



2016-17 CAPITAL WORKS PROGRAM
Year-To-Date 31 December 2016
Progress Report

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ATTACHMENTS

APPENDIX 1: CAPITAL WORKS EXPENDITURE BY MAJOR PROJECTS

FRONT COVER PHOTOS

DHULWA MENTAL HEALTH FACILITY – SYMONSTON
CHARLES WESTON SCHOOL – COOMBS

1 Introduction

This report details the Government's 2016-17 Capital Works Program and outlines major project achievements for the six month period ending 31 December 2016. Details of the major projects by agency for the six month period are at Appendix 1. A major project is a project with a budget greater than or equal to \$10 million.

2 2016-17 Capital Works Program

2.1 2016-17 Program Overview

The 2016-17 Budget continued the significant investment in capital works across the Territory.

The original budgeted Capital Works Program, as published in the 2016-17 Budget Papers, was \$752 million. This budget was increased to \$774 million to take account of the rolling over of unspent appropriation from 2015-16 and post-budget expenditure adjustments, program savings and variations.

A reconciliation of the 2016-17 Capital Works Program is shown in **Table 1** below.

Table 1 – 2016-17 Capital Works Program Available Funding

	\$ million
2016-17 Original Budget Appropriation^(a)	752
Net Program adjustments, savings and rollovers	22
Total Funds Available for Expenditure 2016-17	774

(a) See 2016-17 Budget Paper 3, page 164.

2.2 2016-17 Program Expenditure YTD December 2016

Actual year-to-date (YTD) expenditure as at 31 December 2016 was \$208 million comprising:

- New Works expenditure of \$40 million; and
- Works-in-Progress expenditure of \$168 million.

The YTD December expenditure accounted for 27 per cent of total funds available for capital works in 2016-17, compared to the 31 per cent recorded for the same period in 2015-16.

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

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

Table 2 – Capital Works Program Expenditure – as at YTD December 2016

Agency	2016-17 Total funds available for expenditure \$'000	YTD December 2016 expenditure \$'000	Percentage spent YTD December 2016
Canberra Institute of Technology	3,886	2,360	61
Chief Minister, Treasury and Economic Development Directorate	283,036	76,053	27
Community Services Directorate	1,764	59	3
Cultural Facilities Corporation	1,774	610	34
Education Directorate	47,761	5,020	11
Environment Planning and Sustainable Development Directorate	23,516	1,643	7
Health Directorate	226,033	57,598	25
Housing ACT	5,565	1,538	28
Justice and Community Safety Directorate	27,073	11,862	44
Office of the Legislative Assembly	1,103	813	74
Transport Canberra and City Services Directorate	152,766	50,357	33
TOTAL	774,277	207,913	27

2.2.1 Capital Delivery Provision

The 2016-17 Budget included a Capital Delivery Provision to improve the accuracy of the overall budget estimates. While agencies are funded to deliver each capital project according to agreed timelines, there remain risks to the delivery of each project. Reflecting these risks, but recognising that it is not possible to identify whether they will eventuate for any given project, the Government has adjusted the forecast of the aggregate Capital Works Program expenditure. The adjustment is based on past outcomes and risk analysis. This provision is included at a whole of government level and does not affect the timely delivery of any project.

The current level of expenditure against the 2016-17 Budget, adjusted for the Capital Delivery Provision, is provided in Table 3:

Table 3 – Performance against Capital Delivery Forecast YTD December 2016

2016-17 Total funds available for expenditure (\$'000)	2016-17 Capital Delivery Provision adjustment (\$'000)	2016-17 Capital delivery forecast (\$'000)	Actual expenditure YTD against Capital delivery forecast (\$'000)	Percentage spent YTD December
774,277	-109,366	664,911	207,913	31

2.2.2 2016-17 Capital Upgrades Program

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

YTD December expenditure on the 2016-17 Capital Upgrades Program was \$9.3 million, equating to 17 per cent of the available budget of \$53.2 million.

Table 4 – 2016-17 Capital Upgrades Program Expenditure – YTD December 2016

Agency	Capital Upgrades Year-to-Date December 2016		
	2016-17 Budget \$'000	2016-17 YTD December 2016 expenditure \$'000	Percentage spent YTD December 2016
Canberra Institute of Technology	2,578	970	38
Chief Minister, Treasury and Economic Development Directorate	9,335	1,644	18
Community Services Directorate	385	31	8
Cultural Facilities Corporation	388	229	59
Education Directorate	14,570	1,666	11
Environment Planning and Sustainable Development Directorate	664	7	1
Health Directorate	4,965	710	14
Justice and Community Safety Directorate	1,727	471	27
Office of the Legislative Assembly	250	0	0
Transport Canberra and City Services Directorate	18,326	3,574	20
TOTAL	53,188	9,303	17

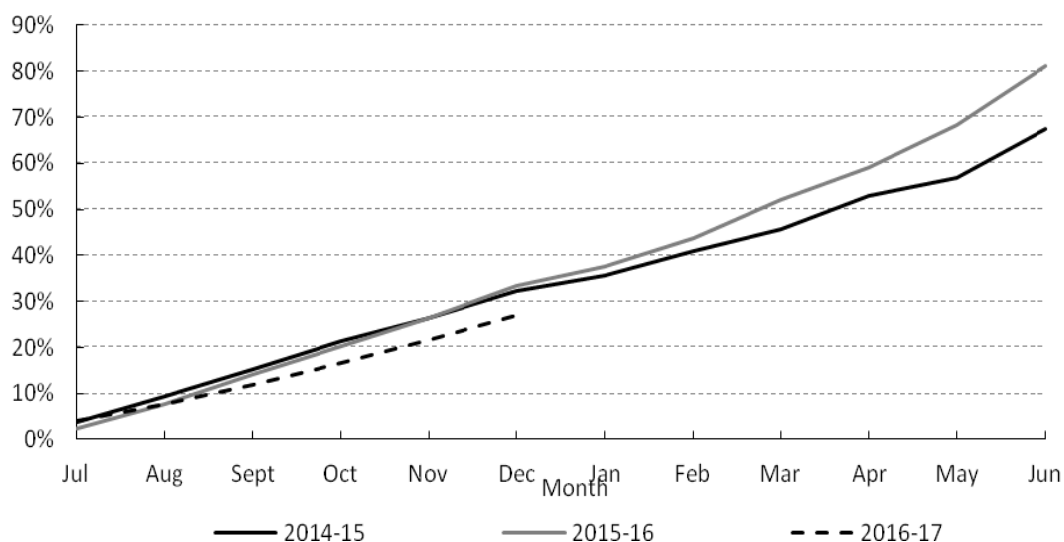
Significant upgrade works being delivered in 2016-17 include:

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

2.3 Historical expenditure trends

Figure 1 below shows cumulative monthly expenditure as a proportion of annual total funds available for the Capital Works Program for the three years to 2016-17.

Figure 1: Cumulative percentage of program expenditure - YTD December 2016, 2014-15 and 2015-16



2.4 Non-Financial (Milestone) Outcomes

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

2.4.1 Pre-construction Milestones

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

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

Agencies that have operational responsibility for project delivery are required to set their milestone targets and report on their achievement throughout the year. The whole of government performance for the six months to 31 December 2016 is set out in Table 4 below.

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

Pre-Construction Key Performance Indicators**Table 4: YTD December 2016: Capital Works Program Pre-construction Milestone Performance**

Pre - Construction	Total number of targets quarter 1 & 2	Targets Achieved	Level of achievement
Project Brief	23	19	83%
Feasibility Study	23	18	78%
Consultation	21	10	48%
Functional Brief Lodged	5	3	60%
Final Sketch Plan	12	4	33%
Design	27	14	52%
DA Lodged	8	5	63%
DA Approved	7	3	43%
Contract Signed	45	30	67%
TOTAL	171	106	62%

2.4.2 Construction MilestonesConstruction Key Performance Indicators

- Sixty-four per cent (92 out of 144) of agency-forecast quarterly construction targets were achieved within an acceptable level of variation of 0-10 per cent from target in the six months to 31 December 2016.
- Sixteen per cent (23 out of 144) of the projects in the construction phase outperformed against target.
- Twenty per cent (29 out of 144) underperformed by greater than 10 per cent.

2.5 Delivery of Infrastructure for the ACT Community**2.5.1 Land Release Program**

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

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

The ACT Government's Indicative Land Release Program includes a sales target of 17,780 dwelling sites between 2016-17 and 2018-19.

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

- Throsby – Access road and western intersection is physically complete.
- Molonglo 2 Sewer and Pedestrian Bridge over Molonglo River reached physical completion.
- Cravens Creek Water Quality Control Pond reached physical completion.
- Molonglo 2 – Water Supply, Trunk Sewer and Stormwater Infrastructure – Stage 1 reached physical completion.
- Molonglo 2 – Uriarra Road Upgrade reached physical completion.

2.5.2 Public Housing Renewal

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

The Public Housing Renewal Program is being delivered by the Public Housing Renewal Taskforce through the construction and purchase of replacement properties. As at 24 January 2016, 288 dwellings were under construction and 291 offers had been accepted for purchase. The Public Housing Renewal Taskforce has also transferred over 220 completed properties to Housing ACT.

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



Chisholm Public Housing - part of the Public Housing Renewal Program

2.5.3 Delivery of Transport Infrastructure

Significant upgrades to transport infrastructure across the Territory have been planned for delivery in 2016-17 including:

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

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

- William Slim/Barton Highway Roundabout Signalisation reached 85 per cent completion.
- Urban Renewal Program – Woden – Canberra Hospital connections reached physical completion.
- Constitution Avenue was completed.
- Urban Renewal Program – Acton – Sullivans Creek cycle path upgrades has reached 50 per cent construction.
- Majura Off Road Shared Path has been completed.
- Better Roads for Gungahlin – Horse Park Drive duplication has reached 46 per cent construction which is behind schedule due to wet weather.
- Majura Parkway is nearing financial completion. The project has experienced a budget overrun of 3 per cent associated with contractor settlements.
- Woden Bus Interchange Redevelopment – Stage 1 has reached physical completion.
- Better Roads for Tuggeranong – Ashley Drive duplication – Stage 2 has achieved 5 per cent construction which is behind schedule due to wet weather.
- Better Roads for Weston Creek – Cotter Road duplication (Tuggeranong Parkway to Yarralumla Creek) has a signed contract.
- Urban Renewal Program – Erindale Group Centre – Gartside Street (south) development – Stage 1 has a final sketch plan.
- Urban Renewal Program – Molonglo to the city highway has completed design.
- Urban Renewal Program – Tuggeranong Valley and Kaleen age friendly facilities have achieved 50 per cent construction.
- Better Roads for Gungahlin – Gundaroo Drive duplication – Stage 1 has reached 10 per cent construction which is behind schedule due to wet weather.
- Better Roads for Gungahlin – Enhanced Town Centre road network reached 92 per cent completion.
- Bridge Strengthening on Commercial Routes is physically complete.

- Light Rail–Stage 1 (Public Private Partnership) is well progressed. Approximately 60 per cent of total design submissions have been submitted to the Territory and the Independent Certifier for review. The Depot layout has been certified by the Independent Certifier and Light Rail Vehicle internal and external livery design has been agreed. Bulk excavation and civil works have started at the Depot site at Mitchell and preparation for the construction of the light rail, including the widening of Flemington road, is well underway.

2.5.4 Enhancing Community Safety, Corrections and Justice

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

- Alexander Maconochie Centre – Detainee Industries and Activities Enhancement Project reached physical completion.
- ACT Corrective Services – Accommodation fit out has reached practical completion.
- Alexander Maconochie Centre – Building upgrade reached physical completion.
- Emergency Services – New Direct Turnout System reached physical completion.
- Emergency Services Agency Station Upgrade and Relocation – Aranda Station reached physical completion.
- Reforming Emergency Services – consultation for Aero-medical services and hangar upgrade has been completed and the design work is nearing completion.
- ACT Law courts Facilities (Public Private Partnership) - Excavation has been completed for Phase 1. The Basement slab, pre-cast walls, lift shafts and ground floor decking have now been installed. Six of ten courtroom AV fit-outs have also been completed. Works have commenced on internal refurbishment of Magistrates Court.

2.5.5 Providing Education for All

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

- Schools for the Future – Caroline Chisholm School – Centre for Innovation and Learning has a preliminary sketch plan and an interactive tendering process is underway.
- Belconnen Regional Trade Skills Centre has reached physical completion.
- Schools for the Future – Modernising Belconnen High has a preliminary sketch plan and an interactive tendering process is underway.
- Schools for the Future – North Gungahlin and Molonglo has a preliminary sketch plan and an interactive tendering process is underway.
- Construction work in the Hazardous Material Removal Program – Stage 3 is 75 per cent complete. There are 6 asbestos removal sites to be finalised to complete the program.
- Carbon Neutral Schools – Stage 1 has reached 98 per cent completion. The project is in the final stages of defects and practical completion.



Solar panel installation - Amaroo School

2.5.6 Improving Recreational, Lifestyle and Cultural Opportunities

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

- Development of a New Basketball Centre and Player Amenities has reached 90 per cent construction.
- Urban Renewal Program – Phillip Oval upgrade has reached 10 per cent construction.
- Canberra Regional Visitors Centre Relocation is physically complete with some minor fixtures and fittings still to be finalised.
- The Local Shopping Centre Upgrades Program reached 97 per cent completion.
- The Urban Renewal Program – Melrose football precinct has reached 25 per cent construction.
- Belconnen Arts Centre Stage 2 (Feasibility and Forward Design): additional design work and costings have been completed for stage 2.
- Better Services – Weston Creek and Stromlo swimming pool and leisure centre has a functional brief lodged and consultation is underway.



Melrose High School Football Precinct

2.5.7 Supporting Environmental and Waste Management

Works continued on a number of environmental, sustainability and waste management projects during 2016-17. Some of the key progress YTD December 2016 was as follows:

- Molonglo Riverside Park – Stage 1 is under contract.
- Red Hill Nature Reserve Remediation (Finalisation of Design) has a development application lodged.
- Caring for our Environment – Tharwa fish habitat improvement is under contract.
- Caring for our Environment – Establishing the Molonglo River Reserve Stage 3 is in the consultation phase.
- Caring for our environment – Water Quality Improvement – Contributions to the Basin Priority Project has completed design.

2.5.8 Delivering Health Services

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

- The Canberra Hospital – Essential infrastructure and engineering works has achieved 82 per cent construction.
- University of Canberra Public Hospital has progressed final design and construction is 51 per cent complete.
- Continuity of Health Services Plan – Essential Infrastructure is 90 per cent complete.
- Calvary Public Hospital – Operating theatre upgrade is under procurement.
- Dhulwa Mental Health Unit was completed in November 2016
- The Aboriginal Torres Strait Islander Residential Alcohol and Other Drug Rehabilitation Facility has reached physical completion.



University of Canberra Public Hospital