the mean speed. These were obtained for the years 2006, 2011, 2021 and 2031. The annual stream of VKT and VHT was estimated over a 30 year period with annual values interpolated between modelled values in 2006, 2011, 2021 and 2031. The growth between 2021 and 2031 was used to extrapolate values for 2038. These were used to estimate the benefits for the existing condition continuing as

well as for the upgraded network option. For each, the following travel related costs was estimated:

- Vehicle Operating Cost (VOC): this is dependent on the number of Vehicle-Kilometres Travelled (VKT) as well as on the Vehicle Operating Cost per km (VOC/km) obtained from the Austroads RUC Update to 2007 Manual. These costs include road user time costs.
- Accident Cost (AC): this is dependent on the VKT as well as on the accident rate per Million Vehicle-Kilometres Travelled (MVKT) obtained from the RTA Economic Analysis Manual
- Environmental Cost (EC): this is dependent on the VKT as well as on the environmental externalities cost per Vehicle-Kilometres Travelled (VKT) obtained from the RTA Economic Analysis Manual
- Consumer Surplus Gain: This is based on the difference in VKT between the Base and Option and reflects the diversion of existing traffic from outside the study area onto the new facilities.

The following sections detail the exact methodology used for estimating each of these costs:

3.2.1 Vehicle Operating Cost

Vehicle operating cost (VOC) is a function of kilometres travelled and VOC/km. From the most recent update of road user cost (RUC) values (to June 2007) by Austroads, the equation to estimate vehicle operating cost is given by:

$$c = A + \frac{B}{V} + C \cdot V + D \cdot V^2$$

where:

c = vehicle operating cost (cents/km)

A, B, C, D = model coefficients

V = all day average link speed

This study considers four types of vehicles, namely private cars, business cars, light commercial vehicles and articulated trucks. Vehicle composition is calculated from the actual counts conducted by Datacol in 2007, and is shown in *Table 3*. The proportions used for this study are figures for peak hours.

Table 3: Vehicle Fleet Composition

	Car	Light Commercial	Articulated Truck	Total HV
Peak Hour	92%	5%	3%	8%

The annual VOC per vehicle type are calculated by getting the product of the total VKT each year and the estimated VOC per kilometre. The VKT for each vehicle type are calculated by multiplying the total VKT by the proportion of each vehicle type. The VOC per kilometre of each vehicle type is estimated by applying the corresponding model coefficients, given in *Table 4* (At-Grade Roads), to the abovementioned equation.

Table 4: Estimated VOC Parameters for All At-Grade Roads (Austroads 2007)

VOC Model Coefficient (At-Grade Roads)				
Vehicle Type	A	B	C	D
Cars	2.185 (2.185)	3352.21 (976.21)	0.05711 (0.05711)	0.0005795 (0.0005795)
LCV	-3.096 (-3.096)	3863.48 (2092.48)	0.19609 (0.19609)	0.0005658 (0.0005658)
HCV + Buses	5.885 (5.885)	9182.53 (5471.53)	0.58625 (0.58625)	0.0002108 (0.0002108)

Note: Values in brackets are estimated parameters for VOC only specification, while estimated parameter values outside brackets are for VOC plus person time costs (commercial, freight and private time)

Travel time costs are already incorporated in the estimated VOCs, so the benefits derived from reduced travel times are included in the VOC savings.

3.2.2 Accident Costs

The expected number of accidents by type is a function of kilometres travelled. It is a known phenomenon that the more travelling, the more is the propensity of getting involved in an accident. Table 5 shows the average cost of accidents per Million VKT by road type. For the Option cases, the proportion of VKT travelled on each road type was calculated. The majority of the road network in the study area is assumed to be Arterial. Majura Parkway is assumed to be Freeway. However, for Option 7, the northern part of Majura Parkway contains a signalised intersection so it is assumed to be Arterial in this area.

For the Base Case, accident records for Majura Rd for the period 01/01/2003 to 30/09/2008 were obtained. From these records, using the RTA average cost for each type of accident (Property Only, Injury and Fatal) the average crash cost per MVKT was found to be \$50,587.87. This is higher than the average arterial cost per MVKT.

Table 5: Adopted Accident Rates and Costs

Road Type	Average Crash Cost (\$/MVKM)
Arterial	45,800
Freeway	14,300
Majura Rd (Existing)	50,588

The Accident Costs (AC) is a summation of all the costs expected to be incurred as a result of occurrence of different types of accidents. The formulation for this computation is as follows:

$$AC_{option} = \left(\frac{Cost}{MVKT_{(Arterial)}} \times MVKT_{(Arterial)} \right)$$

3.2.3 Annualisation Factor

An annualisation factor was calculated based on Roads ACT counts. This was applied to the AM peak VOC and AC in order to estimate the annual incurred costs over the evaluation period. The expansion factor was estimated by applying the existing peak hour to daily flow ratio.

$$AnnualCosts_{option} = (VOC_{(option)} + AC_{(option)}) \times AnnualisationFactor$$

3.3 Generated Traffic

From the *National Guidelines for Transport System Management in Australia, Volume 3 (Appraisal of Initiatives)* published by the Australian Transport Council (ATC), 'existing traffic' is traffic that uses the infrastructure affected in both the base and upgrade scenarios. Traffic demand in excess of this that results from the implementation of the infrastructure improvement is considered 'diverted' or 'generated' traffic. This simply means that this demand came from somewhere outside the study area, and is *not* new demand induced by the upgrade.

After the Majura Parkway is implemented, it is expected that some traffic from the external network (i.e. outside the modelled study area) will go through the study area because of improved traffic operations. The benefits derived due to this generated traffic can be calculated by estimating the consumers' surplus gain, given by:

$$GTB = \frac{1}{2} (P_1 - P_2) \cdot (Q_2 - Q_1)$$

where:

- GTB = generated traffic benefit
- P_1 = perceived price (assumed to be the sum of VOC and AC) for the base case
- P_2 = perceived price (assumed to be the sum of VOC and AC) for the upgrade case
- Q_1 = demand (converted to VKT) for the base case
- Q_2 = demand (converted to VKT) for the upgrade case

3.4 Residual Value

A road construction project is expected to have no residual value (RV) left by the end of its economic life. For the Majura Parkway option, the economic life of the project is assumed to be 40 years. The residual value at the end of the appraisal period of 30 years is estimated as the present value of benefits for the remaining life of the asset for the remaining 10 years of the assumed 40-year economic life. This procedure for calculating

the residual value is suggested by the *National Guidelines for Transport System Management in Australia, Volume 3 (Appraisal of Initiatives)* published by the Australian Transport Council (ATC). The residual values of the project at the end of 30 years (value at year 2038), for each of the options considered, are shown in **Table 6**.

Table 6: Project Residual Values

Option	Residual Value (\$,000)
Base Case	0
Option 5	611,778
Option 6	642,185
Option 7	61,903

3.5 Environmental Externalities

The RTA Manual includes monetary values for environmental externalities (noise, air pollution, water pollution, etc) and these are mainly shown as functions of VKT. Environmental externalities (*EE*) are known to be functions not only of kilometres travelled but also of traffic operating speed (i.e. it increases with kilometres travelled and reduces with the increase in operating speeds). The Majura Parkway (upgraded network) option is expected to increase the operating speed for the expected traffic as well as to increase the number of vehicle kilometres travelled. In this context the RTA values are not sufficient to compare and assess the full impact of the environmental externalities.

However, some partial benefit may be estimated from the generated traffic outside the study area. This is mainly that portion of the future demand that will not have passed through the study area without the Majura Parkway. These are assumed to be traffic that are diverted from the external network (i.e. road networks outside the study area), which are then subsequently assumed to be more highly urbanised than the areas surrounding the Majura Parkway. With these assumptions, the environmental costs caused by these 'redirected' traffic should then be reduced once they opt to go through the Majura Parkway, which is in a more 'rural' setting than their original route choices. In other words, environmental impacts at or near the City Centre are reduced through the diversion of this demand to the Majura Parkway. The RTA costs for environmental externalities are classified according to urban and rural settings, as shown in *Table 7*. The *EE* benefits (albeit partial), or environmental cost savings (*ECS*), can then be estimated by getting the difference between the environmental costs of the diverted traffic from an urban to a rural setting.

Table 7: Environmental Externality Values per Veh-km for Passenger Cars and Buses (Economic Analysis Manual, RTA)

Environmental Externality	Passenger Vehicles (cents/veh-km)		Buses (cents/veh-km)	
	Urban	Rural	Urban	Rural
Noise	0.83	0.00	2.03	0.00
Air Pollution	2.58	0.03	29.08	0.00
Water Pollution	0.39	0.04	4.36	0.04
Greenhouse	2.03	2.03	11.98	11.98
Nature and Landscape	0.05	0.48	0.13	1.32
Urban Separation	0.60	0.00	1.92	0.00

3.6 Majura Parkway Benefits

The total expected benefits to be derived from constructing the Majura Parkway are estimated by calculating the savings of the upgrade option (Ultimate Majura Parkway) as compared to the base option ('do nothing') in terms of *VOC* savings, *TTC* savings, *AC* savings, the residual value (*RV*) after the 30-year appraisal period, and the environmental cost savings (*ECS*). Values of such savings for each option are depicted in Table 8. The formulation for this computation is as follows:

$$Benefits = (VOC_{Upgrade} - VOC_{Base}) + (AC_{Upgrade} - AC_{Base}) + GTB + RV + ECS$$

3.7 Benefit Cost Ratio

In order to compare the costs and benefits of the proposed option relative to the existing road network over the evaluation period, the change in monetary values over time needs to be accounted for. This is achieved by discounting the annual costs and benefits of the project to the present year using a range of discount rates (4%, 7%, and 10%). The normal indicators of the worth of a project, the NPV and BCR, for each option were estimated for each of these discount rates.

If the discounted present value of the benefits exceeds the discounted present value of the costs, then the project is worthwhile. This is equivalent to the condition that the net benefit must be positive. Another equivalent condition is that the ratio of the present value of the benefits to the present value of the costs must be greater than one

The results of the economic analysis of implementing the Majura Parkway considering three different options, in varying discount rates, are shown in the succeeding tables. Table 8 outlines the present values of costs and benefits for each of the considered options while Table 9 summarises the resulting NPVs and BCRs for the three scenarios.

Table 8 : Present Values of Costs and Benefits

Discount Rate	PV of Costs (\$,000)			PV of Benefits (\$,000)		
	Option 5	Option 6	Option 7	Option 5	Option 6	Option 7
4%	230,583	239,755	225,998	1,143,051	1,120,820	692,225
7%	208,760	216,938	204,671	693,044	674,142	465,711
10%	190,508	197,864	186,830	258,468	433,935	327,664

Table 9: Resulting Economic Indicators

Discount Rate	NPV (\$,000)			BCR		
	Option 5	Option 6	Option 7	Option 5	Option 6	Option 7
4%	912,467	881,065	466,227	4.96	4.67	3.06
7%	484,285	457,205	261,040	3.32	3.11	2.28
10%	258,468	236,071	140,834	2.36	2.19	1.75

All options produced positive NPVs and BCRs greater than 1. Option 7's indicators however are considerably lower than the other two alternatives mainly because of the reduced VOC savings in future years, as well as significant differences in accident cost savings.

Detailed spreadsheets of the cost benefit analysis outputs are included in Appendix A.

3.7.1 Sensitivity of Results to Airport Freight Hub

The Canberra Airport Master Plan has been approved recently and this involves the implementation of a 24-hour freight hub. Although this is expected to increase the total amount of total daily traffic, this does not necessarily mean that heavy vehicle traffic will increase during peak hours. In fact, extending the hours of freight operations in the airport could potentially spread freight demand throughout a single day, possibly even reducing heavy vehicle traffic during peak hours (if freight traffic going to and coming from the airport is managed accordingly).

Changing the proportion of heavy vehicle traffic can either have a positive or a negative effect on the economic indicators. Reducing truck traffic is expected to result in better overall network performance (i.e. higher average speeds, etc), thus also reducing travel costs. Intuitively, increasing the heavy vehicle percentage should then mean a decrease in NPV and BCR. However, if increase in trucks does not significantly affect network performance and remains relatively similar to the reference scenario (in this case, 8% heavy vehicles), then an increase in benefits may also be achieved. This is mainly due to the higher travel costs associated with commercial/heavy vehicles. The reduction in economic indicators will only occur if the amount of increase in heavy vehicle proportion is high enough to significantly contribute to the deterioration of overall network performance.

To test the sensitivity of the economic indicators to the variation in heavy vehicle proportions, additional cost-benefit analyses were performed assuming varying levels of

heavy vehicles travelling to and from Canberra International Airport. The percentage of heavy vehicles on this route is 8% (5% Light Commercial and 3% Articulated Trucks) in the current model, as indicated in *Table 3 (data derived from recent traffic counts on Majura Road)*. This was changed to 6%, 10% and 12% to test the sensitivity of the results and the results are presented in *Table 10, Table 11 and Table 12, respectively*.

At 6%, the estimated NPVs and BCRs increased, which can be attributed to higher average speeds due to reduced truck volumes. At 10%, the resulting NPVs and BCRs still improved if compared to the 8% heavy vehicle scenario. In this case, the impact of the increased truck volumes are not yet high enough to offset the additional travel cost savings associated with the higher number of heavy vehicles. Having 12% heavy vehicles however resulted in reduced economic indicators, as shown in *Table 12*.

Table 10: Economic Indicators Assuming 6% Heavy Vehicles on Pialligo Ave

Discount Rate	NPV (\$,000)			BCR		
	Option 5	Option 6	Option 7	Option 5	Option 6	Option 7
4%	1,143,914	986,923	582,624	5.96	5.12	3.58
7%	590,243	506,503	306,176	3.83	3.33	2.50
10%	307,050	258,645	155,202	2.61	2.31	1.83

Table 11: Economic Indicators Assuming 10% Heavy Vehicles on Pialligo Ave

Discount Rate	NPV (\$,000)			BCR		
	Option 5	Option 6	Option 7	Option 5	Option 6	Option 7
4%	1,033,376	921,812	593,770	5.48	4.84	3.63
7%	517,147	466,801	304,707	3.48	3.15	2.49
10%	256,421	233,143	149,900	2.35	2.18	1.80

Table 12: Economic Indicators Assuming 12% Heavy Vehicles on Pialligo Ave

Discount Rate	NPV (\$,000)			BCR		
	Option 5	Option 6	Option 7	Option 5	Option 6	Option 7
4%	786,972	954,650	466,467	4.41	4.98	3.06
7%	413,217	489,726	247,030	2.98	3.26	2.21
10%	213,287	248,832	122,699	2.12	2.26	1.66

4 SUMMARY OF ALIGNMENT IMPLICATIONS

Option Name (Description of alignment or portion)	Efficient functioning of road network	Parkway geometry & design speed	Compatibility with VHSST corridor	Engineering & constructability considerations	Land use	Ecological impacts	Heritage impacts	Amenity	Resource efficiency	Public safety	Social	Value for money
Preferred Alignment (Option 5)	✓	✓	✓	✓	Fragment s winery block. Re moves 30% of MTB trails	✓	✓	Noise at guides.	✓	Close to guides.	✓	✓
Options 6 (between preferred and existing – reduces fragmentation of pines)	✓	✓	Greater constructio n cost as the train alignment will be required to cross the road at two locations	The alignment has moved down the slope resulting in less cut to fill available. Requires 240000 m ³ more imported fill.	Better for winery, guides, housing block Worse for AFP, PCL	Avoids Yellow box stand in vineyard, all else same.	Same as preferred	Increased noise at AFP. Further away from guides and winery	Longer service roads so have to travel further to turn around	Further from guides, overall neutral.	Slight improve ment for Majura Pines fragmentation on.	\$10milio n more than preferred
Option 7 (Upgrade and Duplicate Existing)	Disruption to traffic during construction, greatly reduced overall level of service	Posted speed 80km/h due to more intersections off road	Greater constructio n cost as the train alignment will be required to cross the road at two locations	Minimal earthworks required for northbound carriageway. Southbound carriageway is on top of creek and requires imported fill.	Better for winery, guides, housing, Worse for AFP	Will avoid woodland near guides but still slightly impact Box Gum Woodland. Some realignment of creek	Will impact Child's Grave on block 696. Rated as highly significant	More air and noise pollution at AFP from signalised intersection. Further from guides and winery	The reduced posted speed and disruption at the intersection s will result in higher operating costs for transport	Further from guides, but at grade intersections increase hazard	Less impact upon Majura Pines, but poorer standard of road to the public.	\$5million less than preferred



5 CONCLUSIONS

Future demand and traffic operational conditions were modelled to determine the difference in network performance between the three considered options. The most recent land use assumptions for the years 2011, 2021 and 2031, provided by the ACT Government, were used as inputs during the modelling process, and updated modelling parameters were utilised as well.

Benefits derived from the construction of Majura Parkway were estimated by calculating the cost savings for each option. These savings were mainly the differences between travel related costs associated with the 'do nothing' scenario and those associated with the upgrade cases (i.e. Majura Parkway). In addition to these travel cost savings, other benefits that were estimated include the generated traffic benefits, residual value of the project (in 30 years), and environmental cost savings.

The economic assessment results show that any of the three options can be considered economically feasible, given that all produced positive NPVs and BCRs greater than 1.

As expected, Option 7's performance is relatively poor when compared against the other two alternatives, having a lower speed limit and incorporating an at-grade intersection at the northern portion of the alignment near the AFP facility. This contributed heavily to the reduced travel cost savings, particularly in the future years when demand nears the network's capacity. Another disadvantage of Option 7 is the increased accident cost, which produces a negative benefit around 4 years after project completion, this due to the poorer standard of geometric alignment.

Option 5 (the preferred option) produced the best economic indicators, with an NPV over \$484 million and a BCR of 3.32 at a 7% discount rate. It is therefore considered the best option among the three. In terms of traffic operations, it performs very similarly with Option 6 since the only difference between the two alignments is that section near Majura Pines. Option 6 however costs \$10 million more than Option 5, hence the lower NPV and BCR.

The sensitivity of the economic indicators to the proportion of heavy vehicle percentage was also tested using three additional HV% scenarios – 6%, 10% and 12%. The estimated NPVs and BCRs increased at 6% and 10% heavy vehicles, while economic indicators were found to decrease at 12% heavy vehicles. The reductions in NPV and BCR at 12% HV (50% increase from the reference scenario of 8% HV) in Option 5 at a 7% discount rate were estimated at 71.07 million (14.7% of NPV at 8% HV) and 0.34, respectively. Even with a 50% increase in heavy vehicles during the AM peak hour, the project still appears to be economically feasible.

APPENDIX A: ECONOMIC ANALYSIS SPREADSHEETS

Base Vs Option ⁵									
YEAR	COSTS (shown as -ve)			BENEFITS (shown as +ve)					TOTALS
	Current Prices			Current Prices					
	CAPITAL COSTS (\$'000)	ADDITIONAL Maintenance Annual (\$'000)	ADDITIONAL Cyclic (\$'000)	Vehicle Operating Cost Savings (\$,000)	Accident Cost Savings (\$,000)	Generated Traffic Benefit (\$,000)	Environmental Cost Savings (\$,000)	Residual Value (\$,000)	
2009	(\$25,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$25,000)
2010	(\$25,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$25,000)
2011	(\$100,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$100,000)
2012	(\$100,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$100,000)
2013	\$0	(\$250)	\$0	\$41,711	\$712	\$10,059	\$976	\$0	\$53,208
2014	\$0	(\$250)	\$0	\$42,788	\$712	\$10,339	\$1,022	\$0	\$54,612
2015	\$0	(\$250)	\$0	\$44,030	\$712	\$10,627	\$1,070	\$0	\$56,190
2016	\$0	(\$250)	\$0	\$45,471	\$711	\$10,923	\$1,120	\$0	\$57,976
2017	\$0	\$0	(\$1,000)	\$47,151	\$709	\$11,227	\$1,173	\$0	\$59,261
2018	\$0	(\$500)	\$0	\$49,119	\$706	\$11,540	\$1,228	\$0	\$62,094
2019	\$0	(\$500)	\$0	\$51,434	\$703	\$11,861	\$1,286	\$0	\$64,784
2020	\$0	(\$500)	\$0	\$54,167	\$698	\$12,192	\$1,347	\$0	\$67,904
2021	\$0	(\$500)	\$0	\$57,405	\$693	\$12,531	\$1,410	\$0	\$71,539
2022	\$0	\$0	(\$2,000)	\$57,614	\$681	\$12,782	\$1,477	\$0	\$70,554
2023	\$0	(\$500)	\$0	\$57,855	\$669	\$13,038	\$1,546	\$0	\$72,608
2024	\$0	(\$500)	\$0	\$58,127	\$656	\$13,300	\$1,619	\$0	\$73,202
2025	\$0	(\$500)	\$0	\$58,432	\$644	\$13,566	\$1,695	\$0	\$73,837
2026	\$0	(\$500)	\$0	\$58,770	\$631	\$13,838	\$1,775	\$0	\$74,514
2027	\$0	\$0	(\$2,000)	\$59,144	\$617	\$14,115	\$1,859	\$0	\$73,735
2028	\$0	(\$500)	\$0	\$59,553	\$604	\$14,398	\$1,946	\$0	\$76,001
2029	\$0	(\$500)	\$0	\$59,999	\$590	\$14,686	\$2,038	\$0	\$76,813
2030	\$0	(\$500)	\$0	\$60,484	\$575	\$14,980	\$2,134	\$0	\$77,674
2031	\$0	(\$500)	\$0	\$61,008	\$561	\$15,280	\$2,054	\$0	\$78,403
2032	\$0	\$0	(\$2,000)	\$61,573	\$546	\$15,587	\$2,132	\$0	\$77,838
2033	\$0	(\$500)	\$0	\$62,180	\$530	\$15,899	\$2,214	\$0	\$80,324
2034	\$0	(\$500)	\$0	\$62,831	\$515	\$16,217	\$2,299	\$0	\$81,362
2035	\$0	(\$500)	\$0	\$63,527	\$499	\$16,542	\$2,387	\$0	\$82,454
2036	\$0	(\$500)	\$0	\$64,269	\$482	\$16,874	\$2,478	\$0	\$83,603
2037	\$0	\$0	(\$2,000)	\$65,059	\$465	\$17,212	\$2,573	\$0	\$83,309
2038	\$0	(\$500)	\$0	\$65,899	\$448	\$17,556	\$2,672	\$611,778	\$697,853
Total	(\$250,000)	(\$9,500)	(\$9,000)	\$1,469,599	\$16,067	\$357,172	\$45,533	\$611,778	\$2,231,649
PRESENT VALUES									
PV @ 4%	(\$221,532)	(\$4,823)	(\$4,228)	\$744,758	\$8,765	\$178,970	\$21,935	\$188,623	\$912,467
PV @ 7%	(\$203,120)	(\$3,092)	(\$2,548)	\$478,810	\$5,922	\$114,332	\$13,613	\$80,367	\$484,285
PV @ 10%	(\$186,821)	(\$2,080)	(\$1,607)	\$323,826	\$4,184	\$76,982	\$8,923	\$35,060	\$258,468
Discount Rate		4%		7%		10%			
NPV ('000)		\$912,467		\$484,285		\$258,468			
BCR		4.96		3.32		2.36			

Base Vs Option 6									
YEAR	COSTS (shown as -ve)			BENEFITS (shown as +ve)					TOTALS
	Current Prices			Current Prices					
	CAPITAL COSTS (\$'000)	ADDITIONAL Maintenance Annual (\$'000)	Cyclic (\$'000)	Vehicle Operating Cost Savings (\$,000)	Accident Cost Savings (\$,000)	Generated Traffic Benefit (\$,000)	Environmental Cost Savings (\$,000)	Residual Value (\$,000)	
2009	(\$25,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$25,000)
2010	(\$25,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$25,000)
2011	(\$105,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$105,000)
2012	(\$105,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$105,000)
2013	\$0	(\$263)	\$0	\$41,534	\$789	\$8,680	\$846	\$0	\$51,586
2014	\$0	(\$263)	\$0	\$42,335	\$792	\$8,888	\$888	\$0	\$52,640
2015	\$0	(\$263)	\$0	\$43,285	\$794	\$9,102	\$932	\$0	\$53,850
2016	\$0	(\$263)	\$0	\$44,415	\$796	\$9,320	\$979	\$0	\$55,246
2017	\$0	\$0	(\$1,050)	\$45,759	\$796	\$9,544	\$1,027	\$0	\$56,077
2018	\$0	(\$525)	\$0	\$47,362	\$796	\$9,773	\$1,079	\$0	\$58,485
2019	\$0	(\$525)	\$0	\$49,274	\$796	\$10,008	\$1,132	\$0	\$60,685
2020	\$0	(\$525)	\$0	\$51,556	\$794	\$10,248	\$1,189	\$0	\$63,262
2021	\$0	(\$525)	\$0	\$54,282	\$792	\$10,495	\$1,248	\$0	\$66,291
2022	\$0	\$0	(\$2,100)	\$54,938	\$791	\$10,707	\$1,310	\$0	\$65,646
2023	\$0	(\$525)	\$0	\$55,633	\$789	\$10,924	\$1,376	\$0	\$68,196
2024	\$0	(\$525)	\$0	\$56,366	\$788	\$11,145	\$1,444	\$0	\$69,218
2025	\$0	(\$525)	\$0	\$57,140	\$787	\$11,370	\$1,516	\$0	\$70,288
2026	\$0	(\$525)	\$0	\$57,956	\$786	\$11,600	\$1,592	\$0	\$71,409
2027	\$0	\$0	(\$2,100)	\$58,818	\$784	\$11,835	\$1,672	\$0	\$71,009
2028	\$0	(\$525)	\$0	\$59,727	\$783	\$12,074	\$1,755	\$0	\$73,814
2029	\$0	(\$525)	\$0	\$60,684	\$781	\$12,318	\$1,842	\$0	\$75,102
2030	\$0	(\$525)	\$0	\$61,694	\$780	\$12,568	\$1,934	\$0	\$76,450
2031	\$0	(\$525)	\$0	\$62,757	\$778	\$12,822	\$1,676	\$0	\$77,508
2032	\$0	\$0	(\$2,100)	\$63,876	\$776	\$13,081	\$1,726	\$0	\$77,360
2033	\$0	(\$525)	\$0	\$65,055	\$774	\$13,346	\$1,778	\$0	\$80,429
2034	\$0	(\$525)	\$0	\$66,296	\$773	\$13,616	\$1,831	\$0	\$81,991
2035	\$0	(\$525)	\$0	\$67,602	\$771	\$13,891	\$1,886	\$0	\$83,625
2036	\$0	(\$525)	\$0	\$68,976	\$768	\$14,172	\$1,943	\$0	\$85,334
2037	\$0	\$0	(\$2,100)	\$70,421	\$766	\$14,459	\$2,001	\$0	\$85,547
2038	\$0	(\$525)	\$0	\$71,940	\$764	\$14,752	\$2,061	\$642,185	\$731,177
Total	(\$260,000)	(\$9,975)	(\$9,450)	\$1,479,679	\$20,384	\$300,739	\$38,664	\$642,185	\$2,202,226
PRESENT VALUES									
PV @ 4%	(\$230,251)	(\$5,064)	(\$4,440)	\$742,294	\$10,746	\$150,948	\$18,833	\$197,998	\$881,065
PV @ 7%	(\$211,016)	(\$3,247)	(\$2,675)	\$474,335	\$7,111	\$96,571	\$11,764	\$84,362	\$457,205
PV @ 10%	(\$193,993)	(\$2,183)	(\$1,687)	\$319,322	\$4,939	\$65,122	\$7,749	\$36,803	\$236,071
Discount Rate 4% 7% 10%									
NPV ('000) \$881,065 \$457,205 \$236,071									
BCR 4.67 3.11 2.19									

Base Vs Option 7									
YEAR	COSTS (shown as -ve)			BENEFITS (shown as +ve)				TOTALS	
	CAPITAL COSTS (\$'000)	ADDITIONAL Maintenance Current Prices		Vehicle Operating Cost Savings (\$,000)	Accident Cost Savings (\$,000)	Generated Traffic Benefit (\$,000)	Environmental Cost Savings (\$,000)	Residual Value (\$,000)	Current Prices (\$'000)
		Annual (\$'000)	Cyclic (\$'000)						
2009	(\$25,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$25,000)
2010	(\$25,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$25,000)
2011	(\$97,500)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$97,500)
2012	(\$97,500)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$97,500)
2013	\$0	(\$244)	\$0	\$41,087	\$46	\$8,861	\$874	\$0	\$50,624
2014	\$0	(\$244)	\$0	\$41,758	\$25	\$8,974	\$910	\$0	\$51,424
2015	\$0	(\$244)	\$0	\$42,574	\$4	\$9,089	\$948	\$0	\$52,371
2016	\$0	(\$244)	\$0	\$43,563	(\$19)	\$9,206	\$988	\$0	\$53,494
2017	\$0	\$0	(\$975)	\$44,759	(\$43)	\$9,324	\$1,029	\$0	\$54,094
2018	\$0	(\$488)	\$0	\$46,202	(\$69)	\$9,444	\$1,072	\$0	\$56,162
2019	\$0	(\$488)	\$0	\$47,942	(\$96)	\$9,565	\$1,116	\$0	\$58,040
2020	\$0	(\$488)	\$0	\$50,035	(\$125)	\$9,688	\$1,163	\$0	\$60,273
2021	\$0	(\$488)	\$0	\$52,551	(\$156)	\$9,812	\$1,211	\$0	\$62,931
2022	\$0	\$0	(\$1,950)	\$49,960	(\$147)	\$9,160	\$1,262	\$0	\$58,285
2023	\$0	(\$488)	\$0	\$47,520	(\$138)	\$8,550	\$1,314	\$0	\$56,760
2024	\$0	(\$488)	\$0	\$45,222	(\$129)	\$7,982	\$1,369	\$0	\$53,957
2025	\$0	(\$488)	\$0	\$43,056	(\$120)	\$7,451	\$1,426	\$0	\$51,326
2026	\$0	(\$488)	\$0	\$41,015	(\$110)	\$6,955	\$1,486	\$0	\$48,858
2027	\$0	\$0	(\$1,950)	\$39,091	(\$101)	\$6,493	\$1,548	\$0	\$45,080
2028	\$0	(\$488)	\$0	\$37,276	(\$91)	\$6,061	\$1,612	\$0	\$44,370
2029	\$0	(\$488)	\$0	\$35,564	(\$82)	\$5,658	\$1,680	\$0	\$42,332
2030	\$0	(\$488)	\$0	\$33,949	(\$72)	\$5,282	\$1,750	\$0	\$40,421
2031	\$0	(\$488)	\$0	\$32,425	(\$62)	\$4,930	\$1,244	\$0	\$38,049
2032	\$0	\$0	(\$1,950)	\$30,986	(\$53)	\$4,602	\$1,247	\$0	\$34,833
2033	\$0	(\$488)	\$0	\$29,627	(\$43)	\$4,296	\$1,251	\$0	\$34,644
2034	\$0	(\$488)	\$0	\$28,343	(\$33)	\$4,011	\$1,254	\$0	\$33,088
2035	\$0	(\$488)	\$0	\$27,130	(\$22)	\$3,744	\$1,257	\$0	\$31,622
2036	\$0	(\$488)	\$0	\$25,984	(\$12)	\$3,495	\$1,261	\$0	\$30,240
2037	\$0	\$0	(\$1,950)	\$24,900	(\$2)	\$3,262	\$1,264	\$0	\$27,474
2038	\$0	(\$488)	\$0	\$23,874	\$9	\$3,045	\$1,268	\$61,903	\$89,611
Total	(\$245,000)	(\$9,263)	(\$8,775)	\$1,006,393	(\$1,641)	\$178,942	\$32,803	\$61,903	\$1,015,363
PRESENT VALUES									
PV @ 4%	(\$217,173)	(\$4,702)	(\$4,123)	\$554,800	(\$850)	\$102,517	\$16,672	\$19,086	\$466,227
PV @ 7%	(\$199,172)	(\$3,015)	(\$2,484)	\$376,194	(\$534)	\$71,214	\$10,705	\$8,132	\$261,040
PV @ 10%	(\$183,235)	(\$2,028)	(\$1,567)	\$265,882	(\$342)	\$51,360	\$7,216	\$3,548	\$140,834
Discount Rate		4%	7%	10%					
NPV ('000)		\$466,227	\$261,040	\$140,834					
BCR		3.06	2.28	1.75					

[REDACTED]

From: [REDACTED]
Sent: Thursday, 28 January 2010 5:53 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: 036.doc
Attachments: FW: Infrastructure Aust bid

Hi Kelly

Regrettably I had a lengthy phone hook-up, and missed a conversation with my relevant staff.

Attached is the financing proposal for the IA bid. This is as submitted to IA. I understand the first discussions with the Commonwealth was sometime around June of 2009 and the submission for the bid was made in December 2009. If you require anything further, I will have to gather that in the morning when relevant officers are available to discuss the details.

Kind Regards
[REDACTED]

From: [REDACTED]
Sent: Thursday, 28 January 2010 4:30 PM
To: [REDACTED]
Subject: FW: 036.doc
Importance: High

Hi [REDACTED]

As discussed, the Chief's office are after some more detail with regard to the media release below.

(They are wanting to put the media release out asap this afternoon so any assistance you can provide would be fantastic.

Cheers,
[REDACTED]

From: [REDACTED]
Sent: Thursday, 28 January 2010 3:41 PM
To: [REDACTED]
Subject: 036.doc

Hi [REDACTED]: Can you supply me with a little bit more on this one please (not sure if it even came from you). CM wants to know "When did the Commonwealth call for this" and do we have a copy of the finance proposal?

MAJURA PARKWAY TOPS ACT FUNDING PRIORITIES

Significant city and nation-building projects dominate the ACT's latest submission to the Commonwealth Government for Infrastructure Australia (IA) funding, Chief Minister **John Stanhope** said today.

Mr Stanhope welcomed the Rudd Government's ongoing commitment to supporting major nation-building projects and the ACT was hopeful of being successful in its latest bid for project funding.

"Our first priority bid, which narrowly missed funding in the first IA round, remains the Majura Parkway, linking the Federal Highway with the Canberra Airport," Mr Stanhope said

"Once built, the Parkway will form an important new regional transport corridor both for the ACT and NSW. Additionally, it will support the further development of the airport, noting the Federal Government's approval of the Airport's Master Plan, including the establishment of a 24-hour freight hub.

The ACT Government's other transport-related bids are for an initial scoping study into the construction of a Very Fast Train (VFT) linking Sydney, Canberra and Canberra (with a possible extension to Brisbane) and for a nine-kilometre Belconnen-to-Civic bus way servicing a catchment of 80,000 residents.

"The VFT is a visionary project for the nation with the potential to better connect three states and the ACT and provide a more sustainable mode of transport to road or air travel."

Mr Stanhope said the ACT's other IA priorities include:

- Water Security Package – including support for the Cotter Dam Enlargement and Murrumbidgee-Googong Water Transfer;
- Energy Sector Package – including support for the ACT's **Water Treatment Facility**;
- ACT Health Capital Asset Development Plan – to reduce pressures on the hospital system and reduce hospital admissions;
- Civic Master Plan – to support the long-term growth of the City Centre and to enhance Canberra's position as a modern and attractive city; and
- East Lake Sustainable Development – Stage 1 – to become a national showcase of best practice in sustainable urban development.

Statement Ends

Media Contact: **John Schalch** 6205 0850 0434 667 317 john.schalch@act.gov.au
Jess Wurf 6205 0504 0411 772 700 jess.wurf@act.gov.au

From: [REDACTED]
Sent: Thursday, 28 January 2010 5:09 PM
To: [REDACTED]
Subject: FW: Infrastructure Aust bid
Attachments: IA Reform Investment Framework Stages 1 to 6 - Fed Hway Link.doc

Importance: High

Can we send the attached Majura Parkway submission to the Minister's Office? It's a summary of existing information and has been cleared by Khalid and sent to IA. I checked with Floyd and he was ok but wanted to check with you first.

Thanks

From: [REDACTED]
Sent: Thursday, 28 January 2010 4:30 PM
To: [REDACTED]
Subject: FW: 036.doc
Importance: High

Hi [REDACTED] and [REDACTED]

As discussed, the Chief's office are after some more detail with regard to the media release below.

They are wanting to put the media release out asap this afternoon so any assistance you can provide would be fantastic.

Cheers,

From: [REDACTED]
Sent: Thursday, 28 January 2010 3:41 PM
To: [REDACTED]
Subject: 036.doc

Hi [REDACTED]: Can you supply me with a little bit more on this one please (not sure if it even came from you). CM wants to know "When did the Commonwealth call for this" and do we have a copy of the finance proposal?

036/10

28 January 2010

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- Energy Sector Package – including support for the ACT Solar Power Facility;
- ACT Health Capital Asset Development Plan – to reduce pressures on the hospital system and reduce hospital admissions;
- Civic Master Plan – to support the long-term growth of the City Centre and to enhance Canberra's position as a modern and attractive city; and
- East Lake Sustainable Development – Stage 1 – to become a national showcase of best practice in sustainable urban development.

Statement Ends

Media Contact: John Schalch 6205 0850 0434 667 317 john.schalch@act.gov.au
Jess Wurf 6205 0504 0411 772 700 jess.wurf@act.gov.au

INFRASTRUCTURE AUSTRALIA

**REFORM AND INVESTMENT FRAMEWORK
TEMPLATES FOR USE BY PROPONENTS**

(To be read in conjunction with Infrastructure Australia's
Better Infrastructure Decision-Making)

**Summary Template
and
Templates for Stages 1-6**

December 2009

Proposal Summary (2 pages, excluding maps)

Initiative Name:	Federal Highway Link to Monaro Highway
Location (State/Region(or City)/ Locality):	Canberra, ACT
Name of Proponent Entity:	ACT Government
Contact (Name, Position, phone/e-mail):	Khalid Ahmed, Executive Director, Policy Coordination and Development, ACT Treasury p. 02 6207 0228 e. khalid.ahmed@act.gov.au
Project Description:	<p>The ACT is seeking funding to create an efficient 11 kilometre dual carriageway freight transport, business travel and personal travel link between the Federal Highway and the Monaro Highway. Broadly, the project involves the construction of 11km dual carriageway with 7 bridges.</p> <p>The joining of these national highways will provide a vital transport link relevant to a significant population and geographic region of Australia. In essence, the project will 'complete' the Federal Highway by linking the regions north and south of the Australian Capital Territory. The proposed Majura Parkway will also form part of the Territory's arterial road network, improving north-south transit, particularly to the Airport, and eastwards towards Queanbeyan.</p> <p>The attached Economic Analysis paper includes maps showing the location of the proposed project.</p>
Theme alignment	<p>Once implemented this proposal will improve the national freight network by linking the Federal Highway to the Monaro Highway.</p> <p>The initiative will address an apparent decline in productivity in the transport and storage industry in the ACT and surrounding regional NSW.</p> <p>The deteriorating performance of the transport and storage industry in the ACT adversely affects not just the ACT but south eastern New South Wales. The project has significant benefits for the national freight transit system, essentially by providing a highway bypass to Canberra and improving the level of access to the Airport.</p>
Capital Cost of Initiative by Proponent (\$M, nominal, undiscounted):	The current estimated total cost is \$250 million.
Commonwealth contribution sought by Proponent, and cash flow in financial years (\$M, nominal, undiscounted):	<p>The ACT has already received funding commitment for \$30 million from the Commonwealth Government under its Building Australia Program for works around the Airport precinct. Those works are an integral part of the proposed link project.</p> <p>The funding being sought is therefore \$220 million.</p>
Other funding (source/amount/cash flow) (\$M, nominal, undiscounted):	0
BCR by Proponent excluding Wider Economic Benefits	3.32 at a discount rate of 7 per cent over 30 years.

Templates for Individual Stages in the Reform and Investment Framework

Stage 1: Goal Definition	
Goal Statements	<p>The Goals this initiative is seeking to address are:</p> <ul style="list-style-type: none"> • increase Australia's productivity; • expand Australia's productive capacity; and • develop our cities and/or regions. <p>Higher and/or lower order goals with reference back to existing plans and strategies include:</p> <ul style="list-style-type: none"> • increase the Capital Region's productivity; • expand the Capital Region's productive capacity; and • develop the Capital Region. <p>The ACT Government's Capital Development Plan states that Airports are a crucial part of the infrastructure of a modern economy. The primary economic function and wider social importance of airports is to facilitate the efficient movement of people and freight in and out of the regions they serve, improving inbound tourism and trade. The ACT Government recognizes the significant role that Canberra International Airport plays as a regional gateway and a generator of investment and employment.</p> <p>The ACT Government has committed to upgrading the road infrastructure around the airport to assist the flow of traffic and maximise transport opportunities.</p> <p>The ACT Chief Minister's Department in February 2008 commissioned the Report "<i>The ACT and its Region: economic relationships and key drivers of economic growth</i>" to support the preparation of the ACT's economic policy framework (Capital Development), and to inform policy deliberations and decision making by ACT Government agencies and businesses. The report examines economic activity and linkages in the ACT and its region, the outlook and structure of the ACT economy, and the economic opportunities and risks facing the ACT.</p> <p>The Report identified Majura Road (the focus of this initiative) as insufficient to meet needs as a Canberra bypass for freight. Majura Road is part of the "National Highway 23", and forms the connecting link between the Federal and Monaro Highways, meaning it is a significant link in the route between Sydney and the Snowy Mountains, as well as the truck freight bypass of Canberra.</p> <p>The Report also noted the inadequacy of the current link will increase as development of the airport at the southern end continues.</p>

Stage 1: Goal Definition

Objective Statements	<p>The proposed project will significantly increase traffic speed, and reduce freight transit times. It will also result in the Canberra Airport being within a kilometre or so of a north – south freight transit link. This coalescence can be expected to have significant economic output and productivity benefits for the south eastern region of Australia.</p> <p>The project will have wider implications by improving north – south links along the eastern seaboard, and more broadly by completing a link in the National highway system.</p> <p>Some draft targets/performance measures could include reduced freight delivery times, increased number of freight vehicles, higher activity at the airport and a rise in tourism to the capital.</p>
Goal and Objective Alignment	<p>Expand Australia's productive capacity, and Increase Australia's productivity – the highway link should reduce the cost of freight and storage, and improve the competitiveness of Australian exports.</p> <p>Develop our cities and/or regions – the joining of these national highways will provide a vital transport link relevant to a significant population and geographic region of Australia.</p>

Stage 2: Problem Identification

<p>Problem Identification:</p> <p>Current issues</p>	<p>The ACT's largest industry is public administration and defence. The ACT produces these public administration and defence services to the benefit of the Nation. As a predominately service producing economy, most goods are transported into the ACT.</p> <p>Efficient freight transport links into and through the ACT are vital to the efficient functioning of such an economy.</p> <p>The Australian Bureau of Statistics State Account data show that, in 2007-08, the ACT's State Final Demand (SFD) exceeded its Gross State Product (GSP) by \$15.4 billion or 66 per cent. This imbalance largely reflects the significance of the importation of goods into the ACT.</p> <p>However, freight transport in the ACT relates not only to residents of the ACT – the ACT also serves as an important regional centre and freight hub for south eastern New South Wales.</p> <p>Given the importance of freight transport links to the nation's capital, it is a matter of concern that the productivity of the transport and storage industry in the ACT is declining. This pattern of decline is in sharp contrast to a pattern of improved productivity in all other jurisdictions. ABS data show that over the 18 years from 1989-90 to 2007-08 the average annual rate of productivity improvement in other jurisdictions ranged from a low of 1.2 per cent in the Northern Territory up to a high of 4.2 per cent in Tasmania. The ACT was the only jurisdiction to record a decline (-0.5 per cent).</p> <p>Had productivity in the transport and storage industry not declined and remained at around the average level of the early 1990s then, assuming the same number of people employed, the value added by this industry in 2007-08 would have been \$702 million rather than \$544 million – an additional \$158 million. The cumulative loss over the 18 years since 1989-90 is estimated at \$412 million in today's dollars.</p> <p>The deteriorating performance of the transport and storage industry in the ACT most likely reflects the fact that the ACT has not had the capacity to enhance freight routes to accommodate growth in the local and regional economy.</p> <p>The deteriorating performance of the transport and storage industry in the ACT adversely affects not just the ACT but south eastern New South Wales.</p> <p>The proposed project will significantly increase traffic speed, and reduce freight transit times. It will also result in the Canberra Airport being within a kilometre or so of a north – south freight transit link. This coalescence can be expected to have significant economic output and productivity benefits for the south eastern region of Australia.</p> <p>Passenger numbers through Canberra airport are already the highest per capita of any airport – and notwithstanding that Canberra airport is largely a domestic airport with limited international flights. In part, the relatively large traffic flow at the airport reflects a high proportion of business travel and Canberra's increasing role as a freight hub.</p>
<p>Problem identification:</p> <p>Future scenarios</p>	<p>The drivers with the greatest impact are likely to be economic and demographic growth and, in particular, growth of the Canberra Airport in terms of freight and passenger movements.</p> <p>There are negligible uncertainties regarding these drivers as the National Capital, Canberra and the Capital Region can be expected to continue to grow.</p>

Stage 2: Problem Identification

	<p>Future challenges related to this project could include environmental restrictions, land use parameters, geotechnical and heritage investigations, impact on Defence activities and negotiation with leaseholders.</p>
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Stage 3: Problem Assessment

Problem assessment	Relevant information provided in section 1 and 2 above.
Current problems	Relevant information provided in section 1 and 2 above.
Future problems	Relevant information provided in section 1 and 2 above.
Problem Prioritisation	Relevant information provided in section 1 and 2 above.

Stage 4: Problem Analysis

Problem analysis	Relevant information provided in section 1 and 2 above.
Identify fundamental cause, not symptoms, of the problem	Relevant information provided in section 1 and 2 above.

Stage 5: Option Generation

REFORM (ESSENTIALLY NON-CAPITAL INVESTMENT) OPTIONS

Option 1	Not Applicable.
Option 2	Not Applicable.
Option 3	Not Applicable.

INVESTMENT OPTIONS

Option 1	(Option 5 in the SMEC report). Construct 11 km of dual carriageway linking the Federal Highway and the Monaro Highway. Work includes cross sections of 2 x 3.5m traffic lanes, 2.5m roadside shoulder and 1.0m offside shoulder, as well as associated ramps, interchanges and bridges.
Option 2	(Option 6 in the SMEC report). Similar to Option 1 but with some changes to alignment and interchanges layout in the northern part of the parkway which will reduce the impact on Majura Pines.
Option 3	(Option 7 in the SMEC report). Upgrade Majura Road in the northern part of the site, merge the parkway to the existing alignment of Majura Road with an at-grade intersection at the junction between Majura Parkway and the AFP Access Road.

Stage 6: Options Assessment

Infrastructure Australia is not mandating a particular process for moving from a long list of potential options to a short list of lead candidates. The following three-step process is an indicative guide.

<p>Long list</p>	<p>Option 1 is the current preferred option, which is similar to the previous preferred option presented in January 2009 but with some changes to the interchange design. This option was assessed against two additional alignment options.</p> <p>All three options were also assessed relative to the traffic operational conditions if the existing condition is continued (ie: a "do nothing" scenario).</p> <p>Strategic transport modelling was conducted to produce the demand matrix used for micro-simulation modelling. The modelling results were used as inputs for the economic assessment, which aims to produce the economic indicators to determine the feasibility of each option.</p> <p>The economic analysis considered construction and maintenance costs, travel related costs such as vehicle operating cost and accident cost, generated traffic flows, residual values, environmental externalities and other relevant factors.</p>
<p>Interim list</p>	<p>As above.</p>
<p>Short list</p>	<p>The economic analysis shows that all options could be considered economically feasible, with positive NPVs and BCRs greater than one.</p> <p>Option 1 is the preferred option, with the best economic results of a NPV over \$484 million and a BCR of 3.32 at a 7 per cent discount rate.</p>

[REDACTED]

From: [REDACTED]
Sent: Saturday, 30 January 2010 1:14 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: Infrastructure Australia Submissions

All,

Thankyou for your efforts in providing your submissions for the national infrastructure pipeline for IA.

A portfolio of eight ACT submissions was forwarded for consideration by Infrastructure Australia in December 2009.

Each submission provided for stages 1-6 of the Reform and Investment Framework. Treasury explained that due to the amount of work required to develop Stage 7 – Solution Resolution, this component of the proposal would be provided upon preliminary feedback from Infrastructure Australia.

The purpose of this email is to coordinate the delivery of Stage 7 to Infrastructure Australia to ensure the completeness of each submission put forward by the ACT.

Stage 7 – Solution Prioritisation culminates the analysis from the preceding six stages and provides a 'snapshot' of the specific proposal put forward for consideration. It comprises three components:

- strategic fit and profiling;
- appraisal; and
- deliverability.

To ensure the integrity of the initiatives presented in the ACT submission, it is important to ensure that the structure of the planning process required by Infrastructure Australia is met in a well developed, robust and timely manner.

To guarantee the completeness of each individual proposal and warrant the consideration of Infrastructure Australia in the 2009-10 infrastructure planning process, I would appreciate Stage 7 of your submission by 19 February 2010.

The Schedule 7 Template is available from [REDACTED] (extn 75390)

If you have any questions, please don't hesitate to contact me on 70176.

[REDACTED] | SENIOR MANAGER | BUDGET COORDINATION AND REPORTING | ACT TREASURY
PH: 6207 0176 | FAX: 6207 0298



Please consider the environment before printing this email.

[Redacted]

From: [Redacted]
Sent: Monday, 8 February 2010 10:50 AM
To: [Redacted]@infrastructure.gov.au'
Cc: [Redacted]
Subject: FW: Email to [Redacted] - Confidential material and coordination of stage 7 of ACT submission

Hi Paul,

Thankyou for Mr Deegan's letter of 13 January 2010 to Mr Neil Bulless in which you acknowledged the receipt of the ACT submissions for the national infrastructure pipeline, which were presented to you on 21 December 2009.

Also in your letter was a request for clarification of any **confidential** material provided in the submission.

[Redacted]

Please feel free to contact me if you wish to discuss this matter further.


In addition to this, I am currently coordinating a package of stage 7 templates to ensure the completeness of the ACT submission. I anticipate having the Federal Highway Link to Monaro Highway template ready to forward to you now, with the remaining templates for those projects where this is appropriate to follow soon after. [Redacted]

[Redacted]

If you have any questions or require further information please don't hesitate to contact me on (02) 6207 0176.

[Redacted]

[Redacted] | SENIOR MANAGER | BUDGET COORDINATION AND REPORTING | ACT TREASURY
PH: 6207 0176 | FAX: 6207 0298

 Please consider the environment before printing this email.

[REDACTED]
From: [REDACTED]@infrastructure.gov.au
Sent: Tuesday, 16 February 2010 10:54 AM
To: [REDACTED]
Subject: RE: Meeting with Anthony Albanese & Katy Gallagher 9 March at 5:30pm [SEC=UNCLASSIFIED]

Hi [REDACTED]

[REDACTED], Adviser, will be attending the meeting with Minister Gallagher and Minister Albanese.

The meeting will go for approximately half an hour.

[REDACTED]
Executive Assistant to the Hon Anthony Albanese MP
Office of the Minister for Infrastructure, Transport,
Regional Development & Local Government
Tel: 02 6277 7680
[REDACTED]

From: [REDACTED]@act.gov.au
Sent: Tuesday, 16 February 2010 10:38
To: [REDACTED]
Subject: FW: Meeting with Anthony Albanese & Katy Gallagher 9 March at 5:30pm [SEC=UNCLASSIFIED]

Hi [REDACTED]

I am writing the function brief for Minister Gallagher and Minister Albanese's meeting on 9 March regarding the ACT's Infrastructure Australia submission.

I am hoping that you can provide me with some additional information about the meeting namely, who will be attending the meeting with Mr Albanese and how long the meeting is anticipated to go for.

I appreciate your help with this. If you have any questions please don't hesitate to contact me.

Regards,

[REDACTED] | FINANCIAL ANALYST | BUDGET COORDINATION AND REPORTING
FINANCE AND BUDGET DIVISION | ACT TREASURY | GPO BOX 158 CANBERRA ACT 2601
PH: (02) 6207 5390 | FAX: (02) 6207 0298 | EMAIL: [REDACTED]@ACT.GOV.AU

From: [REDACTED]
Sent: Monday, 15 February 2010 11:43 AM
To: [REDACTED]
Subject: FW: Meeting with Anthony Albanese & Katy Gallagher 9 March at 5:30pm [SEC=UNCLASSIFIED]

Hi Lauren

FYI

Phone: 6205 0840
Fax: 6205 3030
E-mail: [redacted]@act.gov.au

From: [redacted]
Sent: Monday, 8 February 2010 3:13 PM
To: [redacted]@infrastructure.gov.au; [redacted]
Cc: [redacted]
Subject: Meeting with Anthony Albanese & Katy Gallagher 9 March at 5:30pm

Dear [redacted]

Thank you for your call Friday and providing a date for Minister Gallagher to meet with Minister Albanese. Minister Gallagher would be please to meet with Minister Albanese on Tuesday 9 March at 5:30pm.

Minister Gallagher will be accompanied by one of her advisors but at this stage I am not sure who that will be. Once I have this information I will let you know.

Can you please provide me the the exact location of Minister Albanese's office and a contact phone number for Minister Gallagher to call when she arrives.

regards
[redacted]

[redacted]
Office of Katy Gallagher MLA
Deputy Chief Minister
Treasurer
Minister for Health
Minister for Industrial Relations
Phone: 6205 0840
Fax: 6205 3030
E-mail: [redacted]@act.gov.au

From: [redacted]
Sent: Friday, 5 February 2010 10:24 AM
To: [redacted]@infrastructure.gov.au
Cc: [redacted]; [redacted]
Subject: Meeting with Anthony Albanese

Dear Ms [redacted]

Just wondering if Minister Albanese has has the chance to consider Minister Gallagher's request of 22 January for a meeting to discuss the ACT's Infrastructure Australia proposal.

regards
[redacted]

[redacted]
Office of Katy Gallagher MLA
Deputy Chief Minister

Deputy Chief Minister
Treasurer
Minister for Health
Minister for Industrial Relations
Phone: 6205 0840
Fax: 6205 3030
E-mail: [redacted]@act.gov.au

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[Redacted]

From: [Redacted]
Sent: Tuesday, 16 February 2010 11:06 AM
To: [Redacted]
Subject: FW: Brief Majura Pwy funding
Attachments: Majura Pwy.pdf

this might too

-----Original Message-----

From: [Redacted]
Sent: Monday, 15 February 2010 9:44 AM
To: [Redacted]
Cc: [Redacted]
Subject: Brief Majura Pwy funding

Morning [Redacted]

Please find attached brief on Majura Parkway Options for your reference.

Regards
[Redacted]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

TJH 17/12/09 file.

BRIEF



Return to

Minister's Office - 8 DEC 2009
in Chief Minister's Office

RECEIVED

PDMS No 200901565
Schedule No 2009JDS02754

Date 7 December 2009

To Minister for Transport

- Chief Executive *J. Hall* DCE 8.12.09
- Executive Director, Transport and Infrastructure Division *EC 7/12/09*

From Tony Gill, Director Roads ACT

Subject Majura Parkway Options

Critical date and reason

Not critical but important given the final Environmental Impact Study (EIS) for the Majura Parkway is ready to be submitted to the ACT Planning and Land Authority (ACTPLA).

Purpose

To brief you on options for the Majura Parkway that have been considered in the final EIS report.

Background

The draft EIS report for the Majura Parkway was released for public comments in July 2009 and attracted more than 120 comments.

The draft EIS report had considered five options for the proposed road ranging from an upgrade of the existing Majura Road to an option that was located about 500m to the west of the existing Majura Road and connecting directly into the Monaro Highway at Morshead Drive. This latter option, Option 5 was identified in the draft EIS report as the preferred option in terms of economic benefit and acceptable environmental and social impacts. A plan showing the preferred alignment is included at Attachment A (Blue option). An extract from the draft final EIS report outlining the seven options ultimately considered is included at Attachment B.

Issues

The great majority of the comments raised in the draft EIS related to two issues:

- (1) Impact on the recreational use of Majura Pines by mountain bike cyclists (60% of the comments received)
- (2) Impact on the amenity of the Girl Guides Camp at Innabanya (20% of the comments received).

Roads ACT has subsequently met with representatives of the Majura Pine Mountain Bike Users and the Girl Guides Association to discuss their comments and better understand their concerns.

Two additional options have been developed in response to these consultations with the view of reducing or eliminating the impact of the road on Majura Pines and the

Girl Guides Camp. A plan showing these two options (Options 6 and 7) is included at Attachment C and a report covering the 'technical' comparative assessment with the 'preferred option' is included at Attachment D.

A summary of the comparative assessment is provided at Attachment E.

Discussion

Technically Option 5 has the best economic benefits, acceptable environmental impacts and social impacts on Majura Pines and the Girl Guides Camp that can be managed. This option does however impact on a stand of mature Yellow Box woodlands.

This option recognizes the importance of the Majura Highway/Federal Highway as a freight route, provides a high standard road and maintains the best corridor for any future high speed train connection.

This option provides the best opportunity to secure Federal Government funding given its strong technical and economic benefits.

Option 6, by reducing the impact on Majura Pines and the Girl Guides Camp, results in a slightly reduced (10%) economic benefit and increased construction costs. This option still preserves a good case to secure Federal Government funding although the costs of any future high speed train connection are significantly increased. This option has less of an impact on a stand of mature Yellow Box woodlands than Option 5.

Option 7 reduces the opportunity of being successful in securing Federal Government funds to construct the road given the reduced road standard and economic benefits. Option 7 however, would be well received by the Majura Pine Users; the Girl Guides Camp management and the North Canberra Community Council who have provided an option along these lines in their response to the EIS process. This option has no impact on the mature stand of Yellow Box woodlands, however, it would significantly increase the cost of a future high speed train connection through this section of the Majura Valley.

Option 7 does however impact on a heritage listed child's grave and would require this to be relocated. This is not the case with the other two options.

Summary

The question that this briefing is seeking a response on is the political weighting to be given to the 'local' issues of the recreational impact on Majura Pines, the amenity on the Girl Guides Camp and the need to preserve the best corridor for a possible high speed train connection in the future.

Financial

The decision on the ultimate option will have a strong influence on the prospect of securing Federal Government funds for the project. Option 5 represents the strongest prospect in this regards.

Separate analysis has confirmed the difficulties of staging the Majura Parkway so to construct it, a considerable 'one off' investment in the order of \$250 million will be required.

Media

The Majura Parkway EIS has attracted considerable media attention and the release of the final EIS report is likely to attract similar attention.

Strategic Implication

The choice of option for Majura Parkway will have implications on the suitability of the road to carry large volumes of freight traffic efficiently and the recreational uses of Majura Pines into the future.

Recommendation

It is recommended that you:

- (a) Note the background and issues outlined in the brief.
- (b) Agree to be briefed orally on this matter.
- (b) Note Option 5 for the Majura Parkway which provides the best economic benefits; higher standard road and future high speed rail connection; acceptable environmental impacts and social impacts that reduce the recreational use of Majura Pines and the amenity of the Girl Guides Camp.
- (c) Note Option 6 for the Majura Parkway which provides good economic benefits, maintains a high standard road; reduces the impact on the Majura Pines and Girl Guides Camp but is more costly and significantly increases the cost of any future high speed train connection.
- (d) Note Option 7 for the Majura Parkway which removes the impact of the road on Majura Pines and the Girl Guides Camp by adopting a lower standard road.

(Noted)

Agreed / Not agreed / Noted

(Noted)

(Noted)

(Noted)

Tony Gill
 Director
 Roads ACT
 7 December 2009

Contact Officer: Tony Gill
 Phone: 6207 6588

Handwritten signatures and initials:
 14/12
 (Large handwritten mark)

Jon Stanhope MLA / /
AGREED/NOT AGREED/NOTED/PLEASE DISCUSS

