



2018-19 CAPITAL WORKS PROGRAM

Year-to-Date 31 March 2019

Progress Report



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Attachments

APPENDIX 1: CAPITAL WORKS EXPENDITURE BY MAJOR PROJECTS

Front cover photos

ALINGA STOP: MEDIA RIDE WITH THE MINISTER

1 Introduction

This report details the Government's 2018-19 Capital Works Program and outlines major project achievements for the quarter ending 31 March 2019. Details of agency major projects for the year are at Appendix 1. A major project is a project with a budget greater than or equal to \$10 million.

The 2018-19 Capital Works Program includes reporting against investment in Information and Communication Technology (ICT) and Plant and Equipment (P&E).

This report does not detail the financial performance of public private partnerships (PPP) that are being undertaken by the private sector as these projects are not part of the Government's 2018-19 Capital Works Program. However, this report does provide a progress update on physical delivery for each PPP project.

In 2018-19 the scheduled PPP expenditure by the private sector is \$15 million for Light Rail – Stage 1 and \$23 million for the ACT Law Courts Facilities.

2 2018-19 Capital Works Program

2.1 2018-19 Program Overview

The 2018-19 Budget continued the significant investment in capital works across the Territory.

The original budgeted Capital Works Program, as published in the 2018-19 Budget Papers, was \$746 million which was increased to \$764 million with the 2018-19 Budget Review new initiatives. Subsequent adjustments to the budget associated with the rolling over of unspent funds from 2017-18, program adjustments and variations, and program savings have increased available funding to \$794 million for 2018-19.

A reconciliation of the 2018-19 Capital Works Program is shown in **Table 1** below.

Table 1 – 2018-19 Capital Works Program Available Funding

| | \$ million |
|--|------------|
| 2018-19 Original Budget Appropriation¹ | 764 |
| Net Program adjustments, savings and rollovers | 30 |
| Total Funds Available for Expenditure 2018-19² | 794 |

1. Includes 2018-19 Budget Review new initiatives

2. Table may not add due to rounding

2.2 2018-19 Program Expenditure YTD March 2019

Actual year-to-date (YTD) expenditure as at March 2019 was \$421 million comprising:

- new works expenditure of \$55 million; and
- works-in-progress expenditure of \$366 million.

The YTD March capital expenditure accounted for 53 per cent of total funds available for capital works in 2018-19.

A breakdown of YTD expenditure by agency is provided in Table 2 below.

Table 2 – Capital Works Program Expenditure – as at March 2019

| Agency | 2018-19 Total funds available for expenditure \$'000 | YTD March 2019 expenditure \$'000 | Percentage spent YTD March 2019 |
|---|--|-----------------------------------|---------------------------------|
| Canberra Institute of Technology | 4,965 | 2,973 | 60 |
| Chief Minister, Treasury and Economic Development Directorate | 90,283 | 48,406 | 54 |
| City Renewal Authority | 21,655 | 3,471 | 16 |
| Community Services Directorate | 4,196 | 2,093 | 50 |
| Cultural Facilities Corporation | 2,203 | 486 | 22 |
| Education Directorate | 84,727 | 58,627 | 69 |
| Elections ACT | 700 | 82 | 12 |
| Environment Planning and Sustainable Development Directorate | 160,900 | 114,025 | 71 |
| Health Directorate | 146,348 | 55,918 | 38 |
| Housing ACT | 10,153 | 3,251 | 32 |
| Justice and Community Safety Directorate | 26,222 | 11,016 | 42 |
| Office of the Legislative Assembly | 1,045 | 709 | 68 |
| Transport Canberra and City Services Directorate | 240,808 | 119,983 | 50 |
| TOTAL | 794,205 | 421,040 | 53 |

2.2.1 Capital Delivery Provision

The 2018-19 Budget included a Capital Delivery Provision to improve the accuracy of the overall budget estimates. While agencies are funded to deliver each capital project according to agreed timelines, there remain risks to the delivery of each project. Reflecting these risks, but recognising that it is not possible to identify whether they will eventuate for any given project, the Government has adjusted the forecast of the aggregate Capital Works Program expenditure. The adjustment is based on past outcomes and risk analysis. This provision is included at a whole of government level and does not affect the timely delivery of any project.

The current level of expenditure against the 2018-19 Budget, adjusted for the Capital Delivery Provision, is provided in Table 3:

Table 3 – Performance against Capital Delivery Forecast March 2019

| 2018-19 Total funds available for expenditure (\$'000) | 2018-19 Capital Delivery Provision adjustment (\$'000) | 2018-19 Capital delivery forecast (\$'000) | Actual expenditure YTD against Capital delivery forecast (\$'000) | Percentage spent YTD March 2019 |
|--|--|--|---|---------------------------------|
| 794,205 | -148,000 | 646,205 | 421,040 | 65 |

2.2.2 2018-19 Better Infrastructure Fund

Capital improvements are essential works that extend the useful life or improve the service delivery capacity of existing assets and do not include expenditure for repairs and maintenance.

YTD March expenditure for the 2018-19 Better Infrastructure Fund was \$36 million, or 65 per cent of the available budget of \$55 million.

Table 4 – 2018-19 Better Infrastructure Fund Expenditure – March 2019

| Agency | 2018-19 Budget \$'000 | 2018-19 YTD March 2019 expenditure \$'000 | Percentage spent YTD March 2019 |
|--|----------------------------------|--|--|
| Canberra Institute of Technology | 2,708 | 2,069 | 76 |
| Chief Minister, Treasury and Economic Development Directorate | 7,956 | 6,075 | 76 |
| Community Services Directorate | 402 | 170 | 42 |
| Cultural Facilities Corporation | 408 | 277 | 68 |
| Education Directorate | 14,600 | 12,767 | 87 |
| Environment Planning and Sustainable Development Directorate | 765 | 211 | 28 |
| Health Directorate | 4,853 | 3,298 | 68 |
| Justice and Community Safety Directorate | 1,678 | 353 | 21 |
| Office of the Legislative Assembly | 958 | 678 | 71 |
| Transport Canberra and City Services Directorate | 20,892 | 9,794 | 47 |
| TOTAL | 55,220 | 35,691 | 65 |

Significant infrastructure improvements being delivered in 2018-19 include:

- a major investment in public school infrastructure and safety improvements;
- improvements to Canberra's CIT infrastructure;
- improvements to sporting facilities including upgrades to ovals, pavilions and pools;
- Forensic Medical Centre facilities;
- heritage and arts facility improvements;
- safety compliance upgrades to city infrastructure;
- revitalising Woden library and other town centre infrastructure;
- building upgrades and facility improvements of health and hospital infrastructure;
- road safety measures including traffic signal controls;
- footpath and cycling improvements around schools and the broader city network;
- upgrades and modifications to public transport infrastructure;
- improvements to our walking tracks, parks and nature reserves; and
- security improvements to ACT policing facilities.

2.2.3 Information and Communication Technology (ICT) and Plant and Equipment (P&E)

The 2018-19 Capital Works Program includes investment by the Government in ICT and P&E projects. Total investment in these projects for 2018-19 is valued at \$143 million. For the quarter ending 31 March 2019 a total of \$55 million had been spent or 38 per cent of available funding, refer to Table 5.

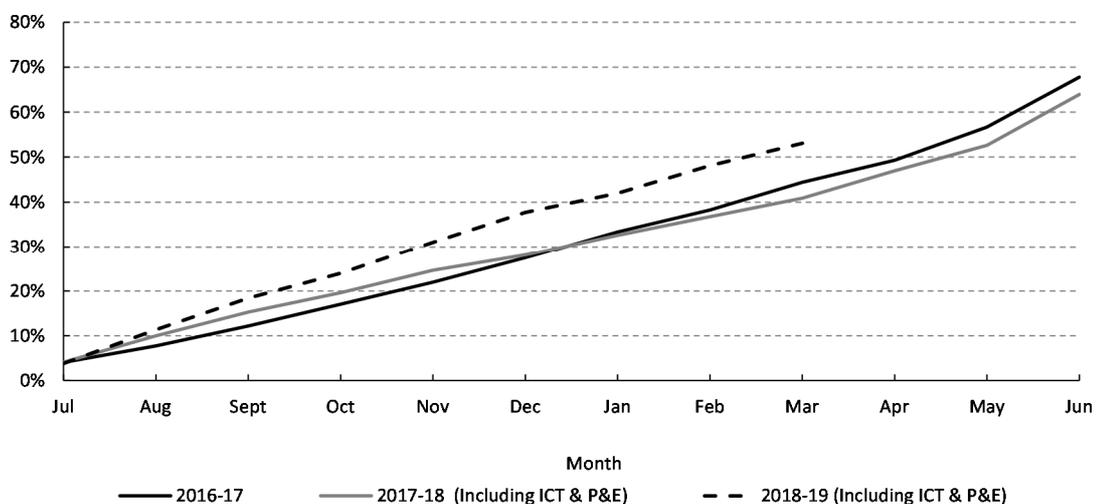
Table 5 – 2018-19 ICT and Plant and Equipment project expenditure – March 2019

| Agency | 2018-19 Funds Available for Expenditure \$'000 | 2018-19 YTD March 2019 expenditure \$'000 | Percentage spent YTD March 2019 |
|---|--|---|---------------------------------|
| Canberra Institute of Technology | 1,257 | 582 | 46 |
| Chief Minister, Treasury and Economic Development Directorate | 38,447 | 16,694 | 43 |
| Community Services Directorate | 3,794 | 1,923 | 51 |
| Education Directorate | 14,815 | 3,002 | 20 |
| Elections ACT | 700 | 82 | 12 |
| Environment Planning and Sustainable Development Directorate | 2,484 | 690 | 28 |
| Health Directorate | 15,052 | 5,844 | 39 |
| Housing ACT | 223 | 81 | 36 |
| Justice and Community Safety Directorate | 14,234 | 6,180 | 43 |
| Office of the Legislative Assembly | 87 | 31 | 36 |
| Transport Canberra and City Services Directorate | 51,617 | 19,636 | 38 |
| TOTAL | 142,711 | 54,744 | 38 |

2.3 Historical expenditure trends

Figure 1 below shows cumulative monthly expenditure as a proportion of annual total funds available for the Capital Works Program for the three years to 2018-19.

Figure 1: Cumulative percentage of program expenditure – YTD March 2019, 2017-18 and 2016-17¹



Note 1: The 2016-17 Program expenditure excludes ICT and Property and Plant projects, these were introduced into the Program in 2017-18.

2.4 Non-Financial (Milestone) Outcomes

Delivery of the Capital Works Program is also measured against non-financial indicators and reported against key milestones for all projects.

2.4.1 Pre-construction Milestones

There are a significant number of milestones to occur prior to the commencement of a contract for construction. These include the following:

- feasibility studies;
- consultation;
- design;
- sketch plans; and
- development application approval/lodgement.

Agencies that have operational responsibility for project delivery are required to set their milestone targets and report on their achievement throughout the year. The whole-of-government performance for the three months to 31 March 2019 is set out in Table 6 below.

This table excludes projects funded from the Better Infrastructure Fund which are usually minor in size.

Pre-Construction Key Performance Indicators

Table 6: March 2019: Capital Works Program Pre-construction Milestone Performance

| Pre - Construction | Total number of targets | Targets Achieved | Percentage achievement |
|---------------------------|--------------------------------|-------------------------|-------------------------------|
| Project Brief | 4 | 3 | 75 |
| Early Planning | 19 | 6 | 32 |
| Consultation | 5 | 4 | 80 |
| Functional Brief Lodged | 1 | 1 | 100 |
| Final Sketch Plan | 7 | 2 | 29 |
| Design | 10 | 4 | 40 |
| DA Lodged | 3 | 0 | 0 |
| DA Approved | 2 | 0 | 0 |
| Contract Signed | 27 | 14 | 52 |
| TOTAL | 78 | 34 | 44 |

2.4.2 Construction Milestones

Construction Key Performance Indicators

- Sixty four per cent (37 out of 58) of agency-forecast quarterly construction targets were achieved within an acceptable level of variation of 0 to 10 per cent from target in the three months to 31 March 2019.
- Ten per cent (6 out of 58) of the projects in the construction phase outperformed against the target.
- Twenty six per cent (15 out of 58) of the projects underperformed by greater than 10 per cent.

2.5 Delivery of Infrastructure for the ACT Community

2.5.1 Land Release Program

The four-year Indicative Land Release Program is an enabler of the Government's social and economic strategies for the community. These strategies seek to support the needs of a growing population, changing household demographics and an expanding economy. The Land Release Program contributes to financial and environmental objectives by seeking to:

- promote the economic and social development of the Territory;
- meet the demand for land in the Territory;
- establish an appropriate inventory of serviced land;
- facilitate the provision of affordable housing; and
- achieve satisfactory returns from the sale of unleased Territory land.

The ACT Government's Indicative Land Release Program for the 2018-19 Budget includes a sales target of 17,000 dwelling sites between 2018-19 and 2021-22.

Progress against key capital projects that support the Land Release Program as at YTD March 2019 is as follows:

- Better roads for Belconnen – Aikman Drive duplication – has reached 80 per cent completion. The Pantowora Street works are now complete with defects rectification and landscaping underway. A shared path tender evaluation has been completed.
- Better roads for Gungahlin – Horse Park Drive duplication (Mulligans Flat Road to the Federal Highway) – is now 75 per cent complete. Civil works are 85 per cent complete. Bridge and Stormwater works at the Well Station Drive intersection are underway.
- Building a better city – Gundaroo Drive duplication – Stage 2 - works in the median strip are progressing well with 85 per cent of phase 1 works complete. Phase 2 works have commenced with construction of two Bebo Arches (bridgeworks).



Gundaroo Drive Duplication – Stage 2

- Improving Our Suburbs – New Molonglo Valley infrastructure – the progress of the project is as follows:
 - Molonglo Valley – John Gorton Drive 3A – William Hovel Drive intersection – defect rectification is underway, and landscaping works are due to commence.
 - Molonglo Valley – John Gorton Drive 3B – the contract has been awarded and the possession of site granted.
 - Molonglo Valley – Watermain from Weetangera Reservoir – pipe laying is continuing (approximately 1,400 metres of 1,560 metres of water main has been laid). Work has commenced on major pit structures.



John Gorton Drive 3A Watermain pit

2.5.2 Public Housing Renewal

Total funding of more than \$600 million has now been provided for the renewal of all public housing sites included in the ACT's Asset Recycling Initiative (ARI) agreement with the Commonwealth. This has included funding in the 2018-19, 2016-17 and 2015-16 Budgets for the redevelopment and replacement of Owen Flats (Lyneham), Karuah (Dickson), Allawah Court (Braddon), Red Hill Housing Precinct (Red Hill), Bega Court (Reid), Northbourne Flats (Braddon and Turner), Currong Apartments (Braddon), Stuart Flats (Griffith), Strathgordon Court (Lyons), De Burgh Street – North and South (Lyneham) and Gowrie Court (Narrabundah). These sites have been vacated and are being sold for redevelopment.

The funding also covers Public Housing Renewal Taskforce costs and ensures the ACT Government can provide ongoing support and assistance to tenants during their relocation to improved accommodation.

Older multi-unit public housing properties are being replaced with modern homes that better meet the needs of tenants. The Public Housing Renewal Taskforce (Taskforce) remains on track to deliver the 1,288 replacement dwellings with 1064 properties transferred to Housing ACT to date. The Taskforce continues to construct and purchase the remaining replacement properties. As at 31 March 2019, 193 dwellings were under construction and 31 purchases through the expression of interest process were to be finalised.

2.5.3 Delivery of Transport Infrastructure

Significant upgrades to transport infrastructure across the Territory have been planned for delivery in 2018-19 including:

- the design, construction and duplication of major roads and intersections to provide access to residential developments and to reduce traffic congestion;
- the design and construction of new bus stations and upgrades of existing bus stops; and
- improvements to walking and cycling infrastructure to promote active travel.

Progress against key capital projects that provide public transport infrastructure as at 31 March 2019, was as follows:

- Better roads for Canberra – Stronger bridges to transport freight – has reached 20 per cent completion. The construction tender for strengthening of bridge 4004 (Tuggeranong Parkway) has closed and is being evaluated.
- Better services in your community – Faster bus travel – has reached 25 per cent completion. Construction is underway on bus layover upgrades in Watson, Cooleman Court, Well Station Drive and the Goyder Street bus stop upgrade.
- Keeping our growing city moving – Monaro Highway Upgrade – design tender has been released.
- Building a better city – Monaro Highway upgrade - tender for the design options and Preliminary Sketch Plan design has been released.

- Keeping our growing city moving – Pialligo Pedestrian Upgrades – tenders for a design consultant have been received and evaluated. The design consultant is expected to be engaged in April 2019.
- Building a better city – Canberra Brickworks – Access road and Dudley Street upgrade – the Environment Protection and Biodiversity Conservation final approval conditions were provided by the Department of Energy and the Environment and incorporated into the draft s211 exemption from an Environmental Impact Study consideration report. Works approval has been submitted to the National Capital Authority and the tender documentation is being compiled.
- Building a better city – Pialligo Avenue duplication - A design consultant has been engaged.
- Building a better city – ACTION – New bus depot Woden - the original cost estimates for the project were found inadequate in contrast to actual bids received from the market. Revised scope of works is being finalised to deliver within the available budget. Demolition of the previous structures is complete, with a post demolition CCTV report completed and a pre-handover visit carried out. Services relocation contract has been awarded.



Woden Bus Depot Site

- Keeping our growing city moving – William Slim Drive Duplication (Barton Highway to Ginninderra Drive) - community information sessions have been conducted. Internal risk workshops are currently underway.
- Light Rail – Stage 1 – (Public Private Partnership) construction progress is as follows:
 - Noting, Light Rail – Stage 1 – Procurement and delivery –the project reached commercial acceptance on 17 April 2019 and operations commenced on 18 April 2019, the following achievements were reached up to 31 March 2019:
 - Canberra Metro, the Independent Certifier and Transport Canberra and City Services - via the Transport Canberra Light Rail project team, have over 409 personnel working across all aspects of the Light Rail Stage 1 project; including safety, environmental, construction, design, audits, back office, reporting, finance and operations. Cumulatively, personnel have worked over 3,432,560 hours (as at 30 March 2019) on the project.

- Notwithstanding defects and non-conformance rectifications, the majority of civil works within the rail corridor are complete. There remain some outstanding works mainly at intersections and verges.
 - The Commissioning Management Team – led by the delivery contractors’ testing and commissioning manager (and which comprises representatives from the Territory, the Independent Certifier, Canberra Metro, and the Operations and Maintenance contractor), regularly meet in order to discuss preparation and readiness activities for future activities. Current testing and commissioning actions in March 2019 have included:
 - progression of light rail vehicle tests;
 - operational systems testing and commissioning;
 - operational exercises;
 - a continuation of driver training; and
 - testing of light rail vehicle movements between Gungahlin and Alinga Street.
 - Final landscaping, weeding and plant installation along the corridor continues.
 - TCCS and Canberra Metro continue to prioritise safety in all communications and actions across the entire project.
- Keeping our growing city moving – Light Rail Stage 2 – City to Woden early planning progress is as follows:
 - TCCS is proceeding with an *Environment Protection and Biodiversity Conservation Act 1999* referral for the Barton and State Circle East alignments; and
 - The National Capital Authority has provided advice that indicates an alignment along State Circle East would be consistent with the Inter-town Public Transport Route identified in the National Capital Plan (NCP). This alignment has ‘in-principle’ support through the provisions of the NCP, and is being carefully considered as the emerging preferred route option.

2.5.4 Enhancing Community Safety, Corrections and Justice

Progress against key capital projects that support community safety and justice services as at 31 March 2019 was as follows:

- More support for families and the vulnerable – ACT Policing - Urgent facilities upgrade is now 20 per cent complete.
- More services for our suburbs – Enhancing our bushfire preparedness is now 60 per cent complete. The installation of Territory Radio Network receivers for the Specialist Intelligence Gathering Capability is now complete and the testing of helicopter ground base communications are underway.
- ESA – Station Relocation and Upgrade – Phase 2 - due diligence is now 10 per cent complete. Due diligence and design investigation for Majura SES upgrade is continuing. Investigations into upgrade works at the Hume Training Centre are in progress.
- Better support when it matters – Upgrading ESA Communications Centre and non-emergency patient transport facilities is now 90 per cent complete.

- Progress on the ACT Law Courts Facilities (Public Private Partnership) - Construction of Stage 2 is progressing and will be completed in three parts. Firstly, a large section of the new basement custodial area will be completed and occupied around the middle of the year and then the full refurbishment of the old Supreme Court building will be finished by November 2019. The third part – reconfiguration of the current custodial area – will complete the project prior to the end of 2019.

2.5.5 Providing Education for All

Major new works and upgrades to education facilities across the Territory continued. Some of the key progress during the quarter ending 31 March 2019 was as follows:

- Better schools for our kids – Narrabundah College and Campbell Primary School - the initial stage of the project is 95 per cent complete.
- Schools for the Future – North Gungahlin is now 98 per cent complete.

2.5.6 Recreation and Parks

The key projects in this area seek to improve community recreational facilities, lifestyle opportunities and cultural facilities. They include works on sporting facilities, parks, urban spaces and cultural institutions across Canberra. Some of the key progress to March 2019 was as follows:

- More jobs for our growing city – New tracks and trails at the National Arboretum- the project has commenced. The contract executed design works and the construction works are to commence in April.
- More jobs for our growing city – Renewing Higgins Neighbourhood Oval – works have been delayed due to difficulty in sourcing sufficient good quality turf. Designs for the irrigation system, lighting and pavilion are well advanced. The project is still expected to be completed by June 2020.
- More services for our suburbs – Nicholls Neighbourhood Oval upgrades – the project has been physically completed and the site was opened by the Minister on 25 March 2019.



Nicholls oval

- More jobs for our growing city – Better facilities for GIO Stadium- the project has

experienced delays in gaining National Capital Authority approval for security works and the new design of the gate. Delays to the upgrade to player and official match rooms have been associated with the design complications.

- Better Services – Weston Creek and Stromlo swimming pool and leisure centre has reached 20 per cent completion.
- Building a better city – Improving major venues has reached 60 per cent completion.
- More and better jobs – Improving Manuka Oval facilities – Stage 2 has reached 85 per cent completion.
- More and better jobs – Expanding Belconnen Arts Centre – the project has reached 15 per cent completion. The project delivery is on schedule with Stage 2 to be completed early 2020.
- More jobs for our growing city – Better arts facilities has moved to the consultation stage.

2.5.7 Supporting Environmental and Waste Management

Works continued on a number of environmental, sustainability and waste management projects in 2018-19. Some of the key progress for the quarter ending 31 March 2019 was as follows:

- Environmental Offsets – Lawson South has reached 70 per cent completion.
- Better services in your community – Upgrade stormwater infrastructure on Flemington Road - the hydrology and hydraulic reports have been finalised and the design of the short-term capital works option (levee) is being undertaken.
- Keeping our growing city moving – Canberra Brickworks Precinct – Environmental offsets – the final Approval Condition for Environment Protection and Biodiversity Conservation has been handed down by Department of Energy and Environment. A Territory Plan Variation to establish a nature reserve overlay for the North Mitchell Grassland is progressing. Liaison with Environment Planning and Sustainable Development Directorate (EPSDD) continues in regards to handover for land management, including a contamination study and approved remediation actions.
- Caring for our Environment – Lake Tuggeranong Water Quality Improvement - Stage 2 – the project has been physically completed and minor defects are being rectified.
- Better services in your community – Jarramlee Nature Reserve – Protecting our nature reserves has reached 90 per cent completion.
- More jobs for our growing city – Micro parks - the consultant contract has been awarded and the first stage of the project has commenced.

2.5.8 Delivering Health Services

Works continued on the redevelopment and reconfiguration of Canberra's hospitals and healthcare facilities to ensure the availability and viability of quality health care. Some of the key progress to March 2019 was as follows:

- Improved Infrastructure for Acute Aged Care and Cancer Inpatients - has completed the design stage. The approval to enter into a contract with the head contractor was achieved during the quarter.

- Better Health Services – Upgrading and maintaining ACT Health assets - the program is scheduled for completion December 2019. Average program completion of projects within the program is 80 per cent. Key project achievements include the Emergency Management of Severe Burns – Building 12 Stage 1 works and the hydraulic works for building 1 which were completed in March 2019.
- Clinical Services Redevelopment – Phase 3 – has reached 99 per cent completion. The Helipad upgrade is expected to be completed by June 2019. Phase 3 works for the mental health ligature minimisation improvements is being developed and is anticipated to be completed by mid-2019.