

## MEDIA RELEASE

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### **Hobart's light rail was ruled out before it was ever tested**

The Tasmanian Government dropped light rail from its plans for Hobart's northern suburbs before it was ever properly tested and is now taking steps that would close the option for good, a new report from the McKell Institute has found.

The report, *Connecting Macquarie Point: The case for light rail to Hobart's future*, calls on the state and federal governments to give light rail a fair assessment before they lock in a busway to replace it.

Hobart already has a rail corridor, running from Macquarie Point through Moonah and Glenorchy to Granton. Building on it would avoid the costly land purchases and legal fights that slow new rail lines elsewhere.

In May 2026, the state and federal governments announced up to 1,000 new homes at Dowsing Point, and Glenorchy City Council has flagged 105 hectares for medium-density housing between Glenorchy and Moonah. More homes along the corridor increases the need for public transport. With existing congestion on the Tasman Bridge and Brooker Highway, and the crowds the new stadium will bring, the reasons to investigate light rail keep adding up.

Yet the Government's own business case never gave light rail a fair test. Every option that was fully modelled for costs and benefits was a bus. Light rail was never assessed as an option, falling short of Infrastructure Australia guidance that says options likely to produce different economic results should be properly modelled.

The business case was finalised in December 2025, before the Dowsing Point housing plan was announced, and it therefore does not align with the government's own future housing plans.

The report warns the Tasmanian Government is making light rail impossible through the planning process. Documents note northern line's removal from the Rail Infrastructure Act 2007 among the administrative tasks to be completed. Potential opposition to the proposed busway and renewed public debate about light rail has also been flagged as a project risk to be managed. The Macquarie Point master plan does not mention rail at all.

The proposed Northern Access Road would be built over the disused rail corridor at McVilly Drive. Once a road is built on the corridor, the rail option is gone for good.

The report calls on the Tasmanian and federal governments to protect the northern rail corridor, commission a full business case for light rail and hold off on any road that would build over the corridor until that work is complete.

## Key findings

1. Stadium costs continue to mount and are expected to escalate further.
2. The future stadium will worsen Hobart's already-congested roads.
3. The Tasmanian Planning Commission's congestion concerns are yet to be properly addressed in stadium planning.
4. Hobart's existing rail corridor is at risk of being lost.
5. There is no appetite from the Tasmanian Government to properly investigate light rail.
6. Other Australian stadiums built without public transport have failed to achieve their potential.
7. Hobart's existing rail corridor is a major advantage and gives a head start on future light rail.
8. The business case for rapid buses does not meet Infrastructure Australia's requirements.
9. New housing commitments strengthen the patronage case for rail.
10. Value capture could reduce the cost of building light rail.

## Recommendations

1. The Federal Government must commission a business case for a light rail link.
2. Immediately protect the northern rail corridor from road and administrative encroachment.
3. Integrate light rail planning into the Macquarie Point precinct master plan.
4. Commission a value capture feasibility study.
5. Release the unspent Hobart City Deal funds for light rail planning.

## Attributable to McKell Institute Victoria and Tasmania Executive Director, Rebecca Thistleton

“Light rail would fill the new stadium and unlock the housing Hobart desperately needs. The Tasmanian Government's busway plan does neither, it leaves taxpayers with a massive bill and a stadium that risks sitting half-empty.

“The community deserves is a proper business case to find the best transport outcome. You cannot say light rail does not stack up when you never did the sums.”

## About the McKell Institute

*The McKell Institute is an independent, not-for-profit research organisation advancing practical policy solutions.*

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