

LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

**NEW CAPITAL WORKS
PROGRAM**

1991 – 1992

**REPORT NO. 8 OF THE STANDING COMMITTEE ON PLANNING,
DEVELOPMENT AND INFRASTRUCTURE**

AUGUST 1991

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TERMS OF REFERENCE

On 2 May 1991 the Legislative Assembly passed the following resolution :

That :

- (1) the proposed 1991–92 New Capital Works Program be referred to the Standing Committee on Planning, Development and Infrastructure for inquiry and report by 12 July 1991;
- (2) if the Assembly is not sitting when the Committee has completed its inquiry the Committee may send its report to the Speaker, or in the absence of the Speaker, to the Deputy Speaker who is authorised to give directions for its printing and circulation; and
- (3) the foregoing provisions of this resolution have effect notwithstanding anything contained in the standing orders.

On 21 June 1991 the Legislative Assembly passed the following resolution :

That the resolution of the Assembly of 2 May 1991, concerning the reference of the 1991–92 New Capital Works Program to the Standing Committee on Planning, Development and Infrastructure be amended by omitting "by 12 July 1991" and substituting "by 15 August 1991".

On 7 August 1991 a further motion was passed in the Legislative Assembly :

That the resolution of the Assembly of 2 May 1991, concerning the reference of the 1991–92 New Capital Works Program to the Standing Committee on Planning, Development and Infrastructure, as amended on 21 June 1991, be amended by omitting "by 15 August 1991" and substituting "by 23 August 1991".

COMMITTEE MEMBERSHIP

Mr Norm Jensen (Chairman to 28 June 1991)
Mr Trevor Kaine (Chairman from 28 June 1991)

Mrs Robyn Nolan (1)

Mr Wayne Berry (1)

Mrs Ellnor Grassby (2)

Mr Trevor Kaine (2)

(1) discharged from the Committee on 21 June 1991

(2) appointed to the Committee on 21 June 1991

Secretary : Greg McIntosh

Keyboard/Clerical : Kim Blackburn

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RECOMMENDATIONS

The Committee recommends that:

1. the government should undertake a review of the new capital works budget with a view to ensuring that the level of economic activity generated is sufficient to help prevent any substantial increase in the level of unemployment in the ACT.

Paragraph 3.8

2. the government consider the use of the majority of funds released from the ACT Transitional Funding Trust Account to upgrade capital infrastructure and for other programs designed to lead to long term savings on recurrent expenditure. Any budgetary shortfall that such a diversion of funds may cause should be covered by a modest borrowing program.

Paragraph 3.10

3. projects involving essential maintenance and upgrading – for example, the Adelaide Avenue Bus Lane Reconstruction and the City Bus Interchange Pavement Construction – be included in the New Works Construction Program.

Paragraph 3.12

4. all agencies and providers of services and infrastructure involved with land development be actively encouraged to coordinate their activities so that cost saving arrangements, such as joint trenching, can be established.

Paragraph 4.10

5. the Weston Creek Community Centre be given top priority in future allocations of funds for Community Centre Refurbishment and also for future allocations of funds for the development of child care facilities.

Paragraph 4.16

6. the Civic Community Centre proposed for Section 56 be reinstated in the New Works Construction Program.

Paragraph 4.18

7. the Bruce Campus Electrical Studies Building be proceeded with in accordance with the ACT TAFE rationalisation strategy.

Paragraph 4.40

8. an urgent assessment be completed by the ACT Education Department, in conjunction with the Stromlo High School Board and P & C to identify the works necessary for occupational health and safety reasons to allow Stromlo High School to function as a dual campus for 1992.

Paragraph 4.50

9. the Legislative Assembly's Standing Committee on Social Policy conduct an inquiry into the future educational needs of the Weston Creek area in accordance with the recommendation of the meeting of the Stromlo High School P & C conducted on 14 August 1991. This inquiry should be completed in sufficient time to allow any recommendations flowing from the inquiry to be fully implemented by the beginning of the 1993 school year.

Paragraph 4.52

10. having regard for all relevant factors, a 15 bed Hospice at Calvary Hospital be reinstated to the New Works Program.

Paragraph 4.62

1. INTRODUCTION

Background

- 1.1 The Standing Committee on Planning, Development and Infrastructure was formed on 23 May 1989 and its general terms of reference are to inquire and report on matters:
 - (a) referred to it by the Assembly;
 - (b) considered by the Committee to be of concern to the community; and
 - (c) public works proposals that may be referred to it by the Assembly.
- 1.2 This is the third Capital Works Report completed by the Committee. As was stated in last years Report the Committee believes that the annual process of inquiring and reporting on the Capital Works Program is an important means by which the Legislative Assembly can involve the general community in the decision making process. By holding public hearings and calling for public submissions the Committee helps make the development of the capital works program more open and accountable. It is important that the decisions of Government are able to be put under scrutiny and it is through the committee system that much of this scrutiny takes place.

The Inquiry Process

- 1.3 The Committee's inquiry into the 1991–92 New Capital Works Program was complicated by the fact that there was a change of government midway through the inquiry. This meant that the draft Capital Works Program that had been referred to the Committee for inquiry and report by the Minister for Finance and Urban Services on 6 May 1991 was withdrawn by the incoming Chief Minister on 21 June 1991. A revised Program was referred to the Committee on 24 July for inquiry and report by 23 August 1991.
- 1.4 The change of government also led to a change in Committee membership – see page (ii).
- 1.5 Throughout this Report the "Old" program refers to the draft New Capital Works Program as released by the Kaine Government and all other references are to the program as referred to the Committee by the Follett Government.
- 1.6 Written public submissions on the "Old" works program were called for by advertising in the Canberra Times on 4 May, 1991 and in the main ACT suburban newspapers in the week following 4 May, 1991. Approximately twenty individuals and organisations requested copies of the proposed Capital Works Program but only three written submissions were received by the Committee. A list of the organisations who made submissions to the Committee on the "Old" program is at Appendix 1.

- 1.7 The Committee had a private briefing from Treasury officials on 10 May 1991 at which the scope and nature of the Capital Works Program for 1991–92 was explained.
- 1.8 Two half days of public hearings were held – 15 and 21 May 1991 – at which senior officials from all the government agencies listed in the works program were questioned on their works proposals. A third public hearing, involving discussions with representatives from Stromlo High School, was held on 27 May 1991.
- 1.9 Following the receipt of the revised program from the Follett Government the Committee again decided to advertise for public comment. On 27 July 1991 and in the week beginning 28 July 1991 advertisements were placed in the Canberra Times, the Canberra Chronicle and the Valley View inviting public comment on the revised program. A list of the organisations and individuals who made submissions to the Committee on the "New" program is at Appendix 2.
- 1.10 A further round of public hearings, at which government officials, representatives from the ACT building industry, the Leader of the Resident's Rally and the President of the ACT Hospice Society gave evidence, were held on August 1, 2 and 9 1991.
- 1.11 The details of witnesses appearing before the Committee at public hearings held in May and August is at Appendix 3.

Acknowledgement

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

2. 1991/92 NEW CAPITAL WORKS PROGRAM – OVERVIEW

The Process

- 2.1 At the bureaucratic level the responsibility for overseeing the development of the Capital Works Program lies with the ACT Treasury.
- 2.2 In October each year Treasury issues a request to all budget funded agencies for proposals to be included in the Works Program for the following year. The various bids are consolidated by Treasury and included as part of the overall capital budget submission to the government during the development stage of the Forward Estimates.
- 2.3 Three criteria are used by Treasury to help decide what projects are included on the Program :
 - . whether they are in line with government policy
 - . whether there is a sound justification coupled with a high priority; and
 - . whether the projects are able to be briefed, sited, designed and committed to construction during the current financial year.
- 2.4 After consideration by government the draft works program is referred to the Planning Committee for inquiry and report.
- 2.5 It should be noted that it is only the NEW works program that is referred to the Committee. The new works component of capital works expenditure in any one year in the ACT is only of the order of 20% of the total. For example, it is estimated that in 1991–92 the actual cash outlay on new works will be \$27m whilst spending on works in progress will be in excess of \$100m. The latter figure is much higher if the capital works expenditure undertaken by other major public bodies (ACTEW and the Housing Trust) are included – see paragraph 2.8.

The 1991–92 Draft Program : A Summary

2.6 The proposed New Capital Works Program for 1991–92 is summarised as follows:

Proposed New Capital Works

Program	Total Estimated Cost (including the Hospital Redevt Project)	Estimated Expenditure on those New Works in 1991/92
		\$'000
ACT Corporate Management	0.500	0.165
Envnt and Conservation	13.430	4.432
Land	21.507	7.097
Administration of Justice	0.200	0.066
Housing and Comm Services	1.127	0.372
Public Transport	0.700	0.231
City Services	8.925	2.945
Fire and Emergency Services	0.200	0.066
Public Works and Services	9.700	1.056
TAFE	1.000	0.330
Government Schooling	11.750	3.878
The Arts	2.430	0.802
Hospitals	3.950	1.304
Public and Community Health	0.885	0.292
Contingency Reserve	5.511	
Hospitals Re'dvt Project	49.620	4.000
TOTAL PROGRAM	131.435	27.035

2.7 If the figures for the Hospitals Redevelopment Project and the Contingency Reserve are excluded, the total new Capital Works commitment for 1991–92 is \$76.304m.

2.8 According to the Government's July 1991 Budget Strategy Statement ... "The continuation of existing ACT Government capital works projects combined with new projects will result in a 1991–92 Capital Works expenditure of \$192m, after including estimates of works for other major public bodies (ACTEW and Housing Trust) compared with \$209m in 1990–91."¹

2.9 A total of 84 projects are listed under the various program headings for the 1991–92 Program – the largest in terms of expenditure over the life of the project being the Tuggeranong Swimming Complex (estimated to cost \$9.950m).

¹ page 12.

3. GENERAL COMMENTS ON THE 1991-92 NEW CAPITAL WORKS PROGRAM

- 3.1 Whilst acknowledging the current need for expenditure restraint the Committee is nevertheless concerned about the impact that the draft program will have on the ACT economy. It is estimated that in 1991-92 there will be \$17m less spent on capital works than was the case for 1990-91 - see paragraph 2.8 above. This reduction in activity when the 'multiplier effect' is taken into account, will significantly increase the level of unemployment and social dislocation.
- 3.2 The Master Builders Association of the ACT stated that total economic activity in the ACT building industry, in dollar terms, is expected to be \$750m this financial year compared to \$860m in 1990-91. According to the MBA this \$110m decline in activity will equate to the loss of 910 jobs in the building industry.²
- 3.3 The Building Workers Industrial Union (ACT Branch) argued that the "building construction industry created four jobs for every job on site."³
- 3.4 If the above estimates are accurate then the decline in activity in the ACT building industry alone could see the loss of approximately 3600 jobs (910 with a multiplier of 4) in Canberra in 1991-92.
- 3.5 The Australian Institute of Quantity Surveyors said that ...

"we consider that the draft program can only lead to reduced employment for our members, reduced revenue to the Government and minimum flow-on effect to the economy. To ameliorate this we would suggest that : -

- a. Some larger projects be re-introduced into the budget that could be programmed to start construction late in the financial year for minimal expenditure. Examples include TAFE Electrical Studies Building, Calvary Hospice, Central Area Fire Station, Civic Community Centre etc.
- b. The budget for forward design work be increased to allow for work on some of the above projects so as to allow construction to commence in the 1991/93 year.

If this proposal is maintained in its current configuration it could lead to the wholesale disintegration of the ACT construction industry and with it one of the major planks of our local economy."⁴

² Transcript p. 257, 259.

³ Transcript p. 270.

⁴ Submission to Committee, p. 2/3, 5 August 1991.

- 3.6 In a similar vein a submission from Wilde and Woollard (Quantity Surveyors and Construction Cost Consultants) argued that ...

"We recognise the ACT Governments budgetary constraint, however the emasculation of the Construction Industry for short term budgetary gain can only lead to major labour, fiscal and social problems for the next ACT Government in 1992 ... Every dollar spent on construction (in particular Building as opposed to Civil Engineering) spreads right through the ACT economy from the building site down through subcontractors, suppliers and manufacturers".⁵

- 3.7 The Committee is concerned with the economic and social ramifications of potential job losses as outlined above and questions whether or not now is the appropriate time for a substantial reduction in capital works spending. With the economy still in recession the government should be looking to maintaining the level of economic activity not actively reducing it. Significant job losses will lead to losses of revenue which will in turn make it harder for the government to achieve desired budget outcomes.
- 3.8 The Committee recommends that the government should undertake a review of the new capital works budget with a view to ensuring that the level of economic activity generated is sufficient to help prevent any substantial increase in the level of unemployment in the ACT.**
- 3.9 The Committee is also concerned that a substantial portion of the funds released by the Commonwealth from the ACT Transitional Funding Fund Trust Account will be used to retire debt. Whilst the retiring of debt is laudable it can be argued that the funds, or at least a significant proportion of them, should be used as originally intended – to facilitate infrastructural change aimed at maximising future revenue collections and minimising future calls on recurrent outlays. In this context it may be more cost efficient to spend funds released from the Trust Account on infrastructural change and maintenance needs and to maintain a modest borrowing program as necessary for budget stability.
- 3.10 The Committee recommends that the government consider the use of the majority of funds released from the ACT Transitional Funding Trust Account to upgrade capital infrastructure and for other programs designed to lead to long term savings on recurrent expenditure. Any budgetary shortfall that such a diversion of funds may cause should be covered by a modest borrowing program.**
- 3.11 The Committee also notes that a number of maintenance type projects that were included in the "Old" program have been cut from the program considered by the Committee. For example, in the City Services Program two projects – the Adelaide Avenue Bus Land Reconstruction (\$800,000) and the City Bus Interchange Pavement Construction (\$300,000) – have now been deferred for at least another year. These type of maintenance projects will of necessity become more expensive the longer they are deferred and little is to be gained by saving a

⁵ Submission, p. 2/3, 5 August 1991.

small amount today on projects that will cost much more in the future. This is verified in the Report of the Committee of Inquiry into the Assets and Public Debt of the ACT ... "there has been continuous under funding of roads in the ACT. This has added significantly to reductions in the designed life of roads, and consequently contributed to increasing maintenance and reconstruction costs".⁶

- 3.12 The Committee recommends that projects involving essential maintenance and upgrading – for example, the Adelaide Avenue Bus Lane Reconstruction and the City Bus Interchange Pavement Construction – be included in the New Works Construction Program.**

⁶ p. 35, May 1990.

4. SPECIFIC PROGRAMS

ACT Corporate Management

- 4.1 This program consists of only one project – Employer Supported Child Care for ACT Government Service Employees. The total amount allocated for the project is \$500,000 and at the time of reporting precise details of just how and where the money will be spent were not available to the Committee. Failure to provide this information leads to the conclusion that this proposal has been put forward without adequate planning and preparation.
- 4.2 While the Committee supports the development of work related child care in the ACT, it would encourage the Government to provide details of the actual projects at the time the budget is presented.

Environment and Conservation

- 4.3 Sixteen projects are listed under this program – the largest in terms of expenditure over the life of the project being the Tuggeranong Swimming Complex (\$9.950m); Narrabundah Ballpark Grandstand (\$560,000); Minor New Works – Environment and Conservation (\$380,000); Stage 2 of the Athllon Depot, Canberra Nature Park (\$350,000); Various Areas – Depot Modifications and Upgrading Bulk Provision (\$325,000) and Various Areas Landscape Upgrade (\$300,000).
- 4.4 The Tuggeranong Swimming Complex will include a 51.5 metre pool; a 250 square metre family fun pool; a 30 square metre toddlers pool; seating for 300 spectators and car parking facilities for 100 cars.
- 4.5 The Committee acknowledges the need for such a swimming complex in the Tuggeranong Valley, particularly in light of the rapidly growing population and the fact that the Erindale Centre Pool is no longer capable of dealing with the demands of recreational and competitive swimmers in the area.

Land

- 4.6 Twenty-three projects are listed under this program – the bulk of which relate to infrastructure development at Gungahlin. The largest, in terms of expenditure, are Gungahlin – Mitchell to Gungahlin Access Road (\$4.860m); Gungahlin – John Dedman Drive. Road KQC (West) to Distributor Road in Suburb M (\$3.230m); Gungahlin – Distributor Roads and Ancillary Works in Suburb M (\$2.70m); Barton Sections 16 and 22 Site Servicing (\$1.936m) and Gungahlin – Reticulation Main – John Dedman Drive KQC (West) to Distributor (\$1.404m).

- 4.7 The Committee was informed that the supply of residential land was adequate to keep up with demand (currently estimated to be between 2500 and 3000 residential units per annum) for that land.
- 4.8 The Committee was further informed that in the process of formulating the land development program consultations are undertaken with a range of industry and community groups with a view to ensuring the concerns of the general public and relevant industry groups are taken into account.
- 4.9 Of concern to the Committee is the fact that there is lack of coordination and cooperation between the various agencies and suppliers of services associated with land development. For example, Land Division has been unable to obtain a satisfactory joint trenching agreement with ACTEW. The Committee understands that such a joint trenching arrangement exists between Telecom and the providers of natural gas services. There are obvious cost benefit advantages if there is coordination and cooperation between the various providers of services and infrastructure related to land development in the ACT.
- 4.10 The Committee recommends that all agencies and providers of services and infrastructure involved with land development be actively encouraged to coordinate their activities so that cost saving arrangements, such as joint trenching, can be established.**

Administration of Justice

- 4.11 The only project listed under this program is Minor New Works (\$200,000).
- 4.12 It is intended that the \$200,000 for Minor New Works will be used to upgrade cells in the three main ACT police stations – City, Woden and Belconnen – so that adequate detainee monitoring could take place. The work is in line with recommendations made by the Royal Commission into Aboriginal Deaths in Custody. It will ensure that "at risk" prisoners can be adequately monitored whilst they are confined to police cells.

Housing and Community Services

- 4.13 The three projects listed here are Community Centre Refurbishment Bulk Provision (\$457,000); Minor New Works Bulk Provision (\$400,000) and Melba Child Care Centre (\$270,000).
- 4.14 A written submission was received from the Weston Creek Community Association (managers of the Weston Creek Community Centre and an associated child care facility) requesting that funds be made available to extend the Community Centre and to build a new child care facility. The Association stated that the present Community Centre was inadequate to house existing community groups and that \$180,000 was needed to bring the building up to standard. With respect to the child care facilities it was submitted that \$500,000

was needed to build a new child care facility ... "due to the inadequacy of the present building to comply with licensing requirements, and the unsuitability of the building for changed childcare classification".⁷

- 4.15 The Committee believes that the Weston Creek Community Association has a sound case for the funding requested but notes that the total amount allocated in the draft program for Community Centres Refurbishment is \$457,000 and that this money is to be distributed over seven Centres. Clearly, under the present proposals Weston Creek will only receive a small portion of the funding required. As no other submissions were received from similar organisations or bodies the Committee believes that the Weston Creek Community Association's request for funding be considered sympathetically.
- 4.16 The Committee recommends that the Weston Creek Community Centre be given top priority in future allocations of funds for Community Centre Refurbishment and also for future allocations of funds for the development of child care facilities.**
- 4.17 Included in the "Old" program but excluded from the one being considered by the Committee is the Civic Community Centre (Griffin Centre) proposed for section 56, Civic. In line with comments made in paragraphs 3.1 – 3.8 the Committee is concerned that the obviously inadequate Griffin Centre will continue to house various community groups in substandard conditions. The current building was never designed as a community centre and a new facility is urgently required. At a time when the building industry is in the doldrums a project (costed at \$11m) of this size would help create economic activity and stimulate job growth.
- 4.18 The Committee recommends that the Civic Community Centre proposed for Section 56 be reinstated in the New Works Construction Program.**

Public Transport

- 4.19 Minor New Works (\$300,000); Various Areas Bus Stops and Shelters Bulk Provision (\$250,000) and Belconnen Interchange – Air Conditioning Upgrade (\$150,000) comprise the three projects listed under this program.
- 4.20 The General Manager of ACTION informed the Committee that patronage on its buses had been increasing by approximately 3% per annum over the past ten years – a greater rate than the rate of population growth. The Committee was also informed that a new computerised scheduling program is being installed in ACTION'S computer system which has the potential to improve the efficiency of the scheduling process by 4%.
- 4.21 The main projects to be undertaken from the Minor New Works allocation are an upgrade of the Interchange Signage at Belconnen and Woden and reconstruction work at several of the terminals. Part of the allocation is kept for work of an unforeseen nature such as repairing damaged road surfaces.

⁷ Submission, p. 1, 31 May 1991.

- 4.22 The \$150,000 allocated for air conditioning improvements at the Belconnen Bus depot and City Bus Interchange is to bring existing air conditioning units up to required occupational health and safety standards.

City Services

- 4.23 Eighteen projects are listed under City Services – the largest being Athllon Drive Bus Priority Stage 2 (\$2.704m); Sulwood Drive (Athllon/Erindale) – Reconstruction and Roundabout (\$1.176m); Jerrabomberra – Long Gully Road Improvements – Stage 3 (\$776,000); Tuggeranong Parkway – Hindmarsh/Sulwood (\$650,000) and Mugga Tip Embankment Stage 1 (\$600,000).
- 4.24 As is mentioned in paragraphs 3.11 and 3.12 the Committee is concerned that projects like the City Bus Interchange Pavement Construction and the Reconstruction of Bus Lanes on Adelaide Avenue are not included in the draft works program. The Committee considers that no useful purpose is served by postponing essential maintenance projects that will only cost more to upgrade in the future.
- 4.25 The Committee endorses the strategy behind the Athllon Drive Bus Priority Measures and would encourage the adoption of all reasonable measures (such as the project giving bus priority at certain traffic signals) designed to improve bus access between the main town centres and between the town centres and Civic.

Fire and Emergency Services

- 4.26 Minor New Works Bulk Provision (\$200,000) is the only project listed under this program.
- 4.27 The Committee notes that the Central Area Fire Station (\$8.5m) has been taken off the program. The inclusion of the Fire Station in the "Old" program was justified as follows ...

"The new Fire Station is required to provide cover in accordance with international standards to the Parliamentary Triangle, Barton, Yarralumla, Deakin and Red Hill. Failure to do so could lead to an extremely costly and potentially dangerous situation involving the loss of life and property of national significance ... Deferment of the project will result in the expenditure of \$900,000 for the otherwise unnecessary refurbishment of Ainslie Fire Station ... It will also mean that the present below standard fire cover for the areas mentioned above will be prolonged."

- 4.28 The Committee was informed that a detailed consultancy report dealing with the question of fire service coverage in central Canberra was due to go to the government in the near future. Whilst acknowledging that it is perhaps wise to defer a final decision on the central area Fire Station until that report is completed the Committee is nevertheless concerned that a situation of "below standard fire cover" will continue to exist in central Canberra.

- 4.29 The Committee believes that the question of the Central Area Fire Station and its consequences for the Ainslie Fire Station should be reconsidered as a matter of urgency. If necessary, the Works Program should be adjusted accordingly.

Public Works and Services

- 4.30 The major part of the Public Works and Services program consists of Forward Design on Municipal Projects and Forward Design on Territorial Projects. Forward Design allows for important projects to be planned and designed in the current financial year with a view to them being included in the works program for next year. It also includes projects that have a high priority but do not conform with one or more of the criteria listed in paragraph 2.3. The total amount allocated for Forward Design in 1991-92 is \$3.2m.

- 4.31 The main projects listed on the Forward Design Program are –

- . Legal and Police Precinct (total estimated cost \$47.7m)
- . AFP Southern Dist Headquarters (\$13.5m)
- . Conder Primary School (\$7.850m)
- . Tharwa Drive Stage 2 (\$6.384m)
- . Ginninderra Pond No. 3 (\$5.5m)
- . Moreshead Drive Duplication (\$4.830)
- . West Belconnen Infrastructure Project (\$4.480m)

- 4.32 The Committee endorses the reduction in the size of the unallocated funds designated for Forward Design. In the "Old" program the unallocated amount was \$2.271m whereas in the program currently before the Committee the comparable figure is \$375,000. Whilst it is perhaps necessary to have a small amount set aside for unforeseen contingencies in the Forward Design process the Committee believes this amount should be kept to a minimum. When provision is made for a Forward Design program, there should be at least general agreement on which projects are to be included.

- 4.33 Concern was also expressed to the Committee about the total amount of funds available for forward design ...

"We consider the allowance of \$3,200,000 for forward design work not to be sufficient to maintain continuity of work and if this trend of ever reducing Capital Works continues we question what is going to be left to forward design".⁸

⁸ Submission from Australian Institute of Quantity Surveyors, 5 August 1991, p. 2.

- 4.34 Details of two late inclusions in the Public Works and Services program were received by the Committee on 14 August 1991. They relate to the proposed refurbishment of two ACT owned buildings – the North Building, Section 19, City and the Callum Street Buildings, Section 80, Phillip. Once refurbished it is planned these buildings will be occupied by ACT government service employees.
- 4.35 The Committee endorses the inclusion of these two projects on the draft Works Program and notes that future recurrent savings of approximately \$4m per annum may be achieved when the buildings are fully occupied.
- 4.36 However, in the material provided to the Committee there was no precise information about when the refurbishments will take place; the estimated cost of the refurbishments for this financial year; which sections of the ACT Government Service will be moved into the refurbished buildings and just how the figure of \$4m in estimated savings was arrived at. The Committee believes that the Government should fully explain the details of the proposed refurbishments in the context of the upcoming budget.

Technical and Further Education

- 4.37 The only project listed under TAFE is Minor New Works (\$1m).
- 4.38 The Committee was informed that the campus consolidation strategy, begun in 1989, had resulted in the number of TAFE locations in the ACT being reduced from fourteen to nine. It had been planned to reduce this number to eight by relocating Electrical Studies from the existing site at Benjamin Way to the main campus site at Bruce. However, this will now not occur.
- 4.39 The Committee is concerned that the Bruce Campus Electrical Studies Building (\$7.945m) has been removed from the program not only because of the wider economic effects of such a large building project not proceeding but also because of the loss of significant savings in future recurrent budgets. The new building would allow cost savings through a reduction in administrative duplication, staff travel and student services. The potential savings that this project would generate are estimated to be in the order of \$350,000 to \$400,000 per annum over three years.⁹
- 4.40 The Committee recommends that the Bruce Campus Electrical Studies Building be proceeded with in accordance with the ACT TAFE rationalisation strategy.**
- 4.41 In last years Capital Works Report the Committee recommended that TAFE and the Department of Education work closely to ensure that capital expenditure is targeted to provide the maximum benefit to the community. In line with this recommendation the Committee is pleased to see that the ACT Institute of TAFE has recently been transferred from the Chief Minister's Department to the Department of Education and the Arts.

⁹ Transcript p. 196.

Government Schooling

- 4.42 Eight projects are included under this program – the largest being Gordon Primary and Pre-School (\$7.850m); Various Areas – Transportable Classroom Movements Bulk Provision (\$1m); Minor New Works Bulk Provision (\$900,000) and Upgrade Specialist Areas – Campbell High School (\$900,000).
- 4.43 The Committee received a submission from the Stromlo High School Board and P and C Association arguing the case that \$2m be provided to allow for the amalgamation of Stromlo High School and Holder High School at the beginning of the 1992 school year.
- 4.44 The "Old" works program had allowed \$950,000 to upgrade Stromlo High prior to amalgamation taking place. This allocation is not included in the works program currently before the Committee.
- 4.45 Representatives of the Stromlo High Board and P and C Association appeared before the Committee on 27 May 1991 and outlined the case for an allocation of \$1.5m for the refurbishing of Stromlo High and \$500,000 for additional class room spaces to accommodate the additional students anticipated once Holder High School is closed.
- 4.46 Three other written submissions put a contrary argument to the Committee. A spokesperson for "keeping two high schools in Weston Creek" submitted that funding should be made available to refurbish both schools. It was further argued that ...

"We have never been asked on whether we would like two high schools ... If Holder is to be closed on financial grounds then the government should come up with a complete cost analysis of where all the savings are going to be made ... Holder ranks 10th out of 17 in terms of running costs and there are at least 4 other high schools in Canberra with similar or even smaller numbers that are not being closed ... Holder has structured its program so its a viable school down to 350–375 [students]. Holder would be unlikely to fall below this number and would probably stabilise around 400 to 450 [students]".¹⁰

- 4.47 A City Planning Consultant argued that no money should be allocated in the Capital Works Program for the amalgamation of the two schools ...

"until further investigations have been undertaken to demonstrate the economic, social and educational benefits of such an amalgamation ... A major international study by OECD cautioned against the transfer or amalgamation method for resolving the question of surplus space in schools. Major areas of concern were destruction of the social and physical fabric of urban areas, and the loss of valuable public assets without any demonstrable gain in educational achievement or real savings in the overall budget of the city".¹¹

¹⁰ Submission to the Committee, 15 August 1991, p. 2/3.

¹¹ Submission to the Committee, 15 August 1991, p. 1.

4.48 The Weston Creek Community Council Steering Committee submitted that ...

"According to town planners we have consulted ... removing community facilities that are for the use and benefit of children decreases the attractiveness of an area for young families. Installing facilities for the use and benefit of families increases the number of young families in that region. It stands to reason that school enrolments can be positively affected by a rational and planned program of facility upgrading ...".¹²

The Steering Committee believe that there are two cost saving areas to consider. Firstly, by not amalgamating the two schools there will be no need for the transportable accommodation required to house the additional students at the "new" campus. Secondly, transport and road safety costs have not been assessed and the social costs such as increased vandalism and personal alienation that is a characteristic of large schools need to be considered.

4.49 Because of the different views put forward to the Committee, it was considered that the dual campus arrangement should continue for the 1992 school year. However, while it was likely that this would require the expenditure of funds for maintenance on both schools, the Committee was unable to establish the amount required. The requirement for the Committee to report to the Assembly via the Speaker by 23 August 1991 was the reason for this lack of information.

4.50 The Committee recommends that an urgent assessment be completed by the ACT Education Department, in conjunction with the Stromlo High School Board and P & C to identify the works necessary for occupational health and safety reasons to allow Stromlo High School to function as a dual campus for 1992.

4.51 The Committee was also aware of a recommendation by a P & C meeting on 14 August 1991 which called on the ACT Legislative Assembly to conduct an inquiry into the future educational needs for the Weston Creek area. The Committee supports this request.

4.52 The Committee recommends that the Legislative Assembly's Standing Committee on Social Policy conduct an inquiry into the future educational needs of the Weston Creek area in accordance with the recommendation of the meeting of the Stromlo High School P & C conducted on 14 August 1991. This inquiry should be completed in sufficient time to allow any recommendations flowing from the inquiry to be fully implemented by the beginning of the 1993 school year.

4.53 The Committee also received a submission from the Tuggeranong Community Council outlining concerns with the development of Gordon Primary School. In particular, the Council expressed concern about the potential danger of the major floodways on the eastern and southern boundaries of the school site and the fact that the projected enrolment of 750 students was too large for a primary school.

¹² Submission to the Committee, 14 August 1991, p. 1.

- 4.54 The Committee notes the concerns expressed by the Council but advice received from officials of the Department of Education indicated that the depths and flow velocities likely to occur in the floodway would not create safety problems often associated with large concrete lined flood channels. The Committee also understands that the Education authorities intend to fence the floodway and build a foot bridge to allow access to adjoining playing fields. On the matter of school size it is difficult for the Committee to ascertain just what should be the maximum size of a primary school. However, the Department of Education, in its advice to the Committee, stated that a peak enrolment of 750 was not considered to be too high and that other primary schools have had enrolments in excess of this figure – for example, Lyneham 1007; North Ainslie 1014; Red Hill 910 and Higgins 776.¹³
- 4.55 The Committee endorses the fact that funds have been made available in the Forward Design program for the planning and design of Conder Primary School. On the "Old" program no such provision had been made. The Committee notes however, that if future primary school enrolments are larger than expected in this area, then it may be more cost efficient to bring forward the opening of Conder Primary School – presently due at the beginning of 1994 – so as to avoid the possibility of overcrowding at Gordon Primary School. The "fast-tracking" of Conder would also mean that less demountables would be needed at Gordon.

The Arts

- 4.56 Two programs are listed under this program – Community Theatre (\$2m) and Canberra Theatre Centre Refurbishment (\$430,00).
- 4.57 It is proposed that the Theatre be located on Block 1, Section 30 City and provide seating for up to 300 people.
- 4.58 The Committee recognises the need for such a community theatre to replace the Tau and Childers Street Theatres and notes that it is line with recommendations made by the Select Committee on Cultural Activities and Facilities (Final Report June 1991).

Hospitals

- 4.59 The Hospital program contains two projects – Royal Canberra South High Energy Bunker – Radiation Oncology (\$3.5m) and Minor New Works (\$450,000).

¹³ Supplementary Information provided to the Committee, p. 4, 11 July 1991.

- 4.60 The Committee is concerned that the Hospice proposed for Calvary Hospital that was included in "Old" program has not been included in the final works list. The Hospice (\$2.5m) would have provided 15 beds predominately to terminally ill cancer patients. The President of the ACT Hospice Society informed the Committee that the ACT is the only capital city in Australia without hospice facilities and that by the year 2000 an estimated 700 to 800 Canberrans will be dying of cancer per annum. A Hospice would cater specifically for patients who are terminally ill and provide the support and environment that is specifically needed for such patients.¹⁴ It is also likely that, as well as freeing up much needed beds in the hospital system, the provision of a Hospice would mean that terminally ill patients could be cared for at less cost than if they were occupying a hospital bed. This is because Hospice patients tend to spend more of their time receiving care at home than is the case with hospital patients.
- 4.61 The Committee endorses the views of the Hospice Society and accepts that there is a strong argument for such a facility in the ACT. However, the recurrent costs of such a facility were not brought out in the evidence presented and the Committee believes that the Government should carry out a comprehensive cost benefit analysis to justify the contention of the Health Minister, Mr Berry, that the Hospice project would involve \$2.3m in recurrent costs.¹⁵
- 4.62 The Committee recommends that, having regard for all relevant factors, a 15 bed Hospice at Calvary Hospital be reinstated to the New Works Program.**

Public and Community Health

- 4.63 Three projects are included under this program – Southside Day Centre (\$565,000); Minor New Works (\$170,000) and Dickson Health Centre Extensions (\$150,000).
- 4.64 The Southside Day Centre will provide social support, recreational activities, living skills training and individual assessment and counselling to people with short and long term psychiatric disabilities. At present the Psychiatric Day Centre is located at Royal Canberra Hospital (South) and the hospital redevelopment program has added urgency to the need for relocation.
- 4.65 Included on the list of projects to be commenced this financial year as part of the Minor New Works program are :
- . extensions to the Hartley Street Centre to provide physiotherapy, occupational therapy and speech pathology treatment areas
 - . the provision of gymnasium at the Kambah Health Centre for the treatment of children with movement dysfunction

¹⁴ Transcript, p. 281/282.

¹⁵ Debates of the Legislative Assembly, 15 August 1991, p. 64.

- . extensions to the Dickson Health Centre
- . extension of the Isabella Alcohol and Drug facility
- and
- . refurbishment of Watson Hostel.

4.66 The funds allocated for the Dickson Health Centre will allow for an extension of the facility to provide accommodation for an Area Nursing Team and Physiotherapy.

T. Kaine
(Presiding Member)

19 August 1991

APPENDIX 1

WRITTEN SUBMISSIONS RECEIVED ("OLD" PROGRAM)

Stromlo High School Board and P and C Association

Tuggeranong Community Council

Weston Creek Community Association

APPENDIX 2

WRITTEN SUBMISSIONS RECEIVED ("NEW" PROGRAM)

The Australian Institute of Quantity Surveyors

Wilde and Woollard (Quantity Surveyors and Construction Cost Consultants)

"Keeping Two Schools in Weston Creek" – David Whyte

John Gilchrist – City Planning Consultant

Weston Creek Community Council Steering Committee

APPENDIX 3

LIST OF WITNESSES

Agius, B	Head of Building and Property Section ACT Institute of TAFE
Barton, D	Acting Finance Director, ACT Board of Health
Bateson, S	Acting Manager, Community Facilities, Department of Justice and Community Services
Britt, G	Director, Govt Services Land and Planning Section, Budget Management Branch, ACT Treasury
Collaery, B	MLA, Leader of the Residents Rally Party
Cook, R	Manager, ACT Arts Bureau
Copping, P	ACT President, Australian Institute of Quantity Surveyors
Dockrill, B	Director of City Services Group, Department of Urban Services
Eggins, A	Finance Manager, ACTION Department of Urban Services
Fraser, G	Director, Environment and Conservation Bureau
Garrod, D	Manager, Sport and Recreational Facilities, Office of Sport and Recreation
Gaskill, G	General Manager, Director of Corporate Development, Department of Urban Services
Gration, D	General Manager – Canberra Theatre Trust
Haynes, M	Executive Director of Community Programs Branch, Department of Justice and Community Services
Herrick, M	Manager of Budget Management, Environment and Conservation Bureau
Hunter, S	Head, Chief Ministers Division, Chief Minister Dept
Johnman, J	Assistant Under Treasurer ACT Treasury

King, L	Director, Australian Federation of Construction Contractors
Kinsman, M	Acting Director, TAFE
Knox, D	Vice President, Stromlo High School, Parents and Citizens Association
Lebang, J	Acting Principal Executive Officer – Property Projects and Planning Section, Ministry for Health, Education and the Arts
Lee, M	Acting Director of Schools, Belconnen Region, Ministry of Health, Education and the Arts
Lilley, R	Superintendent, Technical Services, Fire and Emergency Services Group
Maddern, R	Under Treasurer, ACT Treasury
Macpherson, J	Educational Planning Unit ACT Institute of TAFE
McLoughlin, V	Executive Director, Health Services Development, ACT Board of Health
McNeill, I	Executive Officer, Special Services Branch, ACT Board of Health
Miller, T	Deputy Fire Commissioner, Department of Urban Services
Mills, J	Deputy General Manager, ACT Public Works, Department of Urban Services
Mitchell, G	ACT Public Works
Mitchell, S	President, Stromlo High School, Parents and Citizens Association
Musgrove, R	Project Manager, ACT Law Office
O'Rourke, P	Board Chairperson, Stromlo High School Board
Osborne, L	Director Estate Development, Department of Environment, Land and Planning
Pearson, D	Acting Director ACT Institute of TAFE
Ratcliffe, P	Manager, Transport Programs, Department of Urban Services
Rushton, M	Director of Corporate Support, Community Services Bureau, Department of Justice and Community Services
Simpson, K	Director of Police Affairs and Law Enforcement, ACT Law Office

Sommer, H	Assistant Secretary – Land Development, Department of Environment, Land and Planning
Stanhope, J	President of the ACT Hospice Society
Stoll, W	Officer in Charge of Resources Services Division, ACT Region – Australian Federal Police
Sullivan, M	General Manager, Roads and Transport, Department of Urban Services
Thwaite, J	General Manager, Parks and Conservation, Environment and Conservation Bureau
Turner, J	Acting Chief Executive Officer, ACT Board of Health
Wadsworth, M	General Manager, ACTION, Department of Urban Services
Wason, G	Secretary, Building Workers Industrial Union
Williamson, S	Acting Assistant Secretary for Personnel and Property, Corporate Services Division, Ministry for Health, Education and the Arts

Note:

The titles of the above witnesses are as they were when the public hearings were held in May and August 1991.

DISSENTING REPORT NEW CAPITAL WORKS PROGRAM

Mrs Ellnor Grassby MLA

As a responsible member of the Committee and the Assembly I must reject many of the recommendations by Mr Kaine and Mr Jensen on the grounds that they are illogical, not supported by evidence given to the Committee, or are not responsible in the ACT's present budget circumstances. It is disappointing to note that in the current economic conditions where the ACT community is expected to tighten its collective belts, that some of our MLAs do not think the same is expected of the Government. Considered in this light I find many of the recommendations made by my colleagues on the Planning Committee to be short sighted, and generally not in the best interests of the Canberra community.

It should be obvious to other Committee members that the major reason for the projected decline in local building activity is the general economic climate, and particularly the recent high interest rates.

I do not believe that the ACT Government can be held responsible for the effects of Commonwealth economic policy on the private sector. With a small and already stretched State-type budget, I do not believe that the ACT Government can responsibly engage in massive intervention in the local economy. It seems to me that we should look to the Commonwealth, with its much larger budget and borrowing capacity, to fund promised building projects such as the new Commonwealth offices on the York Park site, or the Museum of Australia at Yarramundi Reach. I am disappointed with the low level of Commonwealth construction activity announced in the 1991/92 Commonwealth Budget.

To advocate that a government undertake a large borrowing program at this time is contrary to the sound economic management policies being exhorted on all sides of politics. It would be easy for us to get into a situation similar to the States which are grappling with a huge debt burden. The strategy of avoiding borrowings in 1991/92 by using part of the Commonwealth's Special Assistance for capital budget purposes will lead to expected recurrent savings in the order of \$2 million in this year alone. Such savings are essential if the ACT is to avoid burdening future budgets with an unsustainable level of debt servicing. I find it extraordinary that the Liberal Party, which claims to be an experienced economic manager, is recommending embarking on a 'borrow at all costs' approach.

The responses of the Community to both the Ratepayer Survey and this Government's Budget Strategy Statement, have shown that many people have an appreciation of restraint that goes beyond party political considerations and has the good of the community at heart. A particular case is the seemingly never ending excavation in our city centre and in particular the maintenance work for the Civic Bus Interchange. To assert that it is once again necessary to excavate paving blocks is seen by both the community and myself as a waste of government resources. Similarly it is premature to reconstruct the Adelaide Avenue bus lane in this program. The tearing up of road surfaces is not only inconvenient for commuters but also unnecessary in this Capital Works Program. My colleagues fail to realise that such maintenance projects do nothing to address such serious problems like youth unemployment. As a Member I am constantly being told by the community that they expect the Government to be prudent with major road works and that they are dissatisfied with wasteful expenditure of public funds.

The Follett Labor Government is currently attempting to address the needs of the Weston Creek Community Centre. Negotiations are ongoing with the full Board of this centre and as such it is premature for this Committee to make such sweeping recommendations as have been placed in this report. The concerns of residents for their communities is admirable, however a prudent Government must balance such concerns against the needs of the whole of the Canberra community, and the overall budget situation.

Mr Kaine and Mr Jensen have advanced very hollow arguments about the proposed Griffin Centre replacement. The Committee received no submissions and did not hear any evidence about the need for such a replacement. It appears to me that this whole project owed far more to Mr Kaine's desire, when in Government, to sell the Griffin Centre site for use with adjacent land as a large private sector development. It should be the obligation of the politicians who assert the need for a new Civic Community Centre to document and demonstrate how it can be paid for. To suggest that we engage in a major building program in this period shows a Bankcard mentality and a general lack of understanding by these politicians of the expectations that the ACT community holds for its elected representatives.

The rationalisation and improvement of the TAFE system has been a priority of the ALP for a number of years now. However before the unalterable commitment to transfer the Benjamin Way campus to Bruce is made, a full cost benefit analysis must be undertaken to ensure that the maximum benefit is returned to the TAFE users, potential users and the Government. I will not stand back and condone \$8 million of the ACT budget being committed to this project until we are sure that the community is receiving value for money.

The Government is undertaking a major review and consolidation of Canberra's hospital facilities. The cost blow outs and the enormous commitments to the redevelopment project inherited by the Follett Government has meant that further funding for projects such as a Hospice at Calvary can only be found over time. Additionally this report has overlooked the statement issued by the Minister for Health, Mr Berry, that a Hospice on the Acton site will be included in the 1991-92 Forward Design Program with construction proposed for next year. It seems to me that the particularly tranquil surroundings on Acton Peninsula, combined with the Government's intention to locate rehabilitation and convalescent care at Acton, make this the most suitable site. For these reasons I cannot support a recommendation to establish a hospice at Calvary.

It is incumbent on the Liberal and Residents Rally members of the Committee to demonstrate how they would pay for all their recommendations on the Public Works program. They have proposed we adopt a 'buy now pay later' mentality for this program which is not in keeping with the wishes of the ACT people. This is a time of consolidation and restraint and the Canberra community have told us loud and clear that this is what they expect of a responsible Government.

Ellnor Grassby

22 August 1991