



2015-16 CAPITAL WORKS PROGRAM

June Quarter 2016 Progress Report

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ATTACHMENTS

APPENDIX 1: CAPITAL WORKS EXPENDITURE BY MAJOR PROJECTS

FRONT COVER PHOTOS

NATIONAL CONVENTION CENTRE REFURBISHMENT
CONSTITUTION AVENUE

1 Introduction

This report details the Government's 2015-16 Capital Works Program and outlines major project achievements for the quarter ending 30 June 2016. Details of the Capital Works Program major projects by agency for the June quarter 2016 are at Appendix 1. A major project is a project with a budget greater than or equal to \$10 million.

2 2015-16 Capital Works Program

2.1 2015-16 Program Overview

The 2015-16 Budget continued the significant investment in capital works across the Territory.

The original budgeted Capital Works Program, as published in the 2015-16 Budget Papers, was \$699 million. This figure was increased to \$705 million to take account of the rolling over of unspent appropriation from 2014-15, savings, variations and adjustments to Commonwealth funding.

A reconciliation of the 2015-16 Capital Works Program is shown in **Table 1** below.

Table 1 – 2015-16 Capital Works Program Available Funding

	\$ million
<i>2015-16 Original Budget Appropriation^(a)</i>	<i>699</i>
Net Program adjustments, savings and rollovers	6
Total Funds Available for Expenditure 2015-16	705

(a) See 2015-16 Budget Paper 3, page 164.

2.2 2015-16 Program Expenditure as at 30 June 2016

Actual year to date expenditure (YTD) for the June quarter 2016 was \$573 million comprising:

- New Works expenditure of \$224 million; and
- Works-in-Progress expenditure of \$349 million.

The June quarter YTD expenditure accounted for 81 per cent of total funds available for capital works in 2015-16, compared to the 67 per cent of total funds available recorded for the same period in 2014-15.

Historically, the majority of capital works expenditure occurs in the second half of the financial year and spending in the first two quarters reflects progression against Works-in-Progress from the previous year. This is because delivery of the New Works component of the Program are not contracted until the passing of the Budget in August. A lead time is also required for preliminary planning, approvals, consultations, procurement and tendering activities for new capital works.

A breakdown of YTD expenditure by agency is provided in Table 2 below.

Table 2 – Capital Works Program Expenditure – as at 30 June 2016

Agency	2015-16 Total Available Funds for Expenditure \$'000	YTD June 2015-16 Expenditure \$'000	Percentage Spent YTD June
Canberra Institute of Technology ¹	7,190	8,355	116
Capital Metro	16,137	12,900	80
Chief Minister, Treasury and Economic Development Directorate	217,498	172,708	79
Community Services Directorate	2,843	1,464	51
Cultural Facilities Corporation	3,209	3,209	100
Education Directorate	48,658	41,612	86
Environment and Planning Directorate	2,353	1,553	66
Health Directorate	157,741	133,364	85
Housing ACT	6,965	6,760	97
Justice and Community Safety Directorate	62,232	41,439	67
Office of the Legislative Assembly	6,734	6,543	97
Territory and Municipal Services Directorate	173,603	143,226	83
TOTAL	705,163	573,133	81

Note: 1. Agencies with expenditure greater than available funding are using forward year funding allocations to advance their programs.

2.2.1 2015-16 Capital Upgrades Program

Capital upgrades are essential works that extend the useful life or improve the service delivery capacity of existing assets and do not include expenditure for repairs and maintenance.

June year-to-date expenditure on the 2015-16 Capital Upgrades Program was \$44.5 million, equating to 83 per cent of the available budget of \$53.5 million.

Table 3 – 2015-16 Capital Upgrades Program Expenditure – as at 30 June 2015

Agency	Capital Upgrades Year-to-Date June 2016		
	2015-16 Revised Budget \$'000	2015-16 YTD June Expenditure \$'000	Percentage Spent YTD June
Canberra Institute of Technology	2,515	2,336	93
Chief Minister, Treasury and Economic Development Directorate	8,983	7,414	83
Community Services Directorate	376	373	99
Cultural Facilities Corporation	379	378	100
Education Directorate	12,138	11,239	93
Environment and Planning Directorate	143	67	47
Health Directorate	4,844	3,072	63
Office of the Legislative Assembly	708	708	100
Justice and Community Safety Directorate	1,683	1,629	97
Territory and Municipal Services Directorate	21,708	17,234	79
TOTAL	53,477	44,450	83

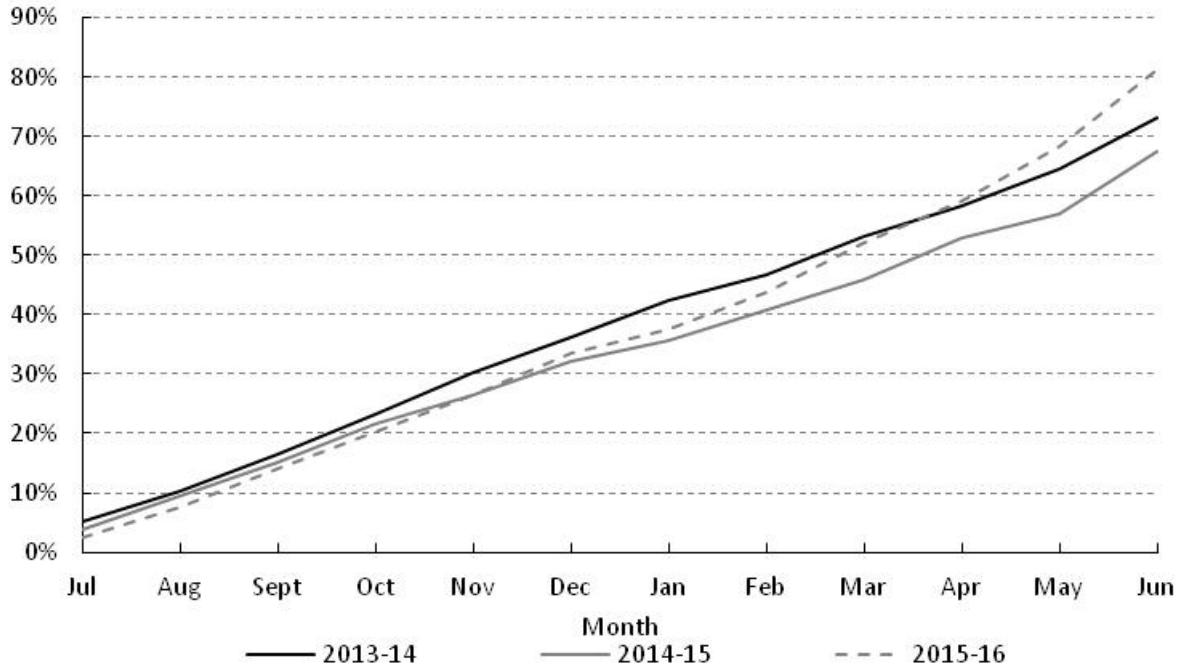
Significant upgrade works being delivered in 2015-16 include:

- public school infrastructure and safety improvements;
- upgrades to youth, child care and community facilities;
- improvements to sporting facilities including upgrades to ovals, pavilions, pools, toilet blocks and flood lighting systems;
- building upgrades and facility improvements of health and hospital infrastructure;
- road safety measures including rehabilitation, improvements and bridge strengthening;
- footpath and cycling improvements;
- upgrades and modifications to public transport infrastructure;
- improvements to playgrounds and facilities in open spaces; and
- improvements to fire and ambulance stations and other emergency services facilities.

2.3 Historical expenditure trends

Figure 1 below shows expenditure trends as a proportion of the funding within the Capital Works Program for the end of the previous three years.

Figure 1: Cumulative percentage of program expenditure as at 30 June



2.4 Non-Financial (Milestone) Outcomes

Delivery of Capital Works Program is also measured against non-financial indicators and reported against key milestones for all projects.

2.4.1 Pre-construction Milestones

There are a significant number of milestones to occur prior to the commencement of a contract for construction. These include the following:

- feasibility studies;
- consultation;
- design;
- sketch plans; and
- development application approval/lodgement.

Agencies that have operational responsibility for project delivery are required to set their milestone targets and report on their achievement throughout the year. The Whole of Government performance for the June quarter is set out in Table 4 below.

This table excludes projects under the Capital Upgrades Program which are usually minor projects.

Pre-Construction Key Performance Indicators

Table 4: Quarter 4: Capital Works Program Pre-construction Milestone Performance

Pre Construction	Number of targets	Actual number of targets achieved	Percentage achieved
Project Brief	0	0	N/A
Feasibility Study	23	13	57
Consultation	2	2	100
Functional Brief Lodged	7	7	100
Final Sketch Plan	3	1	33
Design	20	5	25
DA Lodged	1	0	0
DA Approved	8	4	50
Contract Signed	41	39	95
TOTAL	105	71	68

2.4.2 Construction Milestones

Construction Key Performance Indicators

- Seventy nine per cent (88 out of 111) of agency - forecast quarterly construction targets were achieved within an acceptable level of variation of between 0-10 per cent from target in the fourth quarter.
- Nine per cent (10) of the projects in the construction phase outperformed against target.
- Twelve per cent (13) underperformed by greater than 10 per cent.

2.5 Delivery of Infrastructure for the ACT Community

2.5.1 Land Release Program

The four-year Indicative Land Release Program is an enabler of the Government's social and economic strategies for the community. These strategies seek to support the needs of a growing population, changing household demographics and an expanding economy. The Land Release Program contributes to financial and environmental objectives by seeking to:

- promote the economic and social development of the Territory;
- meet the demand for land in the Territory;
- establish an appropriate inventory of serviced land;
- facilitate the provision of affordable housing; and
- achieve satisfactory returns from the sale of unleased Territory land.

The ACT Government's Indicative Land Release Program includes a sales target of 17,190 dwelling sites between 2015-16 and 2018-19.

Progress against key capital projects that support the Land Release Program as at 30 June 2016 was as follows:

- Molonglo Infrastructure Investment reached 99 per cent completion.
- Throsby – Access road and western intersection reached 98 per cent completion.
- Molonglo 2 Sewer and Pedestrian Bridge over Molonglo River reached 99 per cent completion.
- Cravens Creek Water Quality Control Pond reached 95 per cent completion.
- Molonglo 2 – Water Supply, Trunk Sewer and Stormwater Infrastructure – Stage 1 reached 99 per cent completion.
- Dickson Group Centre Intersections – Upgrade reached 80 per cent completion.
- City to the Lake Arterial Roads Concept Design reached 20 per cent completion.



Molonglo Link Bridge

2.5.2 Public Housing Renewal

The 2016-17 ACT Budget includes a commitment of \$393 million over the four years to 2019–20 for the delivery of 864 public housing properties to replace Bega Court (Reid), Northbourne Flats (Braddon and Turner), Currong Apartments (Braddon), Stuart Flats (Griffith), Strathgordon Court (Lyons) and De Burgh Street – North and South (Lyneham). This builds on the works commenced in the 2015–16 Budget for the redevelopment of 352 dwellings at Owen Flats (Lyneham), Allawah Court (Braddon), Karuah (Dickson) and the Red Hill Housing Precinct (Red Hill), and the establishment of the Public Housing Renewal Taskforce.

The Public Housing Renewal Taskforce is constructing and purchasing replacement properties. As at 26 July 2016, more than 500 dwellings are under contract and the Public Housing Renewal Taskforce has transferred over 110 completed properties to Housing ACT.

The new public housing will replace older multi-unit public housing properties on Northbourne Avenue and in other key locations across Canberra. These sites, once vacated, will be sold for redevelopment.

The expansion of the Public Housing Energy Efficiency Program also saw 950 properties being upgraded by the end of the June quarter 2016. There were 1,110 properties upgraded in the 2014-15 financial year. The upgrades focus on increasing energy and water efficiency through retrofitting existing dwellings with new energy efficiency hot water and heating systems.

2.5.3 Delivery of Transport Infrastructure

Significant upgrades to transport infrastructure across the Territory were planned for delivery in 2015-16, including:

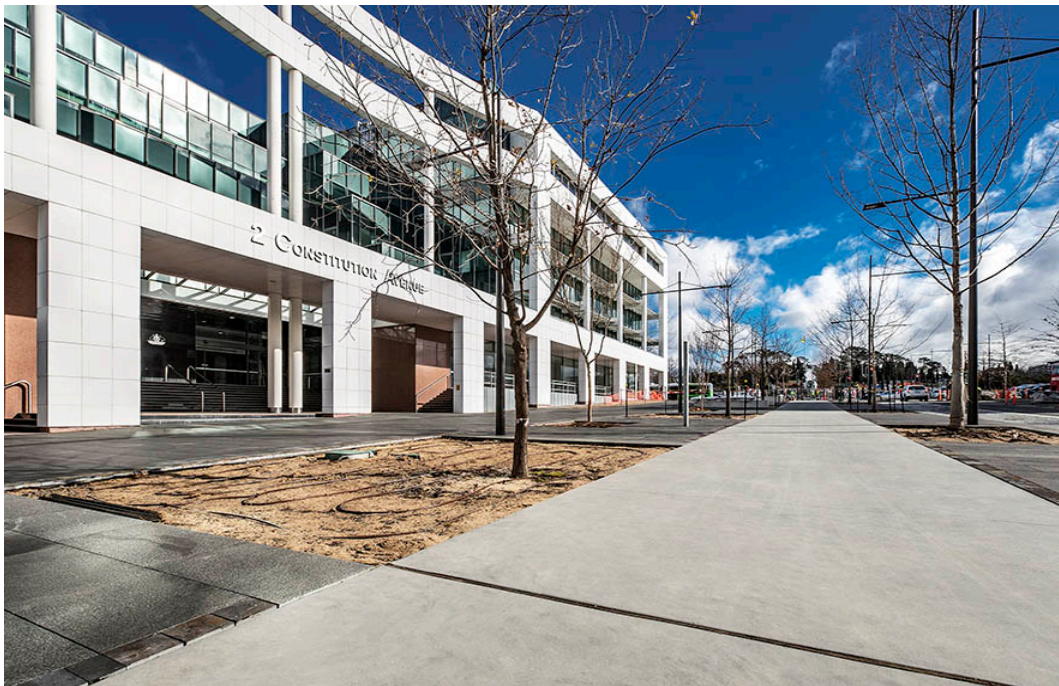
- the design, construction and duplication of major roads and intersections to provide access to residential developments and reduce traffic congestion;
- the design and construction of new bus stations and upgrades of existing bus stops; and
- improvement of walking and cycling infrastructure to promote active travel.

Progress against key capital projects that provide public transport infrastructure, as at 30 June 2016, was as follows:

- William Slim/Barton Highway Roundabout Signalisation reached 60 per cent completion.
- Urban Renewal Program – Woden – Canberra Hospital connections reached 75 per cent completion.
- Constitution Avenue is 80 per cent complete, which is slightly behind schedule due to bad weather and complications to relocate sewer, water and stormwater associated with the car park opposite CIT Reid.
- Urban Renewal Program – Acton – Sullivans Creek cycle path upgrades has now reached 25 per cent construction.
- Urban Renewal Program – Kingston Group Centre – Pedestrian and cycling accessibility improvements – Stage 1 is finalising design.
- Majura Parkway to Majura Road – Link road reached 50 per cent completion.
- Majura Off Road Shared Path is nearing completion.
- Majura Parkway is nearing financial completion. The project has experienced a budget overrun of 3 per cent as at 30 June 2016 associated with contractor settlements.
- Woden Bus Interchange Redevelopment – Stage 1 reached 40 per cent construction.
- Better Roads for Tuggeranong – Ashley Drive duplication – Stage 2 is now under contract.
- Better Roads for Gungahlin – Enhanced Town Centre road network reached 47 per cent completion.
- Spence – Kuringa Drive and Owen Dixon Drive intersection augmentation has a completed feasibility study.
- Weetangera – Belconnen Way and Springvale Drive intersection augmentation has a completed feasibility study.
- Bridge Strengthening on Commercial Routes is now 75 per cent complete.
- Dunlop – Lance Hill Avenue and Ginninderra Drive intersection augmentation has a completed feasibility study.
- Light Rail–Stage 1 (Public Private Partnership) has been preparing preliminary design packages for the works for submission to the Territory and the Independent Certifier, together with undertaking geotechnical and utility services investigations, and survey.



Horse Park Drive –Stage 1 Upgrades



Constitution Avenue

2.5.4 Enhancing Community Safety, Corrections and Justice

Progress against key capital projects that support community safety and justice services as at 30 June 2016 was as follows:

- Strengthening Emergency Services – Greenway Ambulance Station has reached 100 per cent construction.
- Emergency Services Agency Station Upgrade and Relocation – Aranda Station has reached 85 per cent construction, this is slightly behind schedule due to the recent wet weather.
- Strengthening Emergency Services – Upgrade of facilities is now 85 per cent complete.
- Gungahlin Joint Emergency Services Centre – Future use study now has a functional brief developed.
- ESA Station Upgrade and Relocation – South Tuggeranong Station is physically complete but is still undergoing some minor works during the defects liability period.
- Stromlo Forest Park – Implementation of bushfire management plan has reached 60 per cent completion.
- Wright Outer Asset Protection Zone – Stromlo Forest Park has reached completion.
- ACT Law courts Facilities (Public Private Partnership) - site establishment and enabling works are completed. A number of works packages for courtroom AV fit-outs and upgrades have also been completed.

2.5.5 Providing Education for All

Major new works and upgrades to education facilities across the Territory continued. Some of the key progress during the June quarter 2016 was as follows:

- Schools for the Future – Caroline Chisholm School – Centre for Innovation and Learning the associated design work is progressing with the progression of a preliminary sketch plan.
- Belconnen Regional Trade Skills Centre has now reached physical completion.
- Coombs P-6 School Construction has reached physical completion.
- Construction work in the Hazardous Material Removal Program – Stage 3 is now 70 per cent complete and remains on schedule to be completed in the 2016-17 year.
- Schools for the Future – North Gungahlin and Molonglo now has a completed feasibility Study.
- Carbon Neutral Schools – Stage 1 has reached 95 per cent completion.



Curtin Primary School Canteen

2.5.6 Improving Recreational, Lifestyle and Cultural Opportunities

The key projects in this area seek to improve community recreational facilities, lifestyle opportunities and cultural facilities. They include works on sporting facilities, parks, urban spaces and cultural institutions across Canberra. Some of the key progress during the June quarter 2016 was as follows:

- The Local Shopping Centre Upgrades Program reached 75 per cent completion.
- Wright Outer Asset Protection Zone – Stromlo Forest Park has now been completed.
- Urban Renewal Program – Melrose football precinct is now under contract with civil works underway.
- Narrabundah Ball Park – Stage 2 – Design is nearing the end of the consultation phase.



Franklin Community Recreation Park

2.5.7 Supporting Environmental and Waste Management

Works continued on a number of environmental, sustainability and waste management projects during 2015-16. Some of the key progress during the June quarter 2016 was as follows:

- Environmental Offsets – Lawson South reached 50 per cent completion.
- Environmental Offsets –Gungahlin (EPIC) reached 50 per cent completion.
- Mugga Lane – Replace Asbestos Disposal Site reached physical completion.
- Stromlo Forest Park Soil Conservation Works is now 90 per cent complete.

2.5.8 Delivering Health Services

Works continued on the redevelopment and reconfiguration of Canberra’s hospitals and healthcare facilities to ensure the availability and viability of quality health care. Some of the key progress during the June quarter 2016 was as follows:

- The Canberra Hospital – Essential infrastructure and engineering works has achieved 64 per cent construction.
- Clinical Services and Inpatient Unit Design and Infrastructure Expansion is now 83 per cent complete.
- University of Canberra Public Hospital has progressed final design and construction is 12 per cent complete.
- Continuity of Health Services Plan – Essential Infrastructure is now 85 per cent complete.
- Calvary Public Hospital – Operating theatre upgrade has a preliminary design and detailed design is progressing.
- Calvary Public Hospital – Refurbishments for more beds has reached physical completion.
- Secure Mental Health Unit – Stage 2 is now 93 per cent complete.
- Construction of the Clinical Services and Inpatient Unit Design and Infrastructure Expansion has reached 83 per cent completion.
- The Aboriginal Torres Strait Islander Residential Alcohol and Other Drug Rehabilitation Facility has achieved 96 per cent construction.
- Calvary Public Hospital – Upgrade of medical imaging equipment is in the procurement phase.