

AUSTRALIAN CAPITAL TERRITORY

# BUDGET

## 2014-15

INVESTING IN CANBERRA

**BUDGET STATEMENTS**

CAPITAL METRO AGENCY

# GUIDE TO THE BUDGET PAPERS

## STRUCTURE AND CONTENT OF THE 2014-15 BUDGET PAPERS

The 2014-15 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 2014-15 Budget and forward estimates for the general government sector, the public trading enterprise sector and the total Territory Government. Details of the projected 2014-15 Budget results are provided, as well as background information on the development of the 2014-15 Budget, including economic conditions and federal financial relations.

Also provides an overview of the Territory's infrastructure investment program and details of the 2014-15 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.

ISSN 1327-581X

© Australian Capital Territory, Canberra June 2014

Publication No 14/0090

Material in this publication may be reproduced provided due acknowledgement is made.

Produced for the Chief Minister and Treasury Directorate by Publishing Services, Commerce and Works Directorate.

Enquiries about this publication should be directed to the Chief Minister and Treasury Directorate, GPO Box 158, Canberra City 2601

<http://www.act.gov.au/budget>

Telephone: Canberra 13ACT1 or 13 22 81



# Contents

CAPITAL METRO AGENCY.....	1
Purpose .....	1
2014-15 Priorities.....	1
Estimated Employment Level .....	3
Strategic Objectives and Indicators .....	3
Output Classes .....	4
Accountability Indicators .....	4
Changes to Appropriation.....	5
Financial Statements.....	6

This page is intentionally left blank

# 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 first stage of a light rail network in the Territory. 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.

## 2014-15 Priorities

Strategic and operational priorities to be pursued in 2014-15 include:

- identification of such preparatory capital works as is appropriate in advance of the construction of light rail facilities
- management of non-capital expenditures associated with necessary CMA staffing and advisor requirements
- finalisation of the procurement strategy for delivery, operation and funding of the light rail service
- completion of such preliminary design, planning and estimation tasks as is necessary to enable progression of the adopted procurement strategy
- generation of market interest in the light rail procurement process in a manner consistent with ACT probity and procurement requirements and principles
- commencement of the procurement process for the light rail service, including issuance to market and evaluation of a request for expressions of interest and, if appropriate, issuance to market of a request for proposals
- pro-actively providing support to Government in the identification and prioritisation of urban revitalisation options along the light rail corridor
- engagement across Government in its light rail master planning activities and in developing an appropriate strategy for the integration of light rail with other transport modes within the Territory.
- CMA will engage a range of business and corporate strategies to achieve its goals and priorities in 2014-15 that include:
  - active community engagement and communications regarding the status of the light rail project

- maintaining a strong focus upon desired safety and customer service outcomes from the light rail project
  - active management of the receipt of advisory services
  - identifying, monitoring and managing risks associated with the complex delivery of the light rail network
  - ongoing and close collaboration with Government and community stakeholders
  - demonstrating our commitment to the ACTPS values of respect, collaboration, innovation and integrity through effective leadership and investment in our people and fostering positive workplace culture
  - adherence to CMA governance and accountability frameworks
  - continued focus upon desirable social and environmental outcomes from the light rail project.
- To support that work, CMA will continue a program of strategic engagement of key advisors, particularly for those aspects of the project that are new to the Territory, for example the investigation of innovative and prudent operating parameters and design considerations for the light rail service, and the specialist commercial and legal experience required to prosecute the delivery strategy.
  - CMA will adopt and promote best practice project management and probity principles in its dealings. Specialist probity advice will also be sought, where prudent to do so, for particular elements or stages of the project from time to time.

## Estimated Employment Level

Table 1: Estimated Employment Level

	2012-13 Actual Outcome	2013-14 Budget	2013-14 Est. Outcome	2014-15 Budget
Staffing (FTE)	n/a	20	19 <sup>1</sup>	42 <sup>2</sup>

**Notes:**

1. Recruitment activity has commenced for one position, but it is not clear that it will be finalised by end of financial year.
2. The actual FTE for 2014-15 may not match the estimated figure, for example through some of the roles being more prudently discharged by individual contractors or consultancies.

## Strategic Objectives and Indicators

### Strategic Objective 1

***Supporting Government decision making for investment in light rail and its integration with the broader public, active and private transport systems in the Territory***

Preliminary investigations into the design, procurement and delivery of a light rail service from the City to Gungahlin will play a large part in the future development of an integrated public transport system. This is important to achieving the Government's Transport for Canberra and sustainability policy objectives.

***Strategic Indicator 1: Timely provision of deliverables in accordance with an agreed work program and agreed reporting requirements***

CMA will present to the Government a proposed work plan setting out the nature, number and timing of activity relating to preliminary design, a delivery strategy and preparatory works. Performance against the agreed work program will indicate progress against this indicator.

### Strategic Objective 2

***Secure industry engagement for delivery and operation of the Capital Metro light rail project***

Significant community and industry interest is building in the delivery and operation of the Capital Metro project. As the preferred procurement methodology and design parameters become more settled, market engagement will be critical to the procurement and delivery of the light rail service from the City to Gungahlin.

**Strategic Indicator 2: Positive market response to briefing sessions and calls for expressions of interest.**

CMA will present, early in the 2014-15 financial year, a major industry briefing programme to provide information on the procurement methodology to be employed, along with what outcomes and key design parameters are being considered. This will be followed later in the financial year by a call for expressions of interest in delivering and operating the service. Feedback received on the industry briefing, and positive responses to the call for expressions of interest will show progress against this indicator.

## Output Classes

### Output Class 1: Light Rail Network Stage 1

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

**Table 2: Output Class 1: Light Rail Network Stage 1**

	2013-14 Est. Outcome \$'000	2014-15 Budget \$'000
<b>Total Cost</b>	8,468	23,535
<b>Government Payment for Outputs</b>	8,468	23,535

## Accountability Indicators

### Output Class 1: Light Rail Network Stage 1

#### Output 1.1: Light Rail Network Stage 1

**Table 3: Accountability Indicators Output 1.1**

	2013-14 Targets	2013-14 Est. Outcome	2014-15 Targets
a. Recruitment activity commenced for an external Chair of the Project Board	1	1	n/a
b. Recruitment activity commenced for a project Director	1	1	n/a
c. Advice to Government of the wider economic benefits of light rail <sup>1</sup>	1	1	n/a
d. Completion of Network Integration Study	1	1	n/a
e. Industry briefing undertaken <sup>2</sup>	n/a	n/a	1
f. Expression of interest put to market	n/a	n/a	1
g. Identified enabling works commenced <sup>3</sup>	n/a	n/a	1

**Notes:**

- Indicator changed under Section 19D of the *Financial Management Act 1996*.
- Industry briefing may be conducted over more than one event.
- No specific package of enabling works has yet been identified, and this indicator may include a single package or a series of minor works.



## Changes to Appropriation

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

	2013-14 Est. Out. \$'000	2014-15 Budget \$'000	2015-16 Estimate \$'000	2016-17 Estimate \$'000	2017-18 Estimate \$'000
<b>2013-14 Budget</b>	<b>3,000</b>	<b>3,042</b>	<b>3,084</b>	<b>3,127</b>	<b>3,127</b>
<b>2<sup>nd</sup> Appropriation</b>					
Revised Wage Parameters	35	58	97	150	152
<b>2014-15 Budget Policy Adjustments</b>					
Capital Metro – Scoping and facilitation	-	20,435	-	-	-
<b>2014-15 Budget Technical Adjustments</b>					
Revised Indexation Parameters	-	-	-	-	45
Treasurer’s Advance	1,200	-	-	-	-
Treasurer’s Advance Offset	-1,200	-	-	-	-
Transfer – Capital Injection Funding to Recurrent Projects	5,433	-	-	-	-
<b>2014-15 Budget</b>	<b>8,468</b>	<b>23,535</b>	<b>3,181</b>	<b>3,277</b>	<b>3,324</b>

**Table 5: Changes to appropriation—Capital Injections, Controlled**

	2013-14 Est. Out. \$'000	2014-15 Budget \$'000	2015-16 Estimate \$'000	2016-17 Estimate \$'000	2017-18 Estimate \$'000
<b>2013-14 Budget</b>	<b>5,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2014-15 Budget Technical Adjustments</b>					
Supplementation for Additional Pay Period in 2015-16	-	96	-	-	-
Transfer – funding from ESDD to Capital Metro Agency	433	-	-	-	-
Transfer – Capital Injection Funding to Recurrent Projects	(5,433)	-	-	-	-
<b>2014-15 Budget</b>	<b>0</b>	<b>96</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Financial Statements

Table 6: Capital Metro Agency: Operating Statement

2013-14 Budget \$'000		2013-14 Est. Out. \$'000	2014-15 Budget \$'000	Var. %	2015-16 Estimate \$'000	2016-17 Estimate \$'000	2017-18 Estimate \$'000
<b>Revenue</b>							
3,000	Government Payment for Outputs	8,468	23,535	178	3,181	3,277	3,324
<b>3,000</b>	<b>Total Revenue</b>	<b>8,468</b>	<b>23,535</b>	<b>178</b>	<b>3,181</b>	<b>3,277</b>	<b>3,324</b>
<b>Expenses</b>							
2,109	Employee Expenses	1,840	4,574	149	2,658	2,640	2,675
190	Superannuation Expenses	194	423	118	255	278	281
701	Supplies and Services	6,434	18,538	188	364	359	368
<b>3,000</b>	<b>Total Expenses</b>	<b>8,468</b>	<b>23,535</b>	<b>178</b>	<b>3,277</b>	<b>3,277</b>	<b>3,324</b>
<b>0</b>	<b>Operating Result</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-96</b>	<b>0</b>	<b>0</b>
<b>0</b>	<b>Total Comprehensive Income</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-96</b>	<b>0</b>	<b>0</b>

**Table 7: Capital Metro Agency: Balance Sheet**

<b>Budget as at 30/6/14 \$'000</b>	<b>Est. Outcome as at 30/6/14 \$'000</b>	<b>Budget as at 30/6/15 \$'000</b>	<b>Var. %</b>	<b>Estimate as at 30/6/16 \$'000</b>	<b>Estimate as at 30/6/17 \$'000</b>	<b>Estimate as at 30/6/18 \$'000</b>
<b>Current Assets</b>						
0		96	#	0	0	0
	Cash and Cash Equivalents					
<b>0</b>	<b>Total Current Assets</b>	<b>0</b>	<b>96</b>	<b>#</b>	<b>0</b>	<b>0</b>
<b>Non Current Assets</b>						
5,000		0	-	0	0	0
	Capital Works in Progress					
<b>5,000</b>	<b>Total Non Current Assets</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>
<b>5,000</b>	<b>TOTAL ASSETS</b>	<b>0</b>	<b>96</b>	<b>#</b>	<b>0</b>	<b>0</b>
<b>5,000</b>	<b>NET ASSETS</b>	<b>0</b>	<b>96</b>	<b>#</b>	<b>0</b>	<b>0</b>
<b>REPRESENTED BY FUNDS EMPLOYED</b>						
5,000		96	#	0	0	0
	Accumulated Funds					
<b>5,000</b>	<b>TOTAL FUNDS EMPLOYED</b>	<b>0</b>	<b>96</b>	<b>#</b>	<b>0</b>	<b>0</b>

**Table 8: Capital Metro Agency: Cash Flow Statement**

2013-14 Budget \$'000		2013-14 Est. Out \$'000	2014-15 Budget \$'000	Var. %	2015-16 Estimate \$'000	2016-17 Estimate \$'000	2017-18 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
3,000	Cash from Government for Outputs	8,468	23,535	178	3,181	3,277	3,324
<b>3,000</b>	<b>Operating Receipts</b>	<b>8,468</b>	<b>23,535</b>	<b>178</b>	<b>3,181</b>	<b>3,277</b>	<b>3,324</b>
<b>Payments</b>							
2,109	Related to Employees	1,940	4,624	138	2,708	2,690	2,725
190	Related to Superannuation	194	423	118	255	278	281
701	Related to Supplies and Services	6,334	18,488	192	314	309	318
<b>3,000</b>	<b>Operating Payments</b>	<b>8,468</b>	<b>23,535</b>	<b>178</b>	<b>3,277</b>	<b>3,277</b>	<b>3,324</b>
<b>0</b>	<b>NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-96</b>	<b>0</b>	<b>0</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
<b>Payments</b>							
5,000	Purchase of Property, Plant and Equipment and Capital Works	0	0	-	0	0	0
<b>5,000</b>	<b>Investing Payments</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>-5,000</b>	<b>NET CASH INFLOW/ (OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
<b>Receipts</b>							
5,000	Capital Injections from Government	0	96	#	0	0	0
<b>5,000</b>	<b>Financing Receipts</b>	<b>0</b>	<b>96</b>	<b>#</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>5,000</b>	<b>NET CASH INFLOW/ (OUTFLOW) FROM FINANCING ACTIVITIES</b>	<b>0</b>	<b>96</b>	<b>#</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>0</b>	<b>NET INCREASE / (DECREASE) IN CASH HELD</b>	<b>0</b>	<b>96</b>	<b>#</b>	<b>-96</b>	<b>0</b>	<b>0</b>
<b>0</b>	<b>CASH AT THE BEGINNING OF REPORTING PERIOD</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>96</b>	<b>0</b>	<b>0</b>
<b>0</b>	<b>CASH AT THE END OF REPORTING PERIOD</b>	<b>0</b>	<b>96</b>	<b>#</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 9: Capital Metro Agency: Statement of Changes in Equity**

<b>Budget as at 30/6/14 \$'000</b>	<b>Est. Outcome as at 30/6/14 \$'000</b>	<b>Budget as at 30/6/15 \$'000</b>	<b>Var. %</b>	<b>Estimate as at 30/6/16 \$'000</b>	<b>Estimate as at 30/6/17 \$'000</b>	<b>Estimate as at 30/6/18 \$'000</b>
<b>Opening Equity</b>						
0	0	0	-	96	0	0
	Opening Accumulated Funds					
<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>96</b>	<b>0</b>	<b>0</b>
	<b>Balance at the Start of the Reporting Period</b>					
<b>Comprehensive Income</b>						
0	0	0	-	-96	0	0
	Operating Result for the Period					
<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-96</b>	<b>0</b>	<b>0</b>
	<b>Total Comprehensive Income</b>					
<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total Movement in Reserves</b>					
<b>Transactions Involving Owners Affecting Accumulated Funds</b>						
5,000	0	96	#	0	0	0
	Capital Injections					
<b>5,000</b>	<b>0</b>	<b>96</b>	<b>#</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total Transactions Involving Owners Affecting Accumulated Funds</b>					
<b>Closing Equity</b>						
5,000	0	96	#	0	0	0
	Closing Accumulated Funds					
<b>5,000</b>	<b>0</b>	<b>96</b>	<b>#</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Balance at the End of the Reporting Period</b>					

## **Notes to the Controlled Budget Statements**

Significant variations are as follows:

- The changes in the 2013-14 Estimated Outcome from the original budget are primarily due to the transfer of funding from capital injection to government payment for outputs to better reflect the nature of the costs to be met in the first year of operation.
- Funding in 2014-15 reflects the strategic objectives and operational priorities identified above for CMA.



