

6.3 THE TERRITORY'S INFRASTRUCTURE

The Territory's Asset Base

The majority of the Territory's physical assets consist of public housing, stormwater infrastructure, roads, community and heritage assets and schools, as well as the land on which they are situated.

Table 6.3.1 below shows the Territory's physical asset base split between the General Government Sector and the Public Trading Enterprise Sector. The total value of physical assets, net of depreciation, is estimated to increase during 2012-13 to \$19.7 billion by June 2013. Factoring in the combination of existing and new capital works projects reaching completion, coupled with asset revaluations, it is expected that the value of the Territory's total physical assets will increase further to \$20.9 billion by June 2014.

Table 6.3.1
Total Territory Physical Assets: Value by Sector

As at 30 June	2009	2010	2011	2012	2013	2014
	Actual \$m	Actual \$m	Actual \$m	Actual \$m	Estimate \$m	Budget \$m
General Government Sector	10,795	11,496	12,305	13,021	13,558	14,319
Public Trading Enterprise Sector	5,119	5,526	5,735	5,787	6,182	6,568
Total Territory	15,914	17,022	18,040	18,808	19,740	20,887

Figure 6.3.1 below shows that as at 30 June 2012, the majority of the Territory's assets were classed as Infrastructure Assets (40.5 per cent), Buildings (23.5 per cent) and Land (21.6 per cent).

Figure 6.3.1
Total Territory Physical Assets:
Distribution by Category as at 30 June 2012

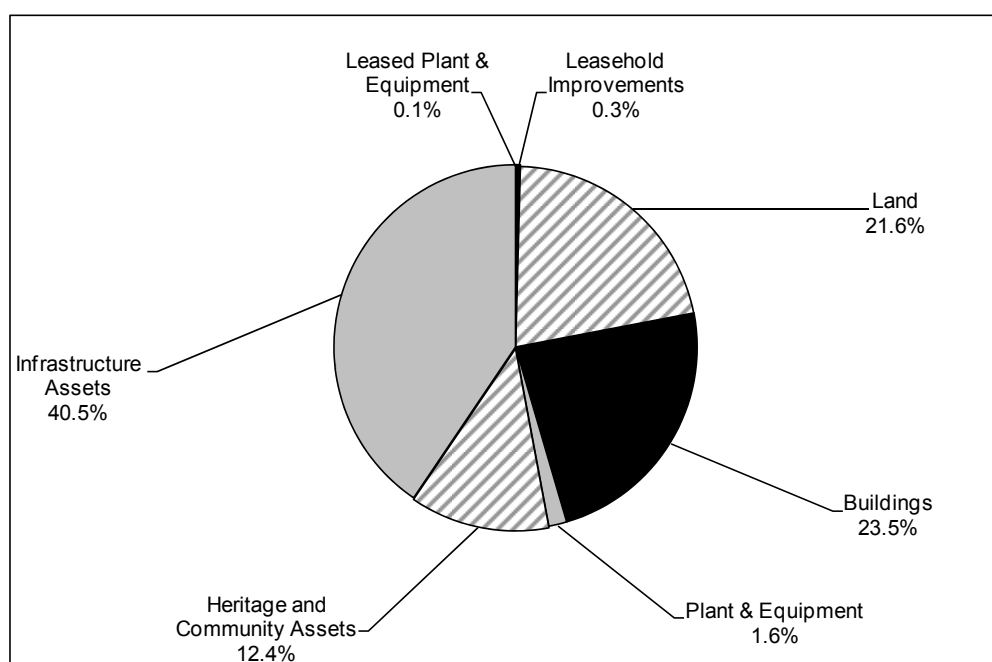


Figure 6.3.2 below shows that as at 30 June 2012, the Territory and Municipal Services Directorate was the owner of 47.9 per cent of the Territory’s physical assets. Housing ACT had responsibility for 22.9 per cent, the Education and Training Directorate held 10 per cent and ACTEW Corporation held 7 per cent.

Figure 6.3.2
Total Territory Physical Assets:
Distribution by Agency as at 30 June 2012

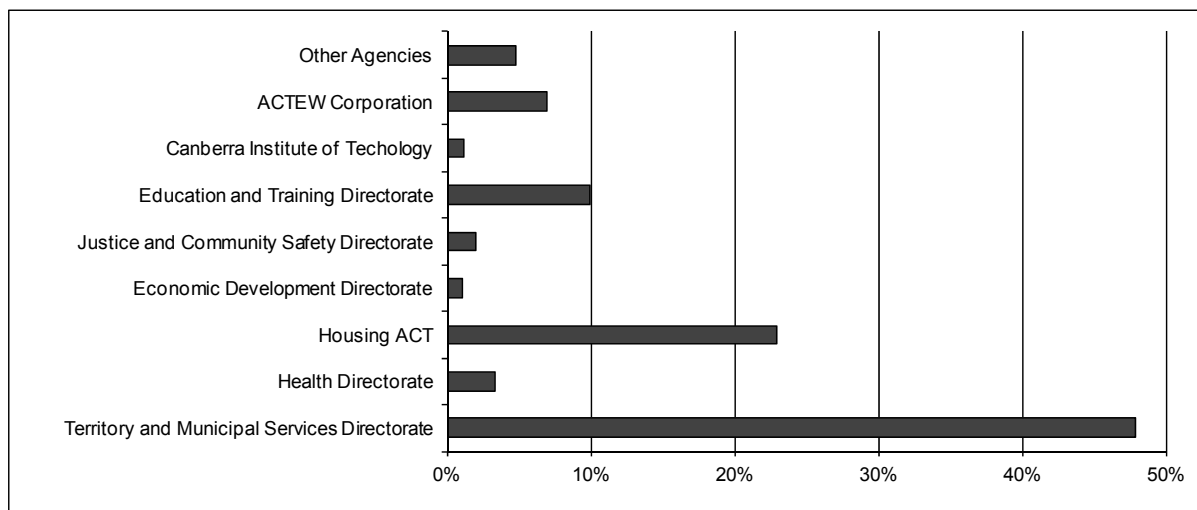
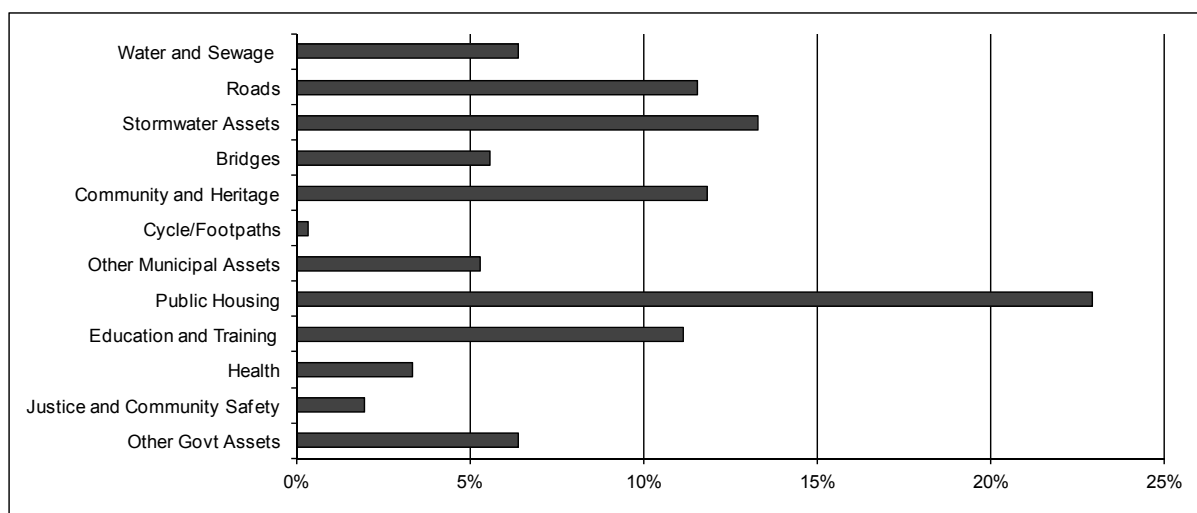


Figure 6.3.3 below highlights that the majority of the Territory’s assets relate to the provision of public housing, followed by an array of infrastructure supporting the delivery of municipal services to the community.

Figure 6.3.3
Total Territory Physical Assets:
Distribution by Asset Type as at 30 June 2012



Capital Expenditure Trend

The Territory's annual capital works expenditure for 2012-13 is estimated at \$552.437 million (excluding ICT and PPE). This represents a forecast that is broadly in line with the previous three financial years.

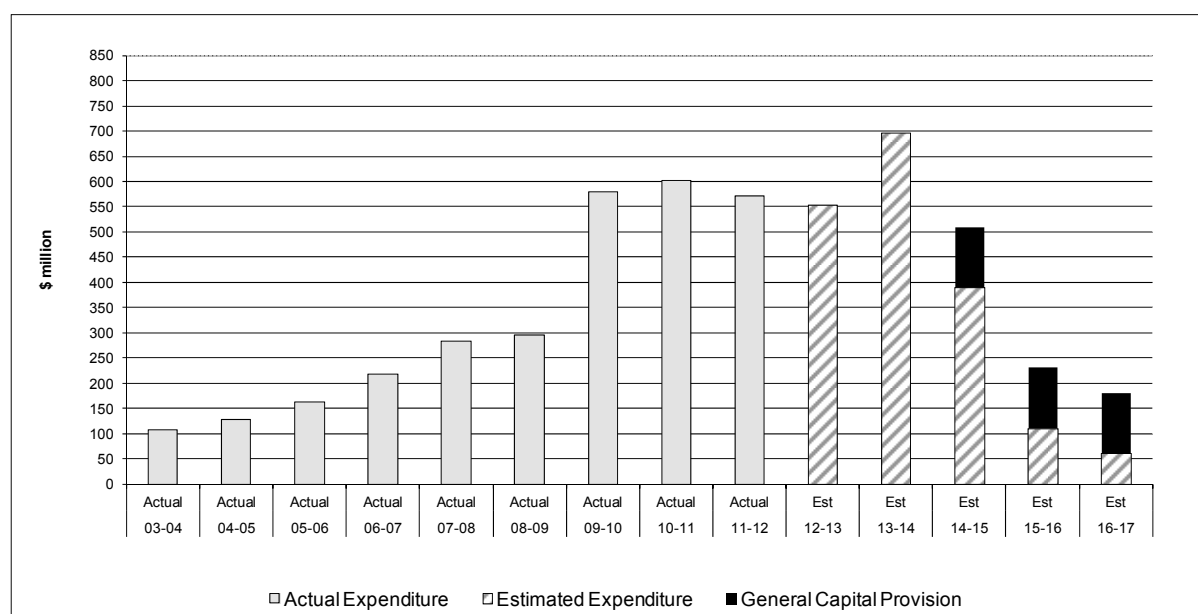
Table 6.3.2
Capital Works Expenditure Summary

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
	Actual	Actual	Actual	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total	296,472	580,461	601,655	572,055	552,437	695,650	389,873	110,909	60,980

Note: These totals include Capital Upgrade expenditure and forecasts but not the future unallocated capital provision.

Figure 6.3.4 below highlights that annual expenditure on capital works has been steadily increasing over time, with major injections made in recent Budgets. A New Works Program of \$242.644 million over four years has been announced as part of the 2013-14 Budget, as part of the total infrastructure investment program of \$1.270 billion over four years.

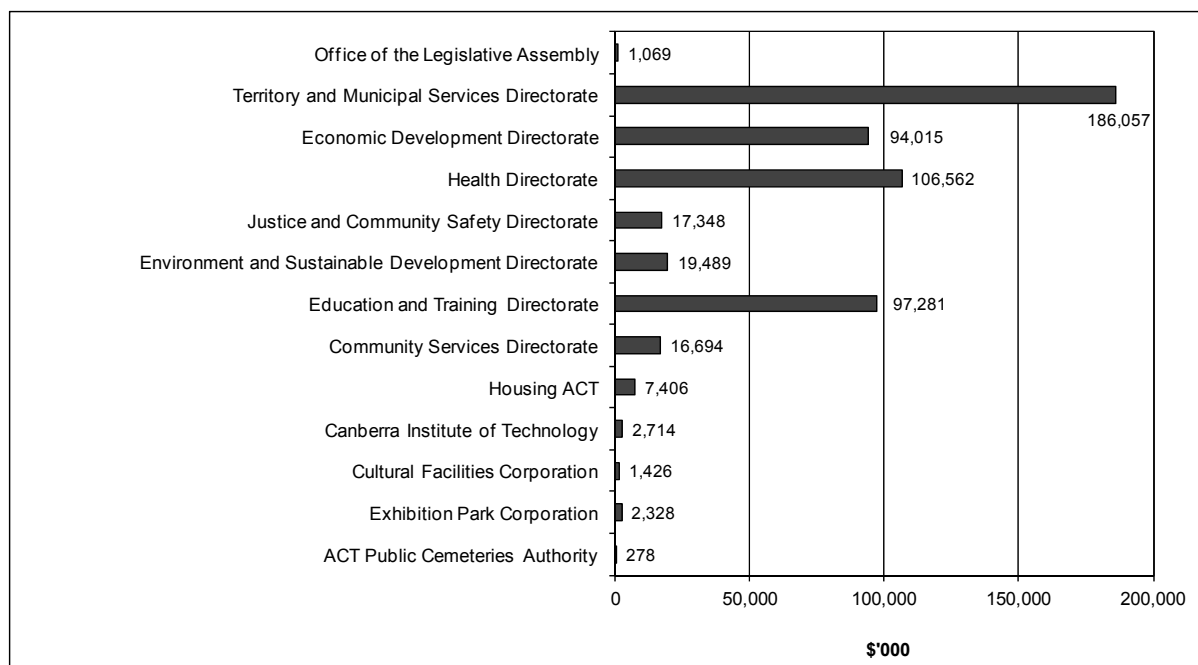
Figure 6.3.4
Capital Works Expenditure Program:
2003-04 to 2016-17



The reductions in the expenditure program in the forward estimates reflect the fact that new capital initiatives are considered and announced in each Budget.

Figure 6.3.5 below shows estimated capital works expenditure for 2012-13 by agency. Territory and Municipal Services Directorate has the largest forecast spend (\$186.1 million). This is followed by the Health Directorate (\$106.6 million), Education and Training Directorate (\$97.3 million), Economic Development Directorate (\$94 million) and the Environment and Sustainable Development Directorate (\$19.5 million).

**Figure 6.3.5
Estimated Capital Expenditure by Agency in 2012-13**



Repairs and Maintenance

Ensuring that appropriate Repairs and Maintenance are carried out on the Territory's existing assets is important to sustain the Territory's physical asset base into the future.

Maintenance expenditure identified in Table 6.3.3 below does not include 'maintenance-related' works which are classified as capital in nature. For example, a portion of agencies' annual Capital Upgrade funding (budgeted at \$49.1 million in 2013-14) is also utilised for sustaining the Territory's asset base.

**Table 6.3.3
Repairs and Maintenance**

2006-07 Actual \$'000	2007-08 Actual \$'000	2008-09 Actual \$'000	2009-10 Actual \$'000	2010-11 ¹ Actual \$'000	2011-12 Actual \$'000	2012-13 Estimate \$'000
109,552	121,373	136,667	161,073	147,554	159,879	155,894

Note:

1. The variance between the 2009-10 and 2010-11 actual spend is due to an overstatement of the 2009-10 actual repairs and maintenance spend (\$9.442 million) and the increased level of activity that resulted from the December 2010 flood damage.