

LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

*THE GOVERNMENT'S 1996-1997 DRAFT CAPITAL WORKS
PROGRAM*

**REPORT NO.10
OF THE
STANDING COMMITTEE ON PLANNING AND ENVIRONMENT**

MARCH 1996

STANDING COMMITTEE ON PLANNING AND ENVIRONMENT

Resolution of appointment of the Standing Committee on Planning and Environment:

[that] a Standing Committee on Planning and Environment [be established] to examine matters related to planning, land management, transport, commercial development, industrial and residential development, infrastructure and capital works, science and technology, the environment, conservation, heritage, energy and resources...

[And that the committee] inquire into and report on matters referred to [it] by the Assembly or matters that are considered by the committee to be of concern to the community.

Minutes of Proceedings (Third Assembly) No.1 - 9 March 1995, amended 22 June 1995

Terms of reference of the committee's inquiry:

To inquire into and report on the Government's 1996-1997 Draft Capital Works Program.

Minutes of Proceedings (Standing Committee on Planning and Environment) 2 February 1996

Committee Membership

Mr Michael Moore MLA (Chair)

Mr Wayne Berry MLA (Deputy Chair)

Ms Lucy Horodny MLA

Mr Trevor Kaine MLA

Secretary: Mr Rod Power

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LIST OF RECOMMENDATIONS

(with relevant paragraph number)

The committee recommends that:

- *the Government stipulate that the criteria used to assess capital works proposals include the desirability of addressing the principles of ecologically sustainable development (para 3.9)*
- *the Government take steps to ensure that sufficient design proposals are on hand to enable a start on all possible projects as soon as the Capital Works Budget Paper is passed by the Assembly. If this means that the design proposals should be finalised as soon as the committee's report is tabled in the Assembly, then the Government should consider directing the relevant officers accordingly (para 3.17)*
- *the Government endorse a broad range of capital works projects for the preparation of forward designs, in order to quickly substitute a lower priority project for one that is on the final Program but which encounters unforeseen difficulties in its implementation (para 3.18)*
- *the Government require its off-Budget agencies to submit their draft annual capital works program to both Government and this committee, in the same manner and according to the same timetable that applies to other agencies (to commence in 1997) (para 3.24)*
- *the Draft Capital Works Program explicitly identify the projects incurring additional costs due to the need to comply with the requirements of the National Capital Planning Authority (para 3.33)*
- *the Government consider increasing the funds allocated to the provision of on-road cycling facilities in order to encourage this form of transport in selected areas (para 4.5)*
- *the Government urgently integrate the proposals for the Civic Square precinct, taking into account the various buildings already in place (including the Canberra Theatre, the Playhouse, the Box Office link, and the Assembly building), the proposed Cultural Centre and the proposed refurbishment of the Civic Square/Ainslie Avenue area (para 4.7)*
- *the Government advise the Assembly on the full justification and costs of the proposed stormwater augmentation works for the ACT (especially in the inner north of the city) (para 4.15)*

- *the Government advise the Assembly on the planning and management implications arising out of the need for major stormwater augmentation works in the inner north of Canberra - including the possible use of developer contributions on a site-specific basis (para 4.16)*
- *the expenditure of \$300,000 for forward design work to duplicate Mouat Street be deferred until the Standing Committee on Planning and Environment has been informed of the feasibility of other options and particularly the option of extending Ginninderra Drive to Northbourne Avenue (para 4.23)*
- *the Government increase the funds allocated to Landcare projects, given the strong community interest in this type of project and the obvious benefits to be gained from tapping into the enthusiasm and skills of established voluntary groups (para 4.28)*
- *the Government urgently finalise its weed strategy, in order to initiate a comprehensive long-term treatment plan for the control of exotic plants in the ACT (para 4.30)*
- *the Government urgently finalise draft management plans for the Lower Molonglo, the Murrumbidgee Corridor, Canberra Nature Park and Tidbinbilla, and update the management plan for Namadgi. In making this recommendation, the Standing Committee on Planning and Environment reaffirms the findings of the Standing Committee on Economic Development and Tourism in its report on nature-based tourism in the A.C.T. (para 4.35)*
- *the Government consult teachers, students and parents in a review of the use of transportables in order to ensure they are good value for money (para 4.40)*
- *the Government defer expenditure on Stage 2 of the AMTECH Estate at Symonston until the results of an environmental assessment are available (para 4.42)*
- *the Government urgently decide on the long-term future of Exhibition Park in Canberra (EPIC), focussing particularly on (a) whether it wants EPIC to be a competitive facility in the national context, and (b) the expenditure and revenue forecasts that follow from this decision (para 4.44)*
- *the Government defer capital works expenditure on the Erindale Leisure Centre until (a) the present operational problems of the Centre are addressed (including the arrangement to share facilities with appropriate access to Erindale College) and (b) a long-term financial strategy is developed to lessen the Centre's financial burden on ACT ratepayers (para 4.50)*

- *the Government expedite a resolution to the problem of where best to site the proposed Civic skateboard park, noting the committee's preference for a site near the Civic pool (para 4.53)*
- *the cost of the Building refurbishment at Woden Valley Hospital in the 1996-1997 Draft Capital Works Program (\$6m), along with similar such expenditure, should properly be attributed to the Hospital Redevelopment Project (para 4.60)*
- *the Government formally evaluate the whole Hospital Redevelopment Program (following its completion in 1997) and report back to the Assembly (para 4.63)*
- *the Government carefully assess the needs of the Community Care part of the Department of Health and Community Care with a view to ensuring that the health-related demands (especially of hospitals) are not overriding other legitimate priorities (para 4.66)*
- *the Government provide information to the committee in future years on the broad range of capital works bids put forward by agencies in formulating the Draft Capital Works Program (para 4.70)*

1. BACKGROUND

1.1. On 2 February 1996 the Standing Committee on Planning and Environment resolved to inquire into and report on the Government's 1996-1997 Draft Capital Works Program. The committee's decision followed receipt of a letter dated 15 January 1996 from the Treasurer (Mrs Kate Carnell MLA) which summarised the Government's Draft Capital Works Program and laid out details of the Government's priorities for capital works.

1.2. The Treasurer's letter noted that each government agency was responsible 'for providing detailed documentation on all their projects and responding to the Committee's public hearings and report'. Her letter also noted that: 'By bringing the draft proposals forward at this time, it is hoped that capital works will be in a position to be commenced as soon as possible in the financial year'. To meet this objective, the Treasurer asked the committee to report by 19 February 1996.

1.3. The Treasurer stated that 'final decisions on specific project support will be subject to the committee's recommendations and the need to accommodate capital works within the Government's three-year Budget limits'.

1.4. The Treasurer's letter and supporting documentation was arranged in four sections. The first section contained an 'overview' to the Draft Capital Works Program, which included a listing of the Government's key priority areas. The second section (identified as Attachment A) set out the requirements - developed by the ACT Office of Financial Management - that all government agencies had to meet in formulating their capital works proposal. The third section of the Treasurer's letter (identified as Attachment B) listed the construction proposals that received government endorsement. **This is the key working document for this inquiry and is reproduced as an appendix to this report.** The final section of the Treasurer's letter (identified as Attachment C) listed some forward design proposals that have received government endorsement at this stage. This section of the Treasurer's letter is also reproduced as an appendix to this report.

1.5. The Treasurer undertook in her letter to provide the committee with a status report on the performance of the 1995-1996 Capital Works Program. This was forwarded by the Office of Financial Management on 29 January 1996.

1.6. The committee authorised publication of the Treasurer's letter as well as of all the supporting documentation provided by government agencies. Officials from these agencies addressed the committee at public hearings which took place on 6-8 February 1996. A list of those appearing at the public hearings is shown at Appendix One to this report.

1.7. The committee also authorised publication of the five submissions received in response to advertisements placed in the local press in early February. The advertisements invited the public to comment on the Draft Capital Works Program. The submissions were from the:

- Belconnen Community Council Inc. [BCC]
- Commonwealth Department of Defence
- Lyneham and O'Connor Residents' Association
- Master Builders Association of the ACT [MBA]
- National Parks Association of the ACT Inc.

1.8. These five submissions are summarised later in this report. Representatives of the MBA, BCC and the National Parks Association addressed the committee at a public hearing on 23 February 1996. Representatives of the Lyneham and O'Connor Residents' Association addressed the committee on 1 March 1996.

1.9. As well as the supporting documentation applying to each of its projects, the Department of Urban Services [DUS] gave the committee a copy of technical reports dealing with roads, stormwater and bicycle paths. The information included:

- *Traffic Study for B1 Development Areas North Canberra: Final Report* (August 1995)
- *Athllon Drive Pavement Evaluation Study* (April 1995)
- *Pavement Evaluation Study of Athllon Drive - Geotechnical Investigation* (November 1995)
- *Adelaide Avenue (Woden Bound Carriageway) Pavement Evaluation Study* (September 1995)
- *Canberra Road Maintenance and Community Choice: Summary Report* (July 1992)
- *Duplication of Mouat St Lyneham: Final Report* (June 1994)
- *William Slim Drive Duplication Feasibility Study: Final Report* (September 1995)
- *Pre-design Studies 1994-1995: Pialligo Avenue- Ulinga Place Pialligo - Intersection Safety Report* (June 1994)

- *Kingsford Smith Drive - Drake Brockman Drive to Southern Cross Drive* (July 1994)
- *Bicycle Path Options Study: Gungahlin and North Watson to City: Final Report* (November 1994)
- *ACT Cycling Strategy Plan: Final Report* (June 1992)
- *On Road Cycling in the ACT: Improving Facilities for the Safety and Encouragement of Commuter Cyclists* (Final Report) [February 1992]
- *Tuggeranong Town Centre: Bicycle Facilities and Access Improvements - Final Report* (December 1994).
- *ACT Stormwater Evaluation Study: Volume 1 Summary Report and Volume 2: Detailed Supplement* (December 1994)
- *Braddon/Turner Stormwater Review* (for the National Capital Development Commission) by Hughes Trueman Ludlow (December 1988)
- *Review of Stormwater Criteria - Weston Creek* (Willing & Partners Pty Ltd) (August 1985)
- *Inner Canberra Stormwater Review: Draft Report* (for the National Capital Development Commission) (July 1977)

1.10. During the public hearings, the committee asked some agencies to provide supplementary information. DUS provided the committee with a paper entitled 'Urban Consolidation - Stormwater Implications' (Department of the Environment, Land and Planning, April 1994) and legal advice from the ACT Government Solicitor (dated 27 April 1995) regarding stormwater damage in Mawson. The ACT Bureau of Sport, Recreation and Racing also was asked for, and provided, supplementary information - as was the Department of Education and Training.

Appreciation

1.11. The committee wishes to thank the many public servants who produced the great amount of paperwork provided to the committee and who rearranged their schedules to appear before the committee at short notice. Also, the committee thanks the five submitters who raised issues of concern in relation to the Draft Capital Works Program.

2. SUBMISSIONS BY THE PUBLIC

2.1. The Belconnen Community Council expressed concern about the limited opportunity for community input to the Draft Capital Works Program:

We [are] concerned that there was really no role in the whole process [of formulating the Draft Capital Works Program, for the community]... we do want to get... [involved] long before things get into design lists, long before any money is spent on them... [and we want more information from] the bureaucracy... including [information about] how priorities are determined in the bureaucracy... How do [projects] get into the Program? Who introduces them? And what has been rejected? What has been suggested but rejected?¹

2.2. The Belconnen Community Council calls for the Government to establish:

a list of entitlements... [or] an objective list of what people over time need to have in their communities and in their cities, and that list should be open to public scrutiny and debate... [as well as] kept under review as things change over the years.²

2.3. The Council expressed concern about the long-term financial and legal implications of the proposed expenditure on stormwater augmentation in the central part of Canberra:

To us it seems that there can be quite a measure of hidden subsidy in redevelopment that has been borne by the community at large... [for example, applying to proposals like] traffic calming in the B1 Area [of north Canberra]... and stormwater augmentation...

What sort of recovery is there against development... if we have to put this massive subsidy into cleaning up after development which then diverts funds from... the rest of Canberra, and from the priorities for the rest of Canberra...³

2.4. The Belconnen Community Council also drew attention to the possible health risks associated with ‘co-locating bicycle paths and main freeways’ and called for explicit identification of the ‘trade-offs’:

[We ask] that if those trade-offs are done - trading off public health perhaps against financial stringency - that the community be told about it, that these are not decisions that bureaucrats should just make unilaterally...⁴

¹ *Transcript of Proceedings* (Unedited) p212 (Ms Flint) 23/2/96

² *Transcript of Proceedings* (Unedited) p211 (Mr Evans) 23/2/96

³ *Transcript of Proceedings* (Unedited) pp213-215 (Ms Flint) 23/2/96

⁴ *Transcript of Proceedings* (Unedited) p216 (Ms Flint) 23/2/96

2.5. The Council referred to 'firm undertakings to provide Belconnen with a proper swimming pool' in the last ACT election and expressed concern that this matter might be receiving low priority because 'a couple of north Belconnen private sector fitness centres presumably had raised difficulties'.⁵

2.6. Further, the Council queried the proposed large expenditure on cultural facilities in the centre of Canberra to the detriment of areas like Belconnen.

2.7. The **Commonwealth Department of Defence** expressed disappointment that the Draft Capital Works Program:

reveals no expenditure has been set aside for the completion of the third part of the upgrade to Morshead Drive...[at Duntroon]...[involving] duplication of the remaining section of Morshead Drive to the Dairy Flat Rd bridge roundabout...

[Such expenditure] will alleviate concerns over safety and congestion on Morshead Drive and provide a suitable entrance to Canberra...

2.8. The **Lyneham and O'Connor Residents' Association** stated its opposition to making Mouat Street, Lyneham, a four-lane arterial road and requested the Standing Committee on Planning and Environment conduct a public inquiry into the proposal. The Association favours the option of:

connection of Ginninderra Drive to Northbourne Avenue via a road between North Lyneham and Kaleen to the junction of Ellenborough Street and the Barton Highway and then along the Barton Highway to Northbourne Avenue.

2.9. The **MBA**, in noting the improved process of formulating and considering capital works this year, drew attention to the 'slippage' that has occurred in past capital programs and the subsequent inability to spend the capital works appropriation. The MBA observes that generally 'only 25-35% of new works is cash in the first year', one reason being the 'paucity of forward design allocations in previous years'. The MBA calls upon the Administration to improve the number of forward designs. As well, the MBA notes the need to approve the capital works program 'ahead of the normal Budget process'; hence, the MBA 'recommends approval be given to ACT Works and Commercial Services to proceed to full design documentation on all projects as soon as the Planning and Environment Committee report passes the Legislative Assembly'.

2.10. On a related matter, the MBA expressed concern about the reduction in the projected revote (due to works not completed or even started on time), stating: "One should question the capacity of the Government to fund this intended expenditure or liability without recourse to debt".

⁵ *Transcript of Proceedings* (Unedited) p218 (Ms Flint) 23/2/96

2.11. The MBA noted the decline in the housing market and the subsequent detrimental effect of the downturn on the engineering construction sector. The MBA states that the area in Campbell set aside for National Associations (Section 5, Campbell) provides the opportunity for work by this sector as well as for future work in the hospitality and tourism sectors (once the project is completed). The MBA recommends that 'the present planning hiatus between the NCPA and ACT Planning Authority be resolved so as to permit the early turn-off of National Association sites within Section 5 Campbell'.

2.12. The MBA expressed concern about 'the lack of maintenance funding of the ACT roads system', stating that 'the ACT community has build up a liability which may exceed its subsequent financing capacity'. The MBA recommends that ACT Works and Commercial Services be directed 'to advise the present extent of road maintenance in the ACT'.

2.13. A further issue of concern to the MBA was 'the compressed construction contract periods being applied' by the Administration, which was leading to 'increased bid prices' due to industry's need 'to minimise its risk by making allowance for any liquidated damages imposed by the client'. Further, the MBA stated that some of the measures contained in the Federal Government's Construction Industry Reform Strategy 'militate against the ability of local contractors to compete for building and construction contracts' - for example, the Financial Capacity Criteria and 'a ceiling of 50% of turnover for labour and subcontract expenses'. The MBA calls these measures 'arbitrary' and 'wrong', and asks for a financial evaluation of the 'benefits, if any, [as they are likely to be less than] the cost of compliance by industry, the client, or both'.

2.14. The MBA makes two further recommendations. The first is that a financial incentive (of 50% betterment) apply to redevelopment in Civic in order to hasten its rejuvenation. The second recommendation is that 'off-Budget agencies be required to present [their] draft capital works program on an identical basis to [Budget-dependent] agencies' - in order to improve the scrutiny of their works.

2.15. The **National Parks Association of the ACT Inc.** expressed concern about the proposed allocation of \$100,000 to develop a forward design for campgrounds in nature reserves and forest areas. It is expected that design works would commence in August 1996 and finish by June 1997. The list of forward design proposals at Attachment C of the Treasurer's letter (reproduced as an appendix to this report) shows that officials expect the final cost of these works to be \$1m.

2.16. The National Parks Association:

is concerned that the approach adopted in the [Administration's] proposal for campgrounds in nature reserves and forest areas does not reflect the primary role of Namadgi National Park and the nature reserves as areas for conservation of the natural environment. In this proposal, the primary criterion is current and forecast demand for recreation use rather than environmental carrying capacity. It proposes that current campgrounds be redeveloped and new campgrounds be established to meet the recreational demand. It does not comment on whether the anticipated increased visitor numbers and recreational facilities are consistent with maintaining the nature conservation values of the parks or even how they will affect those nature conservation values. It does not refer to the Namadgi National Park Management Plan or any other management plans.

The proposed additional facilities include "provision of infrastructure such as water supply, toilet facilities, BBQ and picnic areas, campsites, car parking [and] redesign of existing campground layout". Provision of such facilities could have significant environmental impacts in natural areas and could significantly change the recreational character of those areas...

The National Parks Association believes that the revision of the Namadgi National Park Management Plan should precede design work on additional recreational facilities in the park. Management plans should also be finalised for the nature reserves before design work on additional recreational facilities in the nature reserves.

2.17. The National Parks Association criticises the limited extent of consultation on the proposal:

No mention is made of consultation with groups concerned with maintaining the nature conservation values of the parks such as the National Parks Association, the Conservation Council, the Field Naturalists Association, the Canberra Ornithologists Group or the many other groups in Canberra with knowledge of and concern for the natural values of Canberra's nature parks. This reflects the bias of the proposal towards planning to accommodate recreation demands...

2.18. The National Parks Association states that 'does not object in principle to the development of sensitively prepared, low key recreational facilities in Namadgi National Park and the nature reserves' but it:

does object to ad hoc development of recreational facilities. [It] believes that development of recreational facilities should be in accord with agreed management plans... Finalisation of management plans should therefore precede the design work on recreational facilities proposed by the Department of Urban Services.

2.19. The Association told the committee that there:

is a big problem in management planning in the ACT. There are not enough plans being done. They are not being redone when they need to be done. There is not enough staff in the area to do them... [and] those staff who are in the working are seem to be tied up in an elaborate internal process within the Government, of things going backwards and forwards. What is proposed to be done are the regional

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strategic plans. As far as I can tell, there is no planning... to do the specific area management plans, those extra 30...

[It appears] that there are a number of [local government] councils which are substantially out-spending the ACT Government on management of areas like the Canberra Nature Park...

[Further, in comparison to Western Australia] if you look at the management plans going from four hectares up to any size they are all consistently more detailed and comprehensive than the management plans in the ACT - with the exception of Jerrabomberra Wetlands... [which] is quite a good management plan by comparison.⁶

⁶ *Transcript of Proceedings* (Unedited) p228-230 (Mr Polglaze) 23/2/96

3. THEMES

3.1. The committee considers that the following broad themes emerged from its consideration of the 1996-1997 Draft Capital Works Program:

- the content and organisation of the paperwork provided by agencies to justify their capital works projects
- the timing of this year's capital works process
- the priority areas for capital works
- comments about specific capital works
- the management of public assets in the ACT
- what to expect next year in relation to the capital works process.

3.2. All but one of these six themes are taken up in this Chapter. The committee found that the length of its comments on the one exception (comments about specific capital works) warranted a separate Chapter of its own; hence it appears as Chapter 4 of this report.

The content and organisation of the paperwork provided by agencies to justify their capital works projects

3.3. The committee is pleased with the great improvement in the content and organisation of the paperwork provided by agencies to justify their capital works projects.

3.4. The committee particularly notes the changes made to the criteria used by the Capital Works Group to assess the proposals put forward by government agencies. The committee was told that these changes 'reflect the various recommendations... of... previous reports' of this committee and its predecessor (the Standing Committee on Planning, Development and Infrastructure).⁷ The Chair of the Administration's Capital Works Group told the committee that the practices used for capital works formulation and management by other States were scrutinised 'and I believe that we have got among the best in Australia in

⁷ *Transcript of Proceedings* (Unedited) p9 (Mr Woods) 6/2/96

terms of our guidelines, the criteria to be followed, and the processes that we have run through'.⁸

3.5. The criteria are set out in the Treasurer's letter as follows:

strategic and policy planning, whole of life costings; cost-benefit analysis (for proposals over \$1m); a detailed user requirement/functional brief; site identification; and timing and technical (construction) feasibility.

3.6. The Chair of the Capital Works Group observed that 'we had a tortuous month where a lot of the proposals [put forward by agencies] needed a lot more work' before the draft program was finalised⁹. This was part of the learning process and improvements are expected in the future.

3.7. The committee is pleased with the criteria being used to assess capital works proposals but observes that there is no explicit reference to the desirability of incorporating attention to the principles of ecologically sustainable development. These principles include the precautionary principles (whereby lack of full scientific certainty about environmental damage should not be used as a reason for postponing measures to prevent environmental degradation), the principle of inter-generational equity (whereby the present generation should ensure that the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations), the conservation of biological diversity and ecological integrity, and improved valuation and pricing of environmental resources.

3.8. The committee in its report on the 1995-1996 Draft Capital Works Program recommended that 'the Government make it a requirement that proposed new capital works meet the need for ecologically sustainable development'.¹⁰

3.9. The committee recommends that:

- *the Government stipulate that the criteria used to assess capital works proposals include the desirability of addressing the principles of ecologically sustainable development.*

3.10. This year the committee was provided with a status report on the 1995-1996 Capital Works Program which identifies how the new works are progressing. The committee is very pleased with this innovation, which follows

⁸ *Transcript of Proceedings* (Unedited) p11 (Mr Finn) 6/2/96

⁹ *Transcript of Proceedings* (Unedited) p11 (Mr Finn) 6/2/96

¹⁰ Report No.3 of the Standing Committee on Planning and Environment *Report on the Government's 1995-1996 Draft Capital Works Program* (September 1995) p20

concern expressed in past reports about the lack of detail on how the current year's capital works projects are fairing. In terms of expenditure, the status report shows 'expenditure in the order of 46% in total against budget at the mid-year mark'.¹¹

3.11. Also included in this year's documentation was brief information on a number of forward design proposals that have received government endorsement at this stage. They include planning for a Joint Emergency Services complex and a bus interchange in Gungahlin, extensive roadworks also at Gungahlin, together with environmental impact studies for the Intertown Public Transport Route Development and John Dedman Parkway.

3.12. The committee considers it is extremely useful to see the general nature of large capital works projects which, having secured Government endorsement at this early stage, may be sharpened up in future years and then come before the committee as specific works for a specific year.

The timing of this year's capital works process

3.13. The committee appreciates that the earlier timing of this year's draft program (and hence, of the committee's report to the Assembly) enables the Government to more fully take into account the committee's views when formulating the capital works component of the Budget Papers. This indicates a desire by the Government to widen the participative role of the committee.

3.14. The committee appreciates the point made by the MBA that, in the past, too many projects did not commence in the year funds were committed. The committee was told by the Office of Financial Management that it expects about \$58m of works to carry over from previous years - made up of \$33m in works from the 1995-1996 program and \$25m in works from earlier years - while new works in 1996-1997 should total about \$50m. The Office of Financial Management commented:

[In the past] we have found... situations where there was such a high level of carry over that there was very little cash available for new programs and therefore they were not committed until late in a financial year. By bringing forward consideration of the program, by enabling the Government to decide on that program before the finalisation of the previous financial year, it will enable significant progress on new works to be undertaken in a financial year. And I think that is a significant benefit.¹²

¹¹ *Transcript of Proceedings* (Unedited) p14 (Mr Woods) 6/2/96

¹² *Transcript of Proceedings* (Unedited) p4-5 (Mr Woods) 6/2/96

3.15. The committee considers the MBA's request for ACT Works and Commercial Services to proceed to full design documentation on all projects as soon as this committee's report 'passes the Legislative Assembly' should be carefully considered by the Government. (The committee points out that it is likely the formal Government response to this report will precede passage of the report through the Assembly.) The important point, however, is to have sufficient design proposals on hand to enable a start on all possible projects as soon as the Capital Works Budget Paper is passed by the Assembly.

3.16. In drawing attention to the problem of 'slippage' in the Capital Works Program in the past, the MBA suggested that the Government endorse the preparation of a broader range of forward design projects than it has in the past - in order to quickly bring forward a project in the event that one with a higher priority encounters unexpected difficulties during the course of a year:

[This] is a practical change that can be made to the situation that has existed for many, many years... [and would result in] a constant flow of work for local industry here in the ACT...

[The preparation of forward designs] is the relatively cheap part of the process. And if you can get some design done, even two years in advance, and just stick them in a pigeon hole, you just never know when funds are going to become available...

[This initiative] takes a bit of extra organising, but everyone who is in the industry appreciates it is the one big practical step that could be taken, that does not cost a lot of money, that would improve the work flow, and allow us to take advantage of unforeseen circumstances.¹³

3.17. The committee recommends that:

- *the Government take steps to ensure that sufficient design proposals are on hand to enable a start on all possible projects as soon as the Capital Works Budget Paper is passed by the Assembly. If this means that the design proposals should be finalised as soon as the committee's report is tabled in the Assembly, then the Government should consider directing the relevant officers accordingly.*

3.18. Further, the committee recommends that:

- *the Government endorse a broad range of capital works projects for the preparation of forward designs, in order to quickly substitute a lower priority project for one that is on the final Program but which encounters unforeseen difficulties in its implementation.*

¹³ *Transcript of Proceedings* (Unedited) pp203-204 (Mr Middleton) 23/2/96

The priority areas for capital works

3.19. The committee was told that the Draft Capital Works Program shows projects to a value of \$111m but that it will be necessary 'to come back to a final program in the order of \$100m'.¹⁴ Further, the Chair of the committee stated that the Chief Minister had informed him she was particularly interested in the committee's recommendations 'about projects that we believe ought not to proceed'.¹⁵

3.20. The draft program has been drawn up to reflect the Government's key policy priorities, which are listed in the Treasurer's letter of 15 January 1996 as follows:

Civic redevelopment, provision of new facilities in and access from Gungahlin, public transport, environment, additional services and upgrading of facilities in Tuggeranong and upgrading of schools.

3.21. The Treasurer's letter provided greater detail on these priority areas:

- Civic : 'development of Civic Square/Ainslie Avenue, construction of a skateboard park and refurbishment of City Walk, Garema Place and Petrie Plaza ... at a total cost of \$1.5m'; refurbishment of the Canberra Playhouse; and '\$7m is proposed for the Cultural Centre';

- Gungahlin: 'projects to the value of \$28m' are proposed, including 'the Nicholls High School, public gymnasium facilities in Nicholls, Gungahlin Town Centre Infrastructure, William Slim Drive intersections and Gungahlin Drive';

- public transport: projects totalling \$2m are proposed, to include bus priority measures and traffic calming measures;

- environment: projects totalling \$2.5m are proposed in the areas of 'Landcare projects and fire protection, exotic plant control and refurbishment of public use areas in forests', together with projects worth \$12m for 'storm water augmentation in various areas, environmental controls at landfills, improvements to and provision of on-road cycling facilities and tree planting';

- Tuggeranong: refurbishment of Erindale Leisure Centre (\$2.8m) and construction of a District Police Headquarters (\$5.9m)

¹⁴ *Transcript of Proceedings* (Unedited) p4 (Mr Woods) 6/2/96

¹⁵ *Transcript of Proceedings* (Unedited) p9 6/2/96

- upgrade of older schools: upgrade of schools at Narrabundah and Red Hill, 'as well as ongoing upgrade of specialist science and technology areas... at a total cost of \$4.8m'.

3.22. The committee has no problem with these key policy areas, which anyway are the prerogative of Government. Some members of the committee commented on the amount of expenditure proposed for the central area of Canberra (the Molonglo electorate); the committee notes the response of officials to the effect that this is the oldest part of Canberra and has public assets which are ageing and which were designed for a smaller population.¹⁶ Also, the committee was told that - in the case of the large amounts of money proposed for road maintenance and stormwater augmentation - consultants have advised on 'the state of the asset, what is required to bring it up to acceptable standards, the cost involved and suggestions on priorities'.¹⁷ The committee comments further on this matter later in the report.

3.23. The committee is concerned that one element of the total expenditure on publicly owned capital works remains un-scrutinised by this committee and by the public generally. This is the capital works expenditure by off-Budget agencies such as ACTEW and ACT Housing. The committee considers that the capital works expenditure of these agencies impacts on the overall capital works program of the Territory and especially interacts with government agency proposals. The committee observes that both ACTION and ACT Housing are vitally interested, for example, in the proposal for significant stormwater augmentation (see later in this report).

3.24. The committee recommends that:

- *the Government require its off-Budget agencies to submit their draft annual capital works program to both Government and this committee, in the same manner and according to the same timetable that applies to other agencies (to commence in 1997).*

3.25. In the meantime, the committee has written to the Chief Minister requesting that she approve the attendance of officials from ACTEW and ACT Housing to address the committee about their capital works proposals for the 1996-1997 year.

¹⁶ For example, *Transcript of Proceedings* (Unedited) p33 (Mr Davidson) 6/2/96; and p83 (Mr Turner) 7/22/96

¹⁷ *Transcript of Proceedings* (Unedited) p84 (Mr Turner) 7/2/96

The management of public assets in the ACT

3.26. The Treasurer's letter set out the Government's approach to the management of public assets in the ACT:

Key elements of the Government's capital works reforms include removing any notion of a free-good element of capital spending. Funding for capital works will be appropriated to individual agencies, who will be responsible for all aspects of asset management on a whole-of-life basis.

Agencies will be provided with capacity, through depreciation, to plan for and fund (subject to overall budget limits) replacement works.

New works will be treated as a public investment rather than a free-good and will be funded as a capital injection, subject to a full financial and strategic business case...

These reforms will be supported by the parallel development of improved performance reporting on works-in-progress and forward design proposals; agencies developing a longer term planning cycle consistent with the nature of the capital investments proposed and cash flow projections; and improved guidelines and procedures to assist agencies in developing capital investment business cases.

3.27. Perhaps a more succinct summary of the changes to public asset management was given by the Under-Treasurer who stated that agencies need to become aware:

that assets are an integral component of the production of goods and services, that they have a cost associated with them, and that there must be a return on that cost, and that gets reflected in the price paid by government.¹⁸

What to expect next year in relation to the capital works process

3.28. The committee was told that the changes to formulating the 1996-1997 Draft Capital Works Program have:

been very successful in forcing departments to face up to the hard justification of their decisions and... next year will make that even more so and it will put a focus on longer-term planning because a lot of our assets are getting to that critical stage now where we are really having to think the future for them.¹⁹

3.29. The Chair of the Capital Works Group commented on the next stage of refining the capital works process:

I think where the next round of improvements will come will be Departmental familiarity with the criteria and with the process this year... We do envisage that

¹⁸ *Transcript of Proceedings* (Unedited) p10 (Mr Woods) 6/2/96

¹⁹ *Transcript of Proceedings* (Unedited) p17 (Mr Turner) 6/2/96

there would be a similar quantum change in the requirements on agencies, but we expect a significant improvement in their responses in the sense that they become more familiar with and understand what their requirements are.²⁰

3.30. The committee comments in passing that the saga of the Canberra Theatre roof replacement illustrates the need for tighter controls. Last year's report by this committee criticised the absence of a clear capital works and maintenance strategy for the Theatre. Until such a strategy was in place, the committee considered proposed works costing \$500,000 to replace the copper roof should not proceed.²¹ The Theatre subsequently commissioned an asset management report and then (in December 1995) asked the Construction and Maintenance Management Service of DUS to commence detailed design, contract documentation and tendering. The project is not expected to go out to public tender until May 1996 and might be completed by September 1996 - making it an example of a project that carries over from one year to the next due to inadequate documentation.

3.31. The Canberra roof project had another element causing concern to this committee last year. This is the possible extra costs imposed on ACT ratepayers by building or planning requirements set by the National Capital Planning Authority. In this case, the committee understands that the NCPA required a replacement roof to be copper sheeted. The committee questioned DUS officials this year about whether NCPA requirements were causing additional costs in the capital works program.²² The committee continues to be concerned about this issue.

3.32. The MBA referred to one difficulty involving the NCPA when it stated that there was a 'planning hiatus between the NCPA and ACT Planning' in relation to 'the early turn-off of National Association sites within Section 5, Campbell'. Provision for this work was included in last year's Draft Capital Works Program (\$917,000). At the time the committee considered this matter last year, the committee understood that 'agreement has been reached with the NCPA for the land use concept [but] liaison is continuing to define the built form of the development'.²³ The committee has not had time to question of the ACT Planning Authority on the nature of the problems with the NCPA; but the MBA's statement reinforces the need for care in proposals involving liaison with the NCPA.

²⁰ *Transcript of Proceedings (Unedited) p15 (Mr Finn) 6/2/96*

²¹ Report No.3 of the Standing Committee on Planning and Environment *Report on the Government's 1995-1996 Draft Capital Works Program* (September 1995)p13

²² *Transcript of Proceedings (Unedited) p57 6/2/96*

²³ Report No.3 of the Standing Committee on Planning and Environment *Report on the Government's 1995-1996 Draft Capital Works Program* p15 (September 1995)

3.33. The committee recommends that:

- *the Draft Capital Works Program explicitly identify the projects incurring additional costs due to the need to comply with the requirements of the National Capital Planning Authority.*

3.34. The committee is disappointed that a few agencies were unable to tightly justify their proposed works this year (one example is the amount of \$750,000 for 'Minor New Works' in the Land area²⁴). The committee looks forward to the time when all agencies present such stringently justified proposals for their capital works that the Government, this committee and the public can be confident that all important criteria have been addressed.

²⁴ *Transcript of Proceedings* (Unedited) p125 7/2/96

4. COMMENTS ABOUT SPECIFIC CAPITAL WORKS

4.1. In scrutinising the Draft Capital Works Program, the committee paid particular attention to the following items (with the proposed expenditure shown in brackets).

4.2. The energy management program in government buildings (\$1.059m), which was said to ‘have achieved around about \$1.5m in savings from the \$4.5m’ already spent on matters such as conversion to natural gas, changing lighting systems and toilet flushing in schools.²⁵

4.3. Traffic calming in the B1 Area of North Canberra (\$300,000 in 1996-1997, with an all-up cost of \$900,000), reflecting denser building development in the area and subsequent traffic effects.

4.4. On-road cycling improvements (\$100,000), reflecting a greater emphasis on commuter cycling as against the recreational cyclist.²⁶ The committee noted advice that ‘provision for on-road cycling in Canberra is estimated to cost \$1.8m’ and queried whether a greater annual amount should be allocated to this item. The committee suggested that officials consider incorporating the on-road cycling paths into road maps of the ACT.²⁷

4.5. The committee recommends that:

- *the Government consider increasing the funds allocated to the provision of on-road cycling facilities in order to encourage this form of transport in selected areas.*

4.6. The ACT Cultural Centre (\$7m). The committee noted the proposal to refurbish Civic Square and Ainslie Avenue in Civic (\$900,000) and asked whether the proposed works have been considered in the context of the proposed Cultural Centre in North Building.²⁸ In relation to the latter project, the committee was told that relevant Ministers are being asked to re-examine a recent report on the cost of the proposed Cultural Centre in North Building. In response to a question about the possible integration of the works into a

²⁵ *Transcript of Proceedings* (Unedited) p20 (Mr Sullivan) 6/2/96

²⁶ *Transcript of Proceedings* (Unedited) p30 (Mr Davidson) 6/2/96

²⁷ *Transcript of Proceedings* (Unedited) p60 6/2/96

²⁸ *Transcript of Proceedings* (Unedited) p38 6/2/96

comprehensive design strategy for Civic Square, officials advised that no formal studies of this kind have been prepared.²⁹

4.7. The committee recommends that:

- *the Government urgently integrate the proposals for the Civic Square precinct, taking into account the various buildings already in place (including the Canberra Theatre, the Playhouse, the Box Office link, and the Assembly building), the proposed Cultural Centre and the proposed refurbishment of the Civic Square/Ainslie Avenue area.*

4.8. Stormwater augmentation in Braddon/Ainslie/O'Connor (\$6m), Cook (\$400,000), Duffy (\$1.620m), Yarralumla (\$2.240m) together with forward design of stormwater augmentation at Kingston (\$200,000 in 1996-1997 with an all-up cost of \$2.5m). The committee queried the justification for such expenditure and was told that (with the exception of the Cook expenditure which is required because of 'some isolated problem areas'³⁰):

The potential exists if there is an event which demonstrates that the storm water system does not operate up to the required standard, that there may be a problem if a claim was brought for loss or damage...

The generally accepted standard is that the system needs to perform to the standard that it was designed at the time. However, in these older areas they are well below current standards with very little provision for any overland flow which is not coped with by the pipe system - which is quite different to the newer areas in terms of the way they are designed. And it is complicated a little by the fact that summary development has occurred in the area so that needs to be taken care of, and the storm water system needs to be upgraded..³¹

4.9. Supplementary information provided by DUS (at the committee's request) reveals that DUS was concerned in September/October 1993 about:

the stormwater implications of the urban consolidation program, and the potential timing and scale of redevelopment associated with the amended Territory Plan policies.

The DUS concerns arose from a proposal for redevelopment generally, and in the inner Canberra area in particular, where:

- substantial areas of inner Canberra are already below current standards of flood protection, and

²⁹ *Transcript of Proceedings* (Unedited) p176 6/2/96

³⁰ *Transcript of Proceedings* (Unedited) p54 (Mr Davidson) 6/2/96

³¹ *Transcript of Proceedings* (Unedited) p32 (Mr Davidson) 6/2/96

- some areas of inner Canberra are without a reticulated stormwater system or provision of overland flow paths [and]
- some of the newer areas may require local augmentation to maintain standards.

4.10. DUS's essential concern was that:

the redevelopment/dual occupancy policy will advance the timing of upgrading/augmentation works required in a number of cases, with budget implications for DUS.

4.11. The supplementary information includes consideration by DUS of "on-site" measures to handle local runoff but observes that such ground absorption techniques are of limited use due to the low permeability of Canberra soils and 'the potential exacerbation of flooding associated with the wide adoption of detention basins, as experienced in a number of Sydney region local government areas'. The DUS document continued:

It is apparent that a substantial part of the area within which major redevelopment will be concentrated in the short-term (Area B1) is identified in the DUS review as a major constraint area in stormwater terms. In view of the Government urban redevelopment undertakings, a means of addressing the stormwater constraints on redevelopment is urgently required. In discussions between DUS and DELP [the Department of the Environment, Land and Planning], it has been agreed that this problem should be addressed by a combination of fast tracking of the Stormwater Master Planning for priority areas, and the adoption of Interim Guidelines, pending completion of Master Planning and system augmentation...

[The] Interim Stormwater Management Guidelines for Redevelopment will... [particularly relate] to on-site detention and other discharge amelioration measures... Redevelopment applications which do not meet these Guidelines may be considered as Special Proposals, subject to the application being supported by hydraulic, groundwater and soil studies.

The Interim Policy will apply for the period of development of the long-term strategy (anticipate order of two years).

4.12. The DUS paper noted that, in order 'to secure funds necessary to commit augmentation and upgrading of stormwater system to accommodate redevelopment', there was a need to:

seek developer contributions, on the basis of:

- the most equitable (user pays), efficient (incentive to minimise increase in discharge), and financially secure basis of managing redevelopment-related stormwater issues;
- offsetting betterment charges to the value of the developer charge, at a later date.

Developer charges to be set on the basis of a pro rata charge per square metre of additional impervious area. The cost attributable to augmentation to be calculated on the basis of the cost of works required to augment and upgrade the whole catchment, less the cost of works to upgrading the existing sub-catchment only.

4.13. The Standing Committee on Planning and Environment is extremely surprised by this information. The committee does not recall that it, or its predecessor (the Standing Committee on Planning, Development and Infrastructure), was provided with this information during consideration of the former Government's urban infill strategy or consideration of redevelopment of the B1 Area.

4.14. In effect, what the committee has now learnt is the costs of the urban infill strategy in Canberra, and especially in the inner north of the city, were significantly under-stated. This year's Draft Capital Works Program reveals that millions of dollars will need to be spent on stormwater augmentation in the inner north. The supplementary information provided by DUS also reveals that serious consideration has been given to developer contributions on a site-specific basis (possibly with some offsetting adjustment to betterment charges). The committee is unaware of how far this proposal has been taken.

4.15. The committee recommends that:

- *the Government advise the Assembly on the full justification and costs of the proposed stormwater augmentation works for the ACT (especially in the inner north of the city).*

4.16. The committee recommends that:

- *the Government advise the Assembly on the planning and management implications arising out of the need for major stormwater augmentation works in the inner north of Canberra - including the possible use of developer contributions on a site-specific basis.*

4.17. Leachate run-off from Mugga Lane Landfill (\$300,000). The committee was told that leachate is pumped into the sewerage system and is treated at the sewerage works.³² The leachate 'is well below the trade waste levels adopted by ACTEW'.³³

4.18. The committee asked for information on the way that asbestos waste is handled and was advised that:

Asbestos disposal commenced at the West Belconnen landfill following the closure and sealing of the site in Gungahlin in August 1991. The Asbestos Disposal Pit at West Belconnen had a capacity of 70,000 cubic metres. To date, some 42,000 cubic metres (60% of available space) has been utilised.

³² *Transcript of Proceedings* (Unedited) p39 (Mr Davidson) 6/2/96

³³ *Transcript of Proceedings* (Unedited) p69 (Mr Woolcock) 7/2/96

Over the past three years, an annual average of 1,000 tonnes of asbestos has been taken to West Belconnen for disposal. At this rate the facility at West Belconnen could cater for demand for the next 25 years. If the rate of disposal increases, there is sufficient space available at West Belconnen to construct a new disposal pit.³⁴

4.19. Extension works at Mugga Lane Landfill (\$670,000) which, in light of the introduction of tip charges, led the committee to query officials about the life of Canberra's tips.³⁵

4.20. Mouat St duplication (\$300,000 for forward design works in 1996-1997, with the total cost estimated to be \$3m). The committee asked about the cost of an alternative proposal, which would be to extend Ginninderra Drive to Northbourne Avenue; and was told the cost was likely to be \$7m. Officials stated that they are re-examining this estimate.

4.21. The Standing Committee on Planning and Environment considered the traffic problems of the area comprising Ginninderra Drive, Mouat Street, Brigalow Street, Ellenborough Street and its intersection with the Barton Highway during examination of the draft Variation to the Territory Plan for Lyneham Section 67 Block 1 (part) (Yowani Golf Club). The committee's report on the draft Variation contained the following recommendations:

- significant improvements [should be] made to the Ellenborough Street/Barton Highway intersection to facilitate the movement of traffic into and out of Kaleen, preferably via the Barton Highway (in order to lessen traffic flow on Ellenborough Street), [and]

- Mouat Street [should] be widened to its intersection with Northbourne Avenue in order to improve the present traffic problems of the area.³⁶

4.22. In the light of further information available since the committee's report on the Yowani draft Variation was brought down, the committee considers that it is opportune to re-examine all of the options for handling the traffic flow in this area, specifically including the extension of Ginninderra Drive to Northbourne Avenue. The committee considers that a report on these options should be made available to this committee before the Government finalises its preferred position.

4.23. The committee recommends that:

³⁴ Supplementary information provided by DUS (dated 9 February 1996)

³⁵ *Transcript of Proceedings* (Unedited) p41 6/2/96

³⁶ Report No.1 of the Standing Committee on Planning and Environment *Draft Variation to the Territory Plan for Lyneham Section 67 Block 1 Part (Yowani Golf Club)* May 1995 p9

- *the expenditure of \$300,000 for forward design work to duplicate Mouat Street be deferred until the Standing Committee on Planning and Environment has been informed of the feasibility of other options and particularly the option of extending Ginninderra Drive to Northbourne Avenue.*

4.24. John Dedman Parkway (\$300,000 for forward design works in 1996-1997, with the total estimated cost being \$31m). The purpose of the expenditure is to commence environmental impact studies of alternative routes.³⁷

4.25. Inter-town public transport route development (\$80,000 for forward design works in 1996-1997, with the total estimated cost being \$3.65m). This project is described in the detailed documentation as follows:

Provision of bus roadway, bus priority measures and passenger facilities along the IPT route to provide significantly enhanced access to the University of Canberra, Bruce CIT and the Bruce Stadium, and to improve the cost-effectiveness of the Route 333 intertown express services. The design will be capable of subsequent conversion to light rail should the need arise.

4.26. Gungahlin Joint Emergency Services Complex (\$350,000 for forward design works in 1996-1997, with the total estimated cost to be \$2.85m). This project will co-locate fire, police, ambulance and emergency services in the one facility. The committee queried officials about the response time of emergency vehicles servicing Gungahlin from Ainslie fire station (where ambulances will be located following closure of the present Dickson ambulance station) in the period before the new facility is built. The officials undertook to provide further information to the committee.³⁸

4.27. Landcare projects (\$125,000), such as:

soil conservation measures, fencing, tree planting, gully side reshaping in Tuggeranong, weed control, fencing on the travelling stock reserves, eroding gullies in the Fadden Pines, rehabilitation of the quarry at Honeysuckle Creek, soil conservation program at Freshford Creek [and] exotic plant removal in several places throughout nature parks.³⁹

4.28. The committee recommends that

- *the Government increase the funds allocated to Landcare projects, given the strong community interest in this type of project and the obvious*

³⁷ *Transcript of Proceedings* (Unedited) p76 (Mr Davidson) 7/2/96

³⁸ *Transcript of Proceedings* (Unedited) p104 (Mr Castle) 7/2/96

³⁹ *Transcript of Proceedings* (Unedited) p100 (Mr Nicolson) 7/2/96

benefits to be gained from tapping into the enthusiasm and skills of established voluntary groups.

4.29. Exotic plant control (\$150,000), which will supplement the present spending of about \$350,000. The committee was told that:

A weed strategy is currently under consideration by Government... The weed strategy takes a much broader view than... the basic control of weeds, in that it focuses on a range of other elements, for example, quarantine against weeds, inventory, the valuation and mapping of weeds, community involvement, community education... research..., and some variations to land use and management planning to encourage or put a higher emphasis on weed control within government lands.⁴⁰

4.30. The committee recommends that:

- *the Government urgently finalise its weed strategy, in order to initiate a comprehensive long-term treatment plan for the control of exotic plants in the ACT.*

4.31. Campgrounds in nature reserves and forest areas (\$100,000 in forward design fees, with a total cost of \$1m). The committee was told that:

There has been a fairly steady but substantial increase in people using camp grounds throughout the ACT... Some of the areas (such as Booromba Rocks...) have been used intermittently but now are getting substantial regular use. Other areas such as Orroral Valley camp site are being substantially overused. What we wish to do is, first, commission a survey about possible areas which would be suitable as campgrounds and then to do some preliminary design work to ensure that both the existing campgrounds are made as effective as possible and to develop new campground areas...

[As well, the Administration will] complete the plans of management for the other nature areas which will be coming out by the end of this year. After that, we will start on reviewing a previous one, such as Namadgi, which is now... eight years old... My guess is that by the end of 1997 we would have a revised management plan available for public use for Namadgi...

[And] the reason we are doing a campground strategy is because campground development has been quite ad hoc across the ACT and no-one has ever taken an overview of campgrounds across the ACT.⁴¹

4.32. The committee is conscious of the recent work in this area of another committee of the Assembly, namely, the Standing Committee on Economic Development and Tourism. In its report into nature-based tourism in the ACT (dated December 1995), that committee stated:

⁴⁰ *Transcript of Proceedings* (Unedited) p115 (Mr Nicolson) 7/2/96

⁴¹ *Transcript of Proceedings* (Unedited) pp118-120 (Mr Nicolson and Ms Jackson) 7/2/96

The committee was concerned to learn that the ACT only has two management plans in place, one for Namadgi, prepared nine years ago and one for Jerrabomberra, which was the only one completed in the last four years. Further, the Namadgi Management Plan does not cover the additional 25,000 hectares by which the Park has grown. Management plans for the Lower Molonglo, Murrumbidgee Corridor and Canberra Nature Park are currently in draft form but Tidbinbilla, which was highlighted as being the area targeted for further development, does not have a draft management plan.⁴²

4.33. The Standing Committee on Economic Development and Tourism went on to recommend that 'the ACT Government finalise draft management plans for the Lower Molonglo, Murrumbidgee Corridor and Canberra Nature Park and Tidbinbilla, and update the management plan for Namadgi, as a matter of urgency'.

4.34. The committee considers the Government should increase the priority accorded to the development of management plans for nature reserves and forest areas, including Namadgi National Park. The process of developing management plans should provide for comprehensive consultation with all those interested in the areas, including conservation groups such as the National Parks Association, Conservation Council and other groups in Canberra with knowledge of and concern for the natural values of Canberra's nature parks. The committee considers the management plans should reflect best practise in the States and in local government. The committee finds it unacceptable that campground development is intended to proceed without reference to updated and comprehensive management plans.

4.35. The committee recommends that:

- *the Government urgently finalise draft management plans for the Lower Molonglo, the Murrumbidgee Corridor, Canberra Nature Park and Tidbinbilla, and update the management plan for Namadgi. In making this recommendation, the Standing Committee on Planning and Environment reaffirms the findings of the Standing Committee on Economic Development and Tourism in its report on nature-based tourism in the A.C.T.*

4.36. Land development (\$12.184m, the bulk of which is to be spent on Gungahlin infrastructure) together with further expenditure in future years on Gungahlin infrastructure (\$564,000 in forward design fees, with a total estimated cost of \$14m).

4.37. Gungahlin High School (including community use gymnasium facilities) [\$17.16m], to incorporate two indoor courts rather than the usual one

⁴² Report No.2 of the Standing Committee on Economic Development and Tourism *Expansion of Nature Based Tourism in the A.C.T.* (December 1995) p9

so as to make the facility ‘much more attractive to hirers’ in the community,⁴³ as well as facilitating ‘joint use with a non-government high school should one come along’.⁴⁴

4.38. Three transportable (two-teacher) classrooms and associated playing areas and parking (\$505,000). The committee queried officials about why new transportables were being purchased as against moving the old portable classrooms. The officials stated that some of ‘our existing stock of transportable classrooms... are in such a condition that they effectively cost as much to relocate as it does to purchase a newer building’.⁴⁵ Supplementary information provided by the Department of Education and Training was that:

The decision to purchase new units or relocate older units is influenced by a number of factors:

- the availability of transportable classrooms in existing schools which does not always coincide with the demand for units;
- the condition and the design of some of the older units can result in costly refurbishment and relocation work... [reflecting the fact that] many of the older transportable units are demountable in construction rather than genuinely transportable...; and
- the need to build up a stock of quality units as the Department places a greater reliance on this form of accommodation in future years.

4.39. Expanding on the last point, the Department’s advice continued:

The Department’s planning framework for provision of school facilities to serve new residential areas of Canberra involves a number of strategies aimed at minimising the impact of longer-term enrolment decline, the level of under-utilisation of facilities and the cost of provision of facilities. Strategies which impact of the use of transportables are:

- catchment areas have been increased to an average of 2000 standard residential dwellings and the planned maximum enrolment increased to 750 students for primary schools... [and] 1000 [for high schools]...
- permanent building facilities are provided for only 460 students at primary level, with transportable buildings being used to expand the capacity to 750. Similarly for high schools, transportables are used to expand capacity from 800 to 1000 and, as enrolments decline long-term, these are relocated to other schools when required...

⁴³ *Transcript of Proceedings* (Unedited) p166 (Mr Rand) 8/2/96

⁴⁴ *Transcript of Proceedings* (Unedited) p131 (Mr Wheeler) 7/2/96

⁴⁵ *Transcript of Proceedings* (Unedited) p132 (Mr Lebang) 7/2/96

With respect to the cost of transportable classroom units, analysis of our latest transportable purchases to the construction of permanent classroom accommodation at Nicholls shows the following costs per square metre:

- transportable units \$850
- permanent accommodation \$1200.

Under the new planning approach for school provision, the Department will be placing a greater reliance on transportable classroom accommodation than it has in the past. Transportable classroom accommodation will form a greater percentage of student accommodation at new schools and on average will be in place for longer periods. Therefore there is a need to build up the stock of quality transportable classroom units.

4.40. The committee recommends that:

- *the Government consult teachers, students and parents in a review of the use of transportables in order to ensure they are good value for money.*

4.41. AMTECH Estate (for manufacturing advanced technology) at Symonston (\$3m). The committee was told that this project will 'involve the construction of roads, services, electricity, gas, telecommunications and landscaping' for 34 blocks of land in Stage 2 of the Estate.⁴⁶ The committee also was told that the site has not yet been cleared for development in that 'trappings [are] going on during this summer season to determine whether the earless dragon occurs in that area or not'.⁴⁷ If the Conservator of Wildlife concludes that the area (or part of it) should be reserved, the Administration will have to advance the development of a proposed Stage 3 which is smaller and requires 'a little more infrastructure'.

4.42. The committee recommends that:

- *the Government defer expenditure on Stage 2 of the AMTECH Estate at Symonston until the results of an environmental assessment are available.*

4.43. EPIC (\$1.370m). The committee queried officials about the extent to which the proposed works were a 'wish list' and the nature of the financial return to the Territory following completion of the works. The detailed documentation shows that EPIC expects the expenditure of \$1.185m to improve revenue by \$129,000 per annum and to reduce maintenance costs by \$21,000. In defending the need for the works, an Administration official told the committee that 'each year we have applied for a million dollars and each

⁴⁶ *Transcript of Proceedings* (Unedited) p151 (Ms McGrath) 8/2/96

⁴⁷ *Transcript of Proceedings* (Unedited) p150 (Ms McGrath) 8/2/96

year we have got \$200,000'; the result (in his view) is that EPIC is not yet 'a competitive facility in the national context'.⁴⁸

4.44. The committee recommends that:

- *the Government urgently decide on the long-term future of Exhibition Park in Canberra (EPIC), focussing particularly on (a) whether it wants EPIC to be a competitive facility in the national context, and (b) the expenditure and revenue forecasts that follow from this decision.*

4.45. Erindale Leisure Centre refurbishment (\$2.8m) which was described by an Administration official in the following way:

over the 16 odd years that the Erindale Leisure Centre has been in operation, I think enough money has not been put aside for repairs and maintenance, and over time it eventually catches you up. With a facility like Erindale, it is not only starting to show its age and therefore it is less attractive for people to go to, they seem to prefer to go to Tuggeranong, but also... there are questions of safety that arise [when] the building and the facility is deteriorating to that point. What we have to do is to basically bring it back. We have got a considerable investment in it, and if you do not have this catch up now, you would have to arrive at a situation where you would have to consider closing it.⁴⁹

4.46. A background document provided to the committee by the Department of Urban Services contained further information about the extent of the difficulties facing Erindale Centre. The document is a value-management study of the Centre conducted by Mr Hannan (and others) for the Bureau of Sport, Recreation and Racing on behalf of the Construction Maintenance Management Service [CAMMS] of DUS. Mr Hannan addressed this committee's predecessor (the Standing Committee on Planning, Development and Infrastructure) in 1993, and advocated the wider use by agencies of the value management approach:

value management is a systematic, formal and documented process used to eliminate unnecessary life cycle costs, which include initial costs, of an engineering or architectural project without compromising or diminishing the safety, operational, aesthetics, useful life or any other functional aspects of the finished product.⁵⁰

4.47. The Planning, Development and Infrastructure Committee recommended that 'the value management approach could be utilised in the development of all project proposals before they are put on the Program and

⁴⁸ *Transcript of Proceedings* (Unedited) p159 (Mr Scollay) 8/2/96

⁴⁹ *Transcript of Proceedings* (Unedited) p167 (Mr Owens) 8/2/96

⁵⁰ Quoted in Report No.16 of the Standing Committee on Planning, Development and Infrastructure 1993-1994 *New Capital Works Program* (August 1993) p8

form the basis of more detailed value management studies as the designs are developed'.⁵¹

4.48. Mr Hannan's report on the Erindale Centre (dated September 1995) stated:

It... [is] essential to the financial viability of the Erindale Leisure Centre that the "user-pay" policy on a revenue and expense basis be adopted immediately for all of the 17 Centre departments, and certainly no later than the commencement of the 1996 College year.

The need for this approach is clearly supported by the fact that for the 1994-95 financial year the estimated College use (produced from the Centre's record) was 35,000... [These students] use the facility without paying for any of the services they use.

Based upon the proposed increase to 200 students who are to be part of the College's Elite Sports Program in 1996, there is going to be an even greater use of the facilities and an increase in the revenue loss to the Centre. With the 1994-95 expenditure at \$1.499m [and] the revenue for the same period [being] only \$781,500, [leaving] a short fall of \$717,600, the prospect for the 1995-96 fiscal year is unattractive to say the least. The current refurbishment proposal estimated at approximately \$2.248m only tends to worsen the Centre's financial situation...

As a private company the Erindale Leisure Centre would more than likely be in the hands of the receivers. A strictly controlled user-pays policy may not solve all of the financial problems, however, it will greatly improve the current situation...

There is an urgent requirement to physically separate the College and Theatre from Leisure Centre facilities if there is to be any effective form of control by the Centre over the use of its facilities and a revenue collection system...

the Leisure Centre facility is currently in an unacceptable condition in terms of financial viability; accountability for various activities; uncontrolled student use; management operations; security; [and] poor physical condition in some areas.

4.49. The committee is disturbed by the plight of the Erindale Centre. Also, the committee is disturbed that the full measure of the Centre's difficulties was not directly told to the committee when Administration officials gave evidence at the public hearings. It appears that the committee is being asked to endorse a capital works expenditure of nearly \$3m without any indication by the Administration of how it intends to deal with the present management deficiencies, let alone the long-term future of the Centre.

4.50. The committee recommends that:

- *the Government defer capital works expenditure on the Erindale Leisure Centre until (a) the present operational problems of the Centre are*

⁵¹ Ibid p9

addressed (including the arrangement to share facilities with appropriate access to Erindale College) and (b) a long-term financial strategy is developed to lessen the Centre's financial burden on ACT ratepayers.

4.51. Civic skateboard park (\$300,000). The committee was told that:

We have not finalised the plan for this facility and, in fact, we are still consulting with some of the stakeholders over design and... siting but, if you consider that the facility... at Belconnen Town Centre has been a success, that we would like to duplicate in Civic.⁵²

4.52. Various locations for the skateboard park were under consideration including an area adjacent to the Civic Youth Centre/Griffin Centre, the Civic Swimming Pool and even Haig Park.⁵³ The committee was told that the Civic Precinct Management Committee is now involved in discussions about the best location. The committee considers this matter could be unduly delayed; it also considers that a site near the Civic pool is likely to be the most appropriate location.

4.53. The committee recommends that:

- *the Government expedite a resolution to the problem of where best to site the proposed Civic skateboard park, noting the committee's preference for a site near the Civic pool.*

4.54. Swimming pool revenue: In the course of questioning officials about the possible use of Civic pool as a site for the proposed Civic skateboard park, the committee asked about the Administration's plans for its swimming pools. Officials told the committee that the pools:

require a considerable subsidy in the order of \$1.7m a year to run whereas we are aware of other facilities... (principally in South Australia and Victoria)... that are run by non-profit organisations that... not just balance the budget but actually make some money...

[In some pools in Victoria] salaries might account for between 55-60% of their total costs whereas here, the figure might be as high as 70-71% but generally, [the Victorian pools] are achieving results through [higher] volumes [of attendees], expanding their programs...

We are aiming to... reduce the subsidy as much as we can... We are all about increased participation... by expanding programs and making the sorts of activities [conducted within pools] more attractive...

[The combined pool asset of the ACT is estimated to be] \$25m...

⁵² *Transcript of Proceedings* (Unedited) p167 (Mr Owens) 8/2/96

⁵³ *Transcript of Proceedings* (Unedited) pp167-168 (Mr Owens) 8/2/96

[The] running cost for Tuggeranong Pool [is] \$1.2m...[while] just over \$800,000 is [received in] revenue.⁵⁴

4.55. The committee appreciates the need to improve the financial position of public swimming pools in the ACT. At the same time, the committee is aware that the pools are community facilities that are rightly subsidised by the ratepayer in the interest of access and equity.

4.56. The committee notes with concern that both the Government Party and the Opposition Party promised at the last A.C.T. election to build a public swimming pool at Belconnen and therefore the people of the Ginninderra electorate have a high expectation that a pool will be built.

4.57. Police station in Tuggeranong (\$5.930m). The committee asked whether the Administration had considered a joint emergency service facility such as is proposed for Gungahlin. The response was that Tuggeranong has:

a reasonably new ambulance and fire station... [whereas the Police] are in a fairly desperate state - we need something now... [As well, the site] is probably not big enough for a substantial joint emergency services complex... [Further, the ambulance and fire service] need something on the periphery of the town centre... [to enable] ambulances and fire engines [to get] on the road pretty quickly... [The Police] need to be in the town centre where you can do foot patrols at the Interchange [and] the Hyperdome... so I think it is probably the one place in Canberra where a joint emergency services complex would not run.⁵⁵

4.58. Woden Valley Hospital building refurbishment (\$6m) and provision for decentralised hot water (\$1.5m). The committee asked why this work was not costed in the money set aside for the amalgamation of Royal Canberra and Woden Valley Hospitals. Officials responded:

the \$172m [amalgamation cost] included those parts of Woden Valley Hospital which had to be refurbished, reconfigured, in order to amalgamate the two hospitals but it did not touch on those areas that really did not need any change to their services in order for the amalgamation to take place. And that is why there are still other parts of the hospital that require refurbishing. So the Hospital Redevelopment Project, which is what the \$172m project was, was about redevelopment for amalgamation as opposed to refurbishment.⁵⁶

4.59. This information led the committee to ask what was the next likely major capital work required at the Hospital. The response was that the

⁵⁴ *Transcript of Proceedings* (Unedited) pp169-174 (Mr Owens) 8/2/96

⁵⁵ *Transcript of Proceedings* (Unedited) p187 (Mr Grant) 8/2/96

⁵⁶ *Transcript of Proceedings* (Unedited) p189 (Ms Gregory) 8/2/96

Pathology building 'is the last major element that is left on the campus... [needing] a substantial upgrade'.⁵⁷

4.60. The committee recommends that:

- *the cost of the Building refurbishment at Woden Valley Hospital in the 1996-1997 Draft Capital Works Program (\$6m), along with similar such expenditure, should properly be attributed to the Hospital Redevelopment Project.*

4.61. The committee was assured that the Hospital would have a strategic long-term plan for management of its capital assets at the time the Draft Capital Works Program is considered in 1997. The committee welcomes this assurance.

4.62. In relation to whether there was any intention to do an evaluation of the whole Hospital Redevelopment program, officials told the committee that no such plans were in place.⁵⁸ The committee notes that the project formally finishes in April 1997. Given that the Hospital Redevelopment program was one of the largest single capital works items undertaken in the ACT in recent years, the committee is surprised that a formal evaluation of the whole program is not planned.

4.63. The committee recommends that:

- *the Government formally evaluate the whole Hospital Redevelopment Program (following its completion in 1997) and report back to the Assembly.*

4.64. Post-natal facilities (\$3m), described as 'a new tertiary level building that will be a hospital for mothers and babies, a home for mothers and babies but it is also looking at the secondary level which is the day stay...'.⁵⁹ Officials told the committee that the project will be fast-tracked, taking into account discussions underway with clients. It is possible that the day stay units may not be at Curtin.⁶⁰

⁵⁷ *Transcript of Proceedings* (Unedited) p190 (Mr Kendall) 8/2/96

⁵⁸ *Transcript of Proceedings* (Unedited) p198 (Ms Gregory and Mr Kendall) 8/2/96

⁵⁹ *Transcript of Proceedings* (Unedited) p192 (Ms Gregory) 8/2/96

⁶⁰ *Transcript of Proceedings* (Unedited) p192 (Ms Gregory) 8/2/96

4.65. The committee was told that, in relation to formulating the Draft Capital Works Program this year, the Community Care part of the Department of Health and Community Care made no bids.⁶¹

4.66. The committee recommends that:

- *the Government carefully assess the needs of the Community Care part of the Department of Health and Community Care with a view to ensuring that the health-related demands (especially of hospitals) are not overriding other legitimate priorities.*

4.67. The committee specifically asked whether a proposal was put up in relation to the Health building in Moore Street, Civic. Officials told the committee that such a proposal 'was on the draft program but got deleted on the way through the process'; also, that the building itself is a DUS building rather than a Health building.⁶²

4.68. The information about a capital works proposal involving the Moore Street building appears to contradict advice to the committee by Administration officials that the proposals shown in the Draft Program are the same as agencies originally bid for. The committee was told that 'people are being much more astute in what they bid for'⁶³ and hence only put forward proposals of the value and priority shown in the Draft Program. The committee does not accept that there is such a coincidence between bids for capital works projects and the final result.

4.69. The committee considers it useful to know the type of projects that agencies advanced in formulating the Draft Capital Works Program and that did not get up. This information gives an insight into the type of capital works that might appear in later year's Programs and enables the Government, and this committee, to assess the merit of the priority listing applied to the current year's Program.

4.70. The committee recommends that:

- *the Government provide information to the committee in future years on the broad range of capital works bids put forward by agencies in formulating the Draft Capital Works Program.*

⁶¹ *Transcript of Proceedings* (Unedited) p197 (Mr Kendall) 8/2/96

⁶² *Transcript of Proceedings* (Unedited) p197 (Mr Kendall) 8/2/96

⁶³ *Transcript of Proceedings* (Unedited) p86 (Mr Turner) 7/2/96

5. CONCLUSION

5.1. The committee is pleased that the Government's response to last year's report by this committee picked up on many of the committee's concerns. The Government has clearly stated a desire to see the whole process of formulating and implementing capital works improved. The committee hopes that this report builds on the foundation already established - though Members are very conscious that there remains room for improvement.

Wayne Berry MLA

Deputy Chair

1 March 1996

APPENDIX ONE - LIST OF WITNESSES

6 February 1996

ACT Office of Financial Management

- Mr M Woods (Under-Treasurer) and Mr Steve Finn (A/g Director, Budget Management Branch)

ACT Department of Urban Services

- Mr J Turner (Chief Executive), Mr B MacDonald (Manager, Strategy and Policy Branch), Mr G Davidson (General Manager, Roads and Transport) and Mr M Sullivan (Director, Construction and Maintenance Management Services)

- Mr A Nicolson (Director, Environment Division)

- Ms Cohen (Director, ACT Landscape and Works and Commercial Services)

7 February 1996

ACT Department of Urban Services

- Mr J Turner (Chief Executive), Mr B MacDonald (Manager, Strategy and Policy Branch), Mr G Davidson (General Manager, Roads and Transport) and Mr I Woodcock (Manager, Waste Management)

- Mr J Flutter (Chief Executive, ACTION)

- Mr M Castle (General Manger, Emergency Services Bureau)

- Mr A Nicolson (Director, Environment) and Ms D Jackson (Manager, Budget Management and Environment)

- Mr K Horsham (Executive Director, Land) and Mr J Thwaite (Director, Land Supply).

ACT Department of Education and Training

- Mr T Wheeler (Executive Director, Budget and Facilities) and Mr J Lebang (Director, Facilities Planning and Projects)

- Ms C Healy (Executive Director, Family Services), Ms J Farelly (A/g Executive Director, Family Services) and Mr J Richards (Manager, Facilities and Family Services)

8 February 1996

ACT Department of Business, the Arts, Sport and Tourism

- Ms A McGrath (Manager, Land Development Section)
- Mr C Scollay (General Manager, EPIC) and Ms A Windsor (Financial Controller, EPIC)
- Mr M Owens (General Manager, Bureau of Sport, Recreation and Racing) and Mr R Rand (Assistant Manager, Facilities, Bureau of Sport, Recreation and Racing)
- Ms H Elvin (General Manager, Bureau of Arts and Heritage), Mr P Cohen (Manager, ACT Heritage Section, Bureau of Arts and Heritage), Mr A Ramsay (Business Manager, Canberra Theatre) and Ms S Gaskill (Executive Manager, Museums and Galleries, Bureau of Arts and Heritage).

ACT Canberra Institute of Technology

- Ms S Chapman (A/g General Manager, Corporate Services) and Mr B Agius (Manager, Facilities)

ACT Attorney-General's Department

- Mr C Dalton (Director, Administrative Law, Policy and Courts) and Mr V Dawson (Finance Manager)
- A/g Assistant Commissioner D McDermott (AFP) and Mr N Grant (Executive Officer, AFP - ACT Region).

ACT Department of Health and Community Care

- Ms P Gregory (Executive Director, Planning and Resource Management), Mr M Kendall (Director, Strategic Capital Planning) and Mr A Schmidt (Director, Facilities Management Services, Woden Valley Hospital).

Friday 23 February 1996

Master Builders Association of the ACT

- Mr D Dawes (Deputy Executive Director), Messrs Haley, Middleton and Hancock

Belconnen Community Council Inc.

- Ms N Flint, Mr G Evans and Dr Watson

National Parks Association of the ACT

- Mr R Polglaze (Research Officer) and Mr R Miller (Convenor, Namadgi sub-committee)

Friday 1 March 1996

Lyneham and O'Connor Residents' Association

- Mr R Coldery

APPENDIX TWO - THE GOVERNMENT'S 1996-1997 DRAFT CAPITAL WORKS PROGRAM

The following table shows the construction proposals that are supported by the ACT Government (source: Treasurer's letter to the Standing Committee on Planning and Environment dated 15 January 1996, Attachment B)

APPENDIX THREE - PROPOSALS FOR THE FORWARD DESIGN PROGRAM THAT HAVE RECEIVED GOVERNMENT SUPPORT

The following table shows the forward design proposals that are supported by the ACT Government at this stage (source: Treasurer's letter to the Standing Committee on Planning and Environment dated 15 January 1996, Attachment C)