



# 2018-19 CAPITAL WORKS PROGRAM

## Year-to-Date 31 December 2018

### Progress Report



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## Attachments

APPENDIX 1: CAPITAL WORKS EXPENDITURE BY MAJOR PROJECTS

### Front cover photos

GUNDAROO DRIVE STAGE 1

ISABELLA WEIR

## 1 Introduction

This report details the Government's 2018-19 Capital Works Program and outlines major project achievements for the quarter ending 31 December 2018. Details of agency major projects for the year are at Appendix 1. A major project is a project with a budget greater than or equal to \$10 million.

The 2018-19 Capital Works Program now includes reporting against investment in Information and Communication Technology (ICT) and Plant and Equipment (P&E).

This report does not detail the financial performance of the public private partnerships (PPP) that are being undertaken by the private sector as these projects are not part of the Government's 2018-19 Capital Works Program. However, this report does provide a progress update on physical delivery for each PPP project.

In 2018-19 the scheduled PPP expenditure by the private sector is \$15 million for Light Rail – Stage 1 and \$23 million for the ACT Law Courts Facilities.

## 2 2018-19 Capital Works Program

### 2.1 2018-19 Program Overview

The 2018-19 Budget continued the significant investment in capital works across the Territory.

The original budgeted Capital Works Program, as published in the 2018-19 Budget Papers, was \$746 million. Adjustments to the budget associated with the rolling over of unspent funds from 2017-18, Program adjustments and variation and program savings have increased available funding to \$771 million for 2018-19.

A reconciliation of the 2018-19 Capital Works Program is shown in **Table 1** below.

**Table 1 – 2018-19 Capital Works Program Available Funding**

	\$ million
<b>2018-19 Original Budget Appropriation<sup>1</sup></b>	<b>746</b>
<b>Net Program adjustments, savings and rollovers</b>	<b>25</b>
<b>Total Funds Available for Expenditure 2018-19<sup>2</sup></b>	<b>771</b>

1. See 2018-19 Budget Paper 3, page 202

2. Table may not add due to rounding

### 2.2 2018-19 Program Expenditure YTD December 2018

Actual year-to-date (YTD) expenditure as at December 2018 was \$299 million comprising:

- new works expenditure of \$38 million; and
- works-in-progress expenditure of \$261 million.

The YTD December capital expenditure accounted for 39 per cent of total funds available for capital works in 2018-19.

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

**Table 2 – Capital Works Program Expenditure – as at December 2018**

Agency	2018-19 Total funds available for expenditure \$'000	YTD December 2018 expenditure \$'000	Percentage spent YTD December 2018
Canberra Institute of Technology	4,965	2,111	43
Chief Minister, Treasury and Economic Development Directorate	86,994	33,238	38
City Renewal Authority	20,805	2,366	11
Community Services Directorate	4,196	1,618	39
Cultural Facilities Corporation	2,203	212	10
Education Directorate	80,487	33,862	42
Elections ACT	287	82	29
Environment Planning and Sustainable Development Directorate	160,900	83,768	52
Health Directorate	139,189	36,783	26
Housing ACT	10,053	1,565	16
Justice and Community Safety Directorate	21,528	7,564	33
Office of the Legislative Assembly	1,045	659	63
Transport Canberra and City Services Directorate	238,574	95,174	40
<b>TOTAL</b>	<b>771,226</b>	<b>299,002</b>	<b>39</b>

**2.2.1 Capital Delivery Provision**

The 2018-19 Budget included a Capital Delivery Provision to improve the accuracy of the overall budget estimates. While agencies are funded to deliver each capital project according to agreed timelines, there remain risks to the delivery of each project. Reflecting these risks, but recognising that it is not possible to identify whether they will eventuate for any given project, the Government has adjusted the forecast of the aggregate Capital Works Program expenditure. The adjustment is based on past outcomes and risk analysis. This provision is included at a whole of government level and does not affect the timely delivery of any project.

The current level of expenditure against the 2018-19 Budget, adjusted for the Capital Delivery Provision, is provided in Table 3:

**Table 3 – Performance against Capital Delivery Forecast December 2018**

2018-19 Total funds available for expenditure (\$'000)	2018-19 Capital Delivery Provision adjustment (\$'000)	2018-19 Capital delivery forecast (\$'000)	Actual expenditure YTD against Capital delivery forecast (\$'000)	Percentage spent YTD December 2018
771,226	-148,000	623,226	299,002	48

### 2.2.2 2018-19 Better Infrastructure Fund

Capital improvements 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.

YTD December expenditure for the 2018-19 Better Infrastructure Fund was \$23 million, or 42 per cent of the available budget of \$55 million.

**Table 4 – 2018-19 Better Infrastructure Fund Expenditure – December 2018**

<b>Agency</b>	<b>2018-19 Budget \$'000</b>	<b>2018-19 YTD December 2018 expenditure \$'000</b>	<b>Percentage spent YTD December 2018</b>
Canberra Institute of Technology	2,708	1,461	54
Chief Minister, Treasury and Economic Development Directorate	7,956	5,308	67
Community Services Directorate	402	170	42
Cultural Facilities Corporation	408	113	28
Education Directorate	14,600	6,994	48
Environment Planning and Sustainable Development Directorate	765	135	18
Health Directorate	4,853	1,678	35
Justice and Community Safety Directorate	1,678	238	14
Office of the Legislative Assembly	958	632	66
Transport Canberra and City Services Directorate	20,892	6,578	31
<b>TOTAL</b>	<b>55,220</b>	<b>23,307</b>	<b>42</b>

Significant infrastructure improvements being delivered in 2018-19 include:

- a major investment in public school infrastructure and safety improvements;
- improvements to Canberra's CIT infrastructure;
- improvements to sporting facilities including upgrades to ovals, pavilions and pools;
- Forensic Medical Centre facilities;
- heritage and arts facility improvements;
- safety compliance upgrades to city infrastructure;
- revitalising Woden library and other town centre infrastructure;
- building upgrades and facility improvements of health and hospital infrastructure;
- road safety measures including traffic signal controls;
- footpath and cycling improvements around schools and the broader city network;
- upgrades and modifications to public transport infrastructure;
- improvements to our walking tracks, parks and nature reserves; and
- security improvements to ACT policing facilities.

### 2.2.3 2018-19 Information and Communication Technology (ICT) and Plant and Equipment (P&E) Expenditure

The 2018-19 Capital Works Program includes investment by the Government in ICT and P&E projects. Total investment in these projects for 2018-19 is valued at \$140 million. For the year ending 31 December 2018 a total of \$41 million had been spent or 29 per cent of available funding, refer to Table 5.

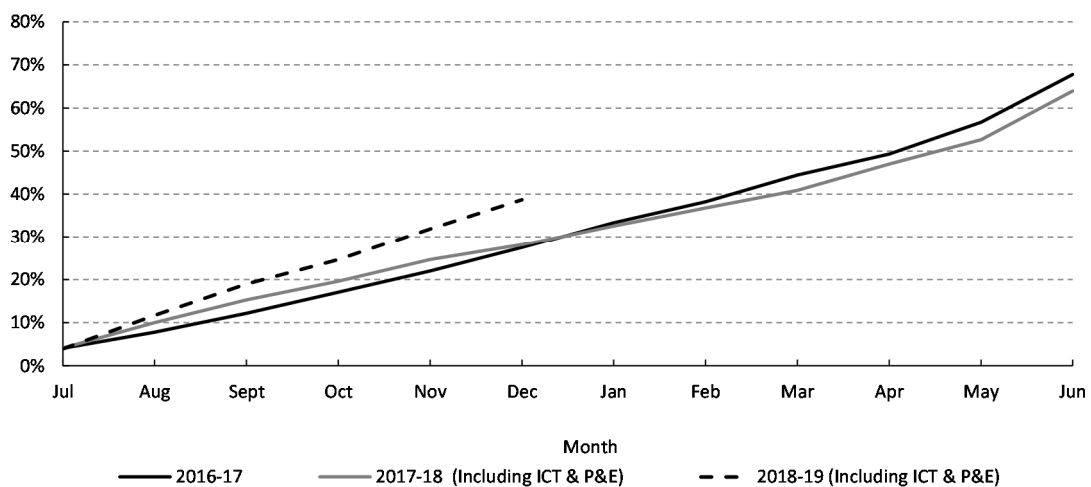
**Table 5 – 2018-19 ICT and Plant and Equipment project expenditure – December 2018**

Agency	2018-19 Funds Available for Expenditure \$'000	2018-19 YTD December 2018 expenditure \$'000	Percentage spent YTD December 2018
Canberra Institute of Technology	1,257	514	41
Chief Minister, Treasury and Economic Development Directorate	38,238	10,499	27
Community Services Directorate	3,794	1,448	38
Education Directorate	14,815	2,414	16
Elections ACT	287	82	29
Environment Planning and Sustainable Development Directorate	2,484	556	22
Health Directorate	15,052	3,364	22
Housing ACT	223	81	36
Justice and Community Safety Directorate	12,406	4,551	37
Office of the Legislative Assembly	87	27	31
Transport Canberra and City Services Directorate	51,617	17,296	34
<b>TOTAL</b>	<b>140,260</b>	<b>40,832</b>	<b>29</b>

### 2.3 Historical expenditure trends

**Figure 1** below shows cumulative monthly expenditure as a proportion of annual total funds available for the Capital Works Program for the three years to 2018-19.

**Figure 1: Cumulative percentage of program expenditure - YTD December 2018, 2017-18 and 2016-17<sup>1</sup>**



**Note 1:** The 2016-17 Program expenditure excludes ICT and Property and Plant projects, these were introduced into the Program in 2017-18.

## 2.4 Non-Financial (Milestone) Outcomes

Delivery of the 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 three months to 31 December 2018 is set out in Table 6 below.

This table excludes projects under the Better Infrastructure Fund which are usually minor projects.

#### Pre-Construction Key Performance Indicators

**Table 6: December 2018: Capital Works Program Pre-construction Milestone Performance**

<b>Pre - Construction</b>	<b>Total number of targets</b>	<b>Targets Achieved</b>	<b>Percentage achievement</b>
Project Brief	6	4	67
Early Planning	19	5	26
Consultation	4	2	50
Functional Brief Lodged	3	2	67
Final Sketch Plan	7	1	14
Design	16	7	44
DA Lodged	5	2	40
DA Approved	4	3	75
Contract Signed	24	10	42
<b>TOTAL</b>	<b>88</b>	<b>36</b>	<b>41</b>

## **2.4.2 Construction Milestones**

### **Construction Key Performance Indicators**

- Sixty three per cent (36 out of 57) of agency-forecast quarterly construction targets were achieved within an acceptable level of variation of 0 to 10 per cent from target in the three months to 31 December 2018.
- Eleven per cent (6 out of 57) of the projects in the construction phase outperformed against target.
- Twenty six per cent (15 out of 57) 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 for the 2018-19 Budget includes a sales target of 17,000 dwelling sites between 2018-19 and 2021-22.

Progress against key capital projects that support the Land Release Program as at YTD December 2018 is as follows:

- Better roads for Gungahlin – Horse Park Drive duplication (Mulligans Flat Road to the Federal Highway) - the dual carriage way north of Katherine Avenue to Well Station Drive intersection has been opened to traffic. The traffic has been successfully switched on to the new carriageway to allow works on the existing carriageway to commence.
- Better roads for Belconnen – Aikman Drive duplication - the Pantowora Street/Thirriwirri Street intersection has been opened to traffic and service relocations have been completed. The physical works for the bus stops and paths have commenced.
- Building a better city – Gundaroo Drive duplication – Stage 2 - the road works, stormwater and the installation of streetlights are progressing well with the asphalt laid between Abena Avenue and the bridge close to Nudurr Drive. The gas utilities relocation has been completed.



- Improving Our Suburbs – New Molonglo Valley infrastructure - the John Gordon Drive 3A – William Hovel Drive intersection pavement reconstruction has been completed.



John Gordon Drive Stage 3A

### 2.5.2 Public Housing Renewal

Total funding of more than \$600 million has now been provided for the renewal of all public housing sites included in the ACT's Asset Recycling Initiative (ARI) agreement with the Commonwealth. This has included funding in the 2018-19, 2016-17 and 2015-16 Budgets for the redevelopment and replacement of Owen Flats (Lyneham), Karuah (Dickson), Allawah Court (Braddon), Red Hill Housing Precinct (Red Hill), Bega Court (Reid), Northbourne Flats (Braddon and Turner), Currong Apartments (Braddon), Stuart Flats (Griffith), Strathgordon Court (Lyons), De Burgh Street – North and South (Lyneham) and Gowrie Court (Narrabundah). These sites, once vacated, are being sold for redevelopment.

The funding also covers Public Housing Renewal Taskforce costs and ensures the ACT Government can provide ongoing support and assistance to tenants during their relocation to improved accommodation.

Older multi-unit public housing properties are being replaced with modern homes that better meet the needs of tenants. The Public Housing Renewal Taskforce (Taskforce) remains on track to deliver the 1,288 replacement dwellings with 890 properties transferred to Housing ACT to date. The Taskforce continues to construct and purchase the remaining replacement properties. As at 31 December 2018, 314 dwellings were under construction and offers had been accepted for the purchase of 82 dwellings through an expression of interest process.

### 2.5.3 Delivery of Transport Infrastructure

Significant upgrades to transport infrastructure across the Territory have been planned for delivery in 2018-19 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
- improvements to walking and cycling infrastructure to promote active travel.

Progress against key capital projects that provide public transport infrastructure, as at 31 December 2018, was as follows:

- Better roads for Canberra – Stronger bridges to transport freight - the strengthening works on one of two bridges on Tuggeranong Parkway (Bridge 4003) has been completed and the design work on the second bridge (Bridge 4004) are under engineering review
- Better Roads for Gungahlin – Gundaroo Drive duplication – Stage 1 - the duplication works have been physically completed



**Gundaroo Drive Stage 1**

- Better services in your community – Faster bus travel - Captain Cook Crescent (Manuka), Giles Street and Eyre Street (Kingston) bus stop upgrades have been completed. The civil works for Alinga Street west bus station have been completed. The design for the shelter is pending heritage approval. The tender for the Mapleton Avenue and the Moncrieff bus stops has been awarded.
- Better Roads for Gungahlin – Gungahlin town centre road network improvements - has been physically completed.
- Building a better city – Monaro Highway upgrade – preliminary planning activities have continued through 2018 with a tender for design services for Monaro Highway safety improvements between Williamsdale Road and Royalla Drive released to the market in December 2018.

- Building a better city – Pialligo Avenue duplication - the tender has been released for the design of the duplication.
- Keeping our growing city moving – Better roads for Gungahlin - Ernest Cavanagh Street extension – is physically complete.



**Ernest Cavanagh Street extension**

- Keeping our growing city moving – Light Rail Stage 2 - City to Woden early planning
  - is proceeding with *Environment Protection and Biodiversity Conservation Act 1999 referral* for the Barton and State Circle alignments, following government direction in early December 2018. Additional technical investigations for the State Circle alignment are also underway and design for early works packages that would support the alignment in the Woden Town Centre.
  - an alignment along State Circle would generally be consistent with the Intertown Public Transport Route identified in the National Capital Plan (NCP). This alignment has ‘in-principle’ support through the provisions of the NCP, and is being carefully considered as a route option.
  - preliminary precinct discussions have commenced with stakeholders (complemented by virtual reality), in order to inform concept designs for the two alignments. Stakeholders have included the Woden Valley Community Council, Museum of Australian Democracy, Aboriginal Tent Embassy, Department of Defence, as well as all areas of the ACT Government.
- Keeping our growing city moving – William Slim Drive Duplication (Barton Highway to Ginninderra Drive) - community information sessions are being organised.
- Light Rail – Stage 1 – (Public Private Partnership) construction progress is as follows.
  - Canberra Metro, the Independent Certifier and Transport Canberra and City Services - via the Transport Canberra Light Rail project team, have over 570 personnel working across all aspects of the Light Rail Stage 1 project; including safety, environmental, construction, design, audits, back office, reporting, finance and operations. Cumulatively, personnel have worked over 3,051,587 hours (as at 30 November 2018) on the project.
  - Various construction activities continue along the entire length of the project alignment from Gungahlin to Canberra City.

- Building fit-out and site works at the Mitchell Depot are nearing completion ahead of seeking a final review before the issue of a Certificate of Occupancy which will allow the accommodation of light rail operations staff.
- Track slab, rail installation and overhead wiring for the full length of the alignment and the depot is now complete, with just some remaining concrete infill works and defect rectification works being finalised.
- The Commissioning Management Team – led by the delivery contractors’ testing and commissioning manager (and which comprises representatives from the Territory, the Independent Certifier, Canberra Metro, and the Operations and Maintenance contractor), regularly meet in order to discuss preparation and readiness activities for future activities.
- Current testing and commissioning actions in December 2018 included:
  - progression of light rail vehicle tests;
  - continuation of driver training, with all drivers now having been recruited;
  - testing of light rail vehicle movements between Gungahlin and Mitchell;
  - commissioning works at the Depot.
  - stop canopies erected at all precincts, and works progressing with stop fitouts.
  - the arrival of all 14 light rail vehicles in Canberra and their stabling at the Mitchell Depot.
  - the continuation of landscaping, tree and groundcover planting across the entire project alignment.

#### 2.5.4 Enhancing Community Safety, Corrections and Justice

Progress against key capital projects that support community safety and justice services as at 31 December 2018 was as follows:

- ESA – Station Upgrade and Relocation Program – Phase 2 Due Diligence - Due diligence and design investigation for Majura SES upgrade underway.
- Gungahlin Joint Emergency Services Centre (JESC) – Future use study-Report provided in December 2017, decision on future use of JESC deferred pending ACT Policing advice on its future station location requirements and priorities.
- City Station Early Planning is now 5 per cent complete. Final consultant report is due in January 2019. The Government has agreed to the ESA request for a Clunies Ross Street site (Block 1, Section 86). Work will commence to determine ESA's preferred location on site so that the remaining portion of the site can be offered to the ANU.
- Progress on the ACT Law Courts Facilities (Public Private Partnership) includes:
  - stage 1 of the ACT’s new joint court precinct is now complete and was opened in October 2018;
  - Stage two will include refurbishment of the remaining two non-jury courtrooms and construction of mediation suites, hearing rooms and spaces for justice support groups. The facility will achieve a 5-star green star rating and has natural light throughout, including in the new courtrooms.

### 2.5.5 Providing Education for All

Major new works and upgrades to education facilities across the Territory continued. Some of the key progress made during the quarter ending 31 December 2018 was as follows:

- Better Schools – Investment in Gungahlin school infrastructure physically completed.
- Better schools for our kids – Narrabundah College and Campbell Primary School - the initial stage of the project is 80 per cent complete.
- Schools for the Future – Caroline Chisholm School – Centre for Innovation and Learning - is physically completed.
- Schools for the Future – North Gungahlin and Molonglo is now 95 per cent complete.

### 2.5.6 Recreation and Parks

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 to December 2018 was as follows:

- Better services in your community – Expanding the Domestic Animal Shelter - the Development Application for the cat containment area has been approved and construction has commenced on the excavation, service realignments and retaining wall. The Development Application for construction has been lodged for the dog kennels.
- More services for our suburbs – Nicholls Neighbourhood Oval upgrades - the design has been completed, the site has been established and works have commenced to remove the rubber infill.
- More services for our suburbs – Restoring Boomanulla Oval - the project has been physically completed.
- More jobs for our growing city – Better facilities for the Tuggeranong Rowing Club - the scoping and design work are currently underway.
- Canberra Theatre – Temporary Carpark - has been physically completed.
- Narrabundah Ballpark Upgrade – Best little ballpark in Australia - works were completed for the first Cavalry home series, minor defects are being rectified.

### 2.5.7 Supporting Environmental and Waste Management

Works continued on a number of environmental, sustainability and waste management projects in 2018-19. Some of the key progress for the quarter ending 31 December 2018 was as follows:

- Better services in your community – Upgrade stormwater infrastructure on Flemington Road - the consultant is finalising the hydrology and hydraulic reports and drafting the development options.
- Environmental Offsets – Lawson South has reached 40 per cent completion.
- Keeping our growing city moving – Canberra Brickworks Precinct – Environmental offsets - an Environment Protection and Biodiversity Conservation referral, which

was released for public consultation along with an application for exemption from an Environmental Impact Study has closed and submissions received.

- Better services in your community – Jarramlee Nature Reserve – Protecting our nature reserves has reached 60 per cent completion.
- More jobs for our growing city – Micro parks - the initial sites have been identified and the consultant tender released.

### 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 to December 2018 was as follows:

- Better healthcare for a growing community – More mental health accommodation - a preliminary sketch plan is scheduled for completion in early 2019. The draft mental health specification was completed during the quarter.
- Better healthcare for a growing community - New facility for Winnunga Nimmityjah Aboriginal Health Community Services - has completed the early planning stage.
  - A memorandum of understanding has been established outlining the responsibilities of ACT Health and Winnunga;
  - The deed of grant has been executed between ACT Health and Winnunga to progress the construction of the facility; and
  - Head Contractor procurement for the design and construction is expected to be finalised in August 2019.
- Better Health Services – Upgrading and maintaining ACT Health assets (UMAHA) - The project has reached 47 per cent completion, including;
  - Cable tray reticulation installation progressed in Buildings 1, 2 and 3;
  - Main and Central Service Riser construction works progressed in Building 1; and
  - Electrical Isolation planning commenced during the quarter.