**Directorate: Transport Canberra and City Services**

**18/328 - Inquiry into Commonwealth and Parliamentary approvals for the proposed Stage 2 of the Australian Capital Territory light rail project - Light Rail Inquiry**

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| **Summary of Impacts** |
| Light Rail Stage 2 (LRS2) will be the second stage of the Canberra Light Rail Network. Together with Light Rail Stage 1, LRS2 will form the spine of Canberra's public transport network, providing a connected journey for customers travelling from the south to the north of the city. LRS2 will:* accelerate the pace of urban renewal in the Woden Town Centre to facilitate its role in the local economy and provide improved opportunities for people to live, work and play in the same locality;
* reduce dependency on the private car as well as release a large number of buses from the corridor for use in other parts of Canberra;
* build upon an existing major road and public transport corridor and enhance the frequency and reliability of public transport movements along the corridor to encourage more compact urban form, encourage active travel and move people to jobs more efficiently; and
* revitalise and support local businesses of Woden Town Centre and other group centres along the corridor and develop walkable transit nodes at these sites which connect communities.

Key project benefits include:* increased economic growth and diversification of employment;
* a more connected and compact city;
* improved access to employment and services;
* social inclusion benefits, with better public transport options for disadvantaged Canberrans living in the corridor;
* health benefits as people switch from driving to active and public transport; and
* reduced congestion and reduced emissions from transport due to mode shift from car to light rail.

Key project impacts include:* depending on the procurement model, there may be upfront impacts on the Territory Budget; and
* public transport travel times may increase for some trips – noting that higher frequency services and customer preference for light rail over buses will offset longer travel times in most cases.
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*Key to impacts: Red – negative, Blue – neutral and Green – positive.*

**Social**

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| **Access to services** | * The project, if approved, will provide a significant enhancement of public transport in the Territory with social, accessibility and other benefits. It will provide a connected, accessible public transport network that strengthens opportunities for social and economic participation.
* The project will provide better transport options for an ageing population, with two of the top four suburbs in the ACT with the highest proportion of older Canberrans in the LRS2 corridor.
* It will also provide better transport options for relatively disadvantaged residents in the corridor, with some of the Territory’s lowest SEIFA (index of Relative Socio-Economic Disadvantage) scores in Woden and Lyons.
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**Economic**

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| **Benefits** | * Relative to bus travel, light rail can provide a significant improvement to the mobility and access to opportunities for disadvantaged groups, including easy access to stops and vehicles for the mobility impaired, the elderly and for families, in a network that is easy to use and understand.
* Light rail tends to have lower physical barriers than other public transport options and requires fewer level changes.
* Given appropriate stop locations, light rail can also offer better quality access to community facilities and shopping opportunities, as well as improved personal safety relative to bus travel.
* Light rail comfort is high when compared to other public transportation options, and the experience of other cities is that customers have a strong preference for light rail over buses.
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| **ACT Government Budget** | * LRS2 will require subsequent budgetary consideration through a Budget Cabinet process.
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| **Productivity** | * Productivity benefits will result from improved business–business and business–workforce connectivity, as well as productivity benefits from an increase in the productive workforce along the corridor.
* The cost of road congestion in the ACT will increase from $208 million per annum in 2011 to $703 million per annum in 2031. LRS2 will encourage people to shift from cars to light rail, helping reduce these congestion costs and improve productivity.
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| **Investment** | * Over 195,000 people will work and almost 75,000 will live or study within 800 metres of the LRS2 corridor by 2036. Light rail will assist in diversification of jobs throughout the corridor by providing greater accessibility between existing and growing employment and residential centres.
* Land use change will be accelerated by the project, with faster development than under a business as usual scenario creating new investment opportunities in land development and construction. West Deakin, Curtin Group Centre and Woden Town Centre are all likely to benefit from higher levels of investment as a result of this project.
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| **Competition** | * Transport-related wider economic benefits of the project include imperfect competition benefits. Imperfect competition benefits occur where markets dependent on transport operate under less than perfect competition and firms are therefore able to charge more for their goods and services than the marginal cost of providing them. If these sectors increase output in response to lower cost of production from improved transport, the price–cost margin on this additional output is a benefit. Imperfect competition benefits are positive for this project.
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**Environmental**

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| **Environmental** | * The project will assist in achieving a modal shift to public transport in the Territory and urban densification, with environmental benefits from people switching from private (fossil fuel) cars to light rail.
* LRS2 will reduce emissions and promote sustainable urban form for the benefit of current and future generations, by inducing a modal shift from private cars to public transport.
* LSR2 will use 100 per cent renewable energy sources. ACT buses account for 3 per cent of ACT total transport sector emissions, representing approximately 7 per cent of total diesel sales in the ACT in 2016, with the remainder of transport emissions accounted for predominantly by private motor vehicles.
* Encouraging a modal shift to public transport (as well as to walking and cycling) will assist in reducing transport emissions. Allowing high levels of car use to continue will impede progress towards the Territory’s emission reduction targets.
* Detailed environmental impacts would be further defined in environmental impact assessment in future project stages.
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