



ACT
Government

Light Rail Stage 2A

Contract Summary

This Contract Summary provides information of a contractual nature on the Light Rail Stage 2A (LRS2A Project) as at the point of LRS2A Financial Close.

Part A of this summary provides background and context to the LRS2A Project and its contractual relationship with the arrangements for Canberra's existing light rail system, an overview of the procurement process and the LRS2A Project timetable.

Part B of this summary provides greater detail on the key commercial features of the LRS2A Project, including the contractual obligations of the Territory, Canberra Metro and Canberra Metro 2A. Part B also describes the broad allocation of risk between the public and private sectors and the treatment of various key LRS2A Project issues.

The ACT Government is committed to providing better services by expanding and improving the Territory's public infrastructure and, where appropriate, using private sector expertise to design, finance, build, operate and maintain infrastructure projects. To achieve this objective the ACT Government has set out in *The Partnerships Framework – Guidelines for Public Private Partnerships* (Partnerships Framework) to provide a transparent framework for the development and delivery of PPP projects. The Partnerships Framework adheres to the *National Public Private Partnerships Guidelines* and links with existing government policy on capital procurement and funding. Further information on the framework is available at <https://www.treasury.act.gov.au/infrastructure-and-commercial-advice/ppp>.

This summary should not be relied on as a complete description of the rights and obligations of the parties in respect of the LRS2A Project which are governed by the Light Rail Stage 2A Tripartite Deed and associated project documentation. The Tripartite Deed and associated project documentation is available online at <https://www.procurement.act.gov.au/registers/contracts-register>.

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This document is to be attributed as the Light Rail Stage 2A Contract Summary.

1.0 Part A: Project Overview

1.1 The Light Rail Stage 2A Project

1.1.1 Overview

On 14 December 2023 the government of the Australian Capital Territory (**Territory**) entered into the LRS2A Tripartite Deed (**Tripartite Deed**) with Canberra Metro 2A Pty Ltd and Canberra Metro Pty Limited (collectively, the **Canberra Metro Parties**) for the Light Rail Stage 2A (LRS2A) Project (the LRS2A Project), an augmentation of the existing availability based public private partnership (PPP).

Annexed to the Tripartite Deed are:

- the LRS2A Head Construction Contract, entered into with Canberra Metro 2A Pty Ltd (**Canberra Metro 2A**) for the financing, design, construction, testing and commissioning of the LRS2A Project; a 1.7km extension of the light rail network from Alinga Street to Commonwealth Park; and
- the Amended and Restated Project Agreement (**ARPA**), an amended form of the existing Project Agreement with Canberra Metro Pty Limited (**Canberra Metro**) that comes into effect when the LRS2A works are completed under the Head Construction Contract. The ARPA will govern the ongoing operation and maintenance of the expanded light rail network, as a single fully integrated system from Gungahlin to Commonwealth Park, until August 2038 (the Project).

The LRS2A Project is part of the second stage of a light rail network that will have a transformative effect on Canberra, representing the shared commitment to infrastructure delivery in Canberra by the ACT Government and the private sector. In recognition of the national significance of the LRS2A Project, delivery of the LRS2A Project is being jointly funded by the Australian Government.

The light rail system will continue to redefine the entrance to the nation's capital playing a vital role in ensuring Canberra's future as a vibrant, sustainable city whilst continuing to promote urban regeneration and providing social benefits to the local community.

For clarity, within this Contract Summary:

- **LRS2A Project** refers to the extension of the existing light rail system from Alinga Street to Commonwealth Park; and
- **Project** refers to the existing light rail system from Gungahlin to Alinga Street, or the expanded operations of the light rail system from Gungahlin to Commonwealth Park as the context requires.

1.1.2 The Consortium

Canberra Metro 2A is a consortium comprised of Aberdeen Infrastructure (equity investor), CPB Contractors (builder), John Holland (builder and equity investor) and Pacific Partnerships (equity investor). This consortium draws together people and entities with direct experience in designing, building, operating, and maintaining Canberra's light rail network and all have national and international experience in delivering transport infrastructure PPPs.

When the LRS2A works are completed, Canberra Metro and Canberra Metro Operations, who are currently operating and maintaining the existing light rail network service between Gungahlin and Alinga Street, procuring new wire-free enabled light rail vehicles (LRVs) and retrofitting the existing LRV fleet for wire-free operations, will operate and maintain the expanded light rail service from Gungahlin to Commonwealth Park.

1.1.3 The LRS2A Project

Key features

Canberra Metro 2A will finance, design, build, test and commission the LRS2A Project as an extension to the existing light rail network from Canberra's central business district at Alinga Street to Commonwealth Park.

The LRS2A Project includes the delivery of:

- 1.7km of light rail track (including sections of wire-free running and green track);
- 3 new stops at Edinburgh Avenue, City South and Commonwealth Park; and
- other enhancements to the existing light rail system necessary to incorporate the extension and provide a single fully integrated light rail network from Gungahlin to Commonwealth Park.

Key stages

The LRS2A Project comprises two key phases:

- The LRS2A Delivery Phase, during which the light rail alignment, road modifications, new stops and buildings for the extension will be designed, constructed, commissioned and completed.
- Continuation of the Stage 1 Operating Phase, during which the integrated light rail system will operate between Gungahlin and Commonwealth Park and be maintained by Canberra Metro within the existing 20-year operating term.

LRS2A Delivery Phase

The LRS2A Delivery Phase commenced on the date of contract (14 December 2023) and will continue to the LRS2A Date of Final Completion. During the LRS2A Delivery Phase, Canberra Metro 2A must design and construct the LRS2A Project in accordance with the Head Construction Contract and relevant planning requirements. Canberra Metro 2A must also

comply with all prescribed standards, including standards prepared by the Territory and Transport Canberra and City Services.

In addition to the construction of the light rail alignment and new stops, the scope of LRS2A Delivery Phase includes:

- delivery of landscaped "Green Track" along sections of London Circuit and Commonwealth Avenue;
- construction of new, and the modification, protection and relocation of existing utilities;
- provision of power supply and transmission systems, including a new traction power substation;
- design, construction and provision of signalling systems;
- provision of way-finding and customer information systems;
- delivery of upgrades to urban design and landscaping through the city centre;
- design and provision of Electronic Ticketing System equipment;
- together with the ACT Government, community engagement and stakeholder management, and
- commissioning of the LRS2A Project and its integration with the existing light rail system.

During the LRS2A Delivery Phase, Canberra Metro 2A will also be required to integrate the LRS2A Project with existing infrastructure, which will necessitate changes to the road network, particularly at intersections. These changes will generally comprise:

- modifications to existing intersection layouts;
- modifications to traffic signal phasing;
- installation/modification of traffic signals;
- streetscape improvements including footpath treatments, landscaping and public art;
- new bridges for light rail and existing road bridge modifications as necessary at Commonwealth Avenue over Parkes Way; and
- changes to property access.

Canberra Metro will continue to operate the existing light rail service between Gungahlin and Alinga Street (Light Rail Stage 1), subject to a number of planned disruptions, outlined further below.

Operating Phase

The LRS2A Operating Phase commences on the day after the LRS2A Dates of Services Completion and will continue to the Expiry Date (as defined in the existing Project Agreement). During the LRS2A Operating Phase, the ongoing operation and maintenance of LRS2A will be the responsibility of Canberra Metro as part of the combined light rail system.

Under this arrangement, Canberra Metro will maintain all aspects of the Project (including the LRS2A Project) which include:

- light rail vehicle maintenance and whole of life management;

- track and systems maintenance and whole of life management;
- depot operations and management;
- the provision of customer service;
- management of revenue protection;
- corridor maintenance;
- first line and aesthetic maintenance of the Electronic Ticketing System equipment;
- community engagement and stakeholder management activities;
- adherence to management plans and ongoing reporting requirements; and
- Handover of the System at the end of the Term.

Integrated operations are expected to commence by early 2028, with the ongoing operation to run for the remainder of the existing 20-year operating term (i.e. until August 2038). Canberra Metro will operate the light rail system 365 days a year.

Timetabling

The service configuration of the combined light rail system is described in the following tables. The overall journey time between Gungahlin and Commonwealth Park will generally take 34 minutes or less.

Table 1: First and Last Required Services – Initial Timetable

Day	Departure time from Gungahlin Place Stop		Departure time from Commonwealth Park Stop	
	First service	Last service	First service	Last service
Monday to Thursday	0600	2300	0600	2337
Friday	0600	0030 Saturday	0600	0107 Saturday
Saturday	0600	0030 Sunday	0600	0107 Sunday
Sunday	0700	2300	0730	2337

Table 2: Required Service Frequency – Initial Timetable

Day	Departure time from Gungahlin Place Stop		Departure time from Commonwealth Park Stop	
	Departure Time	Interval	Departure Time	Interval
Monday to Friday	0600 - 0700	15 minutes	0600 - 0700	15 minutes
Monday to Friday	0700 - 0730	5 minutes	0700 - 0730	15 minutes
Monday to Friday	0730 - 0930	5 minutes	0730 - 0900	5 minutes
Monday to Friday	0930 - 1530	10 minutes	0900 - 1500	10 minutes
Monday to Friday	1530 - 1630	6 minutes	1500 - 1600	6 minutes
Monday to Friday	1630 - 1800	6 minutes	1600 - 1830	6 minutes
Monday to Friday	1800 - 1830	6 minutes	1830 - 1900	6 minutes

Day	Departure time from Gungahlin Place Stop		Departure time from Commonwealth Park Stop	
	Departure Time	Interval	Departure Time	Interval
Monday to Friday	1830 - last	15 minutes	1900 - last	15 minutes
Saturday	All day	15 minutes	All day	15 minutes
Sunday	All day	15 minutes	All day	15 minutes

1.1.4 The LRS2A Project site

As generally shown in Figure 1, the route for the LRS2A Project commences from the existing light rail terminus at Alinga Street and travels south along Northbourne Avenue, counterclockwise along London Circuit and Commonwealth Avenue with the new light rail terminus at Commonwealth Park.

Figure 1: Route for Light Rail Stage 2A



Along the LRS2A Project route, the light rail system will comprise:

- Standard gauge, double track in a median alignment.
- Embedded track form with sections of green track, being light rail tracks made from landscaping including grass and other low-lying plants, along Northbourne Avenue, London Circuit and Commonwealth Avenue.

The entire section of the LRS2A Project from Alinga Street and Commonwealth Park will be delivered wire-free to support National Capital Authority requirements for a future connection through the Parliamentary Triangle.

The LRS2A Project site will also cover areas to allow works to integrate the light rail extension into Canberra existing infrastructure, changes to the surrounding road network, particularly at intersections, urban realm upgrades, installation of an additional substation, utility relocations and the construction of a new bridge over Parkes Way at Commonwealth Avenue.

1.1.5 Integration with Canberra's transport network

Once complete, the LRS2A Project will be fully integrated with the existing light rail network, extending the backbone of public transport services in the Gungahlin to Commonwealth Park corridor. In this regard:

- the main interchange locations for passenger transfers between bus and light rail will remain at Gungahlin Town Centre, Dickson and the City;
- the Project's light rail ticketing system will continue to be fully integrated into the Territory's overall public transport ticketing system; and
- the Project's passenger information system will continue to provide real-time service information supporting convenient and seamless transfers, reinforcing the Territory's commitment to active travel.

1.1.6 Planned Disruption Events

While existing light rail operations are required to continue throughout the construction of the LRS2A Project, Canberra Metro 2A will require a number of discrete planned disruption events, necessary to carry out the safe integration of the LRS2A Project with the existing light rail system. While these discrete planned disruptions will necessarily disrupt and impact the provision of ongoing light rail services, Canberra Metro 2A is required to do all things to mitigate, minimise or avoid the impact of planned disruption events on the provision of light rail services. LRS2A Planned Disruptions will include:

- modifications to the existing light rail network's high-voltage power system to accommodate the running of light services to Commonwealth Park;
- modifications to physically extend and connect light rail systems and rail tracks at Alinga Street to Commonwealth Park; and
- the carrying out of testing and commissioning activities.

During these LRS2A Planned Disruption events, light rail services between Gungahlin and Alinga Street will be replaced with bus services.

1.2 LRS2A Project objectives

As a continuation of the existing light rail network, the LRS2A Project's objectives include:

- Supporting a continued increase in the mode share of public transport to move people from car-based trips to light rail, improving access to the city and surrounds and providing an opportunity to combine light rail travel with other travel models.
- Stimulating sustainable, urban re-development along the corridor by providing new stops which will:
 - Improve public connectivity between the City and Lake Burley Griffin.
 - Benefit city business around London Circuit and New Acton by bringing commuters, customers, and clients directly to their doorstep.
 - Support ongoing place activation and other realisation activities planned or underway in key urban renewal zones including City Hill, City West and Acton Waterfront.
- Supporting the Canberra economy by increasing construction related job opportunities within the Canberra region and further indirect benefits created throughout the supply chain.
- Supporting the continued reduction of greenhouse emissions by providing additional passenger capacity and demand to replace trips by motor vehicles.

1.3 ACT Partnerships Framework

1.3.1 Background

The Project is being delivered as a PPP in accordance with the ACT Government's *Partnerships Framework*. The *Partnerships Framework* seeks to achieve better value for money by capturing the expertise and efficiencies of the private sector in designing, financing, building and maintaining infrastructure projects and providing services on a whole-of-life basis where appropriate.

The *Partnerships Framework* sets out ACT specific policy requirements, but otherwise PPP projects in the Territory are delivered with regard to the National PPP Policy and Guidelines (National PPP Guidance), which apply across all State, Territory and Commonwealth PPP projects.

Details of the National PPP Guidance and The Partnerships Framework are available at: https://www.infrastructure.gov.au/infrastructure-transport-vehicles/infrastructure-investment-project-delivery/national-guidelines-infrastructure-project-delivery#anc_ppp and <https://www.treasury.act.gov.au/infrastructure-and-commercial-advice/ppp> respectively.

1.3.2 Procurement approach

LRS2A is being delivered through an augmentation to the existing LRS1 system through a sole source process procurement process with Canberra Metro.

The ACT Government considered three key structuring questions to inform the delivery model selection, being:

- **Single or multiple operator network** – would the Territory pursue a multiple operator network either split between the existing light rail network and the project or with multiple operators providing services on the one light rail alignment;
- **The preferred Operations & Maintenance (O&M) approach** – would the Territory consider pursuing a sole source procurement with Canberra Metro for all or part of the O&M components of the Project; and
- **The preferred Design and Construction (D&C) procurement approach** – what Project components should be bundled into a larger D&C package to be procured under one contract and should the D&C procurement be pursued using a sole source or competitive tender.

Following a detailed assessment of a longlist and shortlist of potential delivery models, the ACT Government agreed to a sole source engagement with Canberra Metro for the delivery of LRS2A. This was on the basis the recommended sole source approach provides the most sound basis to manage interface risks for the D&C and O&M packages and maintains continuity of service quality and design between City to Gungahlin Light Rail (LRS1) and LRS2A under a single operator model. This in turn provides a single seat journey between Gungahlin and Commonwealth Park. Consistent with LRS1 and a typical PPP structure, private finance was also a feature in the overall transaction structure.

Further details on the delivery model analysis and options considered for the delivery of LRS2A can be found in the public version of the Light Rail Stage 2A Business Case, available at: <https://www.transport.act.gov.au/planning-for-the-future>.

1.3.3 Procurement process

Consistent with the Cabinet approved procurement approach, in December 2022 the Territory provided to Canberra Metro an augmentation brief setting out the full process, LRS2A Project information, draft contract documents to augment the Project's PPP, and requirements for preparation, negotiation and assessment of Canberra Metro's proposal for the Project.

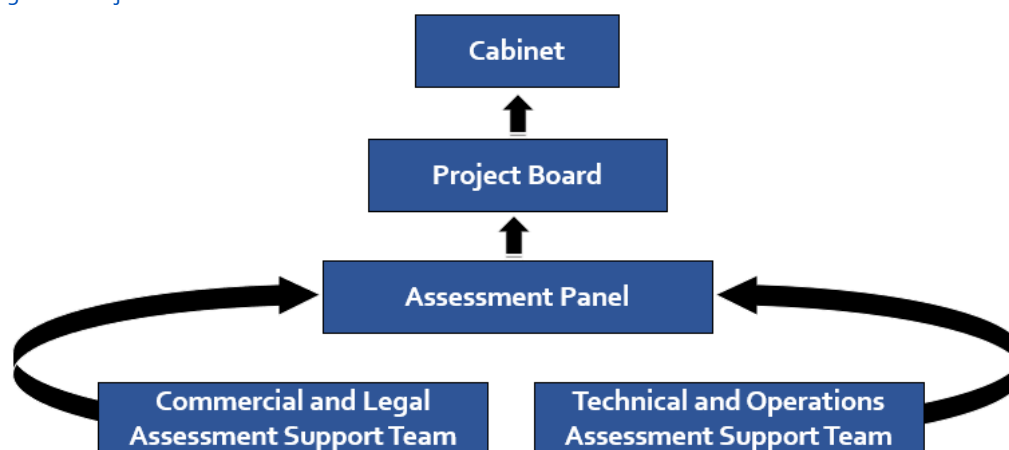
Table 3: Key procurement milestones

Date / Period	Procurement activity
22 December 2022	Release of Territory augmentation brief
January – May 2023	Submission of early returnable schedules and interactive workshops
30 June 2023	Submission of augmentation proposal

Date / Period	Procurement activity
July – September 2023	Territory evaluation of augmentation proposal and negotiations
29 September 2023	Submission of updated augmentation proposal
October – December 2023	Territory evaluation of updated augmentation proposal and negotiations
14 December 2023	LRS2A Contract Close
20 December 2023	LRS2A Financial Close

A formal project governance structure was established to oversee the procurement process including the evaluation of the augmentation proposal submissions. An outline of the governance structure is shown in Figure 2.

Figure 2: Project evaluation structure



Evaluation of the augmentation proposals was conducted in accordance with the Cabinet approved LRS2A Augmentation Assessment Process, which established the governance and assessment team structure, assessment process, assessment criteria and probity requirements. Evaluation of the augmentation proposals was conducted by an Assessment Panel, supported by the below discipline-based Support Teams:

- commercial and legal; and
- technical and operations.

The Assessment Panel was selected based on stakeholder representation (including Major Projects Canberra, Treasury, Transport Canberra and City Services) and requirements for appropriate and relevant skills and experience. The Assessment Panel and Support Teams were supported by specialist advisors as required. The key assessment criteria used in the assessment is described in Appendix D.

Evaluation of the augmentation proposal submissions included extensive clarifications and negotiations to interrogate, address and seek to resolve commercial and technical matters.

The assessment process was carried out within a robust probity framework and probity plan, and subject to independent validation by an independent probity advisor.

1.4 Key LRS2A Project milestones

As indicated in Table 4 below, the LRS2A Project is anticipated to be complete by early 2028, with a fully operational light rail network running between Gungahlin and Commonwealth Park.

Table 4: Key Project milestones

Milestone	Estimated date
LRS2A Contract Close	14 December 2023
LRS2A Financial Close	20 December 2023
Commence main construction works	Early 2025*
Construction overall completion	Early-mid 2027*
System testing, commissioning, and operational readiness activities	Throughout 2027*
Commencement of light rail services to Commonwealth Park	Early 2028*
End of operating term	August 2038

*Indicative

2.0 Part B: Commercial Features

Part B of this document outlines the contractual relationships between the parties involved in the Project, including the allocation of risk and the obligations of Canberra Metro 2A (and Canberra Metro where applicable) (collectively, the **Canberra Metro Parties**) and the Territory. A brief description of the Canberra Metro contracting arrangements is also provided. Capitalised terms used in this Part B are defined in the LRS2A Tripartite Deed, LRS2A Head Construction Contract and/or ARPA (as applicable) unless otherwise noted.

2.1 Project Documents

On 14 December 2023, the Director General, on behalf of the Territory executed the Tripartite Deed and other associated Project Documents (including LRS2A Head Construction Contract and ARPA), with Canberra Metro and Canberra Metro 2A (as applicable) to finance, design and construct the LRS2A Project, and operate and maintain the extended and integrated light rail network within the existing 20-year operating term. LRS2A Financial Close was subsequently achieved on 20 December 2023, whereby remaining contractual and financing arrangements were finalised between the Territory, the Canberra Metro Parties, its key subcontractors and debt and equity providers. The Tripartite Deed and other associated Project Documents came into full force on achieving LRS2A Financial Close.

2.1.1 Project parties

The relevant parties under the contractual arrangements are:

- **Major Projects Canberra (MPC):** MPC is the ACT Government authority that has responsibility for managing the delivery of the Project on behalf of the Territory.
- **City and Environment Directorate (CED):** CED is the ACT Government authority that has responsibility for managing the operations and maintenance of the light rail system on behalf of the Territory.
- **Canberra Metro 2A:** Canberra Metro 2A Pty Ltd in its personal capacity and as trustee for the Canberra Metro 2A Trust is the main contracting party with the Territory for the delivery of the LRS2A Project. Canberra Metro 2A has in-turn entered into a range of contractual relationships with its consortium partners to deliver elements of the LRS2A Project. Canberra Metro 2A will ultimately be responsible for project delivery and will, amongst other things, provide overarching management for the LRS2A Delivery Phase.
- **Canberra Metro:** Canberra Metro Pty Limited in its personal capacity and as trustee for the Canberra Metro Trust is the contracting party with the Territory for the existing light rail between Gungahlin and Alinga Street. Canberra Metro is responsible for existing light rail operations and maintenance, the procurement of new wire-free enabled LRVs and the retrofitting of the existing fleet. Upon completion of the LRS2A Project, Canberra Metro will be responsible for operations and maintenance of the extended and integrated light rail

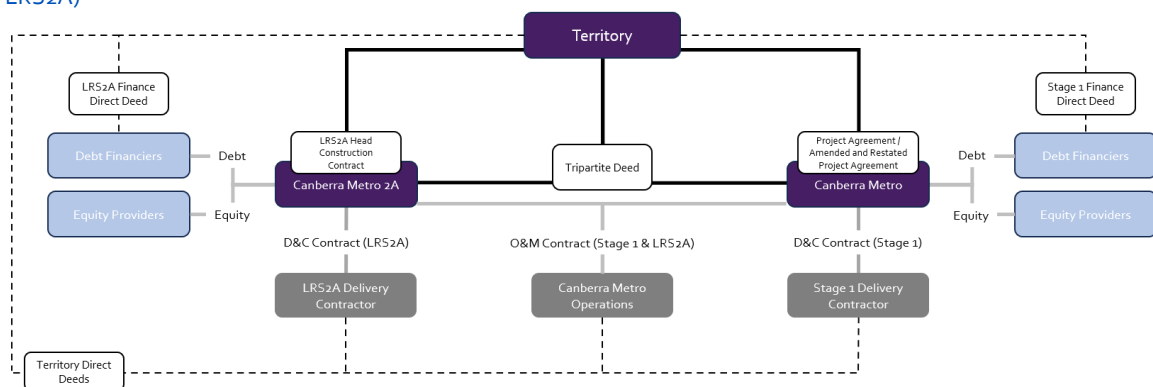
system between Gungahlin and Commonwealth Park and will, amongst other things, provide overarching management for the Operating Phase.

- **LRS2A Equity Providers:** John Holland, Pacific Partnerships and Aberdeen Infrastructure have committed to and will provide equity required by Canberra Metro 2A for the LRS2A Project.
- **LRS2A Debt Financers:** Canberra Metro 2A has arranged its LRS2A Project debt funding through the involvement of a number of financers through local and international banks.
- **LRS2A Delivery Contractor:** An unincorporated joint venture between CPB Contractors Pty Limited and John Holland Pty Ltd engaged to design, construct and commission the LRS2A Project on behalf of Canberra Metro 2A.
- **O&M Contractor:** Canberra Metro Operations Pty Ltd, an incorporated joint venture between John Holland Pty Ltd and Optima Activities (a wholly owned subsidiary of UGL and CIMIC Group Company), the existing light rail operator and who will operate the Project's extended light rail system to Commonwealth Park within the existing 20-year operating term.
- **LRS2A Independent Certifier:** The Territory, Canberra Metro and Canberra Metro 2A have jointly engaged APP Corporation Pty Limited to act as the independent certifier in respect of the LRS2A Project.

2.1.2 Project contractual relationships

The relationship between the Territory, Canberra Metro, Canberra Metro 2A and other related parties is detailed in the Tripartite Deed and other associated Project Documents (including LRS2A Head Construction Contract and ARPA). The structure and principal contracts required for delivery and operations of the Project as an extension to the existing light rail system and augmentation to the existing Project Agreement is described further in Figure 3.

Figure 3: Contractual relationships under the Tripartite Deed and other associated Project Documents (Stage 1 and LRS2A)



2.2 LRS2A Project costs

Consistent with LRS1, the project's construction costs will be financed by via private finance. Under a PPP project, the Territory is not 'out of pocket' for the Project's initial construction costs during the Project's delivery phase. Notwithstanding this, jurisdictions around Australia

typically use a project's delivery phase cost as a key metric in publicly describing the size of a project. The LRS2A Delivery Phase cost is \$575.3 million (excluding Territory retained contingency and costs, which remain commercial in confidence).

Upon achieving LRS2A Services Completion, the ACT Government will extinguish the debt raised to finance LRS2A via payment of the Territory Contribution totalling \$519.1 million.

Once light rail services have commenced, the Territory will make regular monthly payments to Canberra Metro over the remaining concession through an increase to the existing LRS1 monthly payments. These payments cover Canberra Metro's operational, maintenance, life-cycle and equity financing costs associated with LRS2A.

2.3 Risk transfer

The risk allocation in the Tripartite Deed and other associated Project Documents (including LRS2A Head Construction Contract and ARPA) is consistent with the Partnerships Framework under which the ACT Government seeks to achieve the best value for money by allocating risks to the party best able to manage them. This process results in risks variously being:

- retained by the Territory;
- transferred to the private sector; and
- shared between the parties.

The principles for establishing the risk allocation for the LRS2A Project as an augmentation to the existing Project Agreement are:

- to the extent reasonably practicable and considering the allocation of risks that achieve the best value for money, maintaining the risk allocation under the existing Project Agreement;
- leveraging risk transfer benefits of having the same Canberra Metro parties being responsible for delivery of the LRS2A Project, and operations and maintenance of the combined light rail system;
- review of specific risks related to the LRS2A project site and the design and construction of the LRS2A works and assets to establish the contract risk allocation primarily set out in the LRS2A Head Construction Contract;
- review of specific risks associated with the integration and commissioning of LRS2A assets as an extension to the existing operating light rail system to establish the contract risk allocation primarily set out in the Tripartite Deed; and
- no change to the risk allocation principles within the payment mechanism which establishes financial incentives for Canberra Metro to deliver the required light rail services and ensure the assets are maintained in accordance with required standards.

Appendix E provides a high-level outline of the risk allocation for the LRS2A Project. Where a risk is allocated to both the Territory and a Canberra Metro party, the parties may not share in the risk equally.

2.4 Value for money

In considering the value for money drivers and procurement considerations, the ACT Government considered that Canberra Metro's proposal for LRS2A represented value for money on the basis it:

- Delivers the construction of LRS2A through a new Canberra Metro 2A entity that is responsible for obtaining private financing and achieves the objective of ring-fencing the LRS2A construction phase risk and the ongoing Stage 1 operations in the consortium and contracting structure. Notwithstanding, Canberra Metro 2A accepts associated regimes and obligations to minimise the performance of the LRS2A works impacting LRS1 operations.
- Ensures the Canberra Metro Parties warrant the fitness for purpose of the overall system and manages risks associated with testing and commissioning and subsequent integration of LRS2A into the broader LRS1 network through utilising the knowledge and experience of the existing operator.
- Achieves the objective that upon completion of the LRS2A Delivery Phase, the risk associated with the operational performance and maintenance of the Canberra Light Rail system are borne by Canberra Metro.
- Incorporates into the procurement of LRS2A with the Canberra Metro Parties, updated consideration of the delivery status of the Raising London Circuit works and opportunities for additional program mitigation.
- Fully incorporates the Green Track Prototype commenced with Canberra Metro as an early works package, realising the benefits of any lessons learnt, design refinements, construction improvements/efficiencies, and opportunities to de-risk the LRS2A works and approvals, into the design and delivery of the LRS2A Project.
- Captures the full benefits of engaging the consortium with direct knowledge and experience in delivery and operations of the existing light rail network between Gungahlin and Alinga.
- Provides a high degree of assurance by utilising an established accreditation strategy for the design, construction, testing and commissioning, and operations in accordance with Rail Safety National Law.
- Avoids additional complexity and costs associated with the procurement, commercial and financial complexity, including avoiding the need to terminate LRS1 and retender the operations and maintenance concession that would involve complex termination negotiations, termination premium, time delays, interface and asset performance risks.
- Provides a consistent banking group across both LRS1 and LRS2A, which aligns the interests of financiers across the light rail system from Gungahlin to Commonwealth Park which is to be operated as a single integrated network, whilst also realising a refinancing gain.

2.5 General obligations of Canberra Metro entities

As discussed above, the Territory has contracted Canberra Metro 2A to finance, design, and construct the LRS2A Project, and Canberra Metro to provide related operations and maintenance of the extended light rail system within the existing 20-year operating term. The

Tripartite Deed and other associated Project Documents (including LRS2A Head Construction Contract and ARPA) detail Canberra Metro and Canberra Metro 2A's minimum obligations, which include:

LRS2A Delivery Phase obligations (Canberra Metro 2A)

- Coordinate and manage the design and construction of the LRS2A Project in accordance with the Tripartite Deed and LRS2A Head Construction Contract, and design requirements so that the assets when constructed will be fit for their intended purpose and will comply with all relevant standards.
- Ensure that the LRS2A Assets are fully integrated with the existing light rail system to provide a single integrated light rail system from Gungahlin to Commonwealth Park.
- Take all reasonable steps to avoid, minimise or mitigate any impacts of the LRS2A delivery activities to the existing light rail operations.
- Ensure the safety of people and property in the vicinity of the LRS2A Project and minimise obstruction, interference and nuisance during the course of delivery.
- Liaise with all relevant government agencies and utility providers to coordinate its activities and ensure the provision and integration of all utility and external infrastructure in the vicinity of the LRS2A Project.
- Satisfy the requirements of and comply with all key planning approvals, including all conditions and requirements of such key planning approvals in accordance with the LRS2A Head Construction Contract.
- Comply with all environmental requirements, the delivery phase program and the delivery phase licences.
- Procurement of necessary debt and equity to fund the delivery of the LRS2A Project.
- Take out a range of insurances and ensure that all insurance proceeds received under the contract works policy, the industrial special risks policy and the marine transit policy are deposited into the Insurance Proceeds Account.
- Obtaining and maintaining the necessary Approvals, including undertaking commissioning of the LRS2A Project in accordance with the requirements of the National Rail Safety Law.
- Undertake the balance of the works required to achieve final completion including rectifying defects.

Operating Phase obligations (Canberra Metro)

- Perform the operations and maintenance requirements in accordance with the operating and maintenance requirements in the Tripartite Deed and ARPA throughout the existing 20-year operating term, including of the Project's extension to Commonwealth Park.
- Carry out asset management activities (including scheduled refurbishments) so the system meets the fitness for purpose requirements in the Tripartite Deed and ARPA.
- Undertake all necessary tasks to ensure that the Project assets are handed back to the Territory on expiry of the existing operating term in accordance with the requirements set out in the Tripartite Deed and ARPA.

The full scope of Canberra Metro and Canberra Metro 2A's obligations are contained within the Tripartite Deed and other associated Project Documents (including LRS2A Head Construction Contract and ARPA).

2.6 General obligations of the Territory

Under the Tripartite Deed and other associated Project Documents (including LRS2A Head Construction Contract and ARPA), the Territory has retained certain obligations. Some of the Territory's key obligations include:

- Acquire the key planning approvals required for the LRS2A Project works.
- Procure the grant of licences to allow Canberra Metro 2A to access Territory and other land required for the construction of the LRS2A Project works.
- Procure the relocation of the Dream Lens for the Future sculpture located in the median of Northbourne Avenue in advance of Canberra Metro 2A's construction activities.
- Ensure that confirmed road occupations and planned disruptions are made available to Canberra Metro 2A.
- Make payments to Canberra Metro 2A in accordance with payment provisions set out in the relevant project agreements.
- Procure the grant of licences to allow Canberra Metro to use and occupy land required to carry out the Project's operations and maintenance activities.
- Make services payments to Canberra Metro during the Operating Phase (subject to abatement that may apply if the services or assets are not delivered to or in accordance with required standards).
- Take handback of the light rail asset at the expiry of the existing operating term.

The full scope of the Territory's obligations is contained within the Tripartite Deed and other associated Project Documents (including LRS2A Head Construction Contract and ARPA).

2.7 Payments, payment mechanisms and abatement regime

2.7.1 LRS2A Territory Contribution and other Territory payments

The Territory will make a one-off LRS2A Territory Contribution payment to Canberra Metro 2A once LRS2A Services Completion has been achieved in accordance with the LRS2A Head Construction Contract. The LRS2A Territory Contribution is sized to pay down the full amount of LRS2A debt financing which at LRS2A Financial Close is \$519.1 million. The Territory will also be required to pay other costs during the LRS2A Delivery Phase, including:

- Any substantiated Claims and Modifications in LRS2A Head Construction Contract.
- LRS2A Independent Certifier costs, subject to a cost attribution arrangement with Canberra Metro 2A.
- Payment of applicable and substantiated costs and cost adjustments under delivery phase cost-risk sharing regimes (including delivery escalation adjustments, fees for the Utilities Technical Regulator and certain Utility provider non-contestable utilities works). Certain

cost adjustments regimes (e.g., delivery escalation adjustments and Utility provider non-contestable utilities works) may also entitle the Territory to recover costs from Canberra Metro 2A.

2.7.2 Payment mechanisms and abatement regime

During the Operating Phase, the Territory will make monthly service payments to Canberra Metro (in arrears) in accordance with the payment mechanism set out in the ARPA.

As for Stage 1 of the light rail system, this payment mechanism has been structured to establish financial incentives for Canberra Metro to deliver the required services and ensure the assets are in accordance with required standards.

As part of the payment mechanism, an abatement regime applies for Canberra Metro's sub-standard performance in the provision of the services. The intention of this regime is to ensure that payments to Canberra Metro reflect its performance in providing the required number of light rail services each day, and that services arrive and depart at times consistent with the agreed timetable.

Abatements may also be made in relation to Canberra Metro's performance in relation to Key Performance Indicators (KPIs) including those which measure the quality of the assets, corridor condition, customer satisfaction and Asset availability during the Term.

A summary of the abatements for which there will be a reduction in the monthly service payment made are:

- **Availability adjustment** – a reduction in availability of the service during the previous month.
- **On time running adjustment** – early or late running of the service during the previous month.
- **Service quality deduction** – a reduction in quality of service provided during the previous month – the KPIs for service quality fall into the following categories:
 - Customer service and communications.
 - Customer comfort.
 - Asset condition and cleanliness.
 - Systems availability (e.g., availability of passenger information displays, public announcements systems, emergency help points and CCTV).
 - Minimising fare evasion.

2.7.3 Changes in costs incurred by Canberra Metro

The Territory may propose a Modification to the Project, including the ability to add or remove works or the activities that Canberra Metro and Canberra Metro 2A are required to perform. Under the Modifications regime, the relevant Canberra Metro party is required to provide an estimate of the impacts of any Modifications proposed by the Territory, in a manner that

complies with the requirements of the Tripartite Deed (including the LRS2A Head Construction Contract or ARPA, as applicable).

Subject to the Territory agreeing to proceed with the Modification, the Territory is able to elect how it will pay for the Modification which could include as a lump sum, milestone payments, or for the Modification to be financed by the relevant Canberra Metro party (in which case there will be an adjustment to the payment mechanism to consider the financed Modification costs). If a Modification also increases or decreases the activities that Canberra are required to perform during the Operating Phase, there may also be adjustment to the payment mechanism.

To provide greater transparency and certainty regarding the cost of Modifications, the Tripartite Deed and ARPA specify how entitlements to costs are to be accounted for, including how pre-agreed margins are to be applied.

A Minor Modification regime has also been established that will enable the Territory to request Canberra Metro or Canberra Metro 2A to perform additional minor works without the need to commence the full Modification regime process.

Canberra Metro or Canberra Metro 2A may also propose that the Territory direct a Modification. The Territory may consider the request and either approve or reject the proposed Modification. Canberra Metro or Canberra Metro 2A (as applicable) will be responsible for bearing all costs and all additional risks associated with implementing their proposed Modification. If a Canberra Metro or Canberra Metro 2A proposed Modification results in a cost savings, the Territory is entitled a share of the associated cost savings.

Additionally, under the relevant project agreements and subject to certain conditions, Canberra Metro or Canberra Metro 2A (as applicable), may be entitled to performance relief and to payment by the Territory if it incurs additional costs and expenses as a result of the following events:

- A breach by the Territory of the Tripartite Deed or other LRS2A Project Documents which the Territory is a party to.
- During the LRS2A Delivery Phase, any act or omission of the Territory or relevant Territory-related parties in connection with the LRS2A Project other than any act or omission which is authorised or permitted under the LRS2A Head Construction Contract.
- During the LRS2A Delivery Phase, a utility provider fails to approve or certify a fully compliant design within a specified timeframe or fails to carry out non-contestable utility works within specified timeframes, provided that Canberra Metro 2A has taken steps to prevent or mitigate the failure.
- During the LRS2A Delivery Phase, a delay in the obtaining of specific planning approvals and in relation to any unexpected requirements imposed by those subsequent approvals.
- During the LRS2A Delivery Phase, an overseas pandemic results in delay in the supply of specified key plant, equipment and materials.

- Suspension of any works or the delivery of the Services, required by law or the Territory because of a native title claim or the discovery of artefacts that is not caused by an act or omission of Canberra Metro or Canberra Metro 2A.
- Industrial action which directly affects the project and which occurs on the project site, which Canberra Metro or Canberra Metro 2A can demonstrate is a direct result of an act or omission of the Territory or a Territory-related party, other than any act or omission which is authorised or permitted under the Tripartite Deed or other LRS2A Project Documents which the Territory is a party.

2.8 Proximate Territory Works

The Territory may, at any time during the construction of the LRS2A and the existing operating term, construct, operate, maintain or repair any road or other means of vehicle, public transport, pedestrian or bicycle access under, on, above or adjacent to the project land. This can include providing signalling infrastructure or any other infrastructure or other improvements, connecting any track, road or other means of vehicle, public transport, pedestrian or bicycle access to the light rail system or implementing a future stage of the light rail network. Where the Territory exercises these rights, it must compensate Canberra Metro or Canberra Metro 2A (as applicable) for the following circumstances where they are caused by the Territory undertaking such Proximate Territory Works:

- Costs arising from any damage caused to the system.
- Incremental costs arising from any unreasonable disruption and delay to the LRS2A Delivery Activities or O&M Activities.

2.9 Default, Termination and Step-In Regimes

2.9.1 Default

A default by Canberra Metro or Canberra Metro 2A (as applicable) under the ARPA or LRS2A Head Construction Contract respectively will entitle the Territory to various remedies. Where a default has occurred, the Territory will in most circumstances be required to give the relevant Canberra Metro party an opportunity to remedy the default. If the default is not remedied within the required cure period, it will escalate to a Major Default.

Both the LRS2A Head Construction Contract and ARPA also state that a number of events are automatically classified as a Major Default.

In respect of Major Defaults, the relevant Canberra Metro party in default will be given the opportunity to agree a plan to remedy the default (if the default is capable of remedy) or agree a prevention plan to prevent the default from recurring (in circumstances where the default is not capable of remedy). Where the relevant Canberra Metro party fails to remedy the Major Default within the required period or fails to comply with an agreed remedy or a prevention plan (as applicable), this will generally, give rise to the Territory's right to terminate the LRS2A Head Construction Contract (in the case of Canberra Metro 2A) or the ARPA (in case of Canberra

Metro). Certain events of default are so severe that they are not subject to a remedy regime and give rise to a Territory termination right immediately upon their occurrence (e.g., insolvency of a Canberra Metro party). These events are called Default Termination Events.

The Territory's right to terminate for a Default Termination Event is subject to Financier step-in rights where the Financier is able to assume either total or partial management and control of the project activities in order to remedy or overcome the effects of the Default Termination Event within a specific period of time.

2.9.2 Territory Step-In

If an event of default occurs, or an incident occurs which requires an urgent response to protect or repair the project, or the project activities are suspended following a force majeure event, the Territory is able to step-in to remedy the situation.

In stepping-in, the Territory temporarily assumes total or partial management and control of the relevant project activities. The Territory may access the site and take such steps as are necessary in the reasonable opinion of the Territory to perform any project activities as required to minimise the effect of the step-in event.

During step-in, the Territory has its costs reimbursed via a reduction in the monthly service payment. The relevant Canberra Metro party must recommence performance of its obligations under the relevant project agreement when the Territory steps out.

Step-in rights for the Territory, as specified in the LRS2A Head Construction Contract and ARPA, can be triggered when:

- On the occurrence of a Default Termination Event.
- Subject to certain contractual limitations, on the occurrence of a Major Default.
- An Emergency occurs.
- The Territory is entitled by law to act to discharge a statutory power or duty.
- During the Operating Phase, any project activities are suspended following the occurrence of an Intervening Event (e.g., flood, fire, explosion, earthquake, natural disaster, bushfire, landslide, earthquake etc.).

2.9.3 Termination and payments

The existing Project Agreement, LRS2A Head Construction Contract, or ARPA can be terminated under a range of specified scenarios. The construction of the LRS2A Project and the operation of the existing Stage 1 light rail system are "ring-fenced" during the LRS2A Delivery Phase, meaning that where a termination event occurs on one project, this does not automatically allow the Territory to terminate the other project.

Subject to the reason for the termination, the impacted Canberra Metro party may be entitled to receive a termination payment under the relevant project document. Given the interrelationship between the agreements, the Tripartite Deed provides clarity of payment

obligations under scenarios of relevant project agreements being terminated, including establishing overarching principle of no double counting.

The main triggers for termination and corresponding termination payments are summarised further below:

Termination for convenience

The Territory may terminate the LRS2A Head Construction Contract, the Project Agreement or the ARPA at any time for its convenience and for any reason, by giving 60 Business Days' notice in writing under the relevant contract with the relevant Canberra Metro party. For termination for convenience, the Territory will pay to the relevant Canberra Metro party a termination for convenience payment. This amount is generally calculated as the cost of any remaining debt, the fair market value of the equity as reasonably assessed by an independent expert and other reasonable costs incurred as a result of the termination.

Termination for Force Majeure Termination Event

Where the LRS2A Head Construction Contract, the Project Agreement or the ARPA is terminated for Force Majeure Termination Event (e.g., an earthquake, bushfire, landslide or the project is wholly or substantially damaged or destroyed upon the occurrence of an uninsurable risk) which prevents either party from carrying out all or substantially all of the project activities for a continuous period exceeding 180 days, the Territory will pay the relevant Canberra Metro party a general termination event payment. This amount is generally calculated as the cost of any remaining debt, and other reasonable costs incurred as a result of the termination, less any insurance proceeds.

Termination for Default Termination Event

Where the LRS2A Head Construction Contract is terminated for Canberra Metro 2A's default, the Territory will pay an amount (which may be determined by an independent expert) on account of the fair market value of the LRS2A Project and by reference to delivery activities undertaken up to the termination date that have not already been paid for. The Territory recovers its costs as a deduction from any payment.

Where the ARPA is terminated for Canberra Metro's default, the Territory will pay Canberra Metro the fair market value of the Project determined by an independent expert or as a result of a re-tender of the contract to the market. In either case, the Territory recovers its costs as a deduction from any payment.

Table 5: Summary of termination options

Event	Termination trigger	Termination payment (less recovery of Territory costs)
Termination for convenience	The Territory may at any time, for reasons of its own choosing, unilaterally elect to terminate any of the project agreements for convenience.	Outstanding debt as at the termination date plus the fair market value of the equity as assessed by an independent expert together with other agreed costs.
Termination for Force Majeure	The occurrence of a Force Majeure Termination Event.	Outstanding debt as at the termination date and other agreed costs.
Default Termination Event	The occurrence of a Default Termination Event that has not been remedied in accordance with the relevant project agreements.	Fair market value of the project determined by tendering (ARPA only) or by an independent expert.

The termination provisions are consistent with the specific guidelines for termination payments by government as set out in the *National PPP Guidelines* and are consistent with market precedent.

2.10 Financing

2.10.1 LRS2A financing

Canberra Metro 2A is responsible for the provision of debt and equity finance for the LRS2A Project. Its financing for the LRS2A Project comprises as follows:

- Senior debt comprises a capitalising construction system which will be paid down in its entirety by the Territory Contribution upon the achievement of LRS2A Services Completion.
- Equity provided by John Holland, Pacific Partnerships and Aberdeen Infrastructure.

The Territory and Canberra Metro 2A's financiers hold a range of security over the LRS2A Project's assets in order to secure their interest in the LRS2A Project.

In parallel with the LRS2A transaction, Canberra Metro's senior debt under the existing Project Agreement was refinanced to provide the same banking group providing senior debt to Canberra Metro 2A under LRS2A Head Construction Contract. This provided the benefit of aligning the interests of the Financers across the whole of the light rail network, and realisation of a refinancing gain.

2.10.2 Future refinancing

Canberra Metro and Canberra Metro 2A's debt may be refinanced throughout the Term. In accordance with the LRS2A Head Construction Contract, Project Agreement or ARPA, the

Territory is entitled to a specific share of future refinancing gains, however it is not exposed to any future refinancing losses which are borne by the relevant Canberra Metro Party.

2.11 Territory rights at expiry of contract

At the end of the Operating Phase, the light rail assets will revert back to the Territory at no cost. Starting from 2 years prior to the expiry of the Operating Phase, Canberra Metro and the Territory will carry out periodic joint inspections of all Maintained Assets to determine the maintenance and repair work required before handover. Canberra Metro must then undertake this work in order to achieve the asset condition required under the ARPA.

If Canberra Metro does not complete certain works before handover, the Territory may issue a notice specifying matters requiring rectification and setting out the amounts which the Territory considers it will spend to rectify those matters. This amount will be a debt due and payable by Canberra Metro to the Territory.

2.12 Current version

This document may be updated from time to time. Please check with the contact information listed at Appendix C for the current edition.

Appendix A – Glossary

Terms used in this Project Summary have the meaning given to them in the Project Agreement unless otherwise defined in this Glossary or elsewhere in this document.

Term	Meaning
ARPA	Amended and Restated Project Agreement
Canberra Metro	Canberra Metro Pty Limited
Canberra Metro 2A	Canberra Metro 2A Pty Ltd
Canberra Metro Parties	Canberra Metro 2A Pty Ltd and Canberra Metro Pty Limited
CCTV	Closed Circuit Television
D&C	Design and Construct
HCC	Head Construction Contract
KPI	Key Performance Indicator
LRS ₁	Light Rail Stage 1
LRS _{2A} Project	Light Rail Stage 2A Project
LRV	Light Rail Vehicles
MPC	Major Projects Canberra
O&M	Operations and Maintenance
PPP	Public Private Partnership
Project	Existing light rail system from Gungahlin to Alinga Street, or the expanded operations of the light rail system from Gungahlin to Commonwealth Park as the context requires
CED	City and Environment Directorate

Appendix B – Useful references

Project documentation, including the Project Agreement is available at:

www.procurement.act.gov.au/contracts.

ACT Government Treasury policy guidance and Project information is available at:

<https://www.treasury.act.gov.au/infrastructure-and-commercial-advice/ppp>.

Details of the National PPP Guidance is available at:

https://www.infrastructure.gov.au/infrastructure-transport-vehicles/infrastructure-investment-project-delivery/national-guidelines-infrastructure-project-delivery#anc_ppp.

Appendix C – Key contact details

Major Projects Canberra

Website: <https://www.act.gov.au/lightrailtowoden>

Light Rail Stage 2

GPO Box 158 Canberra ACT 2601

Appendix D – Assessment criteria

The Territory evaluated Canberra Metro’s augmentation proposals against the following assessment criteria.

Description of assessment criteria

1. Deliverability and safety

The Territory will assess the deliverability of Canberra Metro's proposed solution for the Project with respect to:

- (Safety) the extent to which Canberra Metro will deliver adherence to all applicable, relevant, and necessary requirements in relation to Work Health and Safety (WH&S) Legislation (including relevant Commonwealth Funding Conditions, if applicable) throughout the Term.
- (Delivery) how Canberra Metro intends to deliver the Works, with respect to the:
 - Potential disruption to residents, business owners and existing road and transport networks.
 - The risks of delivery in terms of time and performance.
 - The methods to assure the performance of the light rail system through design, construction, testing, commissioning and completion.
 - The impact on LRS1 operations, including the minimisation of impacts on those operations.
 - The development of the Project to operate as one system with LRS1 and future extensions including LRS2B.
 - Meeting the Sustainability Requirements of the Territory.
 - The Delivery Program and Date for Services Completion for the Project having paid cognisance to the above.
- (Accreditation) whether Canberra Metro has provided a credible and acceptable strategy with respect to managing its accreditation under Rail Safety National Law and that this would provide for the effective control and management of the Delivery Phase and Operating Phase.

2. Technical and operational solution

The Territory will assess the extent to which the proposed departures to the reference design and SPRs impact on the ability to:

- Deliver an integrated, sustainable and high-quality public transport system that will enhance the urban environment, promote sustainability and allow for future growth.
- Meet the Key Planning Approvals or obtain amendments to the Key Planning Approvals.
- Deliver efficient and high-quality operations, performance reliability across the integrated network.
- Achieve consistently high Customer service outcomes across the integrated network.
- Deliver consistently high levels of asset performance and optimised whole of life outcomes.
- Achieve a competitive journey time.
- Deliver future extensions of the network including Light Rail Stage 2B.

Description of assessment criteria

3. Commercial and legal solution

The Territory will assess the commercial solution proposed by Canberra Metro for the delivery of the Project including:

- (Commercial Proposal) the extent to which commercial and financing arrangements proposed by Canberra Metro support the Project Objectives of the Territory. In assessing this Assessment Criteria, the Territory will have regard, including but not limited, to the:
 - Financial capacity of Canberra Metro 2A, and Parent Company Guarantors, if applicable.
 - Proposed role of the equity providers over the Term.
 - Proposed Financing Plan.
 - Proposed financial support and security arrangements.
- (Downstream Arrangements) the downstream arrangements of Canberra Metro.
- (Risk Allocation) the extent to which Canberra Metro accepts the Territory's preferred risk allocation for the Project.

In assessing this Assessment Criteria, the Territory will have regard, including but not limited to:

- The proposed consortium structure including the appropriateness of the proposed commercial and legal relationships of Canberra Metro and other consortium members including Canberra Metro 2A and the Canberra Metro 2A consortium members.
 - The proposed contractual arrangements between Canberra Metro and Canberra Metro 2A or alternate structure proposed.
 - The proposed contractual arrangements between Canberra Metro and Canberra Metro 2A and their respective subcontractors.
 - Any proposed departures to the draft Territory Project Documents.
 - Any interface risk as between Canberra Metro and Canberra Metro 2A.
 - Any risk of delay in achieving Contract Close and Financial Close.
 - Compliance with the Territory's insurance requirements.
 - Compliance with applicable Territory and Commonwealth policies.
-

4. Value for money

The Territory will assess the whole-of-life, risk-adjusted cost of Canberra Metro's Augmentation Proposal, having regard to the value for money framework and considerations. This includes assessment of matters such as:

- The proposed technical solution including any value enhancements or value engineering options.
 - Impact on pricing of risk allocation and contractual arrangements particularly where they deviate from the LRS1 contract.
 - Basis of escalation.
 - Financial arrangements.
 - Comparison against the Territory's cost assessments and relevant benchmarks.
 - Any other relevant qualitative considerations.
-

Appendix E – General risk profile

Risk Category	Description	Territory	Canberra Metro parties
Land, site and planning			
Access	Risk of not acquiring agreed site and making it available to the consortium	✓	
Obtaining Key Planning Approvals	Risk of not obtaining the Key Planning Approvals	✓	
Obtaining Works Approval	Risk of not obtaining the Subsequent NCA Works Approvals	✓	
Obtaining all other planning approvals	Risk of not obtaining other planning and other building approvals		✓
Additional approvals	Risk of design changes during implementation requiring further planning approvals	✓	✓
Geotechnical and environmental issues	Risk of dealing with identified geotechnical and environmental issues		✓
Risk of contamination	Risk of dealing with known and unknown contamination	✓	✓
Environmental impacts	Risk of environmental impacts from the consortium's activities		✓
Native title	Risk of unexpected native title claims, artefacts discovery, and/or declaration of a heritage site	✓	
Accreditation			
Rail Safety Regulator	Risk of not obtaining accreditation from the Rail Safety Regulator		✓
Design, construction and commissioning			
Utilities	Risk of utility authority design approvals, existing utility asset location, utility treatment works, non-contestable works, utilities betterment	✓	✓
Design interface	Risk related to the overall management of design interfaces		✓

Risk Category	Description	Territory	Canberra Metro parties
Design interface (third parties)	Risk of design interfaces with third parties, including Territory specified technologies		✓
	Risk that the detailed design does not meet the project's requirements		✓
Design risk	The risk that the design development activities cannot be completed on time and/or to budget and the design does not allow the delivery of the Services to in accordance with the Scope and Performance Requirements.		✓
Completion and handover of Raising London Circuit Works	Risk of completion and handover of the Raising London Circuit Works	✓	
Cost escalation	Risk of cost escalation in nominated commodities	✓	✓
	Risk related to the overall management of construction interface		✓
Construction risk	The risk that construction activities cannot be completed on time and/or to budget		✓
Proximate Territory Works	Risk of Proximate Territory Works causing damage or disruption to the project	✓	
Pandemic impacts	Risk of pandemics impacting delivery and/or supply of key plant, equipment and material	✓	
Public liability	Public liability risk arising out of the project (including personal injury and property damage) and work health and safety risk		✓
Defects risk	Risk that defects are identified in Canberra Metro's works following completion of construction		✓
Equipment	Responsibility for the selection, procurement and maintenance of equipment		✓

Risk Category	Description	Territory	Canberra Metro parties
Fit for purpose (commissioning and integration)	Risk that the light rail system, and integration of the Project with the existing light rail system, is not constructed so as to be fit for purpose or does not comply with contractual obligations		✓
Commissioning and completion	Risk that the Project (as an extension) and the extended system cannot be commissioned in accordance with the agreed commissioning criteria		✓
Operations			
Fit for purpose (operating)	Risk that the light rail system is not able to deliver the Services and/or is not fit for purpose at the required levels		✓
Interface	Risk that the light rail system does not interface with third party systems and utilities		✓
Operational costs	Risk that operational costs exceed Canberra Metro's budgeted cost over the Operating Phase		✓
Lifecycle costs	Risks associated with the replacement and refurbishment of light rail facilities over the Operating Phase		✓
Safety	Safety risks of passengers, staff and road users		✓
Change in Law and Policy			
Changes in Law and Policy (General)	Risk that a change in legislation / regulations, Territory policy or quality standard, which applies generally, will impact on design or construction or provision of the Services	✓	✓
Changes in Law and Policy (Project Specific)	Risk that a change in legislation / regulations, Territory policy or quality standard, which expressly and exclusively applies to the project, will impact on the design or construction or provision of the Services	✓	
Tax risk	Risk of changes in income tax, GST or the introduction of a tax affecting companies generally		✓

Risk Category	Description	Territory	Canberra Metro parties
Finance			
Funding risk	Risk of providing funds to meet design and construction costs		✓
Foreign exchange	Risk of foreign exchange movements after Financial Close		✓
Interest rate	Risk of movements in base interest rates from Financial Close to the first refinancing point		✓
Refinancing	Risk of losses on debt financing		✓
Commercial			
Ticketing	Risk related to the implementation of any ticketing and revenue protection responsibilities	✓	✓
Patronage	Patronage risk	✓	

