2025

THE LEGISLATIVE ASSEMBLY FOR THE

AUSTRALIAN CAPITAL TERRITORY

ELEVENTH ASSEMBLY

Infrastructure Canberra[1]

Half Yearly Statement of Performance Report (31 December 2024)

pursuant to the *Financial Management Act 1996* s30E.

Presented by
Chris Steel MLA
Treasurer
6 February 2025

[1] [1] Output name has changed from Major Projects Canberra, to Infrastructure Canberra as a result of the Administrative Arrangements 2024 (No 1), effective on 8 November 2024

CONTENTS

[2] From 3 February 2025 this will be known as Infrastructure Canberra – Delivery; Spaces and Places

Output Class

Infrastructure Canberra consists of two Output Classes.

Output Class 1 relates to the planning, procuring and delivering of infrastructure for our community that helps make Canberra the world's most liveable city.

Output Class 2 relates to the management of 230 Territory-owned buildings, including commercial buildings, government office and service provision accommodation, community/multipurpose buildings, and aquatic/leisure facilities. The Directorate also leases 34 commercial buildings on behalf of the Territory.

Output Class 1: Infrastructure Canberra – Infrastructure

The Directorate will deliver this output by:

- procuring and delivering infrastructure projects designated by the Government as major projects;
- planning, procuring and delivering capital works projects in partnership with other ACT Government directorates and agencies;
- providing the project management and reporting system, and implementing the Work Health and Safety Active Certification Policy on eligible contracts;
- enabling the Office of the ACT Chief Engineer and developing the ACT Government's engineering workforce; and
- delivering whole of government services, including the administration of the Territory's Prequalification Schemes and the National Prequalification Schemes for Building Non-Residential ($50 million and greater) and Civil Road and Bridge.

Table 1: Accountability Indicators Output 1

	2024-25 Targets	2024-25 YTD Target	2024-25 YTD Result	YTD Variance (%)	Note
Accountability Indicators					
a. Canberra Hospital Expansion Project milestones achieved:					
i. Project completion post go-live/occupancy review [e]	100%	n/a	0%	(100)	
ii. Western Entry Development Application submission [f]	100%	n/a	100%	0	
b. Light Rail Project milestones achieved:					
iv. Delivery of the first new Light Rail Vehicle (*Light Rail Vehicle*) [g]	100%	n/a	100%	0	
v. Lodgement of the draft Environmental Impact Statement with the Commonwealth Department of Climate Change, Energy, the Environment and Water (DCCEEW) (*Light Rail Stage 2B Project*) [h]	100%	n/a	100%	0	
vi. Completion of Construction (Civil) Works (*Raising London Circuit Project*) [i]	100%	n/a	59%	(41)	1
c. Canberra Institute of Technology (CIT) Campus – Woden Project milestones achieved:					
iii. CIT Woden Campus Building achieves construction completion [j]	100%	n/a	0%	(100)	
iv. Youth Foyer achieves construction completion [k]	100%	n/a	0%	(100)	

		2024-25 Targets	2024-25 YTD Target	2024-25 YTD Result	YTD Variance (%)	Note
	v. Commence construction of the CIT Yurauna [l]	100%	n/a	0%	(100)	
d.	Canberra Theatre Redevelopment milestones achieved:					
	i. Tender for the Contractor for Stage One design and construction released and evaluated with a recommendation made to Government [m]	100%	n/a	100%	0	
e.	ACT Cladding Rectification Program milestones achieved [b]:					
	iii. By 31 December 2024 50% of the owners' corporations participating in the Concessional Loan Scheme should be undertaking or have completed investigation and tender works [n]	100%	n/a	71.4%	(28.6)	
	iv. 34% of the owners' corporation participating in the Concessional Loan Scheme will be undertaking remediation works [o]	100%	n/a	52.3%	(47.6)	
f.	Capital Works delivered by Infrastructure Project Solutions Group (a division of Infrastructure Canberra) on behalf of other ACT Government Directorates [c]:					
	i. Percentage of valid claims for payment assessed and certified within 10 business days [p]	95%	n/a	94.72%	(0.3)	
	ii. Percentage of Procurement Evaluation Reports delivered to the Partner Directorate within 20 business days [q]	85%	n/a	87.50%	2.9	
	iii. Percentage of contracts awarded to prequalified contractors/consultants [r]	>95%	n/a	100%	0	
g.	Northside Hospital Project milestones achieved:					
	i. Very Early Contractor Involvement procurement, Request for Quotation phase commencement [s]	100%	n/a	100%	0	
	ii. Very Early Contractor Involvement procurement conclusion [t]	100%	n/a	n/a	(100)	
h.	Electrification of Government Gas Assets (EoGGA) milestones achieved [d]:					
	i. Assets powered with natural gas removed from ACT Government owned sites [u]	15	n/a	17	13.3	2
	ii. Preliminary site investigation reports completed [v]	20	n/a	5	(75)	3
Total Cost ($'000)		68,657	34,329	35,225	3	
Controlled Recurrent Payments ($'000)		39,872	19,936	21,111	6	4

Accountability indicator descriptions

a. Accountability indicators 'a' through 'd' and 'g' relate to major projects designated for Infrastructure Canberra by the ACT Government. The 2024-25 milestones are due to be completed at the end of this financial year.

b. Accountability indicator 'e' relates to the ACT Government's Cladding Rectification Program, Infrastructure Canberra is responsible for delivering.
c. Accountability indicator 'f' relates directly to work performed by Infrastructure Canberra's and the Directorate's contribution to improving the efficiency and safety of the Territory's capital works program.
d. Accountability indicator 'h' relates to the ACT Government's Electrification of Government Gas Assets Program, which Infrastructure Canberra is responsible for delivering. This includes the replacement of natural gas assets with electrified assets on government owned sites.
e. Measuring the achievement of project completion post go-live/occupancy review of the Critical Services Building.
f. Submission of the Development Application for the Western Entry works at the Canberra Hospital.
g. Five new light rail vehicles have been procured for the extension of the network through Light Rail Stage 2A, from Alinga Street to Commonwealth Park. The first new light rail vehicle is expected to be delivered from CAF in Spain to the Light Rail Depot in Canberra in July 2024.
h. The Light Rail Stage 2B project will extend from Commonwealth Park, through the National Triangle, to Woden, creating a north-south transport link for Canberra. An Environmental Impact Statement is being developed to determine the affect the project will have on the environment, outlining the potential consequences, identifying positive and negative impacts as well as offering alternate options to have a better result on the environment. Completion of this indicator will be upon the lodgement of the draft Environmental Impact Statement to the Department of Climate Change, Energy, the Environment and Water by 31 December 2024.
i. The Raising London Circuit project is an enabling project for Light Rail Stage 2A. London Circuit is being raised to create an at-grade intersection with Commonwealth Avenue. Construction has been ongoing since September 2022 and is anticipated that civil construction works are substantively completed by 30 June 2025.
j. Measuring the achievement of all works related to the construction of the CIT Woden Campus, excluding work required during the defects liability period, completed by the Head Contractor.
k. Measuring the achievement of all works related to the construction of the Youth Foyer at the CIT Woden Campus, excluding work required during the defects liability period, completed by the Head Contractor.
l. Construction commencing of the CIT Yurauna, a dedicated Aboriginal and Torres Strait Islander Educational Centre of Excellence, providing tailored Aboriginal and Torres Strait Islander courses, study support and cultural advice.
m. Measuring the release of the final tender to market for the Canberra Theatre Redevelopment Project - Stage One construction procurement.
n. The Concessional Loan Scheme includes two stages of works. In the first stage of works, owners' corporations remove cladding and investigate whether any works are needed in the external wall. They then tender for a builder to undertake any cladding remediation works and any works in the external wall. In the second stage of works, owners' corporations remediate the combustible cladding on their buildings. Significant governance steps are needed for owners' corporations to get to the first stage and from the first to the second stage. This indicator notes that at least a third of the owners' corporations must be undertaking or have completed the investigation and tender works (the first stage of works) by 31 December 2024 and at least a third of the owners' corporations must be undertaking or have completed the remediation works (the second stage of works) by 30 June 2025.
o. The Private Buildings Cladding Concessional Loan Scheme provides a reduced interest loan to assist owners' corporations with the financial costs of remediating higher risk combustible cladding on their buildings. Concessional loans typically have a set timeframe for the progression of investigation and remediation works with remediations due to commence after a series of preliminary investigative steps. Most cladding remediations should have commenced in 2023-24 financial year.
p. This measure relates to ACT Government payment terms and includes all capital works contracts under direct management by Infrastructure Project Solutions. It excludes any claims for payment not lodged through the whole of government Project Management and Reporting System (PMARS). The measure is the number of business days elapsed between a valid request for payment being lodged and assessed and certified in PMARS.
q. This measure applies to all tender evaluations chaired by Infrastructure Project Solutions for capital works projects on behalf of other ACT Government Directorates. It excludes projects with a contract value of less than $250,000 and more than $20 million at the time of procurement. The measure is the number of business days elapsed between the close of the tender period and the delivery by Infrastructure Project Solutions Group of the Procurement Evaluation Report to the Partner Directorate.
   This measure also excludes procurements for projects:
   - Funded through maintenance/renewal budget;
   - Where Infrastructure Project Solutions is not the Chair of the evaluation committee; and
   - Any procurement evaluation delayed due to circumstances outside of Infrastructure Project Solutions control.
r. This measure applies only to contracts for works and related services that have a prequalification category under the ACT Government Prequalification Schemes or the National Prequalification Schemes for Civil (Road and Bridge) Construction and Building (non-Residential) of $50 million and over. This measure may not be limited to Capital Works Projects delivered by Infrastructure Project Solutions on behalf of other ACT Government agencies.
s. The commencement of the Request for Quotation phase in the two-staged procurement process pursuant to the engagement of a suitably experienced and capable Contractor, to undertake detailed design and constructability planning for the new Northside Hospital Project, at the North Canberra Hospital in Bruce.

t. Completion of the Very Early Contractor Involvement Contractor procurement, a two-stage procurement process to engage a contractor to plan, design and construct the new Northside Hospital.
u. Assets powered with natural gas removed from ACT Government owned sites.
v. Preliminary identification and investigation report - engineering reports identifying gas assets verified during site investigations and high-level initial options for electrification of the gas assets.

Explanation of material variances (+/-5%)

1. The delivery program for the Raising London Circuit Project has been impacted by unexpected finds and associated disposal of asbestos contaminated material, inclement weather and the productivity rates of the contractor. In September 2024, the overall program has been re-baselined to align with the revised milestone dates whilst incorporating an updated assessment of tasks, durations and sequencing. The works remain on track to achieve substantive completion by 30 June 2025.
2. EoGGA has exceeded the full year target by 13.33 per cent. This variance was achieved through a range of strategic changes to internal operations such as the team structure, process improvements, lessons learnt from the previous financial year, new leadership direction, strengthened relationships with partner directorates and asset owners, improved program tracking and robust data capture.
3. The YTD variance is due to the consultant procurement process for these reports not yet being completed. Greater emphasis on ensuring robust procurement documentation and partner directorate consultation has been undertaken as a result of lessons learnt from last financial year. Procurement planning forecasts show completion of the remaining reports will be achieved by the end of the financial year.
4. The higher than targeted Controlled Recurrent Payments is primarily associated with the initial phasing of the budget and the subsequent timing of project funding requirements mainly related to the Electrification of Government Gas Assets (EoGGA) program, with more gas assets being removed and replaced to date than initially anticipated.

Output Class 2: Infrastructure Canberra – Property Services

The Directorate will deliver this output by:

- managing a portfolio of properties used for the delivery of government, community and commercial services by the ACT Government and tenant organisations
- leading the delivery of government accommodation projects that will provide security, flexibility, and a long-term approach to government office accommodation
- managing the ACT Government's owned and leased government office buildings including sourcing and negotiating new leased properties
- delivering property upgrade services and planned and reactive maintenance services for Territory-owned properties managed by ACT Property Group and other directorates
- managing procurement and contract management of building maintenance service activities across multiple construction trades and maintenance service areas
- ensuring continued operation of six ACT Government owned aquatic facilities including upgrades, maintenance, and management of contracts with operators of the facilities, and
- identifying and pursuing opportunities to improve the energy efficiency of Territory owned buildings to deliver ACT Government climate change priorities and policy.

Table 2: Accountability Indicators Output 2

	2024-25 Targets	2024-25 YTD Target	2024-25 YTD Result	YTD Variance (%)	Note
Accountability Indicators					
a. ACT Property Group indicators achieved:					
i. Percentage of customers satisfied with management of aquatic centres [a]	87%	n/a	n/a	(100)	1
ii. Vacancy rate for properties designated for use by non-government tenants [b]	3.5%	n/a	2.88%	(17.7)	

		2024-25 Targets	2024-25 YTD Target	2024-25 YTD Result	YTD Variance (%)	Note
iii.	Percentage of planned ACTPG capital upgrade projects completed by expenditure [c]	85%	n/a	8%	(90.6)	2
Total Cost ($'000)		178,903	n/a	92,246	(48.5)	
Controlled Recurrent Payments ($'000)		14,392	n/a	10,619	(26)	3

Accountability indicator descriptions

a. An annual survey of visitors to public swimming pools seeking visitors' satisfaction with the management of public swimming pools.

b. This accountability indicator measures the vacancy rate for properties designated for use by non-government tenants (community groups and commercial organisations).

c. This indicator measures the expenditure spent on planned ACT Property Group capital upgrade projects. The completion rate is the expenditure spent on ACTPG capital upgrade projects works against the total budget forecasted for the projects originally programmed for delivery under this funding appropriation, expressed as a percentage.

Explanation of material variances (+/-5%)

1. Nil mid-year results as this indicator is measured annually.
2. All Project Management Plans (PMP) have been developed, and several projects are already in progress. The program is being led by a structured and clearly defined management approach, ensuring that the target expenditure has been successfully achieved. Effective planning, budgeting, and project management are identified as critical factors for the successful completion of the upgrades and rectification works. As a result the ARP Capital is progressing ahead of schedule and current expenditure is at 18.0 per cent ahead of the 10 per cent December target.
3. The higher than targeted Controlled Recurrent Payments is primarily associated with the initial phasing of the budget and subsequently the timing of funding requirements, mainly relating to the base funding for staff, Flexispace accommodation and aquatics initiatives.