



2019-20 CAPITAL WORKS PROGRAM

Year-to-Date 31 December 2019

Progress Report



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APPENDIX 1: CAPITAL WORKS EXPENDITURE BY MAJOR PROJECTS

Front cover photos

BELCONNEN ARTS CENTRE

CIVIC AND DICKSON OFFICE BUILDINGS

1 Introduction

This report details the Government's 2019-20 Capital Works Program and outlines major project achievements for the quarter ending 31 December 2019. Details of agency major projects for the year are at Appendix 1. A major project is a project with a budget greater than or equal to \$10 million.

The Capital Works Program includes investment in Information and Communication Technology (ICT) and Plant and Equipment (P&E).

2 2019-20 Capital Works Program

2.1 2019-20 Program Overview

The 2019-20 Budget continued the significant investment in capital works across the Territory.

The original budgeted 2019-20 Capital Works Program, as published in the 2019-20 Budget, was \$770 million. Subsequent adjustments to the budget associated with the rolling over of unspent funds from 2018-19, program adjustments, proposed variations and program savings have increased available funding to \$808 million for the 2019-20 program.

A summary reconciliation of funds available for the 2019-20 Capital Works Program is shown in **Table 1** below.

Table 1 – 2019-20 Capital Works Program Available Funding

	\$ million
2019-20 Original Budget	770
Net estimate of program adjustments, savings and rollovers	38
Total Estimated Funds Available for Expenditure 2019-20	808

2.2 2019-20 Program Expenditure YTD December 2019

Actual year-to-date (YTD) expenditure as at 31 December 2019 was \$269 million comprising:

- new works expenditure of \$50.4 million; and
- works-in-progress expenditure of \$218.4 million.

Capital expenditure for the six months to 31 December 2019 accounted for 33 per cent of total funds available for capital works program in 2019-20.

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

Table 2 – Capital Works Program Expenditure – as at YTD December 2019

Agency	2019-20 Total funds available for expenditure \$'000	YTD	Percentage spent YTD December 2019
		December 2019 expenditure \$'000	
Canberra Institute of Technology	7,241	2,538	35%
Chief Minister, Treasury and Economic Development Directorate	140,650	58,746	42%
City Renewal Authority	23,262	3,960	17%
Community Services Directorate	2,898	627	22%
Cultural Facilities Corporation	2,533	761	30%
Education Directorate	95,272	36,302	38%
Elections ACT	1,192	253	21%
Environment Planning and Sustainable Development Directorate ¹	4,431	23,256	525%
Health Directorate	134,697	57,001	42%
Housing ACT	42,452	5,828	14%
Justice and Community Safety Directorate	36,104	7,488	21%
Major Projects Canberra	88,548	13,090	15%
Office of the Legislative Assembly	1,463	182	12%
Transport Canberra and City Services Directorate	227,132	58,726	26%
TOTAL	807,875	268,757	33%

Note:

1. The budget appropriation for the Environment Planning and Sustainable Development Directorate's (EPSDD) 2019-20 capital works program is \$25.5 million. The lower available funds in 2019-20, estimated at \$4.4 million, predominantly reflects the acceleration of capital expenditure associated with the Public Housing Renewal Program in 2018-19, impacting the 2019-20 available funds by \$21.1 million. EPSDD is expected to bring forward funds from the budget forward estimates in 2019-20 (through use of the capital works reserve) in order to deliver its 2019-20 capital works program.

2.2.1 2019-20 Better Infrastructure Fund

Capital improvements 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 for the 2019-20 Better Infrastructure Fund was \$24 million, or 36 per cent of the available budget of \$65 million.

Table 3 – 2019-20 Better Infrastructure Fund Expenditure – as at YTD December 2019

Agency	2019-20 Budget \$'000	2019-20 YTD December 2019 expenditure \$'000	Percentage spent YTD December 2019
Canberra Institute of Technology	2,777	830	30%
Chief Minister, Treasury and Economic Development Directorate	7,788	2,177	28%
Community Services Directorate	415	120	29%
Cultural Facilities Corporation	418	196	47%
Education Directorate	21,135	11,734	56%
Environment Planning and Sustainable Development Directorate	1,025	82	8%
Health Directorate	5,348	1,902	36%
Justice and Community Safety Directorate	1,860	215	12%
Office of the Legislative Assembly	324	0	0%
Transport Canberra and City Services Directorate	24,144	6,266	26%
TOTAL	65,234	23,521	36%

Significant infrastructure improvements being delivered in 2019-20 from the Better Infrastructure Fund include:

- a major investment in public school infrastructure upgrades;
- improvements to vocational training facilities;
- improvements to major venues including the Arboretum, Exhibition park, GIO Stadium, Manuka Oval and Stromlo Forest Park;
- improvements to pools;
- improvements to community facilities, including Bimberi Youth Justice Centre;
- heritage and arts facility improvements;
- improvements to the Alexander Maconochie Centre;
- safety compliance upgrades to city infrastructure;
- revitalising Woden Library and other town centre infrastructure;
- building upgrades and facility improvements of health and hospital infrastructure;
- road safety measures including *Disability Discrimination Act* compliance for bus stops;
- upgrades and modifications to public transport infrastructure; and
- improvements to parks and nature reserves.

2.2.2 2019-20 Information and Communication Technology (ICT) and Plant and Equipment (P&E) Expenditure

The 2019-20 Capital Works Program includes investment by the Government in ICT and P&E projects. Total investment in these projects for 2019-20 is valued at \$193 million. For the quarter ending 31 December 2019 a total of \$51 million had been spent, or 26 per cent, of available funding.

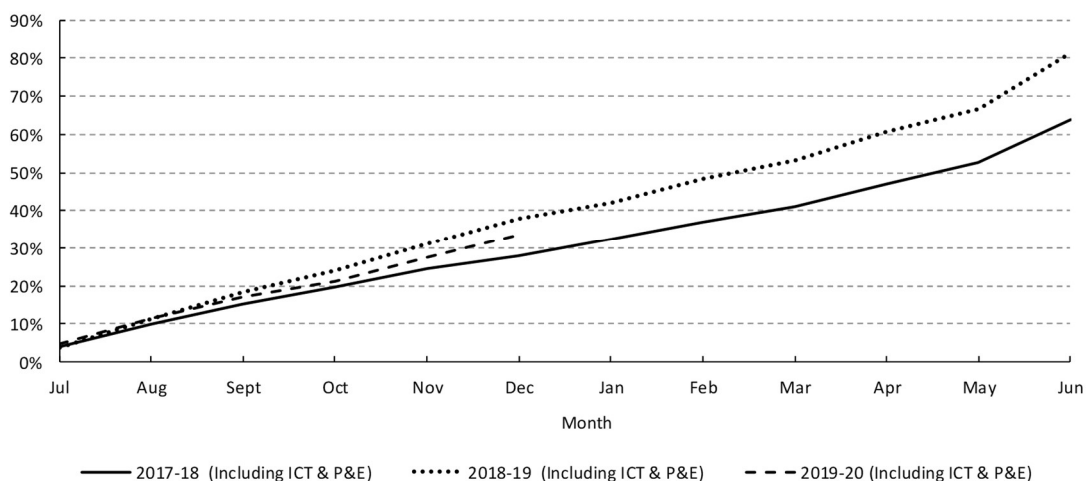
Table 4 – 2019-20 ICT and Plant and Equipment project expenditure – December 2019

Agency	2019-20 Funds Available for Expenditure \$'000	2019-20 YTD December 2019 expenditure \$'000	Percentage spent YTD December 2019
Canberra Institute of Technology	1,257	450	36%
Chief Minister, Treasury and Economic Development Directorate	84,516	32,654	39%
Community Services Directorate	2,483	507	20%
Education Directorate	16,766	4,468	27%
Elections ACT	1,192	253	21%
Environment Planning and Sustainable Development Directorate	3,009	1,157	38%
Health Directorate	22,999	3,668	16%
Housing ACT	487	16	3%
Justice and Community Safety Directorate	20,064	2,857	14%
Office of the Legislative Assembly	35	0	0%
Transport Canberra and City Services Directorate	40,496	5,105	13%
TOTAL	193,304	51,134	26%

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 2019-20.

Figure 1: Cumulative percentage of program expenditure – YTD December 2019, 2018-19 and 2017-18



2.4 Non-Financial (Milestone) Outcomes

Delivery of the 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:

- early planning;
- 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 against targets throughout the year. The whole-of-government performance for the three months to 31 December 2019 is set out in Table 5 below.

This table excludes projects funded from the Better Infrastructure Fund which are usually minor in size.

Pre-Construction Key Performance Indicators

Table 5 – December 2019: Capital Works Program Pre-construction Milestone Performance

Pre-Construction	Total number of targets	Targets Achieved	Percentage achievement
Project Brief	4	1	25%
Early Planning	13	9	69%
Consultation	9	4	44%
Functional Brief Lodged	5	3	60%
Final Sketch Plan	9	5	56%
Design	15	8	53%
DA Lodged	9	5	56%
DA Approved	3	1	33%
Contract Signed	14	6	43%
TOTAL	81	42	52%

2.4.2 Construction Milestones

Construction Key Performance Indicators

- Sixty five per cent (42 out of 65) of agency-forecast quarterly construction targets were achieved within an acceptable level of variation of 0 to 10 per cent from target in the three months to 31 December 2019.
- Six per cent (4 out of 65) of the projects in the construction phase outperformed against the target.

- Twenty nine per cent (19 out of 65) of the projects 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 for the 2019-20 Budget includes a sales target of 15,600 dwelling sites between 2019-20 and 2022-23.

Progress against key capital projects that support the Land Release Program as at YTD December 2019 is as follows:

- Improving Our Suburbs – New Molonglo Valley infrastructure – the progress of the project is as follows:
 - Molonglo Valley – John Gorton Drive 3B – north bound earthworks and pavement works continue, south bound earthworks were completed in the September quarter. All Environment Protection Authority approvals on stockpile testing have been obtained;
 - Molonglo Valley - John Gorton Drive 3C – The project has been physically completed; and
 - Molonglo Valley – Watermain from Weetangera Reservoir – the post-completion maintenance period has commenced, with grassing and landscaping placed on consolidation.

2.5.2 Public Housing Renewal

Total funding of more than \$600 million has been provided for the renewal of public housing sites. This funding also covers Public Housing Renewal Taskforce costs and ensures the ACT Government can provide ongoing support and assistance to tenants during their relocation to improved accommodation.

Older multi-unit public housing properties are being replaced with modern homes that better meet the needs of tenants. The Public Housing Renewal Taskforce is delivering 1,288 replacement dwellings with 1,264 properties completed and transferred to Housing ACT. One remaining construction project was finalised and handed over in January 2020.

2.5.3 Delivery of Transport Infrastructure

Significant upgrades to transport infrastructure across the Territory have been planned for delivery in 2019-20 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 to 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 31 December 2019, was as follows:

- Making our roads safer while keeping Canberra moving – the project progress during the second quarter is as follows:
 - Making our Roads Safer – Heavy Vehicle Safety and Productivity Program – a consulting engineer was appointed and has commenced upgrading designs of multiple intersections, to ensure they are suitable for heavy vehicle routes; and
 - Making our Roads Safer – Bridge Renewal – the design consultant has been appointed. The survey and geotechnical work have occurred and the associated reports have been received.
- Improving Stormwater Networks – the development application has been approved for the Fyshwick South component and the construction has commenced.
- Delivering Safer Intersections – Novar and Kent Street – the design contract has been awarded and meetings with stakeholders and site investigations have occurred, which have informed design work. The extent of construction work is now being reviewed.

- Keeping our growing city moving – Better infrastructure for active travel
 - Belconnen Town Centre – construction of the Belconnen bikeway is nearing completion along Coulter Drive, behind Canberra International Sports and Aquatic Centre and along the northern verge of College Street. Work continues adjacent Lake Ginniderra College. The construction tender for the Belconnen Art Centre foreshore path project has been issued;
 - Tuggeranong Town Centre – town square and laneways design and construction (project 1) – the construction tender was advertised and responses have been received. A decision on the shade sail development application is pending. Path improvements (project 2) – final sketch plans are being finalised;
 - Cycling Network Improvements – Stakeholder consultation regarding the O’Conner/Turner link and the City/Queanbeyan link have been undertaken as part of the feasibility study; and
 - Active Streets for Schools Program – construction of a range of improvements from footpath connections, refuge islands, children’s crossing and traffic calming devices have been completed for two packages of work. Investigations are being conducted for further improvements that can be made around various schools.
- Building a better city – ACTION – New bus depot Woden – the development application approval was obtained for the sewer main relocation from Icon Water. Draft concept designs for the workshop have been prepared and are being discussed.
- Building a better city – Pialligo Avenue duplication – the ecological field studies, geotechnical investigations, storm water and geometric design are all progressing. An additional topographic survey has been completed. The preliminary sketch plan is progressing based on the outcome of the options assessment.
- Keeping our growing city moving – John Gorton Drive and Molonglo River Bridge Crossing – early design – an exemption from submitting an environmental impact statement application was publicly notified and the notification period has now closed, with comments currently being complied. Minor earthworks have been arranged to complete the remaining geotechnical borehole.



Artist impression: John Gorton Drive and Molonglo River Bridge Crossing

- Delivering Light Rail stop at Mitchell; Mitchell Light Rail Stop
 - The project agreement for Light Rail Stage 1 required Canberra Metro to design and construct light rail with a provision for an additional stop immediately south of the Sandford Street-Morrisset Road intersection with Flemington Road that could be constructed in the future.
 - Given the strong patronage on the light rail system and responding to community feedback, the Government has committed to deliver the Mitchell stop as early as possible across the 2019-20 and 2020-21 financial years.
 - Major Projects Canberra has commenced discussions with Canberra Metro regarding the delivery of the Mitchell stop. This includes contract review and negotiation to confirm the detail design works, construction approach and impact to operations with the inclusion of an additional stop. The timing of works on the Mitchell stop will be determined through the negotiation process with Canberra Metro.
- Early Planning/Delivering Stage 2 of Light Rail to Woden;
 - Light rail from City to Woden will be delivered in two stages – from City to Commonwealth Park (Stage 2A) and from Commonwealth Park to Woden (Stage 2B). Extending the current Gungahlin to City route to Commonwealth Park demonstrates the ACT Government’s commitment to delivering light rail in the City to Woden corridor.
 - the ACT Government formally approved the extension of light rail from Alinga Street to Commonwealth Park (Stage 2A) to be delivered as an expansion of the existing contract with Canberra Metro. Major Projects Canberra is working with Canberra Metro on advancing design and Commonwealth planning approvals; and
 - Major Projects Canberra is continuing to work on progressing a business case for Stage 2B and consulting with Commonwealth agencies in parallel. Commonwealth environmental assessment processes and consultation with planning agencies in ongoing.

2.5.4 Enhancing Community Safety, Corrections and Justice

Progress against key capital projects that support community safety and justice services as at 31 December 2019 was as follows:

- More services for our suburbs – Enhancing our bushfire preparedness – the project overall is now 99 per cent complete.
- Creating a Reintegration Centre to support pathways out of the justice system – The early planning stage is now complete.

2.5.5 Providing Education for All

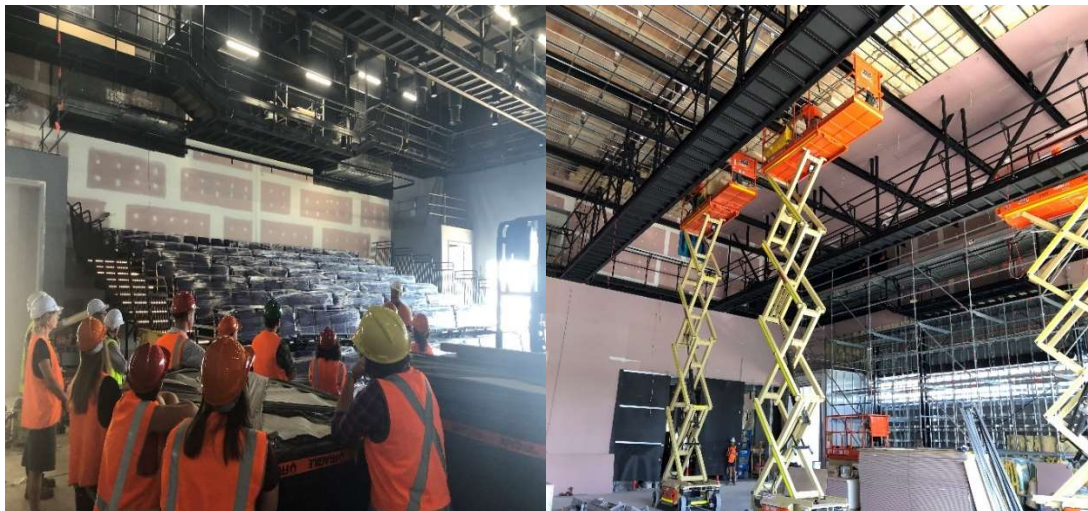
Major new works and upgrades to education facilities across the Territory continued. Some of the key progress during the quarter ending 31 December 2019 was as follows:

- More places for students at northside schools – work has reached 60 per cent completion.
- Expanded facilities for Gungahlin College – has reached 40 percent of completion.
- More schools, better schools – Roof Replacement Program – has reached 50 per cent of completion.
- More schools, better schools – More places at Gungahlin schools is now 65 per cent complete.

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 to 31 December 2019 was as follows:

- Better Services – Weston Creek and Stromlo swimming pool and leisure centre is now 80 per cent complete and is expected to be completed by April 2020.
- More and better jobs – Expanding Belconnen Arts Centre is now 60 per cent complete. Construction is scheduled for completion by end March 2020, and work is progressing rapidly.
- More jobs for our growing city – Better facilities for the Tuggeranong Rowing Club – is now fully complete.



Belconnen Arts Centre

2.5.7 Supporting Environmental and Waste Management

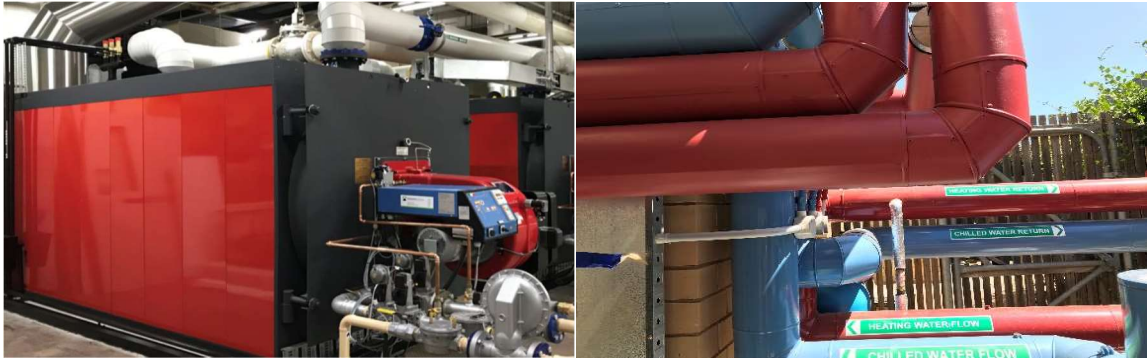
Works continued on several environmental, sustainability and waste management projects in 2019-20. Some of the key progress for the quarter ending 31 December 2019 was as follows:

- Better services in your community – Upgrade stormwater infrastructure on Flemington Road – the project has been physically completed.
- Caring for our Environment – Improving species and habitat protection – has reached 81 per cent completion.
- Better services in your community – Improving our capacity to fight bushfires – has reached 84 per cent of completion.

2.5.8 Delivering Health Services

Some of the key progress to 31 December 2019 was as follows:

- Surgical Procedures, Interventional Radiology and Emergency Centre:
 - Substantial progress has been made with clinicians and Canberra Health Services in the development of functional briefs and models of care to support the approved scope for the SPIRE Project.
 - Design consultants for the Preliminary Sketch Design (PSP) have been engaged and further development of the concept design has been initiated. Detailed workshops on the PSP design commenced in January 2020.
 - Construction of the first of the enabling works projects (Building 28) has commenced with completion scheduled for February 2020.
 - Design teams for all enabling works projects (excluding Building 28 referred to above) have been engaged and user engagement has commenced. Construction procurement for these projects is scheduled for the first quarter of 2020.
- Expansion of the Centenary Hospital for Women and Children – the design stage has been completed and the preliminary sketch plan designs commenced and progressed.
- More mental health services at the Canberra Hospital – the final sketch plan has been finalised.
- Better healthcare for a growing community – Delivering the Weston Creek Walk-in Centre – the project has reached physical completion and opened to the public on 13 December 2019. Community Health Centre construction is ongoing.
- Improved Infrastructure for Acute Aged Care and Cancer Inpatients has reached 76 per cent completion.
- Clinical Services Redevelopment – Phase 3 has reached 90 per cent completion. The new helipad windsock was completed during the quarter. Main works for Mental Health Ligature Minimisation Work were also completed with minor works ongoing.
- Sterilising Services – Relocation and upgrade – the project has reached 85 per cent completion and the final design documents regarding the construction of a tutorial room and sleep room were finalised during the quarter.



Left: New boilers for the production of heating and hot water in Building 1 at Canberra Hospital. Right: Replacement of the Heating, Ventilation and Air Conditioning hot and cold water pipework for the Drug and Alcohol Unit (Building 7) at Canberra Hospital