



Australian Capital Territory

Budget

2015-16

Budget Statements
Capital Metro Agency

For Canberra

Guide to the Budget Papers

Structure and content of the 2015-16 Budget Papers

The 2015-16 Budget is presented in three papers and a series of agency Budget Statements.

Budget Paper 1: Budget Speech

The Treasurer's speech to the Legislative Assembly highlights the Government's Budget strategies and key features of the Budget.

Budget Paper 2: Budget in Brief

A summary of the overall budgetary position together with information on the Government's expenditure priorities in key service delivery areas.

Budget Paper 3: Budget Outlook

Summarises the 2015-16 Budget and forward estimates for the general government sector, the public trading enterprise sector and the total Territory Government. Details of the projected 2015-16 Budget results are provided, as well as background information on the development of the 2015-16 Budget, including economic conditions and federal financial relations.

Also provides an overview of the Territory's infrastructure investment program and details of the 2015-16 expense, infrastructure and capital, and revenue initiatives.

Full accrual financial statements and notes are provided for all sectors.

Budget Statements

Information on each directorate and Territory authority and corporation is broken up into several smaller documents. This includes output classes (where relevant), descriptions of functions, roles and responsibilities, together with major strategic priorities.

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Capital Metro Agency

Purpose

The principal objective of the Capital Metro Agency (CMA) is to manage all aspects of the ongoing planning, design and delivery of the Capital Metro project, being the first stage of a light rail network in the Territory (the Project). CMA is to achieve its principal objective in a manner which ensures comprehensive coordination and integration of transport, land use and development, social, economic and environmental outcomes.

2015-16 Priorities

Strategic and operational priorities to be pursued in 2015-16 include:

- conduct the tender process with shortlisted respondents participating in the Project's *Request for Proposal* (RFP) phase;
- receive proposals from shortlisted respondents for both the City to Gungahlin component of the Project and for the Russell extension option;
- manage the Project's RFP evaluation team's evaluation of proposals received from shortlisted respondents;
- manage the Project's RFP evaluation panel's provision of recommendations to Government in respect of the preferred respondent for the Project, including provision of recommendations in respect of a potential extension of the route to Russell;
- negotiate a contract with the preferred respondent and achievement of 'contract close' for the Project;
- fulfil conditions precedent under the Project contract between the Territory and its Project delivery partner, with commencement of the contract's term and the Project's delivery period;
- procure and appoint an Independent Certifier for the Project;
- conduct active community engagement and communications regarding the status of the Project;
- continue engagement across Government in connection with light rail master planning activities and in developing strategies for integration of light rail with other transport nodes within the Territory;
- continue provision of support to Government in connection with its urban renewal activities; and
- identify, monitor and manage risks associated with the complex delivery of the light rail network.

Estimated Employment Level

Table 1: Estimated Employment Level

	2013-14 Actual Outcome	2014-15 Budget	2014-15 Estimated Outcome	2015-16 Budget
Staffing (FTE)	18	42	26 ¹	38 ²

Notes:

1. The estimated FTE for 2014-15 is below budget due to a number of roles expected to be filled were completed by individual contractors and consultancies.
2. The actual FTE for 2015-16 may not match the estimated figure, for example some of the roles being more prudently discharged by individual contractors and consultancies.

Strategic Objectives and Indicators

Strategic Objective 1

Procurement of the Capital Metro Project

The principal objective of the CMA is to manage all aspects of the ongoing planning, design and delivery of the Project. To achieve this strategic objective and consistent with the Project's *Full Business Case*, CMA shall procure the Project as a public-private partnership.

Strategic Indicator 1: Identification of a Preferred Respondent to deliver the Capital Metro Project

The Project's procurement process includes an 'expressions of interest' phase, an 'RFP' phase, and then a 'contract negotiation and completion' phase. CMA has shortlisted two bidders to participate in the Project's RFP phase. CMA shall manage the procurement process so that a 'preferred respondent' is identified during 2015-16. The 'preferred respondent' shall be one of the two shortlisted bidders participating in the Project's RFP phase. Subject to Government approval and completion of contracts, the 'preferred respondent' shall be the Territory's partner in the delivery and ongoing operation of the Project.

Strategic Objective 2

Consideration of the Potential Extension of the Capital Metro Route to Russell

The Government will include a 'Russell extension option' in the Project's procurement process. Shortlisted bidders shall be requested to submit to the Territory a proposal for extending the Capital Metro route from Canberra City to Russell as part of the Project. The Government may then exercise (or not exercise) the option to extend the Project's route.

Strategic Indicator 2: Provision of Advice to Government in Response to ‘Russell Extension’ Proposals

During 2015-16, and following the submission of proposals by shortlisted bidders and their consideration by the Project’s RFP evaluation team, CMA will present advice to Government in respect of ‘Russell Extension’ proposals received by the Territory.

Output Classes

Output Class 1: Capital Metro Project and Governance

Planning, procurement and delivery of a light rail service between the City and Gungahlin.

Table 2: Output Class 1: Capital Metro Project and Governance

	2014-15 Estimated Outcome \$'000	2015-16 Budget \$'000
Total Cost	23,551	7,955
Government Payment for Outputs	23,535	7,859

Accountability Indicators

Output Class 1: Capital Metro Project and Governance

Output 1.1: Capital Metro Project and Governance

Table 3: Accountability Indicators Output 1.1

	2014-15 Targets	2014-15 Estimated Outcome	2015-16 Targets
a. Number of proposals received from shortlisted bidders in respect of the City to Gungahlin component of the project	n/a	n/a	2
b. Number of proposals received from shortlisted bidders in respect of the ‘Russell extension option’	n/a	n/a	2
c. ‘Russell extension option’ paper presented to Government for consideration	n/a	n/a	1
d. Identification of a ‘preferred respondent’ in respect of the Project	n/a	n/a	1
e. Conclude a contract with the ‘preferred respondent’ subject to any future decisions of Government	n/a	n/a	1
f. Industry briefing undertaken	1	1	n/a
g. Expression of interest put to market	1	1	n/a
h. Identified enabling works commenced ¹	1	1	n/a

Note:

1. No enabling works were identified as being necessary outside the Project’s public-private partnership scope of works during 2014-15

Changes to Appropriation

Table 4: Changes to appropriation—Government Payment for Outputs, Controlled

	2014-15 Estimated Outcome \$'000	2015-16 Budget \$'000	2016-17 Estimate \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000
2014-15 Budget	23,535	3,181	3,277	3,324	3,324
2015-16 Budget Policy Adjustments					
Capital Metro – Procurement and delivery	-	4,800	2,300	1,800	5,000
Contribution to Urban Renewal and Access Canberra	-	(96)	(51)	(46)	(78)
General Savings	-	(26)	(15)	(15)	(15)
2015-16 Budget Technical Adjustments					
Cessation – Capital Metro original funding profile	-	-	-	-	(3,324)
2015-16 Budget	23,535	7,859	5,511	5,063	4,907

Table 5: Changes to appropriation—Capital Injections, Controlled

	2014-15 Estimated Outcome \$'000	2015-16 Budget \$'000	2016-17 Estimate \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000
2014-15 Budget	96	-	-	-	-
2015-16 Budget Policy Adjustments					
Capital Metro – Procurement and delivery	-	16,137	12,771	11,385	11,484
2015-16 Budget	96	16,137	12,771	11,385	11,484

Financial Statements

Table 6: Capital Metro Agency: Operating Statement

2014-15 Budget \$'000		2014-15 Est'd outcome \$'000	2015-16 Budget \$'000	Variance %	2016-17 Estimate \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000
Revenue							
23,535	Government Payment for Outputs	23,535	7,859	-67	5,511	5,063	4,907
23,535	Total Revenue	23,535	7,859	-67	5,511	5,063	4,907
Expenses							
4,574	Employee Expenses	3,773	3,175	-16	2,874	2,668	2,746
423	Superannuation Expenses	386	327	-15	296	274	283
18,538	Supplies and Services	19,392	4,453	-77	2,341	2,121	1,878
23,535	Total Expenses	23,551	7,955	-66	5,511	5,063	4,907
0	Operating Result	-16	-96	-500	0	0	0
0	Total Comprehensive Income	-16	-96	-500	0	0	0

Table 7: Capital Metro Agency: Balance Sheet

Budget as at 30/6/15 \$'000	2014-15 Est'd outcome \$'000	Budget as at 30/6/16 \$'000	Variance %	Estimate as at 30/6/17 \$'000	Estimate as at 30/6/18 \$'000	Estimate as at 30/6/19 \$'000	
Current Assets							
96	Cash and Cash Equivalents	2,248	2,152	-4	2,152	2,152	2,152
0	Receivables	220	220	-	220	220	220
0	Other Current Assets	34	34	-	34	34	34
96	Total Current Assets	2,502	2,406	-4	2,406	2,406	2,406
Non Current Assets							
0	Capital Works in Progress	0	16,137	#	28,908	40,293	51,777
0	Total Non Current Assets	0	16,137	#	28,908	40,293	51,777
96	TOTAL ASSETS	2,502	18,543	641	31,314	42,699	54,183
Current Liabilities							
0	Payables	1,522	1,522	-	1,522	1,522	1,522
0	Employee Benefits	856	856	-	856	856	856
0	Other Liabilities	12	12	-	12	12	12
0	Total Current Liabilities	2,390	2,390	-	2,390	2,390	2,390
Non Current Liabilities							
0	Employee Benefits	121	121	-	121	121	121
0	Other	40	40	-	40	40	40
0	Total Non Current Liabilities	161	161	-	161	161	161
0	TOTAL LIABILITIES	2,551	2,551	-	2,551	2,551	2,551
96	NET ASSETS	-49	15,992	#	28,763	40,148	51,632
REPRESENTED BY FUNDS EMPLOYED							
96	Accumulated Funds	-49	15,992	#	28,763	40,148	51,632
96	TOTAL FUNDS EMPLOYED	-49	15,992	#	28,763	40,148	51,632

Table 8: Capital Metro Agency: Statement of Changes in Equity

Budget as at 30/6/15 \$'000	2014-15 Est'd outcome \$'000	Budget as at 30/6/16 \$'000	Variance %	Estimate as at 30/6/17 \$'000	Estimate as at 30/6/18 \$'000	Estimate as at 30/6/19 \$'000	
Opening Equity							
0	Opening Accumulated Funds	-129	-49	62	15,992	28,763	40,148
0	Balance at the Start of the Reporting Period	-129	-49	62	15,992	28,763	40,148
Comprehensive Income							
0	Operating Result for the Period	-16	-96	-500	0	0	0
0	Total Comprehensive Income	-16	-96	-500	0	0	0
0	Total Movement in Reserves	0	0	-	0	0	0
Transactions Involving Owners Affecting Accumulated Funds							
96	Capital Injections	96	16,137	#	12,771	11,385	11,484
96	Total Transactions Involving Owners Affecting Accumulated Funds	96	16,137	#	12,771	11,385	11,484
Closing Equity							
96	Closing Accumulated Funds	-49	15,992	#	28,763	40,148	51,632
96	Balance at the End of the Reporting Period	-49	15,992	#	28,763	40,148	51,632

Table 9: Capital Metro Agency: Cash Flow Statement

2014-15 Budget		2014-15 Est'd outcome \$'000	2015-16 Budget \$'000	Variance %	2016-17 Estimate \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
23,535	Cash from Government for Outputs	23,535	7,859	-67	5,511	5,063	4,907
23,535	Operating Receipts	23,535	7,859	-67	5,511	5,063	4,907
Payments							
4,624	Related to Employees	3,719	3,175	-15	2,874	2,668	2,746
423	Related to Superannuation	386	327	-15	296	274	283
18,488	Related to Supplies and Services	19,430	4,453	-77	2,341	2,121	1,878
23,535	Operating Payments	23,535	7,955	-66	5,511	5,063	4,907
0	NET CASH INFLOW /(OUTFLOW) FROM OPERATING ACTIVITIES	0	-96	#	0	0	0
CASH FLOWS FROM INVESTING ACTIVITIES							
Payments							
0	Purchase of Property, Plant and Equipment and Capital Works	0	16,137	#	12,771	11,385	11,484
0	Investing Payments	0	16,137	#	12,771	11,385	11,484
0	NET CASH INFLOW /(OUTFLOW) FROM INVESTING ACTIVITIES	0	-16,137	#	-12,771	-11,385	-11,484
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
96	Capital Injections from Government	96	16,137	#	12,771	11,385	11,484
96	Financing Receipts	96	16,137	#	12,771	11,385	11,484
96	NET CASH INFLOW /(OUTFLOW) FROM FINANCING ACTIVITIES	96	16,137	#	12,771	11,385	11,484
96	NET INCREASE / (DECREASE) IN CASH HELD	96	-96	-200	0	0	0
0	CASH AT THE BEGINNING OF REPORTING PERIOD	2,152	2,248	4	2,152	2,152	2,152
96	CASH AT THE END OF REPORTING PERIOD	2,248	2,152	-4	2,152	2,152	2,152

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- government payment for outputs: the decrease of \$15.676 million in the 2015-16 Budget compared to the 2014-15 estimated outcome is mainly due to the capitalisation of expenses directly attributable to the project.
- employee expenses:
 - the decrease of \$0.801 million in the 2014-15 estimated outcome compared to the 2014-15 Budget is mainly due to lower than budgeted FTE as a number of the roles expected to be filled were more prudently discharged by individual contractors and consultancies; and
 - the decrease of \$0.598 million in the 2015-16 Budget compared to the 2014-15 estimated outcome is due to the capitalisation of certain employee expenses directly attributable to the project partially offset by an increase in FTE.
- supplies and services: the decrease of \$14.939 million in the 2015-16 Budget compared to the 2014-15 estimated outcome is due to the project reaching a sufficiently mature stage to allow capitalisation of all costs directly attributable to the project.

Balance Sheet

- capital works in progress: the increase of \$16.137 million in the 2015-16 Budget compared to the 2014-15 estimated outcome is due to the capitalisation of all costs directly attributable to the project.

Statement of Changes in Equity and Cash Flow Statement

- Statement variations are addressed in the notes above.