(21)

Stravens, Helen

From:
Sent: Friday, 27 May 2011 2:22 PM
To: Stravens, Helen
Cc: Gill, Tony
Subject: May 26-E11-114 Majura Parkway Road Safety and Road Accidents (1)
Attachments: May 26-E11-114 Majura Parkway Road Safety and Road Accidents (1).docx

Helen

I have made some edits and additions to this – please include the the mid block crash data as an attachment – Attachment 1., copy to Rifaat for information as I expect we may get further requests on this over time. please confirm you get this.

regards

Tony Gill

Estimates QoN No. 11-114

LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2011-2012

ANSWER TO QUESTION ON NOTICE

Amanda Bresnan : To ask the Minister for TAMS

Ref: Office of Transport, Budget Paper 3, p151

In relation to : Majura Parkway, road Safety and road accidents

1. Is any of the $144million dedicated to Majura Parkway set aside for a feasibility study or any other transport study, or is all of this money committed to the building of the Parkway?

2. What is the Government's position on the concept of 'induced traffic' or 'generated traffic', which says that building a new major freeway actually increases the amount of travel and the amount of traffic, which creates an overall increase in fuel and emissions, and it fails to reduce commuters' travel times?

3. How has the Government taken into account 'induced traffic' in its planning for Majura Parkway?

4. Does the Government agree with the induced traffic concept and that building a new Majura Parkway will increase emissions and will not reduce commuters' travel times? If it does not agree, please explain why.

5. What comparisons and modelling has the Government done of the improvements in travel for residents of Gungahlin that would result from building Majura Parkway, compared to building high quality, fast public transport routes from Gungahlin, including light rail?

6. Please provide the most recent accident statistics for major roads in Canberra. (including Majura Road, Canberra Avenue, Horse Park Drive, Gungahlin Drive, Northbourne Drive, Drakeford Drive, Melrose Drive, Caswell Drivel, William Hovel Drive, Monaro Highway, Tuggeranong Parkway, Fairbarin Avenue, Hindmarsh Drive). If possible, please break this data down into different sections of the road..

PLEASE NOTE

1: Answers to questions on notice must be lodged electronically and in hard copy with the Committee Office within **5 working days** of receipt of the question.

2: Where an answer provides a referral to sources of information in published documents, the answer should include the exact name of the document, the author and agency publishing the document, the specific page numbers and an electronic link to the document.

7. Does the ACT Government collect congestion data for roads in Canberra, and how does it do this?

8. Please provide congestion data speed for the roads referred to above (or whichever of the above roads on which the Government has data).

9. Please provide data on the average travel speed for the roads referred to above (or whichever of the above roads on which the Government has data).

Amanda Bresnan, 24 May 2011

SIMON CORBELL MLA: The answer to the Member's question is as follows:—

1. No; all the funds have been identified to construct the Majura Parkway.

2. The Government considers providing additional arterial road capacity as will be the case with the construction of the Majura Parkway will redistribute traffic from local residential streets in North Canberra to the Majura Parkway; not generate new or induced traffic. As a high capacity, high speed road; more efficient travel will result with reduced emissions and fuel usage per vehicle. Given the Majura Parkway will ultimately carry up to 40,000 vehicles a day compared to the existing 18,000 vehicles a day on the Majura Road, there will be a nett increase in both total emissions and fuel consumption over time; this however will be offset by less traffic using local residential streets in North Canberra. Travel speeds on the Majura Parkway during commuter peak periods will be greater than 60 km/h compared to 15-20km/h currently experienced on Majura Road.

3. The Government planning for the additional traffic redistributed from residential streets in North Canberra is to provide for a high capacity; high speed Majura Parkway with grade separated interchanges.

4. No; the Majura Parkway will reduce fuel consumption and emission per vehicle using the road, while increasing the travel speeds during the commuter peak periods from 15-20 km/h to above 60km/h.

5. None.

6. Crash statistics over the period 2006 -2010 (including fatalities, injuries and properties damages) as follow (a more detailed breakdown by section of these roads is included as Attachment 1):

(1)	Majura Road	96
(2)	Canberra Avenue	125
(3)	Horse Park	33
(4)	Gungahlin Drive	108
(5)	Northbourne Avenue	232
(6)	Drakeford Drive	64
(7)	Melrose Drive	31
(8)	Caswell Drive	31
(9)	William Hovell Drive	167
(10)	Monaro Highway	219
(11)	Tuggeranong Parkway	448
(12)	Fairbairn Avenue	26
(13)	Hindmarsh Drive	128

7. Roads ACT collect traffic volume and speed data at various locations on the road network on a regular basis. With appropriate analysis, this data can be used to determine the congestion level of different sections of the road network.

   For example, Majura Road carries 1750 vehicles in the peak direction during an average weekday. The capacity of a single lane mid block is typically 1800 vehicles an hour so the volume to capacity ratio, or the level of congestion is 1750 divided by 1800 or 97 percent.

8. This information is not available, the analysis has not been undertaken to establish congestion data speeds on these roads. In the case of Majura Road, survey data and observations indicates travel speeds in peak times average between 10-15 km /hour in the southern section of Majura Road.

9. This information is not available, the analysis has not been undertaken to establish average travel speeds on these roads. In the case of Majura Road, survey data and observations indicates that average travel speed outside the peak periods is greater than 60 km/hr.

Approved for circulation to the Standing Committee on Estimates 2011-2012

Signature: Date:

By the Minister for Territory and Municipal Services, Mr Simon Corbell MLA

(22) ✓

Stravens, Helen

From: Kingham, Richard
Sent: Monday, 23 May 2011 2:27 PM
To: Gill, Tony
Cc: Peters, Paul
Subject: Letter's to Federal Govt Minister's and Members - Majura

Tony,

I believe that Marsha mentioned to you on Friday that we had been asked by the Chief Minister to draft some letters re Majura to the Prime Minister, Treasurer, Anthony Alabanese, Andrew Leigh, Gai Brodtmann, Kate Lundy and Mike Kelly.

Attached is a draft of the proposed letter which will be sent to all. Let us know if you have any comments/suggested changes, otherwise just FYI.

Treasurer to
lbanese Funding .

RICHARD KINGHAM | MANAGER | BUDGET COORDINATION AND REPORTING | FINANCE AND BUDGET DIVISION | ACT TREASURY
PH: 6207 0234 | FAX: 6207 0298

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

Hon Mr Anthony Albanese MP
Leader of the House, Minister for Infrastructure and Transport
PO Box 6022
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr Albanese

I am writing to you following the release of the Commonwealth Budget on the 10th of May 2011 to formally express my disappointment that funding for the upgrade of Majura Parkway was not included.

Over the last few years, the ACT Government has repeatedly sought financial support from the Commonwealth Government to progress the Majura Parkway project – a key project to support the national freight strategy and improve the connection for freight from the national road network of the Barton and Federal Highways to the regional road network, the Monaro Highway, a key project in providing better access to the upgraded Canberra Airport as a regional transport hub and 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 are 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.

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 required.

We recognise the pressures faced by the Commonwealth Government in prioritising infrastructure funding in the 2011-12 Commonwealth Budget, particularly in the face of natural disasters and the need to return the Budget to surplus.

The 2011-12 ACT Budget allocated $144 million for this important infrastructure project commencing in 2012-13. The commencement of work though is dependent upon securing a firm

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

commitment from the Commonwealth to match this contribution. A Commonwealth contribution to the project will be required for 2014-15 and 2015-16.

I would be pleased to discuss these priorities 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
Chief Minister

(23) ✓

Stravens, Helen

From: Dias, Carl
Sent: Friday, 20 May 2011 11:31 AM
To: Qian Yin; Gill, Tony
Cc: Foulds Alex
Subject: RE: majura parkway [SEC=UNCLASSIFIED]

Yin

The ACT Government agrees with this arrangement for AG allocation to the Majura Parkway.

Thanks

Regards

Carl

From: Qian Yin [mailto:Yin.Qian@infrastructure.gov.au]
Sent: Friday, 20 May 2011 11:20 AM
To: Gill, Tony; Dias, Carl
Cc: Foulds Alex
Subject: majura parkway [SEC=UNCLASSIFIED]
Importance: High

Tony and Carl

Just to confirm that the ACT Government is seeking AG contribution of $144 million to the Majura Parkway (Stage 2). The project will take four years to complete.

TAMS would like to utilise $9.5 million AG allocation to the upgrade of Canberra Airport prescient project for the preconstruction work of Majura Parkway in 2011-12. This 9.5 million is to be counted as part of AG $144 million contribution. The rest $134.5 million AG funding is sought from 2014-15 and 2015-16 to complete the project.

Appreciate your urgent response.

Thanks

Yin

(24) ✓

Stravens, Helen

From: Gill, Tony
Sent: Monday, 11 April 2011 6:02 PM
To: Kennedy, Floyd; Dias, Carl
Subject: RE: Majura Parkway brief [SEC=UNCLASSIFIED]

Flyod

this is reasonable and much as expected - the only issue of concern is the recommendation that the road is a toll road which is something I suspect there is no political appetite for and technically hard to justify in terms of alternate routes available and the fact it would be the only section of toll road in Canberra. You may need to get some views from Khalid on this in terms of the resposne you provide to Paul.

regards

Tony Gill

From: Kennedy, Floyd
Sent: Monday, 11 April 2011 5:33 PM
To: Gill, Tony; Dias, Carl
Subject: FW: Majura Parkway brief [SEC=UNCLASSIFIED]

Tony / Carl

Can you pls have a look and provide some comments. Note Paul's timeframe of comments from us by COB Wednesday 13 April.

Floyd

From: Roe Paul [mailto:Paul.Roe@infrastructure.gov.au]
Sent: Monday, 11 April 2011 3:49 PM
To: Guthrie, Marsha
Cc: Kennedy, Floyd; Dechert, Lauren; White Victoria; Brennan Rory
Subject: Majura Parkway brief [SEC=UNCLASSIFIED]

Marsha

As discussed, attached for your comment is a revised draft brief on the Majura Parkway project incorporating the most recent information provided by the ACT. Please provide any comments by cob this Wednesday (13 April) if possible. Happy to discuss or hold a quick teleconference if there are any parts of the briefs that require clarification.

Regards

Paul Roe
Infrastructure Australia
Telephone: (+612) 8114 1914
Mobile: (+61) 434 564 104
Fax: (+612) 8114 1932
Email: paul.roe@infrastructure.gov.au

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Australian Government

Infrastructure Australia

2010-2011 Initiative Assessment Brief

Status in June 2010 Report to COAG	Ready to Proceed
Initiative Name and IA ID No.:	Federal Highway to Monaro Highway - Majura Parkway (10-035-01)
Location (State/Region/City):	Australian Capital Territory, East Canberra
Proponent:	ACT Government
Project Description:	
The project is the upgrade of the existing road link between the Federal Highway and the Monaro Highway. It involves construction of an 11.5 km limited access, four lane road and grade separated interchanges with the Federal Highway, Fairbairn Avenue and Monaro Highway.	
Capital Cost by Proponent Outturned ($M):	$288M (previously estimated at $250M in the ACT's 2009-10 Submission)
Contribution sought by Proponent including requests for project development funding ($M):	$144M (50% funding by ACT Government).
Start/Completion by Proponent (month/year):	Not stated (2013 and 2014 construction years in economic analysis)

PROFILING

Infrastructure Australia Profiling Assessment Summary:

- *National Significance*: The project is the main freight route linking the regions north and south of the Australian Capital Territory. It would also form part of the Territory's arterial road network, improving north-south transit, particularly to the Airport and eastwards towards Queanbeyan.
- *Alignment with Infrastructure Australia's strategic priorities:* The initiative would make a contribution to the 'Increasing Australia's Productivity' and 'Developing Our Cities/Regions' priorities. The potential to sustain these priority objectives into the medium and longer term may be compromised if the freight benefits of the project are impacted by growth in passenger car volumes.
- *Application of Infrastructure Australia's Reform and Investment Framework:* The initiative has a long history of being considered in strategic planning for the ACT. Both the *Territory Plan* and the *General Policy Plan* of the *National Capital Plan* refer to the future construction of the road (though neither plan firmly established the location of the road).
- *Conclusion:* A nationally significant project that aligns with a number of Infrastructure Australia's strategic priorities. The project is a priority in ACT planning documents and a funding priority (supported by willingness of ACT to offer 50% funding).

Australian Government

Infrastructure Australia

OVERALL RECOMMENDATION

Infrastructure Australia Priority List Recommendation:

- The initiative is recommended to remain in the infrastructure priority list as a 'Ready to Proceed' project. The initiative makes a clear and positive contribution to Australia's policy priorities. It demonstrates long term national benefits (economic benefit-cost ratio significantly above 1:1) and a robust delivery mechanism.
- Conditions on Infrastructure Australia's support for the project include:
  - that the road be configured to high performance vehicle standards and the ACT Government enter an intergovernmental agreement with the Commonwealth for High Performance Vehicle Access (HPVA);
  - that the road be tolled; and
  - that the ACT government continue to undertake project development work to prepare the project for successful delivery.

Australian Government

Infrastructure Australia

Proposed Majura Parkway Alignment

Source: ACT Government submission to Infrastructure Australia

(15)

Stravens, Helen

From: Gill, Tony
Sent: Tuesday, 8 March 2011 4:43 PM
To: Howard, Stephen
Cc: Dias, Carl; Lacey, Glenn; Lewis, Paul
Subject: Majura Parkway alignment and any survey information

Stephen

Can you please have SMEC proivde PaulLewis of LAPS a copy of the Majura Parkway plan - electronic copy and hard copy and any relevant survey information associated with this - he is particularly interested in the northern section as he is in discussion with Defence about some land swaps. He needs this information within the next week. Let me know if this is a problem. I am sure Paul would go over the the SMEC office on Northbourne Avenue to have a look at what they have.

Regards

Tony Gill

26

Stravens, Helen

From: Dias, Carl
Sent: Thursday, 3 March 2011 9:11 AM
To: Gill, Tony
Subject: FW: Majura Parkway submission to IA [SEC=UNCLASSIFIED]

Importance: High

Tony

FYI

Regards

Carl

From: Kennedy, Floyd
Sent: Thursday, 3 March 2011 9:09 AM
To: Dias, Carl
Cc: Ahmed, Khalid; Guthrie, Marsha; Dechert, Lauren
Subject: FW: Majura Parkway submission to IA [SEC=UNCLASSIFIED]
Importance: High

Carl, we'll send it to the Department of Infrastructure and Transport straight away and cc you.

Floyd

From: Dias, Carl
Sent: Thursday, 3 March 2011 8:19 AM
To: Guthrie, Marsha; Kennedy, Floyd; Ahmed, Khalid
Subject: FW: Majura Parkway submission to IA [SEC=UNCLASSIFIED]
Importance: High

Dear Marsha / Floyd / Khalid

Was wondering if you could please assist with this.

Regards

Carl

Carl Dias
| Manager - Major Capital Works | ROADS ACT|
TRANSPORT AND INFRASTRUCTURE DIVISION|
PH: +61 2 6205 8605 | FAX: +61 2 62076587
E:carl.dias@act.gov.au

From: Qian Yin [mailto:Yin.Qian@infrastructure.gov.au]
Sent: Wednesday, 2 March 2011 12:26 PM
To: Dias, Carl

Cc: Gill, Tony; Dehm Jack
Subject: Majura Parkway submission to IA [SEC=UNCLASSIFIED]
Importance: High

Carl

Further to your discussion on the phone, can I request a copy of ACT Government's submission to the IA for the Majura Parkway (stage 2) in either late 2008 or early 2009?

I understand that submission was prepared by the ACT Treasury, but it has become necessary for us obtain a copy urgently.

We have searched IA website, but could not locate the submission. I would be very happy to pick it up from Macarthur House when it is ready.

Many thanks

Yin

Director
Tas, ACT & NSW Off-network
South East Roads
Nation Building Infrastructure Investment
Department of Infrastructure and Transport
Tel: 02 6274 6593
Email: yin.qian@infrastructure.gov.au

(27)

Stravens, Helen

From: Dias, Carl
Sent: Thursday, 3 March 2011 12:25 PM
To: Gill, Tony
Subject: FW: Majura Parkway submission to IA
Attachments: ACT Submission to IA (October 2008).pdf; 01 - Majura Parkway Pialligo Ave.pdf; 02 - Attachment 1_ Revised BCR Majura Parkway.pdf

Tony

FYI

Regards

Carl

From: Kennedy, Floyd
Sent: Thursday, 3 March 2011 12:18 PM
To: Yin.Qian@infrastructure.gov.au
Cc: Dias, Carl; Dechert, Lauren
Subject: Majura Parkway submission to IA

Yin

As discussed please find attached October 2008 submission to IA regarding the Majura Parkway.

Floyd

FLOYD KENNEDY | SENIOR MANAGER| BUDGET COORDINATION AND REPORTING | ACT TREASURY
PH: 6207 0176 | FAX: 6207 0298

From: Dias, Carl
Sent: Thursday, 3 March 2011 8:19 AM
To: Guthrie, Marsha; Kennedy, Floyd; Ahmed, Khalid
Subject: FW: Majura Parkway submission to IA [SEC=UNCLASSIFIED]
Importance: High

Dear Marsha / Floyd / Khalid

Was wondering if you could please assist with this.

Regards

Carl

arl Dias
Manager - Major Capital Works | ROADS ACT|
RANSPORT AND INFRASTRUCTURE DIVISION|
+: +61 2 6205 8605 | FAX: +61 2 62076587
[redacted]
carl.dias@act.gov.au

From: Qian Yin [mailto:Yin.Qian@infrastructure.gov.au]
Sent: Wednesday, 2 March 2011 12:26 PM
To: Dias, Carl
Cc: Gill, Tony; Dehm Jack
Subject: Majura Parkway submission to IA [SEC=UNCLASSIFIED]
Importance: High

Carl

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Many thanks

Yin

Director
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Department of Infrastructure and Transport
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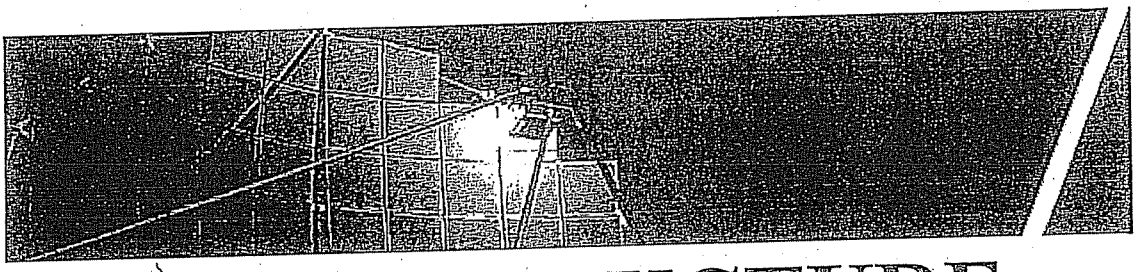
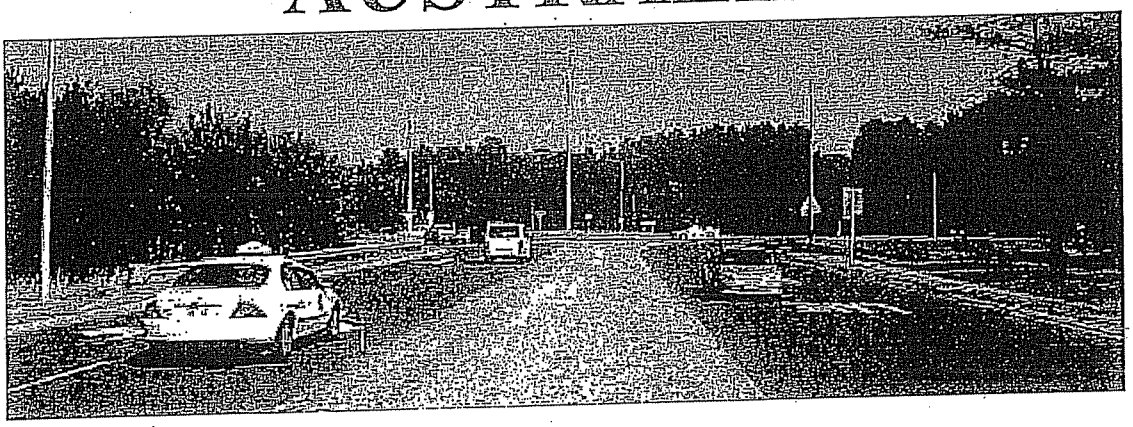
Email: yin.qian@infrastructure.gov.au

Australian Capital Territory Government



INFRASTRUCTURE AUDIT SUBMISSION TO INFRASTRUCTURE AUSTRALIA



October 2008

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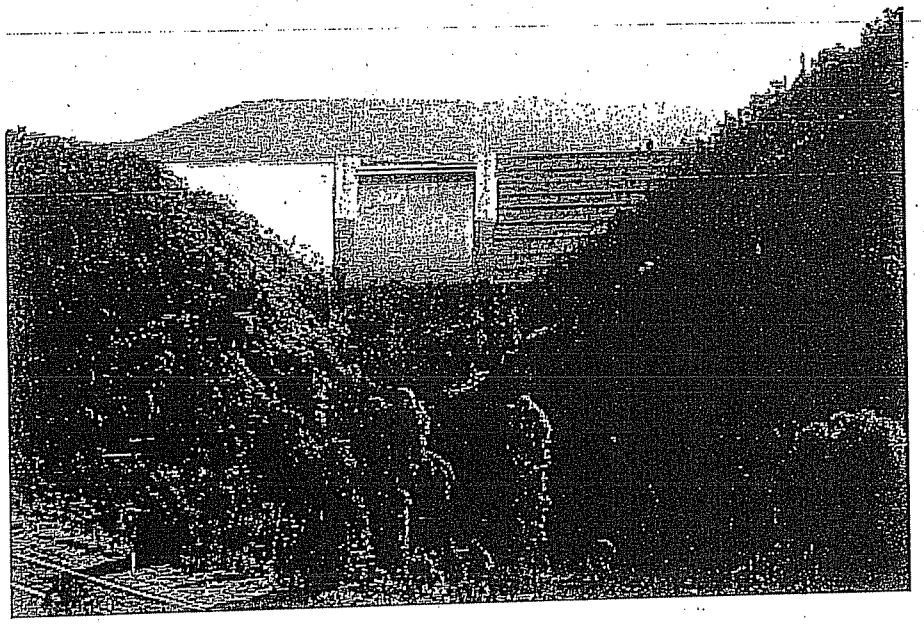
PART 1

ACT SUBMISSION TO THE NATIONAL INFRASTRUCTURE AUDIT



BACKGROUND

Infrastructure Australia is a statutory council with twelve members drawn from industry and all levels of government, including five from the private sector, with Sir Rod Eddington as Chair.

Infrastructure Australia is supported by an Infrastructure Coordinator, who leads the Office of Infrastructure Coordination within the Australian Government's Infrastructure, Transport, Regional Development and Local Government portfolio.

Infrastructure Australia has the primary function of providing advice to governments, investors and owners of infrastructure on the following:

1. Australia's current and future needs and priorities relating to nationally significant infrastructure;
2. Policy, pricing and regulatory issues that may impact on the utilisation of infrastructure;
3. Impediments to the efficient utilisation of national infrastructure networks;
4. Options and reforms, including regulatory reforms, to make the utilisation of national infrastructure networks more efficient;
5. The needs of users of infrastructure; and
6. Mechanisms for financing investment in infrastructure.

Infrastructure Australia's immediate tasks are to:

- conduct an infrastructure audit to determine the adequacy, capacity and condition of nationally significant water, transport, energy, and communications infrastructure;
- produce an infrastructure priority list; and
- produce best practice, nationally consistent guidelines for Public Private Partnerships.

Infrastructure Audit

The aim of the infrastructure audit of nationally significant infrastructure is to identify gaps and bottlenecks that hinder economic growth and prosperity.

The audit will identify investment priorities and policy and regulatory reforms that will be necessary to enable timely and coordinated delivery of national infrastructure investment.

In the 2008-09 Budget the Commonwealth Government announced the establishment of a *Building Australia Fund.* Allocations from the Fund will be guided by Infrastructure Australia's national audit and infrastructure priority list for consideration by the Council of Australian Governments (COAG) in March 2009.

The focus of the audit is on transport, water, energy and telecommunications infrastructure, taking into account the infrastructure needs in each jurisdiction and addressing major problems and challenges identified in the delivery of nationally significant infrastructure.

The ACT Government has based its submission on nationally significant infrastructure priorities for the Territory to support the delivery of large-scale projects that provide benefits back to the community in relation to climate change, regional water and energy security, and efficient transport networks.

INTRODUCTION

Infrastructure is a vital component of economic growth and prosperity and is essential to providing for the broader social needs of the community, the region and the nation – including not only our transport, water, energy and communication infrastructure, but also infrastructure to support education, health, mobility and leisure.

In recent years there has been increased emphasis across Australia on the need to maintain and enhance our national infrastructure to facilitate the continued growth of our economy. The ACT Government supports the establishment the $20 billion *Building Australia Fund* by the Commonwealth Government to enable this vital work progress.

The ACT Government is committed to not only maintaining existing infrastructure, but is also dedicated to providing the new infrastructure that will be needed to enable continued economic growth and prosperity, and quality of life to the Territory and supporting Regions.

The timely delivery of quality infrastructure is central to the ACT's economic development strategy. In order to ensure the timely delivery and financing of infrastructure, opportunities for partnerships between public and private organisations will be investigated.

Before self-government, the Commonwealth Government built and maintained the ACT's infrastructure. Good infrastructure was central to developing Canberra as a showcase for Australia's national institutions. Canberra's assets were built to the highest standards, and our infrastructure was the envy of the rest of Australia. In 1989, the newly self-governing ACT inherited this fortunate legacy: high quality roads and bridges, water, gas and electricity supply and wastewater facilities, storm water drains, public housing, schools and health facilities.

The ACT Government has faced the significant challenge of inheriting these facilities, it being both a blessing and a burden. Quality public sector assets are essential for the achievement of social objectives, economic growth and prosperity. Canberra's road system, extensive public housing, and excellent schools and health facilities represent assets of outstanding value to our city.

The Government has set about ensuring that the Territory's asset base is well maintained in the most cost effective way, through the provision of established budget infrastructure programs, and quarantined repairs and maintenance funding to ensure infrastructure and services are funded on a financially sustainable basis.

However, providing for large nationally significant infrastructure to support the development of the National Capital and its Region within the small financial reserves of the Territory, whilst also maintaining infrastructure to provide for core essential service delivery to the ACT, is a challenge.

As a smaller jurisdiction, the ability of the ACT to provide for infrastructure to support the scale of national growth and national productivity for the national capital is limited.

Large transport infrastructure to provide for regional and national links are expensive and beyond the financial capacity of the ACT, however, such links have the ability to provide for alternative freight and transport links between Sydney and Melbourne without reliance on the larger city air traffic.

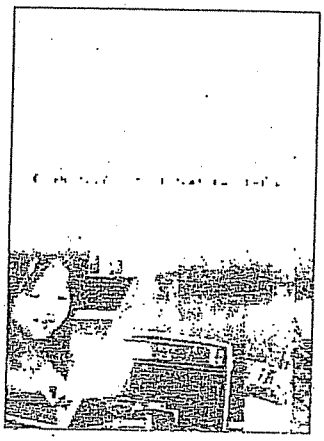
Projects to ensure the continued provision of water to the region are essential to support the productive capacity of the Territory as the National Capital, however, these projects place additional financial pressure on the Territory's already stretched resources.

The assistance of Infrastructure Australia and the *Building the Australia Fund* will provide the opportunity for the ACT to become a cornerstone and benchmark capital city, and provide for growth in our productive capacity accordingly.

The ACT is an active participant in the shaping of the development of Australia's nationally significant infrastructure through the Council of Australian Government's Infrastructure Working Group. After a thorough review of the Territory's future infrastructure needs and priorities, the ACT Government identified a number of projects for consideration through the National Infrastructure Audit. The projects identified not only have benefits for the ACT, but also have economic benefits for the wider region. The current and prospective infrastructure projects identified by the ACT for consideration in the National Infrastructure Audit primarily relate to transport infrastructure, as well as water and energy security to aid in the mitigation and adaption to climate change. The projects demonstrate the ACT Government's commitment to addressing the ongoing need for quality infrastructure in the Territory.

An infrastructure plan for the ACT

A copy of the publication '*An infrastructure plan for the ACT*' is provided to support the ACT's submission to Infrastructure Australia. As a Government, the ACT is working to provide for infrastructure to not only support essential service delivery to the Territory, but also provide for infrastructure to support the productive capacity and the economic growth of the city and the regions it supports.



An Infrastructure Plan for the ACT

The ACT faces growing demands for infrastructure development across the areas of transport, water, electricity and gas. These demands are due to:

- growth in population;
- climatic change and environmental conditions that have exceeded design parameters;
- regional growth in demand; and
- changed risk factors due to altered international security conditions.

TRANSPORT INFRASTRUCTURE

Context

The ACT transport system is based around a system of main roads and peripheral parkways for traffic movement within the ACT and throughout the wider region. This also includes a central public transport spine for urban passenger movement. Compared to other States and Territories, the ACT currently has a slightly higher use of motor vehicles and slightly lower reliance on public transport.[1] This is due, in large part, to the unique nature of the city with its wide urban spread, combined with the capacity of the population to own and operate motor vehicles. Planning decisions in the 1970s created a dispersed urban form that encourages car use while making public transport costly and challenging to provide.[2] In addition, planning transport infrastructure in the ACT can be constrained in those parts of the city over which the Commonwealth (through the National Capital Authority) continues to exercise planning control. The ACT's only public transport network - ACTION buses – is publicly owned and regulated.

Problems/Challenges

The predominance of motor vehicles in the ACT is placing pressure on road infrastructure, and a number of major roads are projected to experience significant levels of congestion during peak periods in coming years. The impact of heavy vehicles on the city is also projected to increase in coming years, with a doubling of the national freight task by 2020 projected by the Australian Transport Commission and a move towards larger high-productivity vehicles. Without alternative heavy vehicle routes for cross regional trips, the road infrastructure in the ACT's Inner North and in Gungahlin will face increasing congestion and capacity constraints. The ACT's existing road network has limited capacity to accommodate the demands of higher-mass, higher-productivity vehicles, with the consequence that these vehicles have limited or no access to the network and are unable to travel to or between destinations in the ACT. As a consequence, businesses in the ACT are restricted in the goods and services they can access, or must pay higher freight costs for goods transported on smaller, less efficient, vehicles.

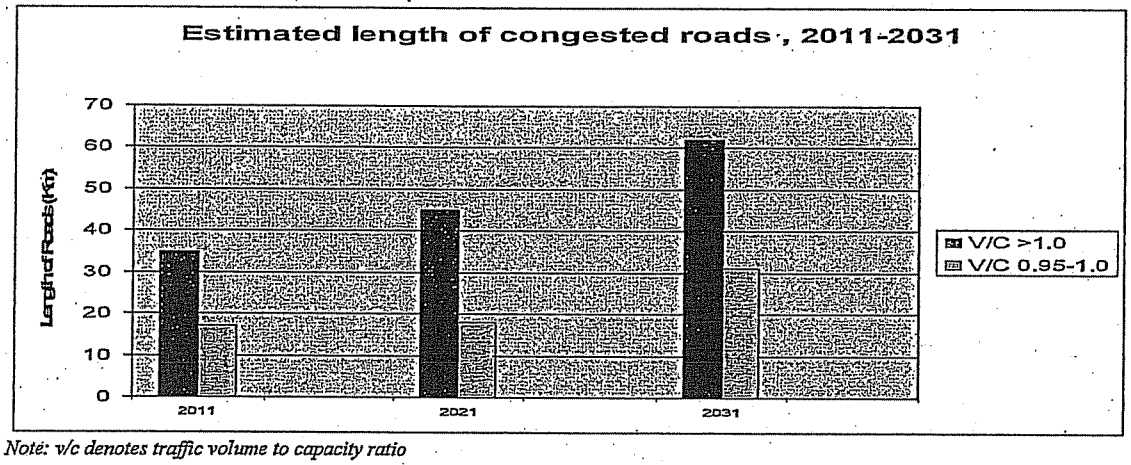
Assessments undertaken as part of the *Gungahlin External Travel Study* in 1989 indicated that without the construction of both the western (Gungahlin Drive) and eastern (Majura) peripheral parkways, the volume of traffic using local residential streets in North Canberra would double, and the amenity of residents who live in these streets would be significantly reduced. The first stage of the western peripheral parkway has been completed with the construction of Gungahlin Drive extension. The Majura Parkway would link into the

[1] ABS Census 2006 Journey to Work data

[2] The ACT's two main spatial planning documents are the *National Capital Plan* (Cwlth) and the *Territory Plan* (ACT).

Federal Highway and the Monaro Highway to complete the eastern peripheral parkway.

While the road-based system can be augmented in the short to medium term, it also needs to be supplemented with a strong public transport network to reduce our car dependence and associated economic, environmental and social impacts.[3] The following figure (derived from the 2004 *Public Transport Futures Feasibility Study*) projects the estimated length of congested roads in the ACT, with the "no change" base case representing the current 7.5 per cent share of alternative transport modes. It shows increases of around 30 per cent in the medium term and about 75 per cent in the long term.



Note: v/c denotes traffic volume to capacity ratio

Office and commercial activities within the nationally significant areas of the city and Canberra Central have been growing rapidly. Continuing to augment the parking and traffic capacity to respond to increasing travel demand will be resource intensive.

The ACT's car reliance also has negative environmental and social consequences:

- Greenhouse emissions from the transport sector represented about 23 per cent of the ACT's emissions in 2005, a significantly higher proportion than the national average of around 14 per cent.[4] The ACT's car related emission cost is estimated around $64 million per annum.[5]
- An economic assessment of constructing the Majura Parkway compared to a do nothing situation estimated travel time savings in excess of $500 million, $70 million in terms of reduced vehicle operating costs and $16 million in terms of road safety savings.
- The sustainability of the city's urban form has been impeded by past planning practices, which have encouraged car use by linking new suburbs to the existing road network, rather than planning that intensifies land use and therefore encourages walking and cycling.

[3] This approach is acknowledged in the ACT's 2004 *Sustainable Transport Plan*, the 2008 *Integrated Transport Framework*, and is consistent with *Weathering the Change – the ACT Climate Change Strategy*, available at http://www.tams.act.gov.au/move.

[4] ACT State of the Environment Report 2007-08, http://www.envcomm.act.gov.au/soe/2007actreport and *Weathering the Change* (see footnote 3 above).

[5] Source: Costing of Passenger Transport in the ACT, SKM, 2003

Option Generation

To improve the efficiency and effectiveness of the Territory's transport network, including links to regional employment centers and the broader national system, the ACT is proposing:

- the completion of its parkway system by constructing the Majura Parkway;
-
-

Solutions and Priorities

Majura Parkway
The construction of Stage Two of the Majura Parkway would link a major regional road (the Monaro Highway) to the National Highway network (Federal Highway), ease congestion in Canberra's Inner North, provide better connections for cross-regional trips, provide additional heavy vehicle capacity in anticipation of an increasing freight task, and improve the productivity of the ACT and region. Over 20 years, this project has:

- BCR in excess of 2.5
- NPV in excess of $100 million
- Travel time savings of around $550 million
- Reduced vehicle operating costs of $70 million
- Reduced road safety costs of $16 million

THE ACT GOVERNMENT PRIORITY LIST

The ACT has identified a number of projects that it considers should be included for consideration in the national infrastructure audit. These projects not only have benefits for the ACT, they also have economic benefits for the wider economy of the region.

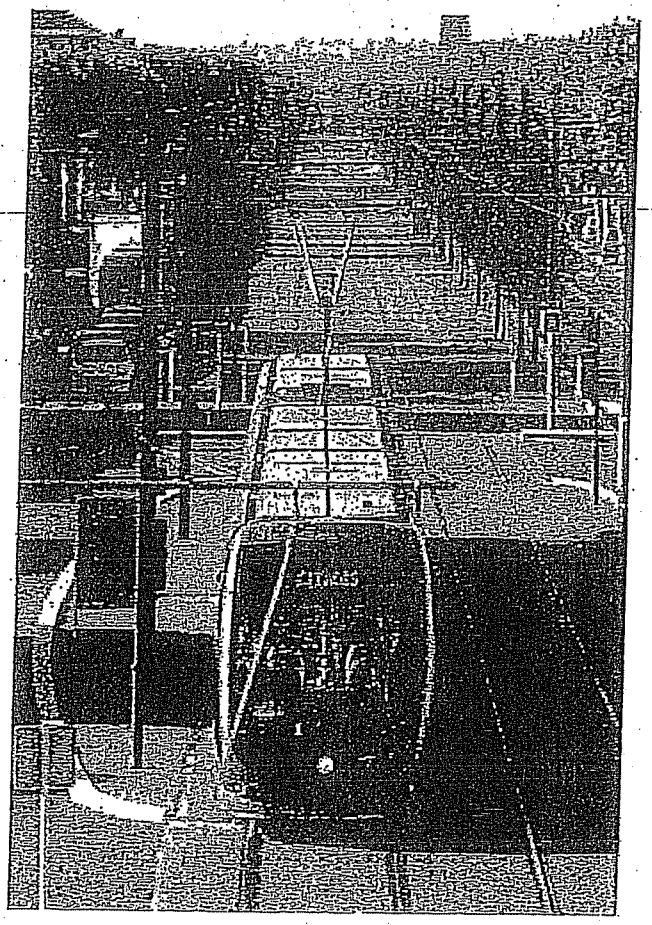
The infrastructure projects identified by the ACT relate to water security; security of energy supply to the nation's capital (including a backup power line to the ACT); transport infrastructure (link the nation highway system, the constructions of a light rail system for the ACT, and a request for further consideration into the investigation of a fast train link between Sydney and Melbourne); and projects that provide for mitigation and adaption to climate change (large scale solar farm and bulk transfer of water to Googong).

PROJECT	DESCRIPTION	Indicative Cost ($ million)
TRANSPORT		
Majura Parkway (Stage 2)	Construction of 10 kilometres of dual carriageway to provide a connection of the Monaro Highway (Regional Freight Network) with the Federal Highway (National Road Network) These roads play an important role for the ACT economy, the surrounding New South Wales (NSW) region and nationally, given the importance of the Monaro Highway as a well-used freight route connection to the Federal Highway. This project would also facilitate the potential development of the Canberra Airport into a 'freight-hub', allowing for the redirection of significant freight cargo into the airport, and for this to be transferred onto trucks for dispatch to various centres within the region.	$250 million BCR – 2.8 (25 yrs @ 7%)

PART 2

TRANSPORT SECTOR

PROJECT OVERVIEWS AND TEMPLATES



Majura Parkway connecting the Monaro and Federal Highways

Project Proposal

The ACT Government proposes that Infrastructure Australia consider the potential for Majura Parkway, the proposed road upgrade that connects the Federal and the Monaro Highways to be a project of national significance. These roads in the vicinity of the Canberra airport play an important role for the ACT economy, the surrounding New South Wales (NSW) region and nationally given the importance of both the Federal and the Monaro Highways as well-used freight routes and being part of the national road network.

Background

Both the National Capital and Canberra Spatial Plans identify the airport as a major employment node and describe the importance of considering the Majura Parkway as a future major road. In a regional planning context the road plan provides improved access from and to Queanbeyan and the wider NSW region via the Monaro Highway. In terms of the National road network, constructing the Majura Parkway will provide better connections with the Federal Highway. The road improvement plan has a strategic context and is very important to support the current and the future economic development of Canberra and the surrounding NSW region.

The feasibility of this project was first studied in detail February 2007 by the ACT Government and further analysis has reaffirmed the need for the major road improvement to proceed. The most recent economic assessment study of November 2007 has been carried out by an independent consultant, and has returned a positive outcome in terms of its Net Present Value (NPV) and its Cost Benefit Ratio (CBR).

The project has been recommended as one which will significantly improve traffic conditions in and around the local district, whilst at the same time provide a positive outcome to the economies of the region primarily by improvement to the capacity and access for freight traffic from and to the national road network but also in terms of eco and snow tourist based industries that have developed along the Monaro Highway.

From a national perspective there are a number of key stakeholders who will benefit from the proposed road improvement. These include:

- The Canberra Airport Group
- The ACT Government
- The Department of Defence
- RTA & Queanbeyan City Council
- Department of Infrastructure, Transport & Regional Services
- National Capital Authority

Whilst each of these stakeholders will be looking for a different outcome, there is one common thread which binds them all – linking the Federal and Monaro Highways in an efficient manner with sufficient capacity to accommodate freight traffic from the national road network to the Monaro Highway an important regional road. There is a pressing need to address the current bottleneck and improve a good level of access to Canberra airport.

There are two over-riding issues with this project:

National Opportunities

1. **Regional and National Freight Routes**
   The existing road network is being used more frequently to transport freight into the Region via the Monaro Highway and nationally on the Federal/Hume Highways.

   This use has grown significantly over the past few years, creating a traffic bottleneck locally in and around the Pialligo Avenue as trucks compete for space with private motor vehicles which are the result of residential and business growth in the area. The freight task nationally is forecast to double by 2020 and the current national transport reforms being promoted by the Standing Committee on Transport and the National Transport Commission focus on the provision of infrastructure which makes transporting freight more efficient and productive.

   The extension of Higher Mass Limited routes, and the introduction of performance based standards for commercial vehicles, are promoting efficiency and increased load carrying capacity while not neglecting the importance of asset maintenance and protection.

   Commercial traffic on the Monaro Highway and the current Majura Road represent some 16 per cent of the total traffic presently with the connection between the Monaro Highway, Majura Road and the Federal Highway. These figures confirm this is not only an important freight route within the ACT, but also for regional NSW and nationally with the connections into the Hume Highway.

2. **Airport Freight Hub**
   There is potential for the development of the Canberra Airport into a 'freight-hub', allowing for the redirection of significant freight cargo into the airport, and for this to be transferred onto trucks for dispatch to various centres within the region.

   The airport has expanded significantly since 2002 and now has more than 6,000 people working in the airport precinct. By 2020, some 15,000 people may work at the airport which will become a regional hub for both passenger and freight air traffic.

   Canberra Airport is progressing major terminal and runway redevelopment works and have invested some $270 million in supporting infrastructure to date.

Stakeholders

As well as being utilised by several groups of road users, the considered road network is of interest to several stakeholder organisations at different levels. The table below demonstrates the potential beneficiaries to any improvements occurring for this road network.

Road Users (Beneficiaries)	Organisations ((Beneficiaries)	Level
Canberra Airport Traffic (passengers)	Canberra Airport Group	Local
Canberra Airport Traffic (freight)	Canberra Airport Group	Local
Canberra Airport Traffic (employees)	Canberra Airport Group	Local
Canberra Airport Traffic (passengers)	ACT Government	Local
Canberra Airport Traffic (freight)	ACT Government	Local
Canberra Airport Traffic (employees)	ACT Government	Local
Gungahlin Commuter Traffic	ACT Government (Land Sales)	Local
Traffic related to Headquarters Joint Operational Command	Department of Defence	Local
Queanbeyan through traffic	RTA & Queanbeyan City Council	Regional
Better Connections with the Federal Highway	Department of Infrastructure Transport & Regional Services (Auslink)	Federal
Politicians, Parliament Members & Canberra Visitors	National Capital Authority	Federal

Financial Benefits

The results of the cost benefit analysis show that the road upgrade is economically feasible. This is based on the two obtained key performance indicators namely the Net Present Value (NPV) and the Benefit Cost Ratio (BCR). The considered option produces an NPV equating to ~ $358 million over the 25 years span life of the project at a 7% discount rate. The estimated BCR for this option is ~2.8 using a 7% discount rate.

Modelling was used to demonstrate the severity of the current peak traffic congestion problems and the expected further deterioration of the traffic conditions in this network. The modelling was also used to obtain key performance indicators including the number of vehicle kilometres travelled as well as number of vehicle hours travelled both for the existing road network as well as for the considered option in the years 2006, 2016 and 2031. These were used in accordance with RTA Economic Analysis Manual to estimate travel-related costs for each option, and included the costs of the following:

Travel related Costs

- Vehicle operation
- Travel time
- Accidents

Construction Costs

- Capital construction
- Contingencies
- Design
- Supervision
- Annual and cyclic maintenance

The travel benefits for the considered option were determined by subtracting the travel related costs of the improvement option from those travel related costs of the do nothing scenario i.e. the existing road network staying as it is with no future intervention.

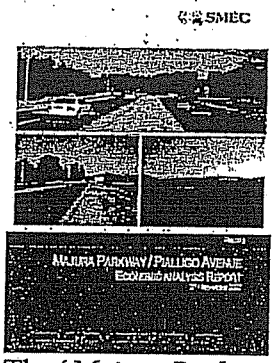
Current works underway to address the local traffic congestion conditions are being funded by the ACT and Federal Governments with the Canberra Airport making a financial contribution as well. These are necessary works in advance of the construction of the Majura Parkway.

Project Cost

The project cost estimate for Stage 2 works is $250 million and the project could be ready for construction tenders to be called by July 2010. Assuming this time frame for construction, the Majura Parkway Stage 2 has a benefit to cost ratio of 2.8 when discounted over 25 years using a 7 per cent discount rate.

Supporting Documentation

Preliminary Sketch Plan Design and Report- SMEC, July 2008



The '*Majura Parkway / Pialligo Avenue Economic Analysis Report*', SMEC Australia Pty Limited (21 November 2007).

Summary of Initiative Appraisal - Key Results and Assumptions

Part A - Overview

Title of Initiative – Majura Parkway Stage 2

Stakeholders: ACT Government, Federal Government, NSW Government, Canberra International Airport

Contact

Mr Tony Gill
Director, Roads ACT
ACT Government
Phone 02 6207 6588

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MacArthur House
12 Wattle Street,
Lyneham ACT 2602

Summary of Submission

The Majura Parkway will connect the Monaro Highway, an important regional road in the ACT and NSW, with the Federal Highway which is part of the National Road Network.

The Monaro Highway is an important 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 as well as providing improved access to Canberra International airport, the Fyshwick and Hume Industrial Estates in the ACT and regional areas of NSW. Given the forecasted doubling of the freight task by 2020, this upgraded freight route will add significantly to the economic development of the Canberra Region and provide improved connections with the Federal, the Barton and Hume Highways which are part of the National Road network

The scope of the project involves the construction of ~10 kilometres of dual carriageway road about 500 m to the west of the existing Majura Road including grade separated interchanges with the Federal Highway, Fairbairn Avenue and with the Monaro Highway.

Stage 1 of the Majura Parkway is currently under detailed planning and design and will be funded through a shared funding arrangement in 2009-10 by the ACT and Federal Governments with a project cost of some $50 million. Stage 1 works extends the Monaro Highway north of Fairbairn Avenue connecting it back into the existing Majura Road.

The planning and preliminary design for Stage 2 is also currently underway and extends the Stage 1 works to the Federal Highway as well as duplicating the road by providing another carriageway for south bound traffic.

Construction Costs

The project cost estimate for Stage 2 works is $250.0 million and the project could be ready for construction tenders to be called by July 2010. Assuming this timeframe for construction, the Majura Parkway Stage 2 has a benefit to cost ratio of 2.8 when discounted over 25 years using a 7% discount rate.

Part B – Cost Benefit Analysis (CBA) – Monetised Benefits and Costs

B.1 Key Assumptions

Item	Assumption
Key drivers Commercial Freight and a doubling of the freight task by 2020	It is assumed that the Monaro Highway will continue to be an important national and regional heavy vehicle freight route and that by 2020 the level of freight activity will have doubled in comparison to the current requirements.
Expanded HML declared network across Australia	The declaration of routes for Higher Mass Limited vehicles and performance based vehicles will be well established and heavy vehicles routes will form part of a national network, seamless across jurisdictional boundaries and managed through a national transport regulatory framework established with the assistance of the Federal Government.
Expanded role of Canberra Airport in the region acting as a transport "hub".	The Canberra Region population will be approaching 500,000 by 2031, and that Canberra International airport will be an important regional freight /transport hub that shares more of the international and national passenger and freight demands than it currently does.
Increased importance of eco and snow tourist industries..	The snow and eco tourist industries in NSW and the ACT will continue to thrive and improved accessibility between regional and national road networks will be important in providing access for tourists and for the commercial and economic development of the Canberra region.
Base case - Do nothing with the existing road network and accept the limitations of the indirect connections between the Federal and Monaro Highways.	The base case is a "Do nothing" with the existing road network, and accept the limitations in terms of addressing the demands of heavy vehicles and the potential that Canberra International Airport affords the Canberra Region as a regional freight hub. Given current planned developments in Canberra in Gungahlin and Molonglo and in the surrounding areas in NSW, a do nothing option will result in a heavily congested and inefficient road network that does not support the needs of either local traffic or commercial traffic on the Barton or Federal Highways seeking to connect with the Monaro Highway to service the wider Canberra and NSW regions
Freight capacity limitations and no ability to respond to increasing demands	The current traffic and freight limitations are well documented in this area and while a package of works are being undertaken by the ACT/Federal Governments to provide some short to medium term relief, the construction of the Majura Parkway is key to the economic development of the region and to the ACT's response to the significantly increasing freight task.
First year of construction	2010-11
Last year of construction	2012-13
Discount rate	4%, 7% and 10%.
Appraisal period	25 years – typical for a major road infrastructure project.

Item	Assumption
Remaining life	5-10 year useful service life
Residual value	Written down value of 20-30% of its original value.
Benefit ramp up Pre construction activities Construction activities On going maintenance and management activities of built road asset	The construction of a major road works project has economic benefits throughout the region ranging from suppliers, professional services, construction labour and contracts to support and social services. Once constructed there would be activities associated with the ongoing management and maintenance of the built road asset.
Capital cost	$250.0 million (2008 costs) – based on project cost estimate included in the Majura Parkway Preliminary Design Report of July 2008.
Maintenance costs	Annual routine and cyclic maintenance requirements which approximate to 2.5% of the total project costs per annum
Operating costs	Operating costs included as part of maintenance costs and would cover the costs associated with the provision of street and traffic lighting, stormwater networks and landscaping.
Benefit components Travel time savings Vehicle operating costs Reduced road safety costs	The vast majority of the benefits relate to travel time savings to general and commercial traffic ($1.3 billion) but other benefits include vehicle operating costs ($70.0 million) and road safety benefits by way of crash reduction ($5.0 million). Transport modelling uses PARAMICS as a micro simulation tool adjusted for ACT conditions. Values for travel time, vehicle operating costs and crashes as developed by the Roads and Traffic Authority NSW.
Cost and benefit time streams	A spread sheet covering the costs and benefits streams over time is included with the report at **Attachment 1.**
Other	N/A
Related initiatives Airport Roads Stage 1/2 Majura Parkway Stage 1	The overall costs and benefits can be related to a package of road works, part of which are being progressed by the ACT Government in advance of the Majura Parkway project. These road works will only realise their full potential benefits when the Majura Parkway is completed.

TABLE 1 – CBA RESULTS

	Discount Rate (%)		
	4%	7%	10%
BCR	3.56	2.8	2.27
NPV ($m, 2008 dollars) i.e. 'Net Benefit'	$575m	$358m	$224m
NPV / $	2.3	1.43	0.9
IRR			

TABLE 2 – MONETISED BENEFITS AND COSTS ($m, 2008 dollars)

Monetised costs/benefits	Cost	
COSTS		
Capital Cost	$250 m	
Operating Cost	$17.75 m	
Etc		
	Value	Percentage
BENEFITS		
Vehicle operating costs	$70.0m	5.0%
Travel Time savings	$1,300.0 m	94.7%
Accident cost savings	$5.0m	0.3%
		100%

TABLE 3: BCR SENSITIVITY TESTING RESULTS

Test #	Variation	BCR	% Increase from '0'
0	Starting result 7%	2.80	
1	Discount rate 4%	3.56	
2	Discount rate 10%	2.27	

Part C – Non-Monetised Benefits and Costs

TABLE 4 – NON-MONETISED BENEFITS AND COSTS ($m, 2008 dollars)

Cost/Benefit	Description	Rating
Residential amenity in Northern Canberra suburbs	Adequate capacity on the main road system will reduce the level of "through" traffic using local residential streets	Highly beneficial
Improved accessibility for eco and snow tourist activities	Encouragement to pass through the ACT to visit the snow or tourist areas and the associated commercial and economic spin off/ benefits.	Moderately beneficial

Part D – Appraisal Summary Table (AST)

N/A - Optional

Part E – Information Sources

Majura Parkway / Pialligo Avenue Economic Analysis Report – November 2007

Majura Parkway – Preliminary Sketch Plan Designs and Report – July 2008

Canberra Airport Roundtable report - October 2006.

Canberra Spatial Plan – 2002

Griffin Legacy Report – 2007.

Summary of Initiative Profiling

Part A - Overview

Title of Initiative – Majura Parkway Stage 2

Summary of Initiative – Construction of 10 kilometres of dual carriageway road connecting the Monaro Highway, an important regional heavy freight route to the Federal Highway which forms part of the National road network.

Part B – Rating and Justification

Item	Expand Australia's productive capacity	Increase Australia's productivity	Diversify Australia's economic capabilities	Build on Australia's global competitive advantages	Develop our cities and/or regions	Reduce greenhouse emissions	Improve social equity, and quality of life, in our cities and our regions
Rating	Slightly beneficial	Moderately beneficial	Neutral	Neutral	Highly beneficial	Slightly beneficial	Moderately beneficial
How does the initiative meet/does not meet the strategic priority?	This initiative provides improved access for heavy freight and commercial vehicles from an important regional route – the Monaro Highway onto the Federal Highway which is part of the national road network connecting Sydney to Canberra and the South Coast of NSW.	Improving the Monaro Highway to be able to accommodate higher mass limited (HML) vehicles will contribute to a more efficient and productive freight industry in the ACT and region. This is particularly important given that the freight task is forecast to			Connecting the Monaro Highway to the Federal Highway will assist in the economic development of the Canberra Region by linking an important regional road with the national road network. Improved accessibility to Canberra International Airport	This initiative provides improved access for heavy freight and commercial vehicles from an important regional route – the Monaro Highway onto the Federal Highway which	Improving the Monaro Highway to be able to accommodate higher mass limited (HML) vehicles will contribute to a more efficient and productive freight industry in the ACT and region. This is particularly

Item	Expand Australia's productive capacity	Increase Australia's productivity	Diversify Australia's economic capabilities	Build on Australia's global competitive advantages	Develop our cities and/or regions	Reduce greenhouse emissions	Improve social equity, and quality of life, in our cities and our regions
		double by 2020.			will also result as a consequence of these works, and there will also be benefits to the region's eco and snow based tourist industries.	is part of the national road network connecting Sydney to Canberra and the South Coast of NSW	important given that the freight task is forecast to double by 2020.
Provide data and evidence of how the initiative meets/does not meet the strategic priority	The current situation is that only sections of the Monaro Highway in NSW can be declared as part of the Higher Mass Limited vehicle network, as the section of the road within the ACT does not meet the requirements. One of the major benefits of this initiative is that it enables more efficient and productive freight vehicles to use this important route and link into the national road network via the Federal and Barton highways.	The introduction of HML vehicles has resulted in a more productive freight industry by enabling higher loads to be carried in fewer vehicles. Given the freight task is forecast to double by 2020 by the NTC/ BITRE this initiative is important in this regard. Currently some 40,000 vehicles a day use the Monaro Highway in the ACT with a commercial traffic proportion in excess of 10%.			Canberra Airport will become an important regional transport hub over time for both passenger and freight requirements. Improved access from the Monaro Highway is an important consideration and cited in the Canberra Airport Master plan developed in 2008. The economic white paper which formed part of the Canberra Spatial plan prepared in 2002 and provides the strategic direction for the development of Canberra identifies that the construction of	The current situation is that only sections of the Monaro Highway in NSW can be declared as part of the Higher Mass Limited vehicle network, as the section of the road within the ACT does not meet the requirements. One of the major benefits of this initiative is that it enables more efficient and	The introduction of HML vehicles has resulted in a more productive freight industry by enabling higher loads to be carried in fewer vehicles. Given the freight task is forecast to double by 2020 by the NTC/ BITRE this initiative is important in this regard. Currently some 40,000 vehicles a day use the Monaro Highway

Item	Expand Australia's productive capacity	Increase Australia's productivity	Diversify Australia's economic capabilities	Build on Australia's global competitive advantages	Develop our cities and/or regions	Reduce greenhouse emissions	Improve social equity, and quality of life, in our cities and our regions
		This initiative will attract more commercial traffic to use the route by making it a more attractive and efficient route for freight.			the Majura Parkway is a key to the economic development of the Majura Valley and providing further opportunities in the wider Canberra region and national markets.	productive freight vehicles to use this important route and link into the national road network via the Federal and Barton highways.	in the ACT with a commercial traffic proportion in excess of 10%. This initiative will attract more commercial traffic to use the route by making it a more attractive and efficient route for freight.
Provide an outline of how the initiative is dependant on policy, regulatory, demand pricing, efficiency and/or capital investment initiatives.	The initiative would improve the efficiency and capacity for freight traffic on an important regional route and provide a link to the national road network via the Federal and Barton Highways, but is dependent on substantial capital investment to be realised. Pricing and registration of freight vehicles is being considered at a national level by SCOT and NTC, and the benefits and productivity gains being sought can only be realised with appropriate road infrastructure in place. Apart from contributing to the wider national transport reform agenda by increasing access to HML and PBS networks for the freight industry, the capital investment in necessary infrastructure will also improve accessibility to Canberra Airport which has the potential to become a regional transport hub. Canberra Airport is currently investing in major infrastructure upgrades to the terminal and runways with in excess of $270 million committed to date. Improved access to the region will also benefit the eco and snow tourist related businesses in the region that rely on the Monaro Highway for access.						
Linkages	The Majura Parkway project is linked with the Canberra Airport development, the expansion of the HML freight routes in NSW on the Monaro and Federal Highways and the continued development of the Canberra Region, which by 2031 will have a population in excess of 500,000.						

Further inputs for Initiative Selection

Part A - Overview

Title of Initiative – Majura Parkway Stage 2

Summary of Initiative – Construction of 10 kilometres of dual carriageway connecting the Monaro Highway, an important regional heavy freight route, to the Federal Highway which forms part of the national road network.

Part B – Response

Item	Response
Deliverability including; Readiness, Complexity (Delivery) Feasibility (Technical) Affordability (ownership structure, funding sources) Acceptability (public/ government/industry), Staging, Governance model	Preliminary designs have been completed and costed for the project. An environmental impact assessment has commenced and will be completed by mid 2009. This EIS covers an assessment of the environmental, social and cultural heritage and built infrastructure impacts of this major road works project. The project in general is not complex in a delivery sense, although the traffic management arrangements and impact on existing traffic at key intersections would need to be managed carefully. The road would continue as a public road managed and maintained by the ACT Government unless it was included as part of the national road network, in which case funding of maintenance would be shared with the Federal Government. Funding for other related works currently under construction as part of the Airport roads package are being shared by the ACT and Federal Governments with a contribution from the Canberra International Airport group. The ACT Government would expect the matter of a shared funding arrangement for this initiative to be raised as part of the ongoing development of the project. The Majura Parkway has been identified by the Territory and National Capital Plans for many years. While there will be some details that will need to be resolved with stakeholders such as the department of Defence and other leaseholders along the route there is a general acceptance of the need for the road as Canberra and the region grows. The project would be managed as a public works project with involvement from relevant ACT Government agencies.

Item	Response
Procurement	The form of procurement would be determined after a more detailed assessment of the project risks, the timing, the cash stream, the market capacity and likely response.
Timing	The project could be ready for calling of construction tenders by July 2010
Packaging	The project could be packaged in a number of different ways depending on procurement methodology, timing requirements and market capacity.

✓(25)

Stravens, Helen

From: Dias, Carl
Sent: Wednesday, 2 March 2011 11:15 AM
To: Dechert, Lauren
Cc: Gill, Tony; Kennedy, Floyd; Howard, Stephen
Subject: FW: IA Feedback Teleconference Action Items 11 February 2011.doc
Attachments: IA Feedback Teleconference Action Items 11 February 2011.doc

Dear All

As promised - Attached is the outstanding information sought from IA.

I do hope the information we have provided to date will eventually have a positive ending.

Regards

Carl

Carl Dias
| Manager - Major Capital Works | ROADS ACT|
TRANSPORT AND INFRASTRUCTURE DIVISION|
PH: +61 2 6205 8605 | FAX: +61 2 62076587

E:carl.dias@act.gov.au

Feedback Session on the ACT Submission for the 2011 Infrastructure Pipeline

Teleconference

Friday 11 February 2011
Macarthur House

Attendees

ACT: Tom Elliott, Kuga Kugathas, Tony Gill, Katrina Wotton, Carl Dias, Marsha Guthrie, Floyd Kennedy, Lauren Dechert, 3 Representatives SMEC (the project engineering adviser).

Infrastructure Australia (IA): Paul Roe, Rory Brennan

Purpose

On 11 February 2011, a teleconference was held with Infrastructure Australia (IA), TAMS and SMEC to allow IA to request more information about the economic analysis associated with the proposed Majura Parkway. IA's sought clarification on the following including:

- Is the assumed "Do Nothing" base case acceptable as a "Do Minimum"
- Further modelling outputs such as Vehicle Kilometres Travelled (VKT) and Vehicle Hours Travelled (VHT) are required
- Risk Register
- Report on Procurement Option Analysis
- More details of the maintenance costs is required
- More information about the residual value is required

IA also noted that the economic analysis period of 30 years should not include the construction period but did not request that the analysis be redone.

ACTION ITEMS

- **Expansion of Base case details, and further advice on a 'Do Minimum' option**

The existing Majura Road is a single carriageway road that provides a vital link between the Federal and Monaro Highways. It is currently experiencing heavy congestion, particularly in peak hours, and does not have the capacity to cater to future growth.

ATC Guidelines (National Guidelines for Transport System Management in Australia, Volume 3) state: "The Base Case is also referred to as the 'without project' case. This rarely consists of doing nothing. It usually consists of business as usual, i.e. sufficient expenditure to ensure a continuation of the existing, or minimum, level of service."

The existing Majura Road meets the case of existing, or minimum, level of service. Also, previous studies found that the cost and associated impacts of upgrading the existing Majura Road alignment meant that it was more feasible to construct the Majura Parkway along a new alignment. Based on these studies, it was felt that there were no feasible "do minimum" options other than leaving Majura Road as it currently is.

The ACT Government has recently undertaken work associated with rehabilitating failed sections of the Majura Road aimed primarily at improving safety. Any additional work aimed at meeting near term capacity demands would require road geometry and capacity improvements (i.e. additional lanes etc). The existing alignment is in close proximity to the endangered grasslands (which would trigger a separate local and Federal Environmental assessments – which may impact on the outcome of the proposal). Furthermore, the exiting alignment does not make provisions for a future high speed train as is the case with the proposed Majura Parkway alignment.

In terms of construction, any upgrade to the Majura Road would require at least six signalised intersections along its alignment to service properties along the route and an arrangement at the Pialligo end of the road (resulting in a "dog legged" arrangement) that would limit the seamless flow of north south traffic resulting in increased travel times and congestion as a result. The costs associated with these works may address short term traffic needs but would inevitably require a major upgrade to the alignment in the medium term thus limiting the benefit that could be derived from such an exercise.

- **Demand modelling options data**

The original report provided to TAMS on 25 November 2011 included the Appraisal Summary Tables required by IA. The values in these tables were only for the study area of the Majura Parkway. Table 1 has been updated with modelling outputs from the strategic transport model of Canberra and Queanbeyan that SMEC owns and maintains. It is important to note that these values were not used in the original economic analysis. All modelling outputs relevant to the economic analysis were included in the report submitted as part of the Funding Proposal submitted to IA in February 2011.

Table 1: Demand Model Outputs from Strategic Modelling Process (Not Included in Economic Analysis)

MONETISED COST BENEFIT ANALYSIS RESULTS			
Demand Model Outputs (ACT Urban Area and Queanbeyan, 2011)			
Parameter	**Base Case**	**Option**	**% Change**
Number of vehicle trips, AM Peak	109,478	109,478	0%
Average journey time (minutes), AM Peak	14.0	12.3	-12.1%
PT mode share, AM Peak	9%	9%	0%
Freight mode share, AM Peak	Not recorded	Not recorded	Not recorded
Public transport fare revenue, AM Peak	Not recorded	Not recorded	Not recorded
Number of kilometres travelled, AM Peak	1,082,210	1,083,857	0.2%
Demand Model Outputs (ACT Urban Area and Queanbeyan, 2031)			
Parameter	**Base Case**	**Option**	**% Change**
Number of vehicle trips, AM Peak	1,420,099	1,420,099	0%
Average journey time (minutes), AM Peak	17.8	16.9	-5.0%
PT mode share, AM Peak	18.3%	18.3%	0%
Freight mode share, AM Peak	Not recorded	Not recorded	Not recorded
Public transport fare revenue, AM Peak	Not recorded	Not recorded	Not recorded
Number of kilometres travelled, AM Peak	1,420,099	1,404,397	-1.1%

- Table 2 was included in the report submitted to TAMS on 25 November 2010 and has been updated to include actual model outputs (where possible) rather than just a description of those outputs.

- Table 2: Updated IA Table

Vehicle Operating Cost		
	Base Case Forecast Year (*2031*)	Option Forecast Year (*2031*)
Demand model output(s)	*VOC (the Micro-simulation model reports Vehicle Operating Cost directly. VOC is calculated twice per second based on the vehicle type and speed and is reported as a lump sum at the end of the simulation period)*	*VOC*
Valuation parameter used and source	$VOC = A + \frac{B}{V} + C \cdot V + D \cdot V^2$ *Update of RUC to 2007 (Austroads)*	$VOC = A + \frac{B}{V} + C \cdot V + D \cdot V^2$ *Update of RUC to 2007 (Austroads)*
Algorithm used to calc. values in base case and option case	*Micro-simulation model of the study area calculates VOC for every vehicle based on speed every time-step for simulation period*	*Micro-simulation model of the study area calculates VOC for every vehicle based on speed every time-step for simulation period*
$M (undiscounted)	93.357	63.075
Accident Cost		
	Base Case Forecast Year (*2031*)	Option Forecast Year (*2031*)
Demand model output(s)	*Arterial Road VKT (33,940 (AM Peak))*	*Arterial Road VKT (16,246 (AM Peak)), Freeway VKT (46,549 (AM Peak))*
Valuation parameter used and source	*$50,588/MVKT (Based on historical accident records for study area)*	*$45,800/MVKT(Arterial), $14,300/MVKT (Freeway) RTA Economic Analysis Manual (2007)*
Algorithm	$\frac{33,940}{1,000,000} \times \$50,588 \times 1,825$	$\left(\left(\frac{16,246}{1,000,000} \times \$45,800\right) + \left(\frac{46,549}{1,000,000} \times \$14,300\right)\right) \times 1,825$
$M (undiscounted)	3.133	2.572
Generated Traffic Benefit		
	Base Case Forecast Year (*2031*)	Option Forecast Year (*2031*)
Demand model output(s)	*VKT (33,940 (AM Peak))*	*VKT (62,795 (AM Peak))*
Valuation parameter used and source	*N/A*	*VOC/VKT (previously calculated), Accident Cost/VKT (previously calculated)*
Algorithm	*N/A*	The rule of "one half' was used to determine the benefit (based on vehicle operating cost and accident cost) for new trips through the study area $\left(\frac{\left(\frac{37,422 \div 1,717}{33,940} - \frac{34,561 \div 1,410}{62,795}\right)}{2} \times (62,795 - 33,940)\right) \times 1,825$
$M (undiscounted)	N/A	15.280

Environmental benefit		
	Base Case Forecast Year (*2031*)	Option Forecast Year (*2031*)
Demand model output(s)	*VKT (33,940 (AM Peak))*	*VKT (62,795 (AM Peak))*
Valuation parameter used and source	*N/A*	*$0.039/VKT* *RTA Economic Analysis Manual (2007)* (It was assumed that new trips through the study area are transferring from urban to rural areas, thereby reducing environmental cost)
Algorithm used to calc. values in base case and option case	*N/A*	$((62{,}795 - 33{,}940) \times 0.039) \times 1{,}825$
$M (undiscounted)	N/A	2.054
Carbon Cost		
	Base Case Forecast Year (*2031*)	Option Forecast Year (*2031*)
Demand model output(s)	*VKT, speeds (The algorithm for calculating fuel consumption and CO_2-e is shown below. This equation is used on every link in the model (approximately 20,000) and the total CO_2-e is then summed from the individual results. CO_2-e cannot be calculated from the aggregate VKT and average speed)*	*VKT, speeds*
Valuation parameter used and source	*2.38 tonne CO_2-e/ML Fuel (NGERS)* *$80/tonne CO_2-e*	*2.38 tonne CO_2-e/ML Fuel (NGERS)* *$80/tonne CO_2-e*
Algorithm used to calc. values in base case and option case	$\sum_{\text{Links}} \left(\left(0.863 + \frac{542.92}{V} + 0.01333 \times V + 0.0005847 \times V^2 \right) \times VKT \right) \times \frac{2.38}{1{,}000} \times 80$	
$M (undiscounted)	95.385	91.111
Residual Value		
	Base Case Forecast Year (*2042*)	Option Forecast Year (*2042*)
Demand model output(s)	*N/A*	*N/A*
Valuation parameter used and source	*N/A*	*Extrapolated benefits from economic analysis*
Algorithm used to calc. values in base case and option case	*N/A*	*NPV($, 2042)(Benefits from 2043 to 2052)*
$M (undiscounted)	N/A	704.931

- **Risk Register**

Attachment A

- **Procurement Options Analysis**

Attachment B - Ernst and Young Procurement Options Analysis

- **Costs – details assumptions underpinning the cost estimates,**

The ACT Government is in the process of undertaking an independent review of the cost estimates associated with the project. The estimate which will be undertaken on "first principles" will based on the Evans and Peck Cost Estimation Guide.

- **List of complementary work previously undertaken.**

PSP Documentation provided

- **CBA – maintenance costing.**

The economic analysis allowed a percentage of the construction cost for maintenance each year, with cyclic maintenance every five years. The total maintenance cost was assumed to be $28.076 million. More recent Whole of Life (WOL) costing of the project indicates that the expected maintenance costs are expected to be $46.298 million. This difference in cost of $18.222 million is expected to have very little impact on the overall economic performance of the project. This difference is much smaller than the increased costs in Sensitivity Test #6 which gave a BCR of 2.77.

- **Residual Value**

Typically, a road project has an economic life of about 30 years and has no residual value at the end of its life. However, a significant proportion of the cost of the Majura Parkway is the construction of bridges, which typically have a much longer economic life than ordinary road projects. Because of this longer bridge economic life, the economic life of the whole Majura Parkway project was assumed to be 40 years.

The benefits for the ten years after the economic analysis period (2043-2052) were extrapolated, summed and discounted back to 2042 dollars (at a discount rate of 7%) and applied in 2042 (as per *National Guidelines for Transport System Management in Australia, Volume 3 (ATC)).*