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STANDING COMMITTEE ON PLANNING, TRANSPORT AND CITY SERVICES  
Jo Clay MLA (Chair), Suzanne Orr MLA (Deputy), Mark Parton MLA

**Inquiry into Annual and Financial Reports 2020-2021**

**QUESTION ON NOTICE**

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Asked by Mr Mark Parton MLA: To ask the Minister for Transport and City Services

Ref: 2021/22 Infrastructure Program Progress Report Pages 3-4

In relation to: Infrastructure Underspend

In the Chief Minister's 2021/22 Infrastructure Program Progress Report for the financial year to date as of 31 December, 2021, the first half of the financial year, TCCS's Infrastructure Program Expenditure was 25% of the available expenditure, and 37% of the available Better Infrastructure Fund expenditure. Why is expenditure comparatively low for the first half of the financial year?

1. What projects make up most of this short fall in infrastructure expenditure?
2. Is an underspend expected this financial year, and if so, what is the estimated amount?
  - a. What would be the main causes of this underspend?
3. What proportion of the \$217 million of represents works in progress and how much is yet to be contractually committed?
4. Can an update be provided as to infrastructure expenditure in the two months following the calculation of the year-to-date expenditure?

**Mr Chris Steel MLA: The answer to the Member's question is as follows:–**

Expenditure is usually low in the first half of every financial year as all new projects require project plans to be approved. A number of new projects require community consultation, Development Applications to be lodged or studies/modelling to be completed prior to going out to tender, appointing a vendor and works commencing. In the first half of 2021-22 there have also been delays due to COVID-19, La Nina and other external factors which have slowed the expenditure on the program.

1. Approximately 25 per cent of the underspend is from new works and better infrastructure fund projects with the reason provided in the response above. Works in progress projects contribute to the remaining 75 per cent. Noting TCCS is delivering more than 85 works in progress projects, the projects that make up most of the short fall include:
  - i. Better buses to support the new bus network
  - ii. Making our roads safer while keeping Canberra moving
  - iii. Road Safety Improvements
  - iv. Better Connecting Belconnen and Gungahlin

- v. Schools for our growing city – Kenny High School
  - vi. Woden Bus Depot Augmentation
  - vii. Better services in your community – Rehabilitating landfill sites
2. An underspend of around \$60 million is currently forecast for 2021-22.
- ii. The TCCS capital work program has been negatively impacted by some external factors in 2021-22. COVID-19 (with the availability of supply and services, trades and skilled labour and human resourcing issues). The La Nina weather event declared in November 2021 has also had a negative impact on the program (waterlogged sites, soil erosion on sites, contractor downtime etc).
  - iii. Currently the bulk of underspends are being seen on the following projects:
    - i. The purchase/ leasing of Transport Canberra Buses - \$12.0 million;
    - ii. Purchase of Library collections - \$1.0 million;
    - iii. Road to Recovery projects - \$2.4 million;
    - iv. Road Safety projects - \$1.6 million;
    - v. Bridges renewal and HVSP program - \$3.4 million;
    - vi. Monaro Highway projects (design) - \$1.7 million;
    - vii. Woden Bus Depot \$1.0 million;
    - viii. Canberra Brickworks - \$1.1 million; and
    - ix. ITC Projects - \$2.3 million.
3. Approximately 75 percent of the \$217 million represents works in progress. In response to the second part of this question (contractual commitments), a number of larger projects are yet to move to the construction phase and therefore are still awaiting construction contracts to be signed including:
- ii. Monaro Highway projects (construction);
  - iii. Delivering Safer Intersection – Kent/Novar Street;
  - iiii. West Belconnen Resource Management Centre Rehabilitation (construction);
  - iiv. William Hovell Drive (construction); and
  - iv. Molonglo River Bridge (construction).
4. The following table includes monthly expenditure against this program for January 2022 and February 2022.

	\$'m
January 2022 Expenditure	6.6
February 2022 Expenditure	7.5
February YTD	67.9

Approved for circulation to the Standing Committee on Planning, Transport and City Services

Signature:

A handwritten signature in blue ink, appearing to be 'C. Steel', written over a horizontal line.

Date: 21/3/22

By the Minister for Transport and City Services, Mr Chris Steel MLA