

CHAPTER 5

INFRASTRUCTURE AND CAPITAL

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5.1 INFRASTRUCTURE INVESTMENT PROGRAM

The Government has a vision for a confident future while maintaining the things we love about Canberra. As part of realising this vision, the Government will encourage foreign investment for major infrastructure, while investing in urban renewal in our suburbs.

Infrastructure investment is a key enabler of economic growth and social cohesion. In this context, the ACT Government is committed to a well targeted and integrated investment program as a high priority for Canberra.

In the short term, the Infrastructure Investment Program provides the necessary stimulus to economic activities and job creation in the Territory. In the longer term, this investment forms the foundation of the delivery of high quality services, a more highly skilled workforce, improved productive capacity, and higher growth potential and living standards for the people of Canberra.

The 2015-16 Budget provides for a record infrastructure investment of \$2.8 billion over the four years to 2018-19. This maintains the impetus of the \$2.5 billion four-year investment program announced in the 2014-15 Budget.

The Infrastructure Investment Program includes significant projects in areas including road and urban infrastructure, land development, education, health and community facilities.

A key feature of the 2015-16 Budget is the Urban Renewal Program (URP) with funding of \$167 million in 2015-16 and \$234 million over four years. The URP provides for a suite of projects, including to revitalise public infrastructure, improve access to public transport and essential services, and upgrade public amenities to encourage more active living.

The URP includes a \$133 million investment in public housing renewal in central locations over four years and is discussed further in Chapter 5.2.

The road and urban infrastructure projects included in the Budget facilitate continued land release and new urban developments in Molonglo, Gungahlin and West Belconnen, upgrade arterial roads to reduce traffic congestion in Gungahlin and Tuggeranong, continue works on the Majura Parkway and the link road to Majura Road, and prepare for the construction of the Capital Metro Light Rail Network.

The Infrastructure Investment Program also includes transformational projects that will redefine Canberra as one of the best cities in which to live and work. The Government will advance the first stage of the Capital Metro Light Rail Network and the City to the Lake development. These projects will provide a seamless connection between urban and city living, and leisure activities. This will further consolidate Canberra's status as Australia's most liveable city. In addition, a provision is provided to progress the Australia Forum project following consideration of a business case which will be finalised this year.

Our investment in education and training facilitates population growth and urban expansion. Examples of this investment include Coombs Primary School, which is nearing completion, and the construction and operation of a new P-6 school at North Gungahlin to open in January 2019. Feasibility studies are programmed for a Year 7-10 school at North Gungahlin and a P-10 school at Molonglo.

To enhance the learning opportunities for students in existing schools, Belconnen High School will be modernised and a new specialist learning centre at Caroline Chisholm School created. Additional resources will also be made available for school information and communication technology infrastructure to support contemporary learning and teaching.

Another priority area for capital investment is to build a world-class health care system in the Territory. This is being achieved through the Health Infrastructure Program (HIP), which is the single largest capital works project undertaken in the history of the Territory since self-government.

Works under HIP are continuing in the redevelopment and expansion of the Canberra Hospital and Calvary Public Hospital, the design and construction of new sterilising services, and the development of the University of Canberra Public Hospital which will be a sub-acute facility encompassing teaching and research.

The Government is also making major investment in justice and safety for Canberra. Provision is included in this Budget to allow for early works on the redevelopment of the ACT Supreme Court building, subject to the outcome of the selection process for the new facility that is currently underway.

Construction of additional facilities continues at the Alexander Maconochie Centre and at the new Emergency Services Agency Station in Aranda. Works to upgrade the Territory Radio Network are also ongoing, to provide essential communication infrastructure for use by the Emergency Services Agency and other government agencies, particularly during emergencies.

Maximising economic and social outcomes from infrastructure investment requires not only the selection of projects with high expected rates of return, but also careful planning and management of those projects to minimise costs to the budget and the community.

A central element of the Government's strategy to achieve maximum benefit from our capital investments is *The Capital Framework*, which seeks to improve business case development, service and asset planning, and project definition and scope. This is complemented by the *Public Private Partnership Framework* which provides a framework for managing private sector involvement in the financing, management and delivery of major projects.

Since their implementation in the 2014-15 Budget, *The Capital Framework* and the *Public Private Partnership Framework* have seen the adoption of more cost-effective and efficient integrated delivery models involving the private sector. This has resulted in substantial savings, better management of project risks and high quality infrastructure. *The Capital Framework* and the *Public Private Partnership Framework* are discussed later in this section.

Further savings on the cost of capital are being achieved through asset recycling, where aged assets are disposed of and the proceeds used for the acquisition of new and more efficient and effective assets.

The Asset Recycling Initiative (ARI) agreed between the Commonwealth Government and the ACT Government allows the Territory to benefit from a 15 per cent bonus from the Commonwealth on proceeds of agreed asset sales where these proceeds are allocated to agreed new infrastructure investment. The Capital Metro Light Rail Network will be funded in part by assets sold under the ARI. The ARI is discussed in Chapter 5.5.

In the long term, the Infrastructure Investment Program offers significant benefits in leveraging scarce public resources for capital investment through more effective project planning and management, increased private sector involvement and better use of assets.

2015-16 Infrastructure Investment Program

The ACT Infrastructure Investment Program provides for capital works, information and technology projects and expenditure on property, plant and equipment.

The program does not include works delivered through the Territory's Public Trading Enterprises (PTEs) and other agencies which are financed through own-source revenue or debt. Capital investment by PTEs is largely related to land servicing, water and wastewater works, and public housing. The value of PTE works for 2015-16 is \$234 million which will be delivered by Housing ACT, Icon Water, the Land Development Agency and the ACT Public Cemeteries Authority. A summary of capital investment by these PTEs is provided in Table 5.2.6.

Budget-funded Infrastructure Investment Program

The 2015-16 Budget provides for new investment in infrastructure of \$585 million over the four years to 2018-19. This comprises New Capital Works (\$459 million), Capital Upgrades (\$56 million), Information and Communications Technology (\$59 million) and Plant and Equipment (\$13 million).

The value of works in progress from previous years is \$513 million over four years.

The Government has also made provisions of \$1.5 billion for capital works over the four years to 2018-19. Including these provisions is consistent with good financial management as they improve the accuracy of the budget estimates and provide greater clarity around the Government's decisions. These provisions include amounts for high value and/or commercially sensitive projects; this is prudent practice whilst these projects are further refined.

Table 5.1.1 shows a summary of Budget-funded Infrastructure Investment Program in 2015-16.

Table 5.1.1
Summary of 2015-16 Budget-funded Infrastructure Investment Program – by Type

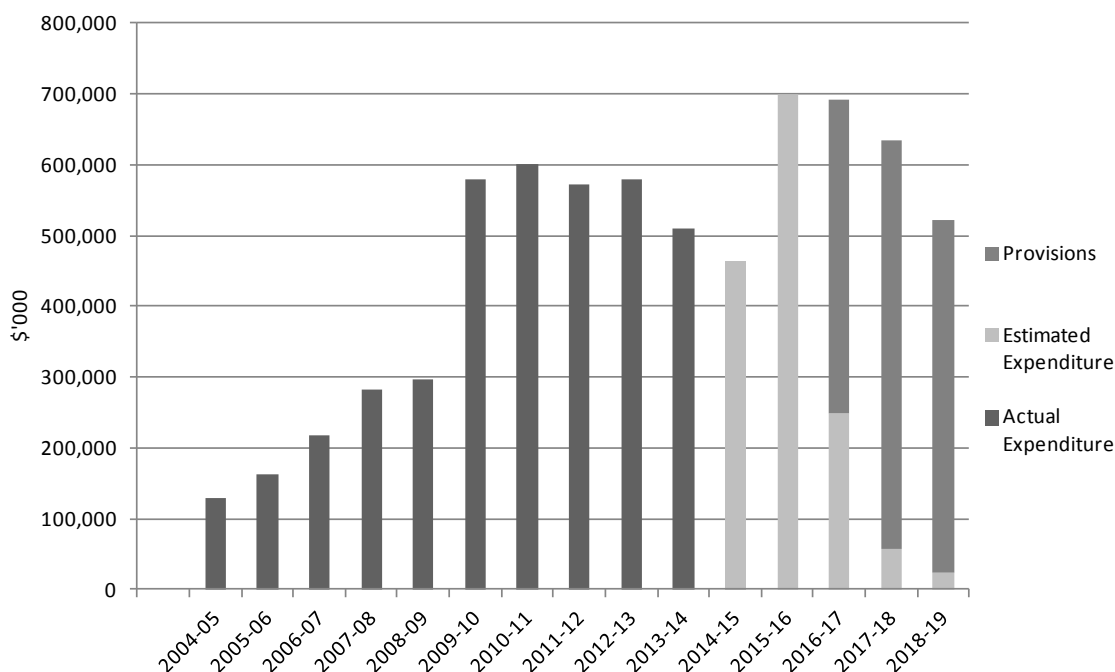
	2015-16 Allocation \$'000	2016-17 Allocation \$'000	2017-18 Allocation \$'000	2018-19 Allocation \$'000	Total Allocation \$'000
New Capital Works¹					
Business Case Development	3,395	2,230	0	0	5,625
Forward Design	18,791	13,761	11,385	11,484	55,421
Construction Projects	185,513	167,013	39,086	5,968	397,580
Sub-Total New Capital Works	207,699	183,004	50,471	17,452	458,626
<i>Urban Renewal Component</i>	<i>114,142</i>	<i>65,512</i>	<i>495</i>		<i>180,149</i>
Capital Upgrades²	55,554	0	0	0	55,554
<i>Urban Renewal Component</i>	<i>15,475</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>15,475</i>
TOTAL NEW WORKS	263,253	183,004	50,471	17,452	514,180
<i>Urban Renewal Component</i>	<i>129,617</i>	<i>65,512</i>	<i>495</i>	<i>0</i>	<i>195,624</i>
Works in Progress	435,772	65,086	6,737	5,600	513,195
<i>Urban Renewal Component</i>	<i>37,835</i>	<i>500</i>	<i>0</i>	<i>0</i>	<i>38,335</i>
TOTAL CAPITAL WORKS PROGRAM	699,025	248,090	57,208	23,052	1,027,374
<i>Urban Renewal Component³</i>	<i>167,452</i>	<i>66,012</i>	<i>495</i>	<i>0</i>	<i>233,959</i>
Information and Communication					
Technology (ICT)					
New Works	22,760	18,233	11,683	5,940	58,617
Works In Progress	79,737	19,728	4,645	1,313	105,423
Sub-Total (ICT)	102,497	37,961	16,328	7,253	164,040
Plant and Equipment (P&E)					
New Works	5,278	7,383	0	0	12,662
Works In Progress	18,517	15,732	3,880	3,801	41,930
Sub-Total (P&E)	23,795	23,115	3,880	3,801	54,592
Sub-Total (ICT and P&E)	126,292	61,077	20,208	11,054	218,631
TOTAL INFRASTRUCTURE INVESTMENT PROGRAM	825,317	309,166	77,416	34,106	1,246,006
Capital Provisions					
Infrastructure Investment Provision		390,000	524,000	442,400	1,356,400
Capital Upgrades		53,188	54,405	55,725	163,319
Total Provisions		443,188	578,405	498,125	1,519,719
TOTAL INFRASTRUCTURE INVESTMENT PROGRAM INCLUDING PROVISIONS	825,317	752,354	655,821	532,231	2,765,724

Notes:

1. Includes \$12.4 million in Capital Grants to Calvary Hospital.
2. Includes 2015-16 Commonwealth Government funding of \$3.2 million for the National Highway Upgrade Program.
3. The Urban Renewal Program includes Urban Improvement Program projects, totalling \$3.9 million over four years.

Figure 5.1.1 below shows the sustained increase in the Capital Works Program (including provisions) since 2009-10. Significant investment is expected to continue over the forward estimates period, with substantial provisions being included in the Budget for commercially sensitive projects.

**Figure 5.1.1
Capital Works Expenditure Program
2004-05 to 2018-19**



Capital Planning, Delivery and Management

High-value and commercially sensitive projects

The Infrastructure Investment Provision for capital projects has been increased to \$1.5 billion over the four years to 2018-19 to account for some high value projects for which budgets are either yet to be settled or which are commercially sensitive. Reflecting commercial sensitivities, the Government has not published specific details but has provisioned an amount for these works to be undertaken. Where these projects require funding for early works, allocations have been made in the 2015-16 Budget from the project provisions.

The projects include:

- the Capital Metro Light Rail Network project – a Request for Expressions of Interest (REOI) process for the Gungahlin to the City alignment concluded early 2015, with two short-listed bidders now due to provide proposals to Government in September 2015. These bidders have also been asked to submit an additional option for a Gungahlin to Russell alignment in late 2015;
- ACT Court Facilities – following receipt of tenders in late May 2015, this project is now in the Request for Proposal Phase. It is expected that contractual and financial close will be reached with the preferred proponent in late 2015. Funding of \$14 million is being provided over three years to 2017-18 from the provision for this project, mainly for the cost of temporary facilities, to enable the Court to continue to operate during the redevelopment of the ACT Supreme Court building (refer to New Initiatives – Chapter 3);

- the University of Canberra Public Hospital – Car park – as the first stage of the project to construct a new sub-acute hospital on the University of Canberra campus is underway, a provision has been included in the Budget for a 400 space car park for the Hospital; and
- Australia Forum – The Government remains committed to delivering state-of-the-art convention and exhibition facilities for Canberra in the longer-term, and has retained a provision of \$8.0 million to bring the Australia Forum project to procurement ready status. The 2014-15 Budget funded a business case for the Australia Forum, and will shortly prepare options for the Government to secure funding partners to progress the project.

As planning or procurement progresses, future budgets will contain further specific financial details related to these projects.

Funding Capital Metro

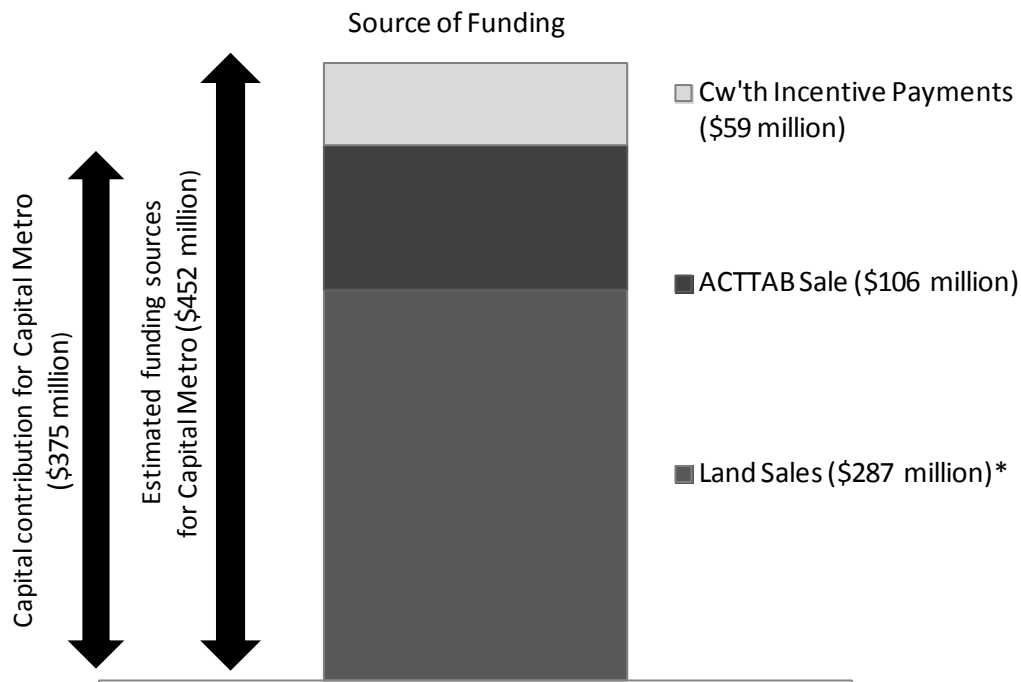
The Government expects to deliver Capital Metro through a Public Private Partnership (PPP) involving availability payments to a private sector partner.

The Government's approach to PPPs is to provision the capital value of the project until financial close of the PPP agreement. Once financial close is reached, the provision is extinguished and the access payment and other accounting treatments are included in the forward estimates. This approach ensures that the Territory's forward year financial statements reflect the infrastructure and financing costs of the project.

The Government has decided to provide a \$375 million capital contribution for the project, which will be provided to the successful consortium after construction is finished.

The funding needed to meet the \$375 million contribution has been or is being raised through the Asset Recycling Initiative, such as the sale of ACTTAB (which has been completed), contributions from the Commonwealth Government, and land sales.

**Figure 5.1.2
Summary of Capital Metro Budget Funding Sources for Capital Contribution**



Note: * Original estimate of sale proceeds using the valuation method agreed with the Commonwealth Government for the purposes of the Asset Recycling Initiative.

The Capital Framework

The Government has continued to plan, manage and review capital works projects under *The Capital Framework*. The Framework seeks to improve business case development, service and asset planning, and project definition and scope. Details of the Framework are available from www.procurement.act.gov.au.

The focus on more cost effective and efficient integrated delivery models has seen a number of projects undergoing procurement through models other than construct only procurement. The delivery of Coombs P-6 School as a Design Construct Maintain project is one key example of integrated procurement, and the successful adoption of integrated delivery models. The ACT Health Directorate has also achieved substantial savings in the delivery of the Calvary Hospital car park through the use of the design and construct delivery model.

As part of the Territory’s commitment to improve the delivery of capital projects, a policy implementation review has been initiated to assess the success and any lessons learned from the Framework’s first two budget processes. The outcomes of this review will be used to enhance and refine the Framework in future periods.

The Partnerships Framework

The *Partnerships Framework* is now in its second year of operation and continues to guide the Territory's approach to PPP and Design Construct Maintain Operate (DCMO) delivery models. It also addresses how unsolicited proposals are considered in relation to the Territory's infrastructure program.

Since the Framework's inception, the Territory has embarked on its first two PPP projects, the ACT Law Courts Redevelopment and the Capital Metro Project. As a mark of the Framework's attractiveness to market, these projects attracted six and four expressions of interest, respectively. Both projects are currently in the Request for Proposals phase, with the two short listed bidders on each developing their project solution to align with the Territory's strategic, financial and performance objectives.

The Framework seeks to reduce the costs of delivery under PPPs for both the Government and bidder by seeking to short-list two proponents at the Request for Proposal stage and by making non-evaluated documentation a condition subsequent to preferred bidder status.

The *Guidelines for Unsolicited Proposals*, which forms part of the Framework, is also in its second year of operation. To date the Territory has received five unsolicited proposals, with two currently under consideration by the Unsolicited Proposals Steering Committee. Through the Framework and these guidelines, the Territory remains committed to encouraging appropriate private investment and innovative entrepreneurship in the delivery of public infrastructure and services.

Active certification and safety in Government construction

Active certification and safety as a weighted criterion for Government construction contracts were implemented in 2013-14 as part of the Government's response to the *Getting Home Safely Report*. They are now an established and accepted practice.

The objective of Active Certification is to determine whether organisations have an adequate safety record to retain eligibility (prequalification) to apply for significant Government projects, using safety audits and a demerits point system. Principal Contractors will still be required to fulfil their work health and safety responsibilities as covered under the *Work Health and Safety Act 2011*, *Work Safety Regulations 2011*, all relevant Codes of Practice, Australian Standards and applicable guidelines.

To emphasise the importance placed on work health and safety, the Government has also introduced a comparative assessment of contractors' safety records and capacities in the tender evaluation stage of Government construction projects. This requires the application of a default weighting of 30 per cent for work health safety performance on all new ACT Government works tenders.

5.2 CAPITAL WORKS PROGRAM

Budget-funded Capital Works Program

The Territory's Capital Works Program is a component of the Total Infrastructure Investment Program. Capital Works relate to fixed physical infrastructure which excludes Information and Communication Technology, and Plant and Equipment.

The budget allocation for the 2015-16 Capital Works Program, including capital upgrades, is \$1 billion over the four years to 2018-19 and comprises:

- \$459 million for New Capital Works;
- \$56 million for Capital Upgrades; and
- \$513 million for Works-in-Progress (WIP).

In addition, the Government has included capital provisions of \$443 million in 2016-17 and \$1.5 billion over the four years to 2018-19. This is to ensure that the forward estimates present a fair view of the Government's planning in regard to a number of large commercially sensitive projects, as well as an ongoing Infrastructure Investment Program.

A summary of the 2015-16 Budget-funded Capital Works Program in individual agencies is provided in Table 5.2.1 below.

Table 5.2.1
Summary of 2015-16 Budget-funded Capital Works Program

	2015-16	2016-17	2017-18	2018-19	Four Year Investment
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital Metro Agency					
New Capital Works	16,137	12,771	11,385	11,484	51,777
Capital Upgrades	0	0	0	0	0
Works-in-Progress	0	0	0	0	0
Total	16,137	12,771	11,385	11,484	51,777
Canberra Institute of Technology					
New Capital Works	4,950	2,475	0	0	7,425
Capital Upgrades	2,515	0	0	0	2,515
Works-in-Progress	0	0	0	0	0
Total	7,465	2,475	0	0	9,940
Chief Minister, Treasury and Economic Development Directorate					
New Capital Works	115,981	73,422	792	0	190,195
Capital Upgrades	8,983	0	0	0	8,983
Works-in-Progress	123,137	5,500	0	0	128,637
Total	248,101	78,922	792	0	327,815
Community Services Directorate					
New Capital Works	1,319	28	28	28	1,402
Capital Upgrades	376	0	0	0	376
Works-in-Progress	1,148	0	0	0	1,148
Total	2,843	28	28	28	2,926

	2015-16	2016-17	2017-18	2018-19	Four Year Investment
	\$'000	\$'000	\$'000	\$'000	\$'000
Cultural Facilities Corporation					
New Capital Works	2,030	1,386	792	0	4,208
Capital Upgrades	379	0	0	0	379
Works-in-Progress	800	0	0	0	800
Total	3,209	1,386	792	0	5,387
Education and Training Directorate					
New Capital Works	6,845	21,785	18,563	5,940	53,132
Capital Upgrades	14,215	0	0	0	14,215
Works-in-Progress	30,566	1,500	0	0	32,066
Total	51,626	23,285	18,563	5,940	99,413
Environment and Planning Directorate					
New Capital Works	0	0	0	0	0
Capital Upgrades	143	0	0	0	143
Works-in-Progress	1,904	0	0	0	1,904
Total	2,047	0	0	0	2,047
Health Directorate					
New Capital Works	9,250	15,158	7,786	0	32,193
Capital Upgrades	4,844	0	0	0	4,844
Works-in-Progress	139,824	50,868	0	0	190,692
Total	153,917	66,026	7,786	0	227,729
Housing ACT					
New Capital Works	0	0	0	0	0
Capital Upgrades	0	0	0	0	0
Works-in-Progress	6,451	0	0	0	6,451
Total	6,451	0	0	0	6,451
Justice and Community Safety Directorate					
New Capital Works	14,174	842	644	0	15,659
Capital Upgrades	1,683	0	0	0	1,683
Works-in-Progress	50,517	299	170	0	50,986
Total	66,374	1,141	814	0	68,328
Office of the Legislative Assembly					
New Capital Works	5,711	1,030	0	0	6,741
Capital Upgrades	708	0	0	0	708
Works-in-Progress	0	0	0	0	0
Total	6,419	1,030	0	0	7,449
Territory and Municipal Services Directorate					
New Capital Works	31,305	54,107	10,482	0	95,894
Capital Upgrades	21,708	0	0	0	21,708
Works-in-Progress	81,425	6,919	6,567	5,600	100,511
Total	134,438	61,026	17,049	5,600	218,113

	2015-16	2016-17	2017-18	2018-19	Four Year Investment
	\$'000	\$'000	\$'000	\$'000	\$'000
Total All Agencies					
New Capital Works	207,699	183,004	50,471	17,452	458,626
Capital Upgrades	55,554	0	0	0	55,554
Total New Works	263,253	183,004	50,471	17,452	514,180
Works-in-Progress	435,772	65,086	6,737	5,600	513,195
TOTAL CAPITAL WORKS PROGRAM	699,025	248,090	57,208	23,052	1,027,374

New Capital Works

The New Capital Works program comprises construction projects, business case development and forward design.

The 2015-16 Budget provides for New Capital Works totalling \$208 million in 2015-16 and \$459 million over the four years to 2018-19 (see Appendix D). This includes \$167 million in 2015-16 and \$234 million over four years for the newly created Urban Renewal Program.

The Government is making investment in all critical areas of urban development, education and training, health, and justice and community safety, with a particular focus on urban renewal. Significant new projects include:

- Urban Renewal Program – Better Public Housing. Public housing properties will be redeveloped to replace Allawah Court, Karuah, Red Hill Housing Precinct and Owen Flats (\$133 million over four years);
- Better Roads for Gungahlin – Gundaroo Drive duplication – Stage 1 (\$31 million);
- Schools for the Future – North Gungahlin and Molonglo (\$28 million);
- Better Roads for Tuggeranong – Ashley Drive duplication – Stage 2 (\$25 million);
- Essential Waste Management Infrastructure (\$21 million);
- Schools for the Future – Modernising Belconnen High (\$18 million);
- Better Roads for Gungahlin – Horse Park Drive duplication (\$17 million);
- Sterilising Services – Relocation and upgrade (\$17 million);
- ACT Court Facilities Early Works Package (\$14 million);
- Better Roads for Gungahlin – Enhanced Town Centre road network (\$14 million);
- Urban Renewal Program – City to the Lake – West Basin infrastructure (\$10 million);
- Calvary Public Hospital – Operating theatre upgrade (\$6 million); and
- Calvary Public Hospital – Upgrade of medical imaging equipment (\$4 million).

Construction projects form the largest component of the New Capital Works program and account for \$186 million (or 89 per cent) of the program in 2015-16 (\$398 million or 87 per cent over four years).

Public housing renewal represents the largest element of construction projects, with funding allocation of \$91 million in 2015-16 and \$133 million over the four years to 2018-19.

Financing information for new construction projects in individual agencies is provided in Table 5.2.2.

Table 5.2.2
Summary of 2015-16 Budget-funded Construction Projects¹

	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	Four Year Investment \$'000
Canberra Institute of Technology					
CIT Modernisation – Tuggeranong, Bruce and Reid campuses	4,950	2,475	0	0	7,425
Total	4,950	2,475	0	0	7,425
Chief Minister, Treasury and Economic Development Directorate					
Better Roads for Gungahlin – Enhanced town centre road network	5,940	8,019	0	0	13,959
Better Roads for Gungahlin – Horse Park Drive duplication	6,930	9,900	297	0	17,127
Urban Renewal Program – Better Public Housing – Allawah Court	29,322	15,789	0	0	45,111
Urban Renewal Program – Better Public Housing – Karuah	11,479	6,182	0	0	17,661
Urban Renewal Program – Better Public Housing – Red Hill Housing Precinct	36,496	19,652	0	0	56,148
Urban Renewal Program – Better Public Housing – Owen Flats	13,120	0	0	0	13,120
Urban Renewal Program – Public housing renewal	610	626	0	0	1,236
Urban Renewal Program – City to the Lake – West Basin infrastructure	6,633	3,465	0	0	10,098
Urban Renewal Program – Civic and Braddon public realm improvements	500	1,000	0	0	1,500
Urban Renewal Program – Melrose football precinct	1,980	4,178	495	0	6,653
Urban Renewal Program – Phillip Oval upgrade	990	3,623	0	0	4,613
Total	114,001	72,432	792	0	187,226
Community Services Directorate					
Support for People with Disability – New respite property	1,319	28	28	28	1,402
Total	1,319	28	28	28	1,402

	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	Four Year Investment \$'000
Cultural Facilities Corporation					
Canberra Theatre Centre Upgrades – Stage 3	1,931	1,386	792	0	4,109
Lanyon Heritage Precinct – Stormwater systems upgrade	99	0	0	0	99
Total	2,030	1,386	792	0	4,208
Education and Training Directorate					
Schools for the Future – Caroline Chisholm School – Centre for Innovation and Learning	495	1,980	3,421	0	5,896
Schools for the Future – Modernising Belconnen High	4,950	10,697	1,980	0	17,627
Schools for the Future – North Gungahlin and Molonglo ²	1,400	9,108	13,161	5,940	29,609
Total	6,845	21,785	18,563	5,940	53,132
Health Directorate					
Calvary Public Hospital – Expanded hospital services	3,079	0	0	0	3,079
Calvary Public Hospital – Operating theatre upgrade	3,242	2,385	0	0	5,627
Calvary Public Hospital – Upgrade of medical imaging equipment	1,839	1,883	0	0	3,722
Canberra Hospital – More beds	990	990	495	0	2,475
Sterilising Services – Relocation and upgrade	99	9,900	7,291	0	17,290
University of Canberra Public Hospital – Car park	0	0	NFP	NFP	NFP
Total	9,250	15,158	7,786	0	32,193
Justice and Community Safety Directorate					
ACT Court Facilities Early Works Package	12,712	842	644	0	14,198
Strengthening Emergency Services – Greenway ambulance station	1,253	0	0	0	1,253
Victims of Crime Financial Assistance Scheme Reforms	135	0	0	0	135
Total	14,100	842	644	0	15,586
Office of the Legislative Assembly					
Accommodation – Expansion of the Assembly	4,214	1,030	0	0	5,244
Accommodation – Staff relocation	1,497	0	0	0	1,497
Total	5,711	1,030	0	0	6,741
Territory and Municipal Services Directorate					
Better Roads for Gungahlin – Gundaroo Drive duplication	9,900	21,285	0	0	31,185
Better Roads for Tuggeranong – Ashley Drive duplication – Stage 2	4,950	10,890	8,762	0	24,602

	2015-16	2016-17	2017-18	2018-19	Four Year Investment
	\$'000	\$'000	\$'000	\$'000	\$'000
Bridge Strengthening on Commercial Routes	700	0	0	0	700
Enhancing the Protection of Endangered Species and Habitat	1,339	3,030	1,721	0	6,090
Essential Waste Management Infrastructure	6,229	14,682	0	0	20,911
Urban Renewal Program – Acton – Sullivans Creek cycle path upgrades	1,500	0	0	0	1,500
Urban Renewal Program – Barton – Bowen Park cycle path	600	0	0	0	600
Urban Renewal Program – Erindale Group Centre – Gartside Street (south) development – Stage 1	80	780	0	0	860
Urban Renewal Program – Kambah Group Centre – Public domain improvements – Stage 1	50	0	0	0	50
Urban Renewal Program – Oaks Estate river corridor heritage walk improvements – Stage 1	50	180	0	0	230
Urban Renewal Program – Phillip trade service area parking management	419	0	0	0	419
Urban Renewal Program – Playground repairs	200	0	0	0	200
Urban Renewal Program – Tuggeranong Valley and Kaleen age friendly facilities	250	250	0	0	500
Urban Renewal Program – Tuggeranong – Anketell Street (north) upgrade – Stage 1	430	0	0	0	430
Urban Renewal Program – Weston Group Centre – Brierly Street and Trenergy Square upgrades	80	780	0	0	860
Urban Renewal Program – Woden – Canberra Hospital connections	532	0	0	0	532
Total	27,309	51,877	10,483	0	89,669
Total New Construction Projects³	185,513	167,013	39,086	5,968	397,580

Notes:

1. Some figures may not add due to rounding.
2. Funding transfer of \$1.4 million from Coombs P-6 School project for 2015-16.
3. Includes \$12.4 million in capital grants to Calvary Public Hospital.

Urban Renewal Program

The 2015-16 Budget includes \$167 million in 2015-16 and \$234 million over four years for the Urban Renewal Program (URP).

Targeted urban renewal allows better provision of services and improved access to community and leisure activities. It also reduces economic and social stress for those who are most vulnerable, thereby increasing participation, income and independence.

The URP includes projects such as road, active transport and public transport network improvements, upgrading, remediating and maintaining our local shopping centres and other urban areas to create opportunities for growth and improve environmental outcomes; and a range of initiatives that care for our parks and environment. The URP also includes the renewal of public housing across Canberra.

To ensure that the benefits of urban renewal are shared by all Canberrans, the Government is embarking on a comprehensive program of public housing renewal. The 2015-16 Budget includes projects to redevelop four public housing properties in Braddon, Dickson, Lyneham and Red Hill. These projects are the first stage of the Government's commitment to renew the Territory's public housing stock which will see the construction of replacement public housing units and the sale of surplus land.

Urban renewal is also about providing the necessary infrastructure for Canberra City as the social, cultural and commercial hub of the region. The City to the Lake project will develop the West Basin as a premium water front leisure, sport, commercial and residential precinct. As the first stage of this project, the Government has allocated \$10 million for a new public park and road network enhancements on Commonwealth Avenue to improve access to West Basin.

To support continued land release in new developments and urban infill locations, the Government has also allocated funding of \$15 million in 2015-16 and \$25 million over four years to upgrade and enhance road networks for Gungahlin (enhanced town centre roads and roads for the new suburb of Moncrieff), Molonglo (three infrastructure projects) and Dickson (intersection upgrades). Works will continue on the construction of the \$10 million link road between Majura Parkway and Majura Road to allow access to new commercial land sites.

To promote active living and provide for improved access to facilities, the Government will invest \$22 million in 2015-16 and \$34 million over four years to improve public transport facilities, walking and cycling paths, leisure and sport facilities and public spaces.

A summary of the URP in individual agencies is provided in Table 5.2.3 below.

**Table 5.2.3
2015-16 Urban Renewal Program**

	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	Four Year Investment \$'000
Chief Minister, Treasury and Economic Development Directorate					
New Works					
Better Roads for Gungahlin – Enhanced Town Centre road network	5,940	8,019	0	0	13,959
Urban Renewal Program – Better Public Housing	610	626	0	0	1,236
Urban Renewal Program – Better Public Housing – Allawah Court	29,322	15,789	0	0	45,110
Urban Renewal Program – Better Public Housing – Karuah	11,479	6,182	0	0	17,661
Urban Renewal Program – Better Public Housing – Red Hill Housing Precinct	36,496	19,652	0	0	56,148
Urban Renewal Program – Better Public Housing – Owen Flats	13,120	0	0	0	13,120
Urban Renewal Program – City to the Lake – West Basin infrastructure	6,633	3,465	0	0	10,098
Urban Renewal Program – Civic and Braddon public realm improvements	500	1,000	0	0	1,500
Urban Renewal Program – Melrose football precinct	1,980	4,178	495	0	6,653
Urban Renewal Program – Molonglo 3 infrastructure	1,980	990	0	0	2,970
Urban Renewal Program – Phillip Oval upgrade	990	3,623	0	0	4,613
Works- in-Progress					
Isabella Weir Spillway – Upgrades	9,550	0	0	0	9,550
Majura Parkway to Majura Road – Link road construction	9,356	0	0	0	9,356
Dickson Group Centre Intersections – Upgrade	2,380	500	0	0	2,880
Horse Park Drive Extension from Burrumarra Drive to Mirrabai Drive	1,942	0	0	0	1,942
Horse Park Drive Extension to Moncrieff Group Centre	3,444	0	0	0	3,444
Horse Park Drive Water Quality Control Pond	3,526	0	0	0	3,526
Woden Bus Interchange – Redevelopment stage 1	3,150	0	0	0	3,150
Conservation Management Plans for Heritage Buildings	20	0	0	0	20
Yarralumla – Canberra Brickworks site remediation	181	0	0	0	181
Revitalisation of Civic and Braddon	247	0	0	0	247
Tuggeranong Lakeside Leisure Centre – Water play park	300	0	0	0	300

	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	Four Year Investment \$'000
Capital Upgrades Program					
GIO Stadium Amenity Upgrades	440	0	0	0	440
Stromlo Forest Park Amenity Upgrades	200	0	0	0	200
Manuka Oval Amenity Upgrades	513	0	0	0	513
Facilities Improvement Program 2015-16	1,476	0	0	0	1,476
Pools Improvement Program 2015-16	764	0	0	0	764
Water Management System Upgrades	528	0	0	0	528
Exhibition Park Amenity Upgrades	566	0	0	0	566
Total	147,634	64,022	495	0	212,156
Environment and Planning Directorate					
Works-in-Progress					
Inner North Stormwater Reticulation Network	72	0	0	0	72
Capital Upgrades Program					
Aboriginal Scar Tree Relocation to Namadgi National Park	76	0	0	0	76
Upgrade of Heritage Signage	67	0	0	0	67
Total	215	0	0	0	215
Territory and Municipal Services Directorate					
New Works					
Urban Renewal Program – Acton – Sullivans Creek cycle path upgrades	1,500	0	0	0	1,500
Urban Renewal Program – Barton – Bowen Park cycle path	600	0	0	0	600
Urban Renewal Program – Belconnen Town Centre improved cycling connections	100	0	0	0	100
Urban Renewal Program – Tuggeranong – Anketell Street (north) upgrade – Stage 1	430	0	0	0	430
Urban Renewal Program – Erindale Group Centre – Gartside Street (south) development – Stage 1	80	780	0	0	860
Urban Renewal Program – Kambah Group Centre – Public domain improvements – Stage 1	50	0	0	0	50
Urban Renewal Program – Kingston Group Centre – Pedestrian and cycling accessibility improvements – Stage 1 – Design	150	0	0	0	150
Urban Renewal Program – Molonglo to the city cycle highway	200	0	0	0	200
Urban Renewal Program – Oaks Estate river corridor heritage walk improvements – Stage 1	50	180	0	0	230

	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	Four Year Investment \$'000
Urban Renewal Program – Phillip trade service area parking management	419	0	0	0	419
Urban Renewal Program – Playground repairs	200	0	0	0	200
Urban Renewal Program –Tuggeranong Valley and Kaleen age friendly facilities	250	250	0	0	500
Urban Renewal Program – Tuggeranong Town Centre improved cycling connections	100	0	0	0	100
Urban Renewal Program – West Belconnen to the City improved cycling connections	100	0	0	0	100
Urban Renewal Program – Weston Group Centre – Brierly Street and Trenerry Square upgrades	80	780	0	0	860
Urban Renewal Program – Woden – Canberra Hospital connections	532	0	0	0	532
Urban Renewal Program – Woden Town Centre cycle and pedestrian network improvements	250	0	0	0	250
Work in Progress					
Jerrabomberra Wetlands Infrastructure Improvements	50	0	0	0	50
Shopping Centre Upgrade Program – Red Hill and Lyons	344	0	0	0	344
Transport for Canberra – Walking and cycling infrastructure – Stage 4	500	0	0	0	500
Local Shopping Centre Upgrades Program	1,818	0	0	0	1,818
Molonglo Riverside Park – Stage 1	955	0	0	0	955
Capital Upgrades Program					
Armour Cable Upgrade	600	0	0	0	600
Public Transport Infrastructure upgrades (including DDA Bus Stop Upgrades)	2,600	0	0	0	2,600
Road Barrier Improvement Upgrades	300	0	0	0	300
Road Safety Measures	700	0	0	0	700
Public Car Park Improvements	200	0	0	0	200
Stormwater Improvement Program	1,000	0	0	0	1,000
Footpath and Cycling Improvements	2,000	0	0	0	2,000
Safety Improvements Lighting Program	1,200	0	0	0	1,200
Residential Street Improvements	400	0	0	0	400
Isaacs Ridge Mountain Bike Trail Network Upgrade	185	0	0	0	185
Fitness Equipment Upgrade	120	0	0	0	120
Upgrade Open Space Street Furniture	290	0	0	0	290
Point Hut Flying Fox Replacement	300	0	0	0	300
Public Toilet Upgrades	300	0	0	0	300
Shopping Centre Upgrades – Minor works	300	0	0	0	300
Bunda Street Improvements	200	0	0	0	200
Bike Racks	50	0	0	0	50

	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	Four Year Investment \$'000
Drinking Fountains	100	0	0	0	100
Total	19,603	1,990	0	0	21,593
TOTAL Urban Renewal Program	167,452	66,012	495	0	233,959

Business Case Development

Funding for business case development, including feasibility studies, recognises the long lead times involved in major construction activities and provides agencies with the capacity to undertake planning and policy development work associated with larger, more complex proposals. This also provides the additional resources required for more comprehensive assessment of the viable options and alternatives, including linkages to the Government's service delivery objectives.

A total of \$3.4 million is being provided in 2015-16, and \$5.6 million over four years, for business case development (see Table 5.2.4 below).

**Table 5.2.4
Summary of 2015-16 Budget Business Case Development**

	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	Four Year Investment \$'000
Territory and Municipal Services					
Directorate					
Better Roads for Gungahlin – Horse Park					
Drive duplication	500	500	0	0	1,000
Chifley – Hindmarsh Drive, Launceston					
Street and Eggleston Crescent intersection	250	0	0	0	250
Dunlop - Lance Hill Avenue and Ginninderra Drive intersection augmentation					
	100	0	0	0	100
Improved Waste Resource					
	1,975	830	0	0	2,805
Pialligo and Airport Road Network					
	0	900	0	0	900
Spence – Kuringa Drive and Owen Dixon Drive intersection augmentation					
	100	0	0	0	100
Urban Renewal Program – Belconnen					
Town Centre improved cycling connections	100	0	0	0	100
Urban Renewal Program – Tuggeranong					
Town Centre improved cycling connections	100	0	0	0	100
Urban Renewal Program – West Belconnen to the City improved cycling connections					
	100	0	0	0	100
Weetangera – Belconnen Way and Springvale Drive intersection augmentation					
	170	0	0	0	170
Total	3,395	2,230	0	0	5,625
TOTAL	3,395	2,230	0	0	5,625
New Business Case Development					

Forward Design

Formal planning and design of large infrastructure projects enables detailed specifications and scope to be fully developed. This helps mitigate potential risk associated with delays and/or cost escalations during the construction phase of a project.

The 2015-16 Budget allocates \$55 million to forward design projects over four years, of which \$19 million is being invested in 2015-16. Most of this funding is for the procurement of the Capital Metro Light Rail Network project.

Table 5.2.5 outlines the 2015-16 Forward Design program.

**Table 5.2.5
Summary of 2015-16 Budget Forward Design Projects**

	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	Four Year Investment \$'000
Capital Metro					
Capital Metro – Procurement and delivery ¹	16,137	12,771	11,385	11,484	51,777
Total	16,137	12,771	11,385	11,484	51,777
Chief Minister, Treasury and Economic Development Directorate					
Urban Renewal Program – Molonglo 3 infrastructure	1,980	990	0	0	2,970
Total	1,980	990	0	0	2,970
Justice and Community Safety Directorate					
Strengthening Emergency Services – Upgrade of facilities	74	0	0	0	74
Total	74	0	0	0	74
Territory and Municipal Services Directorate					
Urban Renewal Program – Kingston Group Centre – Pedestrian and cycling accessibility improvements – Stage 1	150	0	0	0	150
Urban Renewal Program – Molonglo to the city highway	200	0	0	0	200
Urban Renewal Program – Woden Town Centre cycle and pedestrian network improvements	250	0	0	0	250
Total	600	0	0	0	600
Total Forward Design Projects	18,791	13,761	11,385	11,484	55,421

Note:

- 1 The amounts shown represent costs incurred by Capital Metro Agency which are directly attributable to the light rail project. These costs include expenses such as technical advice, transaction management, independent certifiers, commercial, legal and probity advice, contract delivery and program management.

Capital Upgrades

Funding of \$56 million has been allocated in 2015-16 for capital upgrades for works that extend the useful life or improve the service delivery capacity of existing Territory physical infrastructure assets. Upgrades are distinct from routine repairs and maintenance which receive separate funding.

Indicative annual capital upgrade allocations for agencies are included in their forward estimates. This funding allows agencies to prioritise and manage their upgrade programs according to asset management needs and plans.

The 2015-16 Capital Upgrades Program includes projects in all areas including urban infrastructure and facilities, roads, health, education and training, and justice and community safety. Details of capital upgrade projects, by agency, are provided at Appendix E – Capital Works – Capital Upgrades Program.

Works-in-Progress (WIP)

The value of WIP over the four years to 2018-19 is \$513 million, of which \$436 million is allocated to 2015-16.

Some of the significant WIP projects include road and urban infrastructure to support the Molonglo urban development, works in progress on Majura Parkway, the construction of a secure mental health unit, the continued redevelopment and expansion of Canberra Hospital, the construction of a new P-6 school in the suburb of Coombs, provision of additional facilities at the Alexander Maconochie Centre, and the construction of a new Emergency Services Agency station in Aranda.

Financing information for all WIP projects in individual agencies is provided at Appendix F – Capital Works – Works-in-Progress.

Public Trading Enterprises Capital Works Program

The value of Public Trading Enterprise (PTE) new works for 2015-16 is \$234 million. These works are those financed by PTEs through own-source revenue and/or borrowing.

Table 5.2.6
Summary of 2015-16 Public Trading Enterprises Works

Agency	Financing 2015-16 \$'000	Financing 2016-17 \$'000	Financing 2017-18 \$'000	Financing 2018-19 \$'000
Housing ACT	60,957	39,816	42,867	44,056
ACT Public Cemeteries Authority ¹	2,400	0	0	0
Icon Water	87,888	125,731	102,468	81,821
Land Development Agency	82,572	163,862	122,524	98,366
Total PTEs	233,817	329,409	267,859	224,243

Note:

1. The program for ACT Public Cemeteries Authority is allocated annually.

Housing ACT

Housing ACT undertakes a program of constructing or buying, as well as upgrading and refurbishing properties each year. The funding for this program is derived from the sale of properties and funds from operations.

The progressive redevelopment of the public housing portfolio is essential to the effective management of the portfolio to better meet the needs of tenants and applicants on the Social Housing Register. The 2015-16 Program focuses on small scale developments to deliver a range of housing choices to tenants ranging from larger sized housing of four or more bedrooms to small scale multi-unit two bedroom developments of up to 10 units. A structured and consistent approach to the long-term management of the portfolio will improve the performance of publicly owned housing assets, and the effectiveness, efficiency and quality of services delivered by the Government.

The annual capital program of \$61 million is in addition to the replacement of aged multi-unit properties along Northbourne Avenue and elsewhere across the city. This replacement program is being undertaken as part of the Public Housing Renewal Program discussed in Section 5.3.

Icon Water Limited

Key capital works projects for Icon Water include the rehabilitation of 13 kilometres of sewer mains and seven kilometres of water mains, with significant improvements at both Water Treatment Plant facilities. A significant investment is also being made at Lower Molonglo Water Quality Control Centre.

The meter replacement program will continue during 2015-16 with planned meter replacements throughout the region. Work is also progressing in the Molonglo Valley development.

Following the integration of the water business, Icon Water is currently in the process of relocating staff resources and upgrading the Mitchell building in order to accommodate the changes to the business structure.

Land Development Agency

The Land Development Agency sells and develops land on behalf of the Government. Infrastructure works to be undertaken in 2015-16 and the forward estimates include roadworks, road lines and signs, stormwater, utility connections, data cabling, landscaping, parks and recreational areas, pedestrian paths, driveways and street lighting.

The bulk of the works will be undertaken at the major land developments in the suburbs of Moncrieff and Throsby in Gungahlin, Coombs and Denman Prospect in Molonglo, and Lawson in Belconnen. Works will also be undertaken in Campbell, Greenway, Parkes and at the Kingston Foreshore.

2014-15 Budget-funded Capital Works Estimated Outcomes

The 2014-15 Budget allocated \$621 million to capital works projects which include New Works, Capital Upgrades and Works-in-Progress. This budget appropriation was adjusted for the rollover of 2013-14 program funding, opening financial year adjustments, revisions to Commonwealth funding and supplementary appropriations. These adjustments provided total funds of \$619 million available for expenditure in 2014-15.

The Territory's annual capital works expenditure for 2014-15 is estimated at \$465 million (excluding Information and Communications Technology and Plant and Equipment). Table 5.2.7 shows a summary of actual and estimated capital works expenditure between 2010-11 and 2018-19.

**Table 5.2.7
Capital Works Expenditure Summary**

2010-11 Actual \$'000	2011-12 Actual \$'000	2012-13 Actual \$'000	2013-14 Actual \$'000	2014-15 Estimate \$'000	2015-16 Estimate \$'000	2016-17 ¹ Estimate \$'000	2017-18 ¹ Estimate \$'000	2018-19 ¹ Estimate \$'000
601,655	572,055	578,774	510,217	464,884	699,025	691,278	635,613	521,177

Note:

1. Estimates include capital provisions for commercially sensitive projects and Capital Upgrades.

Project Re-profiling and Savings

Over the course of 2014-15, agencies reviewed their infrastructure, upgrades and other projects in light of expenditure to date and identified where the re-profiling of their projects was appropriate. This process also included bringing forward planned out-year expenditure to accelerate some existing projects and returning savings to the Budget.

A total of \$145 million has been re-profiled from 2014-15 to 2015-16 and the forward years. Program savings of \$9 million have also been identified for return to the Budget.

Table 5.2.8 provides a summary of expected outcomes for individual agencies for 2014-15, compared to total funds available for the capital works program.

Details of savings and re-profiling for individual projects are provided at Capital Works – 2014-15 Savings and Project Variations (Appendix G) and Capital Works – 2014-15 Re-profiling and Technical Adjustments (Appendix H).

**Table 5.2.8
Summary of 2014-15 Capital Works Expenditure¹**

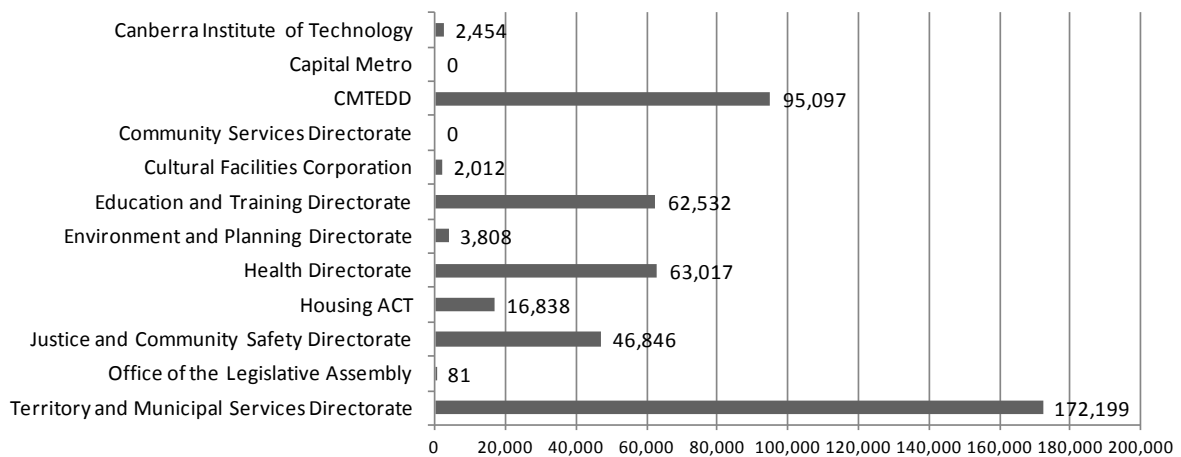
	Total Financing 2014-15 \$'000	Estimated Outcome 2014-15 \$'000	Financing Re-profiled 2014-15¹ \$'000	Project Savings 2014-15 \$'000
Canberra Institute of Technology	2,454	2,454	0	0
Capital Metro	0	0	0	0
Chief Minister, Treasury and Economic Development Directorate	142,300	95,097	-47,203	0
Community Services Directorate	1,148	0	-1,148	0
Cultural Facilities Corporation	2,012	2,012	0	0
Education and Training Directorate	81,803	62,532	-16,971	-2,300
Environment and Planning Directorate	5,640	3,808	-1,832	0
Health Directorate	123,925	63,017	-59,653	-1,255
Housing ACT	19,570	16,838	-2,732	0
Justice and Community Safety Directorate	60,618	46,846	-8,472	-5,300
Office of the Legislative Assembly	246	81	-165	0
Territory and Municipal Services Directorate	178,803	172,199	-6,604	0
Total	618,519	464,884	-144,780	-8,855

Note:

1. Financing from 2014-15 is re-profiled into 2015-16 and the out years. Some projects have also been accelerated.

Figure 5.2.1 below shows estimated capital works expenditure for 2014-15 by agency. Territory and Municipal Services Directorate has the largest forecast spend (\$172 million), followed by the Chief Minister, Treasury and Economic Development Directorate (\$95 million), Health Directorate (\$63 million), and Education and Training Directorate (\$63 million).

**Figure 5.2.1
Estimated Capital Expenditure by Agency in 2014-15**



Note: CMTEDD – Chief Minister, Treasury and Economic Development Directorate.

5.3 SUPPLY AND RELEASE OF LAND

The ACT Government plans for the supply and release of land, taking into account factors such as forecast population changes, household changes, demand for land and the capacity to cost effectively deliver key infrastructure and services.

The four year Indicative Land Release Program (the program) is one of the Government's economic and social strategies for the community. The program assists the Government achieve its financial and environmental objectives:

- promoting of the economic and social development of the Territory;
- meeting the demand for land in the Territory;
- establishing an appropriate inventory of serviced land;
- facilitating the provision of affordable housing; and
- achieving satisfactory returns from the sale of unleased Territory land.

The Land Development Agency is on track to release almost 4,000 dwelling sites in 2014-15, exceeding the target of 3,600. Public housing renewal will drive urban renewal in key parts of the city, including along the Capital Metro Corridor and in the City. Disposal of ageing public housing assets as part of the Commonwealth Government's Asset Recycling Initiative, and building new replacement public housing required the release of extra sites.

The 2015-16 Indicative Land Release Program (ILRP) includes a sales target of 17,190 dwelling sites between 2015-16 and 2018-19. This is an increase of 3,690 dwelling sites on the program published with the 2014-15 Budget. The annual number of dwelling sites expected to be sold has increased from 3,300 to 3,513 in 2015-16, from 3,300 to 3,713 in 2016-17, from 3,300 to 4,566 in 2017-18, and has been set at 5,398 in 2018-19.

This increased target is a response to improved market conditions and a number of important ACT Government policy initiatives. The program includes sites across three greenfield development fronts and many infill locations. It also includes the likely development outcomes from the sale of assets as part of the Commonwealth Government's Asset Recycling Initiative, and the sale and redevelopment of many public housing properties. The program reflects the key Government priorities of urban renewal and active development within the Capital Metro light rail corridor, as well as the provision of 300 extra dwelling sites to meet demand associated with the ACT Government's Asbestos Eradication Scheme.

Demand for detached housing remains strong and every effort has been made to increase the supply of standard residential sites in greenfield estates in the ILRP. Detached housing sites in Moncrieff, Throsby, Denman Prospect and West Belconnen are programmed for release in 2015-16. To increase the rate of land servicing and compress the time between releases and shovel ready sites, concurrent civil contracts are being let in most greenfield areas and this is expected to continue.

The ILRP also includes 19 sites as part of the Commonwealth Government's Asset Recycling Initiative. Thirteen of these properties are part of the ACT Government's Public Housing Renewal Program, which currently contains around 1,200 dwellings and are to be sold with an estimated uplift to 4,600 dwelling sites. The other six sites include the sale of four sites in Dickson, Macarthur House in Lyneham and the ACT Government Building at 1 Moore Street in the City.

The Indicative Commercial Land Release Program seeks to ensure that adequate and affordable commercial land is available to support the needs of a growing economy. The Program includes a target of 247,512 square metres of commercial land. Much of the commercial land programmed for release is part of mixed-use developments that facilitate residential infill.

The Indicative Industrial Land Release Program includes a release target of 230,283 square metres of industrial land over the next four years. Over the four years from 2008-09 to 2011-12, the Government released approximately 140,000 square metres of industrial land. In addition, the private sector released 361,552 square metres in Hume and Beard. These releases have resulted in an inventory of industrial land available to meet businesses needs.

The Indicative Community and Non-Urban Land Release Program identifies a range of community facility sites, including aged care and child care sites. The Program includes a target of 201,192 square metres of community and non-urban land over the next four years.

The 2015-16 Budget makes significant capital investments to support the objectives of the Indicative Land Release Program. Projects supporting developments across the Territory include:

- **Urban Renewal Program – City to the Lake – West Basin infrastructure (\$10 million)** – Construction of a new park and intersections on Commonwealth Avenue to improve access to West Basin and support the re-connection of the city with Lake Burley Griffin;
- **Better Roads for Gungahlin – Enhanced Town Centre road network (\$14 million)** – Construction of the Valley Avenue and Manning Clarke Crescent extensions, as well as an access road off the Manning Clarke Crescent extension to provide access to the east side of Gungahlin Town Centre; and
- **Better Roads for Gungahlin – Horse Park Drive duplication (\$17 million)** – Construction of the first stage of the duplication of Horse Park Drive between Anthony Rolfe Avenue and Well Station Drive and associated infrastructure which will facilitate land release in Throsby.

A number of projects related to land release funded in the 2014-15 Budget will continue to be delivered throughout 2015-16, including:

- **Molonglo Infrastructure Investment (\$17 million)** – Construction of a four lane arterial road to provide access for the development of Denman Prospect in Molonglo;
- **Throsby – Access road and western intersection (\$5.3 million)** – Construction of a road to provide access from Horse Park Drive to Gungahlin’s new residential suburb of Throsby;
- **Isabella Weir Spillway Upgrades (\$10.1 million)** – Upgrade of Isabella Weir spillway to provide flood protection for development on the shores of Lake Tuggeranong;
- **Majura Parkway to Majura Road – Link road (\$9.9 million)** – Construction of a road linking Majura Parkway and Majura Road; and
- **Dickson Intersections Upgrade (\$3.4 million)** – Upgrade of various intersections in the Dickson Group Centre to facilitate future growth.

In addition to the substantial capital investments being made by the Government in the 2015-16 Budget to support its land development activities, the Land Development Agency (LDA) is also budgeting for significant infrastructure works in its program. In 2015-16, the value of works to be funded by the LDA is in the order of \$82 million.

The 2015-16 Budget maintains a strong focus on ensuring that urban developments are sustainable. Over the last year, the LDA has continued to incorporate the principles of environmentally sensitive development into its activities.

A summary of the ILRP is set out in Table 5.3.1.

Table 5.3.1
Indicative Land Release Program

Indicative Residential Land Release Program

Location	Number of Dwelling Sites			
	2015-16	2016-17	2017-18	2018-19
Gungahlin	1,300	750	500	650
Belconnen	370	500	1,012	1,050
Central Canberra	594	725	675	685
Molonglo	400	700	563	1,164
Woden and Weston	0	0	80	0
Tuggeranong	229	270	100	0
Asset Recycling Initiative	620	768	1636	1,849
Other	0	0	0	0
Total	3,513	3,713	4,566	5,398

Indicative Commercial Land Release Program (site area)

Location	2015-16 m ²	2016-17 m ²	2017-18 m ²	2018-19 m ²
Gungahlin	0	0	16,000	10,000
Belconnen	1,263	2,309	30,941	9,664
Central Canberra	23,294	23,417	12,174	8,300
Molonglo	0	8,150	0	0
Woden and Weston	11,891	0	0	0
Tuggeranong	20,746	24,739	44,624	0
Asset Recycling Initiative	0	0	0	0
Other	0	0	0	0
Total	57,194	58,615	103,739	27,964

Indicative Industrial Land Release Program (site area)

Location	2015-16 m ²	2016-17 m ²	2017-18 m ²	2018-19 m ²
Gungahlin	0	0	0	0
Belconnen	0	0	0	0
Central Canberra	0	0	0	0
Molonglo	0	0	0	0
Woden and Weston	0	0	0	0
Tuggeranong	0	0	0	0
Asset Recycling Initiative	0	0	0	0
Other	64,485	76,250	41,930	47,618
Total	64,485	76,250	41,930	47,618

Indicative Community and Non-Urban Land Release Program (site area)

Location	2015-16 m²	2016-17 m²	2017-18 m²	2018-19 m²
Gungahlin	7,854	5,000	30,000	7,000
Belconnen	43,500	6,638	0	3,503
Central Canberra	4,500	0	0	0
Molonglo	0	0	0	0
Woden and Weston	1,300	0	20,000	0
Tuggeranong	0	41,897	0	30,000
Asset Recycling Initiative	0	0	0	0
Other	0	0	0	0
Total	57,154	53,535	50,000	40,503

5.4 THE TERRITORY'S INFRASTRUCTURE

The Territory's Asset Base

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

Table 5.4.1 below shows the Territory's physical asset base split between the General Government Sector and the Public Trading Enterprise Sector. Over the 12 months to 30 June 2015, the total value of physical assets, net of depreciation, is estimated to increase by \$427 million to \$20.8 billion. Factoring in the combination of capital works projects reaching completion and asset revaluations, it is expected that the value of the Territory's total physical assets will increase further to \$21.5 billion by June 2016.

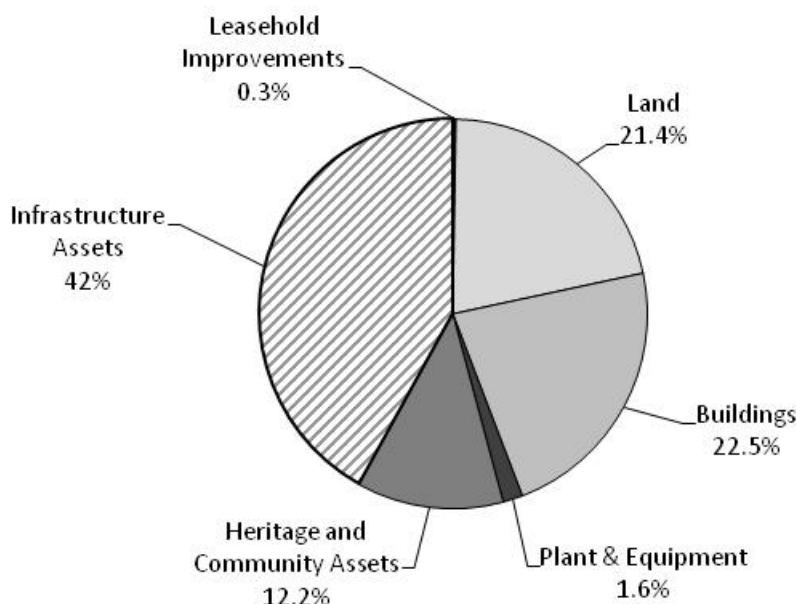
Table 5.4.1
Total Territory Physical Assets: Value by Sector

As at 30 June	2011 Actual \$m	2012 Actual \$m	2013 Actual \$m	2014 Actual \$m	2015 Budget \$m	2016 Estimate \$m
General Government Sector	12,305	13,021	13,653	13,874	14,253	14,782
Public Trading Enterprise Sector	5,735	5,787	6,430	6,506	6,554	6,672
Total Territory	18,040	18,808	20,084	20,380	20,807	21,454

Note: Numbers may not add due to rounding.

Figure 5.4.1 below shows that, as at 30 June 2014, the Territory's assets were mostly classed as infrastructure assets (42 per cent), buildings (23 per cent) and land (21 per cent).

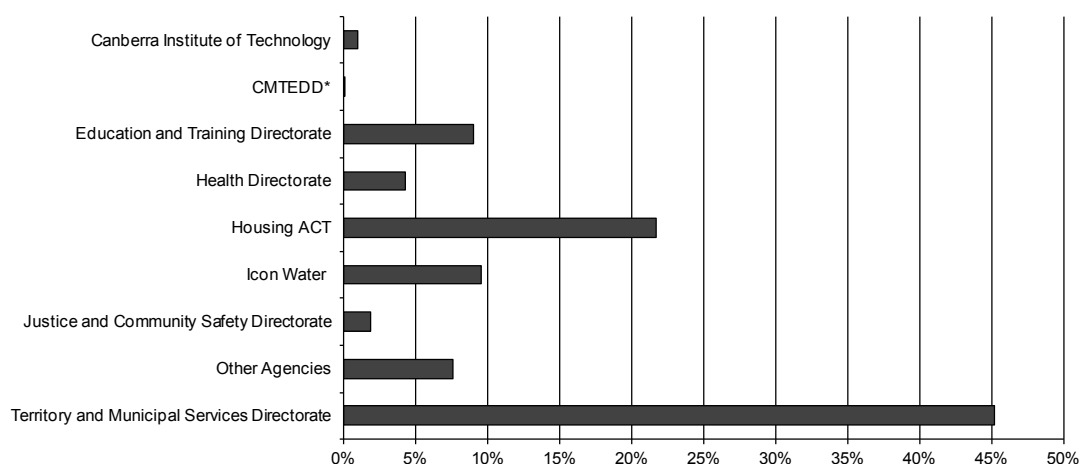
Figure 5.4.1
Total Territory Physical Asset Value:
Distribution by Category as at 30 June 2014



Distribution of the Territory Assets by Agency and Type

Reflecting their functions in the provision of municipal and transport services, as at 30 June 2014 the Territory and Municipal Services Directorate held 45 per cent of the value of the Territory’s physical assets. Housing ACT had responsibility for 22 per cent, Icon Water held 10 per cent, while the Education and Training Directorate held 9 per cent (see Figure 5.4.2 below).

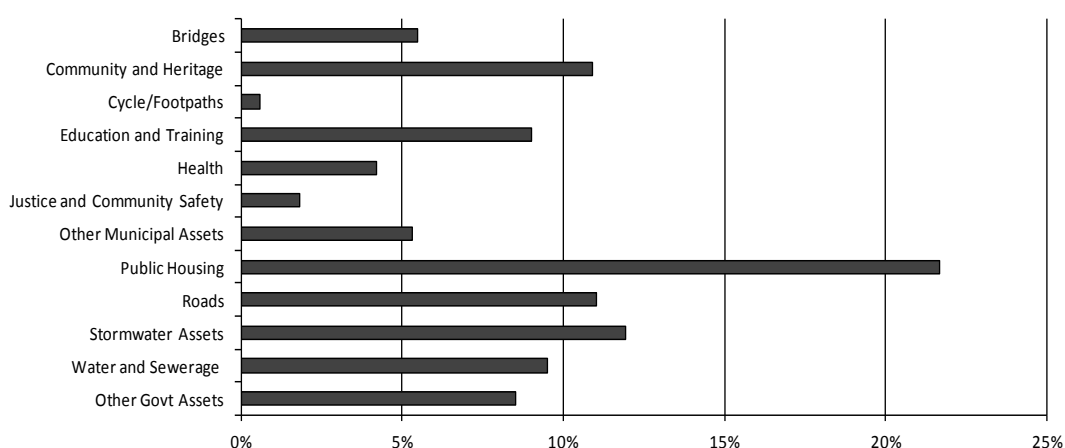
Figure 5.4.2
Total Territory Physical Asset Value:
Distribution by Agency as at 30 June 2014



Note: *CMTEDD – Chief Minister, Treasury and Economic Development Directorate

The largest component of the Territory’s assets relate to the provision of public housing. Other significant asset holdings relate to transport and municipal, community and heritage, and education services (see Figure 5.4.3 below).

Figure 5.4.3
Total Territory Physical Asset Holding:
Distribution by Asset Type as at 30 June 2014



Asset Management

As noted in the Capital Works Program (Chapter 5.2), budget-funded agencies with physical assets are provided funding for capital upgrade projects that extend the useful life or improve the service delivery capacity of existing Territory physical infrastructure assets.

Recurrent funding is also provided for routine maintenance to maintain assets at an operational standard. The 2015-16 Budget provides \$56 million for capital upgrades and \$183 million for repairs and maintenance.

Details of capital upgrade funding by agency are provided at Capital Works – Capital Upgrades Program (Appendix E). A summary of repairs and maintenance funding is provided in Table 5.4.2 below.

Table 5.4.2
Repairs and Maintenance

2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Actual	Actual	Actual	Estimate	Estimate	Estimate
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
159,879	153,992	145,205	171,684	183,330	188,786

5.5 ASSET RECYCLING

The Asset Recycling Initiative

The Commonwealth Government's Asset Recycling Initiative (ARI) aims to encourage investment in productivity enhancing new infrastructure by providing financial incentives for the States and Territories to sell assets and re-invest the proceeds in productive infrastructure. Under the ARI, all assets to be sold and infrastructure projects must be agreed with the Commonwealth before 1 July 2016.

The ACT Government entered into negotiations with the Commonwealth Government in 2014-15 to pursue opportunities to participate in the ARI. In February 2015, the Commonwealth Government agreed to a list of assets to be sold and to Capital Metro as the productive infrastructure project to receive investment.

The assets to be sold include ACTTAB, ageing public housing assets, office accommodation, the Visitor Information Centre, and the Dickson Ambulance Station. The Government will be progressing sales under the ARI program until 2018-19. All proceeds of the asset sales and the milestone payments from the Commonwealth will go towards Capital Metro, making a capital contribution of \$375 million after construction is complete. Refer to the Infrastructure Investment Program (Chapter 5.1) for more detail on the use of proceeds from the ARI in funding Capital Metro.

As part of the Agreement, the ACT reports on ARI funding received and receivable along with associated sales and payments towards Capital Metro. Corresponding figures across the forward estimates are provided for elsewhere in the Budget. In 2014-15, ACTTAB was sold and, at the time of finalisation of the 2015-16 Budget, the first incentive payment was expected to be settled in 2014-15. The second payment is expected to be received in 2016-17, when construction of Capital Metro is due to commence.

Table 5.5.1
Asset Recycling Initiative Accrued Funding Pool

	2014-15
	\$'000
Opening Balance	0
Proceeds of Net Asset Sales (Sales)	105,500
Incentive Payments from the Commonwealth (Incentives)	7,810
Sub-Total (Sales and Incentives)	113,310
Payments towards Capital Metro	0
CLOSING BALANCE	113,310

