

**NEW CAPITAL WORKS
PROGRAM**

1992 – 1993

**REPORT NO. 4 OF THE STANDING COMMITTEE ON PLANNING,
DEVELOPMENT AND INFRASTRUCTURE**

AUGUST 1992

TERMS OF REFERENCE

On 21 May 1992 the Legislative Assembly passed the following resolution :

That :

- (1) the proposed 1992-93 New Capital Works Program be referred to the Standing Committee on Planning, Development and Infrastructure for inquiry and report by the first sitting day of the Budget Sittings;
- (2) if the Assembly is not sitting when the Committee has completed its inquiry the Committee may send its report to the Speaker, or in the absence of the Speaker, to the Deputy Speaker who is authorised to give directions for its printing and circulation; and
- (3) the foregoing provisions of this resolution have effect notwithstanding anything contained in the standing orders.

COMMITTEE MEMBERSHIP

Mr David Lamont (Presiding Member)

Mr Tony De Domenico

Ms Annette Ellis

Mr Trevor Kaine

Ms Helen Szuty

Secretary : Greg McIntosh

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RECOMMENDATIONS

The Committee recommends that:

1. the Government consider a modest expansion of the draft Works Program to help alleviate the economic effects of the current recession. An increase of the order of \$15m may be fiscally responsible and given the well established multiplier effect, create additional economic activity and jobs.

Paragraph 3.5

2. the ACT Government bring all possible pressure to bear on the Commonwealth with a view to decisions being made about projects such as the refurbishment of the old Parliament House, the Museum of Australia and York Park.

Paragraph 3.7

3. in future all documentation referred to the Committee be full and complete, and that the details of public consultation undertaken and employment potential be provided for all projects. For minor new works projects full details of all work to be undertaken should be provided.

Paragraph 3.9

4. in future there be a minimum period of ten weeks between the date of referral of the draft Works Program to the Committee and the date upon which it is required to report to the Legislative Assembly.

Paragraph 3.11

5. the concept of Through Life Cost Liability be applied to the ACT Capital Works Program, beginning with the Program for 1993-94.

Paragraph 3.15

6. the Government, through the appropriate forums, give further consideration to the issue of project delivery and the capital works process.

Paragraph 3.20

7. should additional funding be made available in the Capital Works Program, part of that additional funding should be used for maintaining and enhancing the quality of the urban landscape environment in the ACT.

Paragraph 4.4

8. should additional funding be allocated to the Works Program, some of that funding should be used for further Community Centres Refurbishment.

Paragraph 4.17

9. should additional funding be allocated to the Works Program, some of that funding should be used for the upgrading of school playgrounds and asset maintenance of school buildings.

Paragraph 4.37

1. INTRODUCTION

Background

- 1.1 The Standing Committee on Planning, Development and Infrastructure was formed on 27 March 1992 to examine matters related to planning, land management, transport, economic development, commercial development, industrial and residential development, infrastructure and capital works and science and technology.
- 1.2 Continuing the practice of the first Legislative Assembly the draft 1992-93 New Capital Works Program was referred by the Treasurer on 21 May 1992 to the Planning, Development and Infrastructure Committee for inquiry and report. The Committee is of the view that the scrutiny given to the draft Program is an important part in the chain of accountability between the community, the Legislative Assembly and the Government. It is essential that the decisions of Government are able to be put under scrutiny and it is through the committee system that much of this scrutiny takes place.

The Inquiry Process

- 1.3 Following the receipt of the draft Program the Committee called for written submissions by advertising in the Canberra Times on 13 June 1992 and in the main suburban newspapers in the week following 13 June 1992.
- 1.4 Summary copies of the draft Program were made available to individuals and organisations with an interest in the proposed Works. The Committee received eleven submissions covering a range of matters related to capital works in the ACT. A list of the organisations and individuals who made submissions to the Committee is at Appendix 1.
- 1.5 The Committee had a private briefing from Treasury officials on 19 June 1992 at which the scope and nature of the New Capital Works Program for 1992-93 was explained.

- 1.6 Three half days of public hearings were held – on 30 June, 2 July and 7 July 1992 . At the first two hearings senior officials from all the Government agencies listed in the Works Program were questioned on their works proposals. At the third public hearing several non-government organisations put their views to the Committee on the proposed works. The third public hearing also allowed the Committee to question officials from the ACT Treasury. It is the Treasury which is primarily responsible for putting together the Program prior to it being considered by the Government.
- 1.7 The details of witnesses appearing before the Committee at public hearings held in June and July is at Appendix 2.

Acknowledgement

- 1.8 The Committee appreciates the cooperation and assistance provided to it by members of the public and ACT Government officials during the inquiry.

2. 1992–93 NEW CAPITAL WORKS PROGRAM – OVERVIEW

The Process

- 2.1 In October each year Treasury issues a request to all budget funded agencies for proposals to be included in the Works Program for the following year. The various bids are consolidated by Treasury and included as part of the overall capital budget submission to the Government during the development stage of the Forward Estimates.
- 2.2 According to the Treasurer four criteria were used to help decide what projects would be included on the 1992–93 draft Program. These criteria were :
- . consistency with Government policy (including election commitments and social justice agenda);
 - . sound justification coupled with a high priority;
 - . the ability of the project to be briefed, sited, designed and committed to construction during the current financial year; and
 - . whether specific Government endorsement has previously been given.¹
- 2.3 After consideration by the Government the draft Works Program was referred to the Planning Committee for inquiry and report.
- 2.4 The Program that was referred to the Committee deals only with the new capital works proposed and does not include capital works expenditure undertaken by public bodies such as the Housing Trust and ACTEW. Expenditure on new capital works typically only represents approximately 20% of total outlays on capital works in any one year – see paragraph 2.6. Therefore, to ascertain the total amount of economic activity generated by capital works spending in a year other data also needs to be consulted.

¹ Letter from the Treasurer to the Presiding Member, 10 June 1992.

The 1992-93 Draft Program : A Summary

2.5 The proposed New Capital Works Program for 1992-93 is summarised as follows:

Proposed New Capital Works

Program Expenditure	Total Estimated Cost	Estimated on those New Works in 1992-93
	\$'000	
Envt and Conservation	1.870	1.000
Land	26.642	12.500
Sport and Recreation	0.375	0.200
Administration of Justice	17.200	2.000
Maintenance Law and Order	7.300	1.500
Housing and Comm Services	2.600	0.900
Public Transport	0.450	0.250
City Services	2.355	0.850
Fire and Emergency Services	0.250	0.150
Public Works and Services	5.000	2.800
Corporate Devt for DUS ²	4.000	0.900
TAFE ³	1.000	0.500
Government Schooling	9.550	3.000
ACT Health	4.020	0.500
Contingency Reserve	7.662	
Casino Premium Projects	19.000	
TOTAL PROGRAM	109.274	27.050

2.6 It can be seen from the above table that the total value of new works proposed in the 1992-93 Program is \$109.2m. However, it is estimated that only \$27m of that amount will be expended in this financial year. As was noted in 2.4, the total

² Department of Urban Services

³ Technical and Further Education

amount of spending on capital works in 1992-93 will be well in excess of \$27m. Works committed in previous Capital Works Programs and works undertaken by ACTEW and the Housing Trust also need to be taken into account when calculating total capital works outlays for any one year.

- 2.7 According to figures provided to the Committee by the ACT Under Treasurer the estimated total commitment this year by the public sector to capital works is \$236m (including \$90m by ACTEW and the Housing Trust). The comparable figure for 1991-92 was \$202m. Thus, it is estimated that there will be a \$34m increase in the value of total public sector capital works this financial year compared to last year. The Under Treasurer indicated that this level of capital works activity was likely to maintain about 3,500 jobs in the ACT in 1992-93.⁴
- 2.8 In addition to the draft Works Program being examined here the Government, in February this year, announced that a number of capital works projects would be accelerated in order to help ease the unemployment problem. The total value of these accelerated capital works is estimated to be \$35m and the main projects are as follows : Hospitals Redevelopment (\$12.5m) including a new Entrance and Administration for Building 2; Government Schooling (\$5.5m) including an upgrade of Stromlo High School; Community Services (\$768,000) including Refurbishment of Griffin Centre/Youth Centre; Public Transport (\$4m) including Athllon Drive Bus Priority Stage 3; City Services (\$8m) including Tharwa Drive Stage 2; Public Works and Services (\$1.1m) including Energy Management and Occupational Health and Safety Improvement; Fire and Emergency Services (\$1.3m) for Ainslie Fire Station Refurbishment; Sport and Recreation (\$1.1m) including Dickson Pool Upgrade and TAFE (\$600,000) for a Wool Classing Education Facility.
- 2.9 A total of 48 projects are listed under the various program headings for the 1992-93 draft Program - the largest in terms of expenditure over the life of the project being the Courts Complex Stage 1 (estimated to cost \$17m). Other major projects include : Yerrabi Pond - Roads and Ancillary Services (\$10m); ACT Police Region Headquarters and North District Police (7m); Conder Primary and Pre-School (\$7.2m); South Building Refurbishment (\$3.8m); Replacement/Refurbishment of Quamby Stage 1 (\$2m) and an ACT Hospice (\$3m). Appendix 3 shows the full list of projects on the 1992-93 draft Program.
- 2.10 Included in the 1992-93 Forward Design Program are : the first Primary and Pre School for Gungahlin; Tuggeranong Indoor Sports Stadium; Replacement/Refurbishment of Quamby Stage 2 and the first Neighbourhood Centre for Gungahlin. The Forward Design Program includes priority projects which the Government has agreed can proceed to preliminary design stage and for which funding will be considered in the 1993-94 Budget context.

⁴ Transcript, page 165.

3. GENERAL COMMENTS ON THE 1992-93 NEW CAPITAL WORKS PROGRAM

The Macro Economic Impact of the Works Program

- 3.1 Notwithstanding the fact that total public sector capital works outlays are projected to be \$34m higher (see 2.7) this financial year than they were in 1991-92, the Committee is of the view that the level of spending is still not sufficient having regard to the high rate of unemployment that currently exists in the ACT.
- 3.2 The Master Builders Construction and Housing Association (ACT) argued that "the most recent ACT Treasury Quarterly Economic Report revealed that the amount of work in progress in the non residential sector fell in the December 1991 quarter by 8.5%. The MBA is concerned that the 1992/93 cash allocation [in the draft Works Program] will again prove insufficient to arrest the decline in labour employment in our industry...". The MBA requested that "... further funding of approximately \$15m be provided to accelerate the rationalisation of TAFE campuses and reduce the backlog in repairs and maintenance of other public assets. The provision of a further \$15m will assist both employment in the industry and the longer term budgetary position of the ACT Government. The MBA estimates that the allocation of a further \$15m cash will maintain the employment of a minimum 150 building workers who would otherwise face redundancy."⁵
- 3.3 Similarly, the Australian Institute of Quantity Surveyors maintained that "... we consider that the draft program can only lead to the continuing reduction in employment for our members, reduced revenue to the Government, and minimum flow on effect to the economy. To ameliorate this we would suggest that : a. Some larger projects be introduced that could be programmed to start construction later in the financial year to minimise this year's expenditure. b. The ACT Government respond to the Construction Industry Reform strategy initiatives. c. Review funding for TAFE facilities in line with the Federal Government's initiatives on further education."⁶
- 3.4 The Committee, whilst acknowledging the tight budgetary circumstances facing the Government, believes a modest expansion of the draft Works Program would help alleviate the serious unemployment problem facing the Territory at present. The multiplier effect of a modest increase in Works outlays would no doubt result in some job savings and, as was suggested by the MBA, could lead to additional revenue collections in the future. It is important that the ACT maintain the base of

⁵ Submission, 6 July 1992, pages 2-3.

⁶ Submission, 6 July 1992, pages 2-3.

its construction and building industries otherwise there will be a drain of talent and expertise to other States and regions.

- 3.5 The Committee recommends that the Government consider a modest expansion of the draft Works Program to help alleviate the economic effects of the current recession. An increase of the order of \$15m may be fiscally responsible and given the well established multiplier effect, create additional economic activity and jobs.**
- 3.6 Given the significance of the role of the Commonwealth in the field of capital works, the Committee also believes that all possible pressure should be brought to bear on the Commonwealth with respect to Works activity in the ACT. There are a number of potential projects (for example, the old Parliament House, the Museum of Australia, York Park) in the ACT that fall within the purview of the Commonwealth. An early decision on just one of the projects would give the economy of the ACT a significant boost.
- 3.7 The Committee recommends that the ACT Government bring all possible pressure to bear on the Commonwealth with a view to decisions being made about projects such as the refurbishment of the old Parliament House, the Museum of Australia and York Park.**

Documentation

- 3.8 The Committee acknowledges that the degree of detail in the documentation referred to the Committee on the Works Program has improved over the past three years. However, there are still some shortcomings in what is provided. Included in the documentation is a one page briefing note on each project. On a large number of these briefing notes the section headed "Public Consultation" contained no information at all about the extent and nature of community consultation. The Committee is aware that in some cases public consultation is not possible or is inappropriate. If that is the case then there should be brief explanation as to why – to simply leave a space under the heading "Public Consultation" does not aid the Committee in any way. As well, it would be useful if, in future, the Committee is provided with information on the employment potential of each project and more specific details of just where the funding allocated for Minor New Works, such as that provided by TAFE, is to be spent. Included in the section headed "Implications for Deferment" there should be reference to the test of essentiality – just how essential is the project and what are the implications if it does not proceed?
- 3.9 The Committee recommends that, in future all documentation referred to the Committee be full and complete, and that the details of public consultation undertaken and employment potential be provided for all projects. For minor new works projects full details of all work to be undertaken should be provided.**

Referral of Program to Committee

- 3.10 The draft Works Program was referred to the Committee for inquiry and report on 21 May 1992. The resolution referring the Program to the Committee required that it report back to the Legislative Assembly by the first day of the Budget Sittings (11 August 1992). However, the Committee did not actually receive the Program until 10 June 1992. This effectively left the Committee with only two months in which to inquire and report on a very detailed package of capital works projects. The Committee is concerned with the short amount of time with which it has to consider the draft Works Program.
- 3.11 The Committee recommends that in future there be a minimum period of ten weeks between the date of referral of the draft Works Program to the Committee and the date upon which it is required to report to the Legislative Assembly.**

Through Life Cost Liability

- 3.12 One important area where the Committee believes that the process by which the Capital Works Program is put together can be improved is through the application of the principle of Through Life Cost Liability.
- 3.13 Mr Russell Wade argued, with respect to the way the Program is currently evaluated, that "the recurrent budget implications do not show the true future cost liability, such as how many additional day labour staff are required to service and maintain the asset, how durable is the asset, when would the asset require major programmed repairs and maintenance, and what are the running costs in terms of utilities (power, water, sewerage)? In Papua New Guinea, the National Public Expenditure Program requires a one page spreadsheet showing the subsequent five years of budget liability dissected by item in salaries, wages, asset and operational maintenance, utilities, other through life cost liabilities and offsetting appropriation from that asset, eg rent, fee charging, or future sales of an asset. This provides Treasury with a "snapshot picture" as to when future peaks in cost liability and benefits will occur."⁷
- 3.14 The Committee believes that the concept of Through Life Cost Liability is an excellent one. Not only would it give a much more accurate picture of capital assets over time it also has the potential to enable a much more efficient management of assets and thus reduce costs.
- 3.15 The Committee recommends that the concept of Through Life Cost Liability be applied to the ACT Capital Works Program, beginning with the Program for 1993–94.**

⁷ Submission, 3 July 1992, page 1.

Project Delivery

3.16 The issue of project delivery was also brought to the Committee's attention during the course of the inquiry. The Director of the Australian Federation of Construction Contractors argued that ACT Public Works could improve the way capital works projects are managed by implementing the following changes :

- . construction work to be packaged into larger, more economic contracts
- . performance rating of intending contractors
- . routine use of the contractors with high managerial, financial and technical performance ratings
- . use of alternative delivery methods (such as design and construct, lump sum contract, novated design and construct and warranted price project management) to the project management currently favoured by ACT Public Works.⁸

3.17 However, both the Master Builders Association and a private company – Project Coordination (Australia) Pty Ltd – argued that the present system of project delivery employed by ACT Public Works was both efficient and cost effective. According to Project Coordination Pty Ltd "... ACT Public Works has a demonstrated track record as a professionally competent and accountable implementer of the ACT capital and minor works programs...".⁹ Similarly, the MBA argued that "... the project management system [currently used by ACT Public Works] has demonstrated an efficient and reliable system for the Government, whilst at the same time, provided a distribution of work to the suppliers and the subcontract industry in a fair and equitable manner. Moreover, project management ensures that the maximum extent of building expertise is delivered on site, while the client, ACT Public Works, maintains its prerogative as controller of works."¹⁰

3.18 ACT Public Works, in a detailed submission to the Committee, outlined why it uses the project delivery system that it does and maintained that "... With regard to overall cost performance, each Capital Works Programme since self government has been delivered well within the contingency reserve allowance provided. During 91/92 effective delivery performance lead to no draw-down on the contingency reserve being necessary."¹¹

3.19 The Committee notes the points raised by the Director of the AFCC and the Executive Director of the MBA in relation to the way that the Capital Works

⁸ Submission, 6 July 1992, pages 1-2.

⁹ Submission, 13 July 1992, page 30.

¹⁰ Submission, 6 July 1992, page 4.

¹¹ Submission, 14 July, 1992.

Program is currently managed. However, in the time available the Committee was unable to reach a conclusion on the matter.

3.20 The Committee recommends that the Government, through the appropriate forums, give further consideration to the issue of project delivery and the capital works process.

4. SPECIFIC PROGRAMS

Environment and Conservation

- 4.1 This program consists of eight projects – Tuggeranong Town Park (total estimated cost \$445,000); Urgent Landscape Works (\$300,000); Minor New Works (\$300,000); Yarralumla Nursery Public Circulation System (\$250,000); Canberra Nature Park – Fire Management Trails/Fencing (\$200,000); Playground Safety Program (\$150,000); Decade of Landcare Projects (\$125,000) and North Canberra – Northbourne Avenue Median Strip (\$100,000).
- 4.2 The Australian Institute of Landscape Architects (ACT Group) submitted to the Committee that the Government needed to do more to maintain the quality of the urban landscape environment in the ACT. The Institute argued that the "ACT Government's commitment to urban landscaping is totally inadequate both in the newer suburbs of Canberra, and in the existing suburbs... The Institute is also surprised that at a time when youth unemployment is so high it [the Government] has not sought to commit itself to a much more substantial program of urban landscaping given the high labour content of such work."¹²
- 4.3 The Committee notes the concerns raised by the Institute of Landscape Architects and agrees that there should be a modest expansion of urban landscape works with the particular aim of creating more employment. As was stated in paragraph 3.5 the Committee believes that additional spending of the order of \$15m on capital works in 1992–93 is warranted given the parlous state of the employment market at present. It would be appropriate if some of that \$15m was spent on urban landscaping.
- 4.4 **The Committee recommends that should additional funding be made available in the Capital Works Program, part of that additional funding should be used for maintaining and enhancing the quality of the urban landscape environment in the ACT.**

¹² Submission to Committee, 6 July 1992, page 9.

Land

- 4.5 Nine projects are listed under this program – the largest in terms of expenditure over the life of the project being Yerrabi Pond – Roads and Hydraulic Services (\$10.03m). This project includes the following works – Water Quality Control Pond Embankment (Yerrabi Pond) and lake edge earthworks, sewers and landscaping, one arterial carriageway (Mirrabei Drive) from Gundaroo Drive to the western side of Yerrabi Pond Embankment and a water main along Mirrabei Drive. The other major projects under this program are – Mirrabei Drive – Yerrabi Pond to Distributor Road within Amaroo (\$7.3m); West Belconnen Infrastructure Works (\$4.4m); Gundaroo Drive – Gungahlin Drive to Mirrabei (\$2.5m) and Minor Site Servicing (\$0.8m).
- 4.6 The Committee notes that the vast majority of expenditures under this program are in the Gungahlin area which is indicative of the fact that this is where, in the medium term at least, the bulk of residential development in the ACT will be taking place.
- 4.7 The West Belconnen Residents Action Group argued that the proposed West Belconnen Infrastructure Works were an "inappropriate use of the taxpayers money in the midst of a recession."¹³ This project provides for the extension of Ginninderra Drive and the extension of the trunk water main. The extension of Ginninderra Drive arterial road from Florey Drive for approximately 1.5 kilometres into West Belconnen will consist of a single carriageway 2 lane road, 3 intersections, 1 intersection upgrade, 1 underpass, stormwater drainage and a water main. The Residents Action Group questioned the whole concept of additional residential development in West Belconnen and maintained that "... it seems inappropriate to set aside hard earned taxpayers' money for a project specifically designed to facilitate the development of West Belconnen when the ACT Legislative Assembly and the general public have not as yet seen the results of the Departmental review of submissions on the Draft Variation to the Territory Plan for West Belconnen or the Final Environmental, Social and Economic Impact Statement being prepared by consultants, Dames and Moore."¹⁴
- 4.8 The Committee notes the concerns expressed by the West Belconnen Residents Action Group and would expect Government decisions on the Variation to the Territory Plan and any issues arising from the Impact Statements to be finalised before actual construction work is commenced on the West Belconnen Infrastructure Works project.

¹³ Submission, 8 July 1992, page 1.

¹⁴ *ibid*, page 3.

Sport and Recreation

- 4.9 Only one project is listed under this program – Minor New Works Including Training Floodlights (\$375,000).
- 4.10 Whilst there is only one project listed under Sport and Recreation the Committee notes that in the Forward Design Program provision is made for an Indoor Sports Stadium in Tuggeranong. The total cost of this stadium is estimated to be \$3m – \$150,000 of which will be spent this financial year on preliminary design work.

Administration of Justice

- 4.11 The two projects listed under this program are the Courts Complex Stage 1 (\$17m) and Minor New Works (\$200,000).
- 4.12 The Committee was informed that the new Courts Complex will accommodate the ACT Magistrates Court including the following facilities: court and hearing rooms, waiting and interview rooms, public facilities, chambers, administrative offices, adjunct child care and a cafe. The new building will be located at Section 63 City, adjacent to the existing ACT Law Courts.

Maintenance of Law and Order

- 4.13 The two projects listed here are ACT Police Region Headquarters and North District Police (\$7m) and Minor New Works (Police) (\$300,000).
- 4.14 The new police headquarters project, to be located at Block 7 Section 31 Belconnen, consists of refurbishing the former TAFE School of Electrical Studies in Benjamin Way for use as a base for all the ACT major crime units and for the Belconnen Police Station.

Housing and Community Services

- 4.15 Five projects are contained in this program – Replacement/Refurbishment of Quamby Stage 1 (\$2m); South Tuggeranong Occasional Care (\$200,000); Various Areas Community Centres Refurbishment (\$150,000); Minor New Works (\$150,000) and Mount Taylor Occasional Care Centre (\$100,000). The Quamby

project will provide accommodation for up to 26 convicted or charged young offenders and replaces a former proposal to build a new facility on a new site.

- 4.16 The Committee is concerned to see that only \$150,000 has been allocated to the refurbishment of Community Centres. The Committee was informed that ten Community Centres are to share this relatively small amount of funding. As is the case with urban landscaping this type of refurbishment has the potential to create additional work in sectors of the economy where unemployment is already high. If additional funding is forthcoming as a consequence of the recommendation contained in paragraph 3.5 then the Committee believes that a comprehensive program of asset maintenance and restoration could be undertaken of the many community facility assets in the ACT.
- 4.17 The Committee recommends that, should additional funding be allocated to the Works Program, some of that funding should be used for further Community Centres' Refurbishment.**
- 4.18 The Youth Affairs Network of the ACT expressed concerns about the Quamby Refurbishment/Replacement project. The Network argued that the Report of the Corrections Review Committee, entitled "Paying the Price" and which was released by the Attorney General in December 1991, raised the possibility "... that juvenile justice and adult corrective facilities would be co-located on a new site to the present facilities... The ACT Government's response to the Report has not yet been released, so we have no indication of the way that they are likely to proceed. If the Government were to proceed down the road to co-location on a new site, it would seem that the \$2 million allocated here is a waste of money and resources."¹⁵
- 4.19 The Committee notes the opinion of the Youth Affairs Network that money should not be expended on projects if the future use of that asset is in doubt. In view of this the Committee believes that the Government should formally respond to the Report of the Corrections Review Committee so as to clarify the matter raised. However, the Committee notes that the Government's decision to proceed with the project at this stage is a result of the recommendations arising from the Royal Commission into Aboriginal Deaths in Custody Report (1990).
- 4.20 The Committee suggests that there is a need for the Government to formally respond to the Report of the Corrections Review Committee 1991, "Paying the Price - A Review of Adult Corrective Services and Juvenile Justice in the ACT", so that its future plans for Quamby Youth Centre are made clear.

¹⁵ Submission, 6 July 1992, page 3.

Public Transport

- 4.21 Minor New Engineering Works (\$200,000) and Bus Stops and Shelters (\$250,000) comprise the two projects listed under this program.
- 4.22 One submission to the Committee questioned the current ACTION¹⁶ practice of installing new glass and aluminium bus shelters given the amount of damage and vandalism that is occurring to them. The General Manager of ACTION stated that the cost of the new shelters was approximately \$8,000 compared to a cost of approximately \$10,000 for the older style concrete shelters.
- 4.23 The Committee notes the vandalism concern with respect to the new style bus shelters and would expect that, in the normal course of their operations, ACTION management would be closely monitoring the cost effectiveness of these new shelters compared to the older concrete versions. Moreover, the Committee believes that, should additional funding be allocated to the Works Program, some of that funding should be used for the provision of additional bus shelters.

City Services

- 4.24 Seven projects are listed under City Services - the largest being Minor New Works Including Tuggeranong Parkway Lighting (\$594,000); Calwell Stormwater Channel Reconstruction (\$450,000); Belconnen/Mugga Tips - Environmental Controls Stage 1 (\$400,000); Tharwa Bridge - Truss Replacement (\$306,000) and College St/Haydon Drive Traffic Signals (\$205,000).
- 4.25 The funds allocated for Minor New Works include the provision of arterial route lighting on Tuggeranong Parkway and upgrading of road shoulders; fully controlled right turns and pedestrian facilities close to Woden Valley Hospital; additional lighting previously not provided in developed areas; footpaths in established areas; direction signs for tourist facilities and service facilities and Sherwood Forest campground development. The Environmental Controls Project includes the provision of a contaminated water treatment system including treatment of sillage and the carrying out of soil conservation and sediment control works.
- 4.26 The Committee is concerned that the Calwell Stormwater Channel Reconstruction work is necessary because of deficiencies in design and construction yet the channel is only 15 years old. This is another clear example of the fact that when the Commonwealth handed over control of many of the

¹⁶ Australian Capital Territory Internal Omnibus Network

capital assets to the ACT in May 1989 they were not in a well maintained condition and the costs of that poor maintenance are now having to be paid. This fact was clearly pointed out in Justice Rae Else-Mitchell's inquiry into Assets and Public Debt of the ACT (May 1990).

Fire and Emergency Services

- 4.27 Minor New Works (\$250,000) is the only project listed under this program. The Committee was informed that the funding provided for replacement of existing flooring with non-slip tiles at Fyshwick Fire Station; construction of a Fire Station at Guises Creek for centralised operations, training and meetings and the relocation of communications facilities to Callum St Woden from the Forrest site.
- 4.28 The Committee was interested to know how a Fire Station could be provided at Guises Creek from the relatively small amount of money allocated to this project. The Deputy Fire Commissioner informed the Committee that the "Fire Station" was in fact to be a shed which volunteers would use to store a fire vehicle and fire fighting equipment.¹⁷

Corporate Development for Department of Urban Services

- 4.29 South Building Refurbishment (\$3.8m) and Natex Refurbishment of Building C (\$200,000) make up the two projects in this program.
- 4.30 The Committee was informed that the South Building (Block 3, Section 19, City) was to be refurbished and fitted out to current standards for the accommodation of ACT public servants. The project will include upgrading of the air conditioning system. The Committee notes that the South Building is also under consideration as a future home for the Legislative Assembly and if in fact it does become the chosen site additional funding will need to be provided to met the special requirements of the Assembly.
- 4.31 Building C at Natex has had no major maintenance or refurbishment since it was constructed in 1977. The funding provided will allow for upgrading of the food and beverage outlets and the toilets, showers and change rooms. It also provides for improved lighting and power facilities, better security and the installation of a public address system.

¹⁷ Transcript, page 126.

Technical and Further Education

- 4.32 The only project listed under TAFE is Minor New Works (\$1m). The funding provided here will allow the following works to proceed – an emergency warning and evacuation system at Reid Campus; automatic doors to B,J,D,F and H Wings at Bruce Campus; ramps to A,B,F and H Wings at Bruce Campus; a hazardous chemicals store at Weston Campus; an upgrade of Institute signage and directory boards; a re-keying of Reid campus; refurbishment of the Geology workshop to office accommodation; the re-partitioning of D Block at Reid Campus and an upgrade of toilet floors and partitions at the main southside campus. The Committee compliments officials from the ACT Institute of TAFE for the detailed nature of the information provided on their Minor New Works projects.

Government Schooling

- 4.33 Four projects are included under this program – the Conder Primary and Pre-School (\$7.2m); Transportable Classrooms (\$1m); Minor New Works (\$1m) and Refurbishment/Replacement of Playground Equipment (\$350,000).
- 4.34 The Conder Primary and Pre-School will feature 16 learning spaces, a library, a GP Hall, an administration area and associated landscaping. A double unit Pre-School is also included in the project. The Committee was informed that the Primary and Pre-School will cater to the suburbs of Conder and Banks and is planned to open in 1993.
- 4.35 In a submission to the Committee the Association of Parents and Friends of ACT Schools Inc. argued that "the capital cost of building government primary schools is about twice that associated with the building of non-government schools. For example, the current cost of building a 670 student non-government primary school is less than \$5m (equivalent to \$7463 per student). In contrast the cost of building Conder Primary and pre-school is estimated to cost \$7.2m. No separate estimate is made for the pre-school section. If this component was to cost \$0.25m then the cost of the primary school accommodation (\$6.95m) represents for this 460 student school (\$15108 per student)... APFACTS considers that the ACT government should investigate more cost effective ways of building the Conder Primary and pre-school."¹⁸

¹⁸ Submission, 6 July 1992, page 2.

4.36 During the course of the inquiry the Committee asked for a formal response from ACT Public Works to the claims made by APFACTS with respect to the Conder project. ACT Public Works disputed the figures put forward by APFACTS and provided the Committee with a detailed comparison of the costs of building Conder against a recently completed Catholic Primary School. Whilst exact comparisons are difficult the figures clearly show that the Conder school is not going to be built at excessive cost. From the information provided the Committee has no reason to believe that there are excessive resources being provided to build Conder Primary and Pre-School.

4.37 The Committee recommends that, should additional funding be allocated to the Works Program, some of that funding should be used for the upgrading of school playgrounds and asset maintenance of school buildings.

ACT Health

4.38 Four projects totalling \$4.02m are listed under this program – a Hospice (\$3m); Minor new Works (\$400,000); a Community Based Crisis Detoxification Centre (\$375,000) and Refurbishment of the Watson Hostel (\$245,000).

4.39 The Hospice includes associated support facilities such as storage areas, staff rooms and a chapel. A maximum number of 20 residents are expected to be accommodated in the facility.

4.40 The Committee notes that there has been no decision yet as to where the Hospice will be located. The Committee strongly endorses the Hospice project and believes that a decision as to its location should be made as quickly as possible.

4.41 The Refurbishment of the Watson Hostel will provide for internal painting with some associated repairs and alterations. It will also include the replacement or repair of equipment, furniture and floor coverings.

4.42 The funding for the Detoxification Centre will allow for the construction of a new facility to replace the one currently operating from a property in Laverack Road, Duntroon. The Committee notes that a final decision as to where the new facility will be located is yet to be made.

D. Lamont
(Presiding Member)

31 July 1992

APPENDIX 1

WRITTEN SUBMISSIONS RECEIVED

ACT Council of Social Services Inc

Australian Federation of Construction Contractors

Australian Institute of Landscape Architects

Australian Institute of Quantity Surveyors

Association of Parents and Friends of ACT Schools Inc

ACT Public Works

Master Builders Construction and Housing Association (ACT)

Project Coordination (Australia) Pty Ltd

Russell Wade

West Belconnen Residents Action Group

Youth Affairs Network of the ACT

APPENDIX 2

LIST OF WITNESSES

Agius, B	Head of Facilities Unit ACT Institute of TAFE
Austin, A	General Manager Corporate, ACT Health
Ayling, J	General Manager Resources, ACT Health
Biscoe, G	Chief Executive, ACT Health
Briggs, H	Executive Director, Community Programs, Housing and Community Services Bureau
Britt, G	Budget Management Branch, ACT Treasury
Bryant, B	Executive Director, Master Builders Construction and Housing Association (ACT)
Chapman, C	Senior Project Officer, ACT TAFE
Davidson, G	General Manager, ACT Public Works
Dickson, W	Associate Director, Corporate Services, ACT TAFE
Eggins, A	Deputy General Manager, ACTION Department of Urban Services
Fraser, G	Director, Environment and Conservation Bureau
Gaskill, G	Director, City Services
Horsham, K	General Manager, Housing and Community Services Bureau
Jackson, D	Executive Officer, Budget Management, Environment and Conservation Bureau
King, L	Director, Australian Federation of Construction Contractors
Lebang, J	Director – Facilities, Planning and Projects Ministry for Education and Training
Lenihan, B	Manager, Corporate Administration, Fire and Emergency Services

Lynga, G	Acting President, Conservation Council of ACT and South East Region
Miller, T	Deputy Fire Commissioner, Department of Urban Services
Morgan, N	Assistant Under Treasurer
Musgrove, R	Project Manager, ACT Law Office
Osborne, L	Director Estate Development, Department of Environment, Land and Planning
Quayle, G	Convenor, Urban Working Group, Conservation Council of ACT and South East Region
Rand, R	Manager Facilities, Office of Sport and Recreation
Rochford, P	Master Builders Association
Sommer, H	Assistant Secretary – Land Development, Department of Environment, Land and Planning
Sullivan, M	General Manager, Roads and Transport, Department of Urban Services
Tinson, P	General Manager, Estate Management, Department of Urban Services
Thwaite, J	General Manager, Parks and Conservation, Environment and Conservation Bureau
Turner, J	Secretary, Department of Urban Services
Wadsworth, M	General Manager, ACTION, Department of Urban Services
Wheeler, T	Executive Director, Finance and Planning, Department of Education and Training
Woods, M	ACT Under Treasurer
Young, R	Executive Director, Family Services, Housing and Community Services Bureau

APPENDIX 3**1992-93 DRAFT NEW CAPITAL WORKS PROGRAM****\$'000****Environment and Conservation**

Minor New Works	300
Canberra Urban Areas – Urgent Landscape Works	300
Playground Safety Program	150
Tuggeranong – Tuggeranong Town Park	445
Decade of Landcare Projects	125
Canberra Nature Park – Fire Management Trails/ Fencing (Rob Roy Range)	200
North Canberra – Northbourne Avenue – Median Strip (City)	100
Yarralumla Nursery Public Circulation system	250
Total for Program: Environment and Conservation	1.870

Land

Yerrabi Pond – Roads and Hydraulic Services	10.030
Gungahlin – Gundaroo Drive – Gungahlin Drive to Mirrabai Drive	2.500
Mirrabai Drive – Ginninderra Pond 3 to "0" Distributor Inclusive	7.300
West Belconnen Ginninderra Drive Extension and Trunk Water Main	4.400
Gungahlin Gross Pollutant Trap in Nichols Floodway	224
Minor Site Servicing	800
Neighbourhood Landscaping	392
Gungahlin Bulk Provision	448
Floodway Protection Works of Low Lying Areas – Giralang, Calwell, Theodore	548
Total for Program: Land	26.642

Sport and Recreation

Minor New Works including Training Floodlights	375
Total for Program: Sport and Recreation	0.375

Administration of Justice

Courts Complex – Stage 1	17.000
Minor New Works (Courts)	200
Total for Program: Administration of Justice	17.200

Maintenance of Law and Order

ACT Region Headquarters and North District Police	7.000
Minor New Works (Police)	300
Total for Program: Maintenance of Law and Order	7.300

Housing and Community Service

Minor New Works	150
South Tuggeranong Occasional Care	200
Mt Taylor Occasional Care Centre	100
Various Areas Community Centres Refurbishment	150
Replacement/Refurbishment of Quamby Stage 1	2.000
Total for Program: Housing and Community Services	2.600

Public Transport

Minor Engineering Works	200
Bus Stops and Shelters	250
Total for Program: Public Transport	0.450

City Services

Minor New Works including Tuggeranong Parkway Lighting	594
College/Haydon Signals	205
Calwell – Stormwater Channel Reconstruction	450
Various Areas – Bus Priority at Traffic Signals – Stage 3	200
Belconnen/Mugga Tips – Environmental Controls Stage 1	400
Gungahlin Cemetery – Extensions Stage 2	200
Tharwa Bridge – Truss Replacement	306
Total for Program: City Services	2.355

Fire and Emergency Services

Minor New Works	250
Total for Program: Fire and Emergency Services	0.250

Public Works and Services

Forward Design on Municipal Projects	1.000
Forward Design on Territorial Projects	4.000
Total for Program: Public Works and Services	5.000

Corporate Development for Department of Urban Services

South Building – Refurbishment	3.800
Natex – Refurbishment of Building C	200
Total for Program: Corporate Development of DUS	4.000

Technical and Further Education

Various Areas – Essential Minor New Works	1.000
Total for Program: Technical and Further Education	1.000

Government Schooling

Conder Primary & Pre-School	7.200
Various Areas – Transportable classrooms including Stromlo High Transp	1.000
Minor New Work	1.000
Various Areas – Refurbish/Replace Playground Equipment	350
Total for Program: Government Schooling	9.550

ACT Health

Miscellaneous Minor New Works	400
Hospice	3.000
Watson Hostel Refurbishment	245
Community Based Crisis Detoxification Centre	375
Total for Program: ACT Health	4.020

GRAND TOTAL \$82.612.000
(excluding Contingency Reserve and Casino Premium Projects)