



**2016-17 CAPITAL WORKS PROGRAM**  
**Year-To-Date 31 March 2017**  
**Progress Report**

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## ATTACHMENTS

APPENDIX 1: CAPITAL WORKS EXPENDITURE BY MAJOR PROJECTS

FRONT COVER PHOTOS

THE DUPLICATION OF COTTER ROAD

LIGHT RAIL – STAGE 1 – CONSTRUCTION ON FLEMINGTON ROAD LOOKING SOUTH TOWARDS MITCHELL

## 1 Introduction

This report details the Government's 2016-17 Capital Works Program and outlines major project achievements for the three month period ending 31 March 2017. Details of the major projects by agency for the three month period are at Appendix 1. A major project is a project with a budget greater than or equal to \$10 million.

This report does not detail the financial performance of the public private partnerships (PPP) that are being undertaken by the private sector as these projects are not part of the Government's 2016-17 Capital Works Program. This report does provide a progress update for each PPP project.

In 2016-17 the scheduled PPP expenditure for Light Rail –Stage 1 is \$357.4 million and for the ACT Law Courts Facilities is \$62 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 \$769 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
<b>2016-17 Original Budget Appropriation<sup>(a)</sup></b>	<b>752</b>
<b>Net Program adjustments, savings and rollovers</b>	<b>17</b>
<b>Total Funds Available for Expenditure 2016-17</b>	<b>769</b>

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

### 2.2 2016-17 Program Expenditure YTD March 2017

Actual year-to-date (YTD) expenditure as at 31 March 2017 was \$336 million comprising:

- new works expenditure of \$81 million; and
- works-in-progress expenditure of \$255 million.

The YTD March expenditure accounted for 44 per cent of total funds available for capital works in 2016-17, compared to the 52 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 March 2017**

Agency	2016-17 Total funds available for expenditure \$'000	YTD March 2017 expenditure \$'000	Percentage spent YTD March 2017
Canberra Institute of Technology	3,886	2,813	72
Chief Minister, Treasury and Economic Development Directorate	285,880	110,538	39
Community Services Directorate	1,764	281	16
Cultural Facilities Corporation	1,774	1,461	82
Education Directorate	46,862	9,589	20
Environment Planning and Sustainable Development Directorate	23,396	3,959	17
Health Directorate	218,974	107,836	49
Housing ACT	5,565	3,966	71
Justice and Community Safety Directorate	27,073	14,057	52
Office of the Legislative Assembly	943	665	71
Transport Canberra and City Services Directorate	152,766	80,754	53
<b>TOTAL</b>	<b>768,883</b>	<b>335,919</b>	<b>44</b>

### 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 March 2017**

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 March 2017
768,883	-109,366	659,517	335,919	51

### 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 March expenditure on the 2016-17 Capital Upgrades Program was \$16.8 million, equating to 32 per cent of the available budget of \$53.2 million.

**Table 4 – 2016-17 Capital Upgrades Program Expenditure – YTD March 2017**

Agency	2016-17 Budget \$'000	2016-17 YTD March 2017 expenditure \$'000	Percentage spent YTD March 2017
Canberra Institute of Technology	2,578	1,422	55
Chief Minister, Treasury and Economic Development Directorate	9,335	2,995	32
Community Services Directorate	385	148	38
Cultural Facilities Corporation	388	235	61
Education Directorate	14,570	3,015	21
Environment Planning and Sustainable Development Directorate	664	72	11
Health Directorate	4,965	872	18
Justice and Community Safety Directorate	1,727	1,062	62
Office of the Legislative Assembly	250	0	0
Transport Canberra and City Services Directorate	18,326	6,957	38
<b>TOTAL</b>	<b>53,188</b>	<b>16,778</b>	<b>32</b>

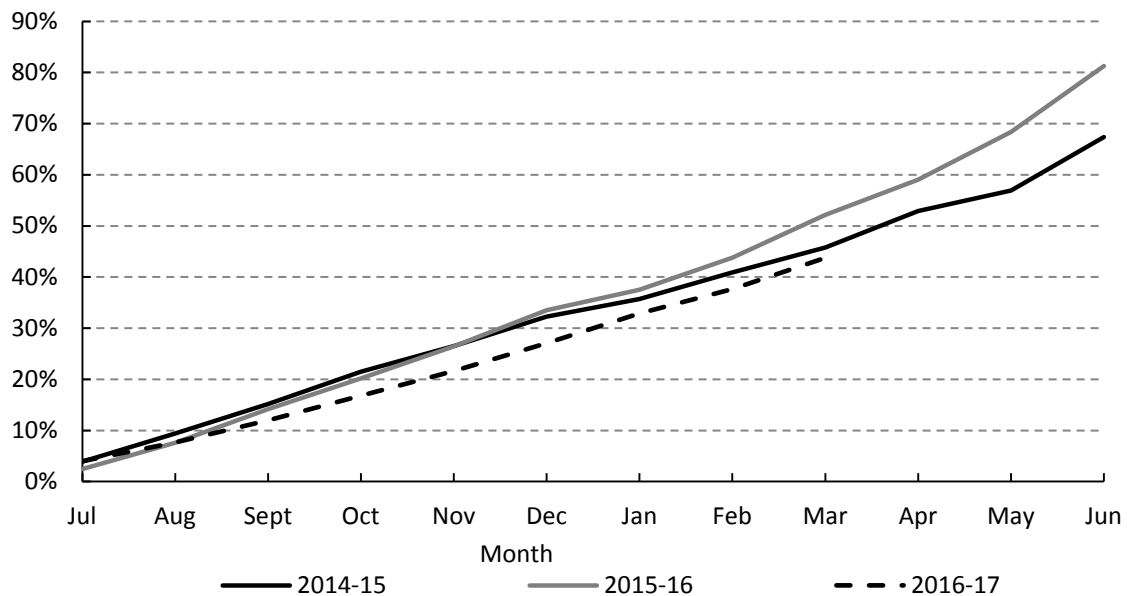
Significant upgrade works being delivered in 2016-17 include:

- 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 March 2017, 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 three months to 31 March 2017 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 March 2017: Capital Works Program Pre-construction Milestone Performance**

Pre - Construction	Total number of targets quarter	Targets Achieved	Level of achievement
Project Brief	6	4	67%
Feasibility Study	11	8	73%
Consultation	6	3	50%
Functional Brief Lodged	2	1	50%
Final Sketch Plan	3	2	67%
Design	14	5	36%
DA Lodged	0	0	0%
DA Approved	3	1	33%
Contract Signed	19	14	74%
<b>TOTAL</b>	<b>64</b>	<b>38</b>	<b>59%</b>

**2.4.2 Construction Milestones**Construction Key Performance Indicators

- Fifty one per cent (43 out of 85) of agency-forecast quarterly construction targets were achieved within an acceptable level of variation of 0-10 per cent from target in the Three months to 31 March 2017.
- Twenty four per cent (20 out of 85) of the projects in the construction phase outperformed against target.
- Twenty six per cent (22 out of 85) 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 March 2017 was as follows:

- Better Roads for Gungahlin – Horse Park Drive duplication - has reached 65 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 reached 20 per cent construction.
- Urban Renewal Program – Molonglo to the city highway - has completed the design phase.
- Majura Parkway to Majura Road – Link road - has reached 40 per cent construction.



**Bebo Arch Placement – Majura Link Road**



**Majura Link Road - Reinforced Concrete Box Culvert Extension from Majura Parkway**



### 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), and the establishment of the Public Housing Renewal Taskforce.

The Public Housing Renewal Taskforce is constructing and purchasing replacement properties. As at 20 April 2017, 141 dwellings are under construction and 353 offers have been accepted for purchase. The Public Housing Renewal Taskforce has also transferred 250 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.

### 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 March 2017, was as follows:

- Better Roads for Belconnen – Aikman Drive duplication - has reached 25 per cent completion.
- William Slim/Barton Highway Roundabout Signalisation - has reached physical completion.
- Urban Renewal Program – Acton – Sullivans Creek cycle path upgrades - has reached 75 per cent construction.
- Better Roads for Gungahlin – Horse Park Drive duplication (Mulligans Flat Road to the Federal Highway) - is now under contract.
- Better Roads for Tuggeranong – Ashley Drive duplication (Ellerston Avenue to Johnson Drive) - is now under contract.
- Better Roads for Weston Creek – Cotter Road duplication (Tuggeranong Parkway to Yarralumla Creek) - has reached 20 per cent construction.
- Urban Renewal Program – Molonglo to the city highway - has completed the design phase.
- Urban Renewal Program – Tuggeranong Valley and Kaleen age friendly facilities - is 65 per cent completed.

- Better Roads for Gungahlin – Gundaroo Drive duplication - Stage 1 - has reached 30 per cent construction and is now on schedule after delays associated with wet weather.
- Better Public Transport for Tuggeranong – Park and ride facility for Wanniasa - has reached 20 per cent construction.
- Light Rail–Stage 1 (Public Private Partnership) is well progressed. Approximately 68 per cent of total design submissions have been submitted to the Territory and the Independent Certifier for review. Construction works have commenced across all six site precincts. Bulk earthworks were completed for the Mitchell Depot in January 2017 and structural works have commenced on the main Depot administration building.



**Light Rail - Stage 1 - Northbourne Avenue and Alinga Street intersection**



**Ashley Drive - Stage 2 - Location: Monks Creek Bridge - Isabella Plains.**

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

Progress against key capital projects that support community safety and justice services as at YTD March 2017 was as follows:

- Reforming Emergency Services - Aero-medical services and hangar upgrade - design work is complete and a development application submitted. A tender for the Hangar building has gone to market. Hangar building works are expected to commence in June 2017. Physical completion is expected in October 2017.
- Reforming Emergency Services – Fyshwick Fire and Rescue Station upgrade - works have commenced and physical completion is expected in July 2017.
- Reforming Emergency Services – Guises Creek Rural Fire Station upgrade - this project is behind schedule due to delays associated with design and industry briefing took place in March 2017 and following a tender process the contract is expected to be awarded in May 2017. Physical completion is expected in October 2017.
- Reforming Emergency Services – New SES station for Tuggeranong - the contract has been awarded to the successful tenderer with start-up meetings to be held in April 2017.
- ACT Law courts Facilities (Public Private Partnership) – construction progress includes:
  - the basement and ground floor slabs are complete;
  - level two pre-cast (south tower) and level one pre-cast (north tower) are now in place; and
  - internal works have commenced on the registry refurbishment for the Magistrates Court. Also eight of ten audio visual upgrades on the Magistrates Court courtroom have been completed.

#### 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 March 2017 was as follows:

- Schools for the Future – Caroline Chisholm School – Centre for Innovation and Learning - is now under contract with construction expected to commence in April.
- Schools for the Future – Modernising Belconnen design - is now 40 per cent complete.
- Schools for the Future – North Gungahlin and Molonglo - tender evaluation, including significant value management work continued in the March quarter.
- Better Schools – Investment in Gungahlin school infrastructure - Palmerston and Neville Bonner schools were completed for the start of 2017 school year. Work on Amaroo School is expected to commence in June. The Amaroo project is 25 per cent complete, documentation has been completed and site establishment will occur from the week commencing 15 May 2017.

- Construction work in the Hazardous Material Removal Program - stage 3 is 78 per cent complete. There are 6 asbestos removal sites which are still to be finalised to complete the program.
- Carbon Neutral Schools – Stage 1 - is physically complete.



**Neville Bonner School - Works to convert kindergarten rooms into preschool rooms and upgrade transportable classrooms from Gold Creek School to provide increased capacity.**

### **2.5.6 Recreation and Parks**

The key projects in this area seek to improve community recreational facilities, lifestyle opportunities and cultural facilities. They include works on sporting facilities, parks, urban spaces and cultural institutions across Canberra. Some of the key progress YTD March 2017 was as follows:

- Development of a New Basketball Centre and Player Amenities - has reached 95 per cent construction.
- The construction of the Urban Renewal Program – Melrose football precinct - has reached physical completion.
- National Arboretum Canberra – Event Terrace and Precinct Facilities - has reached 80 per cent completion with only one remaining garden of five to complete which is due for completion in mid Jun 2017.
- Better Services – Weston Creek and Stromlo swimming pool and leisure centre - consultation is continuing.

### **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 March 2017 was as follows:

- Caring for our Environment – Tharwa fish habitat improvement - is now 25 per cent complete.

- Caring for our Environment – Establishing the Molonglo River Reserve Stage 3 - has completed consultation and the project overall is 20 per cent complete. The willow control component of the project being 75 per cent complete.
- Caring for our environment – Water Quality Improvement - contributions to the Basin Priority Project is now under contract with construction 10 per cent complete.
- Environmental Offsets – Gungahlin (EPIC) - is now 90 per cent complete.
- Environmental Offsets – Lawson South - is now 75 per cent physically complete.
- Essential Waste Management Infrastructure - is now 75 per cent complete.
- Molonglo Riverside Park – Stage 1 - is now 90 per cent complete.
- Mugga Lane – Rehabilitation of Old Landfill Cells - is now 90 per cent complete.
- Mugga 2 Quarry – Remediation - is now physically complete.
- Strategic Bushfire Management Planning - is 90 per cent complete.

#### **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 March 2017 was as follows:

- The Canberra Hospital – Essential infrastructure and engineering works - construction has progressed to 93 per cent. In the March quarter work progressed on the lifts to Building 1 and 6 and the fan coil unit replacement works were completed.
- University of Canberra Public Hospital - construction has progressed to 61 per cent completion, with the focus being on the installation of the roof, facade and internal fit out in the March Quarter.
- Continuity of Health Services Plan – essential Infrastructure - is 93 per cent complete and in its final stages, with re-instatement of disabled car spaces in the multi storey car park and the installation of the fibre optic ring in Hospital Road being the focus of works in the March quarter.
- Calvary Public Hospital – Operating theatre upgrade - the Construction Management Tender has closed and the engagement of Construction Manager is pending approval, and works commenced in March. All works are now on target for practical completion in December 2017.
- Calvary Public Hospital – Upgrade of medical imaging equipment - the user assessments have been completed. The final decision on the Computer Tomography (CT) scanner is pending the design works which were completed at the end of March.