



# LEGISLATIVE ASSEMBLY

## FOR THE AUSTRALIAN CAPITAL TERRITORY

### SELECT COMMITTEE ON ESTIMATES 2024-2025

Ms Nicole Lawder MLA (Chair), Ms Suzanne Orr MLA (Deputy Chair),  
Miss Laura Nuttall MLA

### ANSWER TO QUESTION ON NOTICE

Asked By: Mrs Elizabeth Kikkert MLA

Addressed to: Minister for City Services

Reference: City Services, 2024-25 Budget Outlook p.245

Hearing Date: 24/07/2024

In relation to: Transport Canberra and City Services Directorate and William Hovell Drive duplication in the Australian Capital Territory (ACT)

QON lodgement Date: 26/07/2024

Answer Due date: 05/08/2024

- 1) The ACT Government has stated that duplication of William Hovell Drive is now at the 'finalising' stage. Can the Minister please detail what exactly is being finalised?
- 2) Has the construction procurement commenced yet? (a) If yes, when is construction is anticipated to commence, and is the estimated timeframe for construction still 3 years? (b) If no, what is the current status of this project?
- 3) Can the Minister please provide a timeline of the project milestones for the entirety of this project, citing which milestones have already been achieved and when?
- 4) Can the Minister please provide a complete funding breakdown for the ACT contribution to this project?
- 5) Can the Minister please provide a complete funding breakdown for the Commonwealth contribution to this project.
- 6) Does the ACT Government expect that the cost (or estimated cost) of this project will continue to change over the project period, or has the current estimated cost been stabilised?
- 7) Can the Minister please provide a timeline of the Commonwealth contributions to this project leading up to the current amount of \$53.625m?
- 8) The Commonwealth government has stated that the expected start/finish dates for this project are mid-2024 - late 2026. The Minister stated in February 2024 (QON Paper No. 39, No. 1623) that late 2026 is still the anticipated completion date of this project. Is this still true, or will there be a further delay on this project? If no, what is the new anticipated completion date for this project?
- 9) The Minister and officials mentioned that the Commonwealth 2024-2025 contribution of \$27million is addition to previous funding. Could the Minister please provide details of the Commonwealth contribution of \$26.5 million in 2022-2023 and the \$26.5 million 2023-2024 spend on? Please provide a breakdown for both financial years.
- 10) The Minister mentioned in Estimates the \$500,000 from Commonwealth funding as part of the \$27million was spend on operations. Could the Minister please specify what are those operations and a breakdown of costs.

11) Why is the \$500,000 spend on operations, not included in the budget papers as a total cost of Commonwealth funding?

**Minister Tara Cheyne MLA: The answer to the Member’s question is as follows:**

1) The William Hovell Drive duplication is currently in the finalising stage of design and approvals to support releasing a construction tender to the market.

The duplication is required to obtain the following approvals:

- Environmental Impact Statement (EIS) under ACT legislation.
- Environment Protection and Biodiversity Conservation Act (EPBC) approval from the Commonwealth Government which includes identifying and securing an environmental offset site.
- Development Application approval.

2) The planning phase of the construction procurement has commenced with planning, approvals and the preparation of documentation for the associated construction tender progressing.

The tender documentation has been suitably developed and design is complete, except for any changes that may be required as a result of the Development Application and any environmental approval conditions.

Once the Territory receives planning approvals, the tender will be released to the market.

(a) N/A.

(b) Refer to response to question 1.

3) A timeline of milestones for the project are listed below:

<b>Milestone</b>	<b>Month/ year</b>
Design consultant appointment	December 2019
Preliminary Sketch Plan (PSP) design submitted	November 2020
Construction funding provided	2021-22 Financial Year
Draft Document Readiness (DR) submitted	May 2021
Development Application (DA) submitted	
Draft Environmental Impact Statement (EIS) submitted	
Draft DA/EIS passed completeness check	June 2021
DA/EIS Public Notification	September 2021
Updated DA/EIS submitted	April 2022
DA/EIS public notification	August 2022
Updated DA/EIS submitted	October 2023
EIS approval	June 2024
DA approval	Anticipated late 2024
Construction tender release to market	Once all approvals are secured

Commencement of Construction	Following successful procurement process
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- 4)
- The 2021-22 ACT Budget provided \$36.25 million in ACT Government contribution.
  - The 2023-24 ACT Budget provided an additional \$44 million in ACT Government contribution.
  - The 2024-25 ACT Budget \$44 million was offset by the Commonwealth contribution of \$27.125 million. This resulted in both ACT Government and Australian Government contributing equal amounts of \$53.625m to this project.
- 5)
- The 2021-22 Federal Budget allocated \$26.5 million in Australian Government capital contribution.
  - The Australian Government agreed to share the funding requirements 50:50 with the ACT Government through the 2024-25 Federal Budget, contributing an additional \$27.125 million to the project in this budget.
  - This resulted in both the ACT Government and the Australian Government contributing equal amounts of \$53.625m to this project.
- 6) The project will only have full cost certainty once the construction is complete. Generally, across the Australian (and the ACT) construction industry costs have stabilised compared with the period from 2020 through 2023 which saw extraordinary cost escalation across all jurisdictions due to the COVID-19 pandemic and international instability creating pressure on labour supply, impact to material supply, and a high inflationary environment. While the extra-ordinary escalation has stabilised, there is still upward inflationary pressure on the market and anticipated construction costs will not be firm until the works are tendered.
- 7) Refer to response to question 5.
- 8) Refer to response to question 3.
- 9) The William Hovell Drive Duplication project was funded in the 2021-22 Budget and comprised \$26.5 million of Australian Government funding. The 2023-24 Budget provided an additional \$27.125 million of Australian Government funding. This resulted in a total Australian Government contribution of \$53.625 million.
- The 2024-25 Budget Statement H, on page 42, incorrectly reports the ACT contribution for Constructing the William Hovell Drive at \$80.750m and the Commonwealth contribution at \$26.500m. The correct “Total Project Values” should be: ACT Contribution \$53.625m and Commonwealth contribution \$53.625m. Remaining information, including the annual profile of anticipated expenditure from the ACT contribution and Commonwealth contribution, is correct.
- The current profile of expenditure published in the Budget Statements reflects the funds allocated for both the ACT component and the Commonwealth component for this project. These expenditure profiles are reviewed twice per year by the TCCS, Treasury and Major Projects Canberra.

- 10) The Estimates transcript does not state that \$500,000 is being spent on operations. All funds allocated to the William Hovell Drive project have been spent on project specific costs.
- 11) The discrepancy with the \$500,000 has been detailed under the response to question 9. The response to question 10 confirms how the project funds are being spent.

Approved for circulation to the Select Committee on Estimates 2024-2025

Signature:



Date:

5/8/24

By the Minister for City Services, Ms Tara Cheyne MLA