THE FEDERATION LINE INC.

2 April 2003

Ms Jenny Harrison
Manager, NMA Review
Department of Communications, Information
Technology and the Arts
GPO Box 2154
CANBERRA ACT 2601

Dear Ms Harrison

I am writing to bring to the attention of the Review of the National Museum of Australia's Exhibitions and Public Programs, the proposal for a heritage tourist tramway to link the National Museum with the Australian War Memorial via Civic.

Information about the project is given in the enclosed brochure, and on our website: www.fedline.canberra.net.au

The Federation Line, which would use heritage trams which previously ran in a number of Australian cities, would provide a very appropriate means of access to the National Museum of Australia. It would link three of Canberra's major cultural institutions, the Australian War Memorial, the National Museum and ScreenSound Australia. It would have the potential to increase visitation to all three institutions. It would enable visitors to Canberra to park their cars at one of the under-utilised parking areas along the route of the proposed line, and use the trams to visit the three major institutions as well as other places of interest along the route.

The Federation Line would relieve pressure on car parking at the National Museum and the other institutions.
The National Museum and the Department of Communications, Information Technology and the Arts have participated in the development of the project. We are currently anticipating moving into further work which will bring the project to the stage of Preliminary Assessment, a key stage in the ACT Government's formal approval process. As will be seen from the brochure, two trams for the Federation Line have already been brought to Canberra, and were displayed in September 2001.

We recognise that the Federation Line does not relate directly to the terms of reference of the review. Nevertheless we believe it is important that the Review be aware of this significant proposal and its benefits to the National Museum of Australia.

Please contact me if you have any questions or would like further information.

Yours sincerely,

Dale Budd
Chairman
The Federation Line Inc.
THE FEDERATION LINE
CANBERRA'S HERITAGE TOURIST TRAMWAY

This information paper describes the proposal for the construction and operation of a heritage tourist tramway in Canberra, sets out what has happened to date and indicates the next steps to be taken to implement the proposal.

The Concept
The Federation Line is a proposal for a heritage tourist tramway linking the National Museum of Australia, ScreenSound Australia – the National Screen and Sound Archive and the Australian War Memorial with the parking, shopping and bus interchange precincts of Civic.

The Federation Line would use authentic trams which formerly ran in Australian cities.

Services
Services on the Federation Line will be aimed primarily at the tourist market, although it is envisaged provision will be made for local travel by residents, city workforce, shoppers, ANU students and staff.

Trams will run every day from early morning until evening. The interval between trams will be sufficiently short to make the service attractive to users. In the city area the interval between trams is expected to be no longer than 10 minutes. Through services between the National Museum and the War Memorial are expected to run at least every 15 minutes.

For the tourism market, a one-day unlimited ride ticket is planned to cost $11 – the same as a movie admission. Innovative ticketing would combine tram travel with access to parking areas and entry to attractions along the route. A commuter fare will allow single trip travel. This is planned to be $2.00 for adults or $1.00 for children.

The operation of a restaurant tram, as already occurs on a number of heritage tramways and the Melbourne tramway system, could be undertaken in conjunction with regular Federation Line services.

Route of the Federation Line
The preferred route of the Federation Line is shown on the accompanying map.

The precise location of the tramway on or adjacent to the streets shown will be the subject of further engineering studies. The tramway will run alongside roads wherever possible, rather than sharing road space with other vehicles. Where it does operate on roads, the line will mainly use streets on which there is a low level of traffic.

Benefits of a heritage tramway
The Federation Line will generate a range of economic and other benefits. They include:

- The role of the Federation Line in increasing awareness of Canberra as a tourist attraction, with the tramway itself both raising the city's tourism profile and providing another unique attraction.
- A new experience for tourists to Canberra, providing improved linkage to major national tourist attractions. This should increase visitor numbers, and may result in more tourists staying longer in the national capital.
- Increased demand over time for development in the vicinity of the line, as a result of improved accessibility.
- The Federation Line will put some existing attractions and businesses (for example ScreenSound Australia) 'on the map', enhancing their viability.
- Benefits to a number of businesses in the vicinity of the tram line including hotels, restaurants and retailers.
- Reinforcement of Civic as the major retail and commercial centre in Canberra. Better city linkages will enhance the functional efficiency of the city and its environs, improving Civic's competitive advantage as Canberra's CBD.
- Provision of transport to the Acton Peninsula area which may provide a saving on any alternative service provision (such as ACTION bus services) and parking infrastructure. The tramway will allow better utilisation of existing car parks.
Increased patronage on public transport (visitors will be able to take a bus from their accommodation to the tram route, rather than use their car).

Jobs created both directly and in supporting activities; direct and indirect taxation benefits resulting from that employment, during both construction and operation.

**Environmental benefits**

In addition to the economic and other benefits listed above, the Federation Line will provide a number of environmental benefits for Canberra. These include:

- Electric trams have no local emissions and use energy very cost effectively.
- The tramway will reduce car usage in Canberra, an outcome consistent with the ACT Government’s objective of reducing greenhouse gas emissions.
- Sympathetic design of the tramway’s infrastructure will mean that the tramway will be a positive addition to the streetscape.

**What’s happened so far?**

- $96,000,000 has been spent on developing the proposal, contributed by proponents and stakeholders including the ACT and Commonwealth Governments. This work has involved the preparation of studies or reports in three areas:
  1. (a) a planning study prepared by Ove Arup and Partners, in association with City Design of Christchurch, New Zealand. Two stages of further work on refinement of the route were subsequently undertaken by Ove Arup and Partners;
  2. (b) a business plan prepared by KPMG Consulting; and
  3. (c) a benefit-cost analysis prepared by MacPlan Australia.

The key findings/conclusions of these consultants are set out below:

- $200,000 has been spent by Sydney Tramway Museum on restoring a Melbourne ‘Canberra’ tram, and a Sydney ‘Bondi’ tram.
- $20,000 has been spent on a ‘live’ display at the Australian War Memorial, funded by the Memorial and the Sydney Tramway Museum.

**Planning study**

The planning study was undertaken by Ove Arup and Partners with City Design of Christchurch.

The study found that the project was feasible in terms of engineering, including a preliminary examination of design of the track at intersections.

The planning study also developed basic cost and revenue figures which were subsequently updated by KPMG Consulting when they prepared the business plan.

**Business plan**

The business plan for the Federation Line, prepared by KPMG Consulting, built on the earlier planning study undertaken by Ove Arup and Partners with City Design of Christchurch. The KPMG work involved a detailed review of the project’s capital costs and its projected income and operating costs.

The financial estimates for the project were based on extensive research and analysis of similar heritage tramway operations in other cities, in particular those of Bendigo and Christchurch. The assumptions used in the business plan were conservative, and well within the parameters experienced by other operators.

The financial projections, based on expected capital costs, revenues and expenses, show that the Federation Line is expected comfortably to attain its objective of meeting recurrent operating costs from revenues without recourse to ongoing government funding. From the second year of operation onwards an overall operating profit in excess of $500,000 per annum is anticipated.

The operating profit of the Federation Line can be sustained even if the currently forecast growth in tourism to Canberra does not occur. The result includes an allowance for depreciation on the initial capital infrastructure, meaning that the tramway will be able to cover the cost of the eventual renewal of the permanent way and other infrastructure without requiring further government funding.

A sensitivity analysis shows that the business case remains robust even if significant capital
Key figures

- Patronage: 380,000 in first full year (one in six tourist visitors to Canberra)
- Operating profit: $500,000 p.a. (20% of turnover) rising to $900,000 in 3 years
- Cost of building the line: $15 million
- Number of permanent jobs in operation: 20
- Time to build: about 2 years (6 months development activities/ approvals, 18 months design/ preparation/ construction)

Heritage trams around the world

Many cities in Australia and overseas have heritage tourist tramways and the number is growing. In some cities the heritage operation is a supplement to a modern tram or light rail system. In other cases all services are provided by heritage vehicles, as planned for the Federation Line.

Cities with heritage tram services include Barcelona, Bendigo, Brussels, Christchurch, Dallas, Melbourne, Memphis, Milan, New Orleans, Portland, Prague, San Francisco, San Jose, Seattle and Vienna. The most recent cities to introduce heritage trams are Santos, Brazil, where a 'toast-rack' tram built in 1912 runs on a 1.7 km loop in the city centre; and Tampa, Florida, where the service will tie together tourist attractions in the heart of Tampa City.

Car Parking on Acton Peninsula

Limited space on Acton Peninsula means that car parking is restricted for the many thousands of people who visit the National Museum of Australia each year. The number of visitors to the Museum has exceeded expectations, and is currently expected to be about 900,000 per year.

Proposals for commercial and residential developments adjacent to the south-eastern and south-western sides of London Circuit will significantly reduce the amount of ‘overflow’ parking available for visitors to the National Museum and ScreenSound Australia.
Some frequently asked questions

What will it cost to set up?
Who pays?

Building the line and infrastructure is estimated to cost $15 million. This is envisaged to be primarily met by one-time grant funding from the ACT and Federal Governments, which would physically own the line and lease it to an operator. Some commercial investment may be possible.

Will it need ongoing subsidy?
No. The planning study and the business plan show that once established, the line will run at a profit. These projections are consistent with the experience of other comparable heritage lines.

Won’t heritage trams be out of place in Canberra?
On the contrary! Canberra is a tram city. Walter Burley Griffin designed it that way, though the tracks were never laid. It is also the nation’s heritage showcase: the trams will add colour, complexity and vitality to the city centre.

Where will the trams come from?
Restored trams will be leased from Australia’s various tram museums and will represent all states – hence the name: the Federation Line. The fleet of trams will be changed for summer or winter conditions.

What of the environment – especially noise and visual impacts?
Well designed, the infrastructure will enhance the streetscapes. Well maintained, the trams will be quiet. Unlike roads, tram tracks can blend into the landscape, for example by laying the rails in grass. Vintage trams have enormous visual appeal and are emission-free.

What about safety and traffic issues?
Trams are very safe and run on clearly predictable routes in traffic or pedestrian areas. Traffic interfaces are manageable; much of the route is off-road reservation.

What if Canberra gets light rail? Is it compatible?
Yes. The Federation Line will be built to the same standard tramway specifications which would apply to a modern light rail line. A light rail line could use the Federation Line track in Civic as its terminal, and share maintenance facilities.

Will there be an environmental impact statement before the line is built?
The Federation Line will be subject to all necessary environmental assessments before the project proceeds.

Development of the proposal is being undertaken by an incorporated body, the Federation Line Inc. The postal address is PO Box E340, Kingston ACT 2604. Email messages may be sent through our website, www.fedline.canberra.net.au. The site is regularly updated.