



ACT
Government

2019-20 CAPITAL WORKS PROGRAM
Year-to-Date 30 September 2019
Progress Report



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Attachments

APPENDIX 1: CAPITAL WORKS EXPENDITURE BY MAJOR PROJECTS

Front cover photos

JOHN GORTON DRIVE - 3A

1 Introduction

This report details the Government's 2019-20 Capital Works Program and outlines major project achievements for the quarter ending 30 September 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 reporting against investment in Information and Communication Technology (ICT) and Plant and Equipment (P&E).

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 2019-20 Capital Works Program. However, this report does provide a progress update on physical delivery for each PPP project.

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 and proposed variations and program savings have increased available funding to \$804 million for 2019-20.

A reconciliation of 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	34
Total Estimated Funds Available for Expenditure 2019-20	804

2.2 2019-20 Program Expenditure YTD September 2019

Actual year-to-date (YTD) expenditure as at 30 September 2019 was \$137 million comprising:

- new works expenditure of \$21 million; and
- works-in-progress expenditure of \$116 million.

September capital expenditure accounted for 17 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 September 2019

Agency	2019-20 Total funds available for expenditure \$'000	YTD September 2019 expenditure \$'000	Percentage spent YTD September 2019
Canberra Institute of Technology	7,241	866	12
Chief Minister, Treasury and Economic Development Directorate	140,872	29,454	21
City Renewal Authority	23,262	1,470	6
Community Services Directorate	2,898	166	6
Cultural Facilities Corporation	2,533	630	25
Education Directorate	95,272	11,483	12
Elections ACT	1,192	155	13
Environment Planning and Sustainable Development Directorate ¹	4,431	15,055	340
Health Directorate	191,515	26,497	14
Housing ACT	42,452	4,404	10
Justice and Community Safety Directorate	35,079	4,141	12
Office of the Legislative Assembly	1,463	17	1
Transport Canberra and City Services Directorate	255,611	42,611	17
TOTAL	803,821	136,950	17

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. ESPDD are expected to bring forward funds from the budget forward estimates in 2019-20 (through use of the capital delivery 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 September expenditure for the 2019-20 Better Infrastructure Fund was \$11 million, or 16 per cent of the available budget of \$65 million.

Table 3 – 2019-20 Better Infrastructure Fund Expenditure – September 2019

Agency	2019-20 Budget \$'000	2019-20 YTD September 2019 expenditure \$'000	Percentage spent YTD September 2019
Canberra Institute of Technology	2,777	537	19
Chief Minister, Treasury and Economic Development Directorate	7,788	784	10
Community Services Directorate	415	41	10
Cultural Facilities Corporation	418	178	43
Education Directorate	21,135	4,565	22
Environment Planning and Sustainable Development Directorate	1,025	0	0
Health Directorate	5,348	752	14
Justice and Community Safety Directorate	1,860	78	4
Office of the Legislative Assembly	324	0	0
Transport Canberra and City Services Directorate	24,144	3,715	15
TOTAL	65,234	10,650	16

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 \$192 million. For the quarter ending 30 September 2019 a total of \$25 million had been spent, or 13 per cent, of available funding.

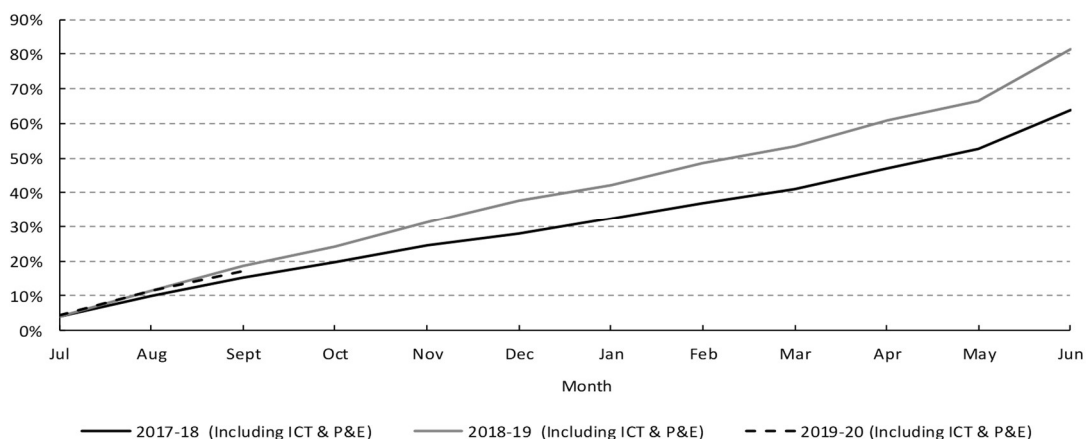
Table 4 – 2019-20 ICT and Plant and Equipment project expenditure – September 2019

Agency	2019-20 Funds Available for Expenditure \$'000	2019-20 YTD September 2019 expenditure \$'000	Percentage spent YTD September 2019
Canberra Institute of Technology	1,257	256	20
Chief Minister, Treasury and Economic Development Directorate	84,516	17,852	21
Community Services Directorate	2,483	125	5
Education Directorate	16,766	1,501	9
Elections ACT	1,192	155	13
Environment Planning and Sustainable Development Directorate	3,009	396	13
Health Directorate	22,999	1,813	8
Housing ACT	487	16	3
Justice and Community Safety Directorate	18,963	1,306	7
Office of the Legislative Assembly	35	0	0
Transport Canberra and City Services Directorate	40,496	1,354	3
TOTAL	192,203	24,774	13

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 September 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 30 September 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 – September 2019: Capital Works Program Pre-construction Milestone Performance**

Pre-Construction	Total number of targets	Targets Achieved	Percentage achievement
Project Brief	7	4	57
Early Planning	19	15	79
Consultation	5	1	20
Functional Brief Lodged	15	14	93
Final Sketch Plan	8	7	88
Design	18	10	56
DA Lodged	4	4	100
DA Approved	2	2	100
Contract Signed	22	5	23
TOTAL	100	62	62

2.4.2 Construction MilestonesConstruction Key Performance Indicators

- Eighty eight per cent (53 out of 60) 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 30 September 2019.
- Seven per cent (4 out of 60) of the projects in the construction phase outperformed against the target.
- Five per cent (3 out of 60) 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 September 2019 is as follows:

- Building a better city – Gundaroo Drive duplication – Stage 2 – the phase 1 works between Nudurr Avenue and Barton Highway are physically complete. Phase 2 work between Nudurr Avenue and Gungahlin Drive are progressing well with both underpasses now constructed.
- Improving Our Suburbs – New Molonglo Valley infrastructure – the progress of the project is as follows:
 - Molonglo Valley – John Gorton Drive 3A – construction works and landscaping are complete;
 - Molonglo Valley – John Gorton Drive 3B – earthworks have been completed. Services installation and construction of the pavement is currently underway;
 - Molonglo Valley - John Gorton Drive 3C – design work is currently being undertaken; and
 - Molonglo Valley – Watermain from Weetangera Reservoir – construction works, defect rectification and landscaping are complete.



John Gorton Drive - Watermain from Weetangera Reservoir

2.5.2 Public Housing Renewal

Total funding of more than \$600 million has been provided for the renewal of all public housing sites included in the ACT's Asset Recycling Initiative (ARI) agreement with the Commonwealth. This has included funding over the last four Budgets for the redevelopment and replacement of Owen Flats (Lyneham), Karuah (Dickson), Allawah Court (Braddon), Red Hill Housing Precinct (Red Hill), Bega Court (Reid), Northbourne Flats (Braddon and Turner), Currong Apartments (Braddon), Stuart Flats (Griffith), Strathgordon Court (Lyons), De Burgh Street – North and South (Lyneham) and Gowrie Court (Narrabundah).

The 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 1,228 properties completed and transferred to Housing ACT. Three remaining construction projects are being finalised and will be handed over in November 2019.

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 30 September 2019, was as follows:

- Making our roads safer while keeping Canberra moving – the project progress during the first quarter is as follows:
 - Making our Roads Safer – Heavy Vehicle Safety and Productivity Program – the tender for a design consultant has been advertised; and
 - Making our Roads Safer – Bridge Renewal – the investigation and design work for the project has been advertised.
- Improving Stormwater Networks – the development application has been submitted and once approved, construction contracts will be awarded for Fyshwick South.
- Delivering Safer Intersections – Novar and Kent Street – the preferred supplier's fee proposal has been approved and contract documents are currently being prepared.
- More jobs for our growing city – Better Town Centres – the project progress is as follows:
 - Pedestrian and cycleway improvements – additional traffic modelling and targeted stakeholder consultation was undertaken. The traffic impact assessment has been completed; and
 - Town Square and urban realm improvements – Stage 2 improvements have been initiated and tendering for design consultants has commenced.
- Better services in your community – Faster bus travel – all works on the bus shelters have been finalised and the project is physically complete.
- Keeping our growing city moving – Better infrastructure for active travel

- Belconnen Town Centre – the contract has been awarded for the construction of the Belconnen bikeway (Stage 1 and 2). The development application for the Belconnen Art Centre foreshore path project was submitted in July 2019;
 - Tuggeranong Town Centre – town square and laneways design and construction – a development application has been submitted and design acceptance has been issued. Final sketch plans for path improvements are being finalised in consultation with government stakeholders;
 - Cycling Network Improvements – final sketch plans for priority crossings and wayfinding are being prepared. A contract has been awarded for the feasibility study with investigation, surveys and options development currently underway;
 - Heysen Street Cycle Way Link – preliminary sketch plans have been completed and provided to government and the public for consideration; and
 - Active Streets for Schools Program – construction of a range of improvements from footpath connections, refuge islands, children’s crossing and traffic calming devices has commenced.
- Building a better city – ACTION – New bus depot Woden – the services relocation contractor has completed the water main relocation works and is awaiting approval for the sewer main relocation from Icon Water.
 - Building a better city – Monaro Highway upgrade – the consultancy contract has been awarded and traffic modelling work has commenced.
 - Building a better city – Pialligo Avenue duplication – the traffic modelling and survey have been completed. The design options study report has been submitted and the options to be included in the preliminary sketch plan have been agreed.
 - Keeping our growing city moving – Better infrastructure for the rapid transport network – construction works for a new bus shelter and verge improvements at Alinga Street have now been finalised. The project is physically and financially completed.
 - Keeping our growing city moving – John Gorton Drive and Molonglo River Bridge Crossing – early design along with consultation with key government directorates, utility authorities, special interest groups and industry stakeholders has been undertaken. Geotechnical investigation is currently underway.
 - Keeping our growing city moving – Pialligo pedestrian upgrades – the final targeted stakeholder meeting was held, and community consultation undertaken. The project is now physically and financially complete.
 - Keeping our growing city moving – Duplication between Barton Highway and Ginninderra Drive – the Development Application for this project has been lodged. An update to the ecological report is underway and will need to be lodged.
 - 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;

- following endorsement of a Business Case in August 2019, 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. To ensure value for money for Canberrans, a redacted business case was released on 10 September 2019;
- Major Projects Canberra is continuing to work on progressing a business case for Stage 2B and consulting with Commonwealth agencies in parallel. The route to Woden is complex and is going to take some time to get through Commonwealth planning processes; and
- progressing Stage 2A allows us the Territory to maintain momentum, resources and expertise from the successful delivery of Stage 1.

2.5.4 Enhancing Community Safety, Corrections and Justice

Progress against key capital projects that support community safety and justice services as at 30 September 2019 was as follows:

- More services for our suburbs – Enhancing our bushfire preparedness – the project overall is now 95 per cent complete.
- ESA – Station Relocation and Upgrade – Phase 2 – due diligence is now 85 per cent complete.
- Better support when it matters – Upgrading ESA Communications Centre and non-emergency patient transport facilities is now 100 per cent complete.



Non-Emergency Patient Transport Facility

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 30 September 2019 was as follows:

- More places for students at northside schools – has commenced construction and is five per cent of complete.
- More schools, better schools – Roof Replacement Program – has commenced construction and is 20 per cent complete.
- More schools, better schools – More places at Gungahlin schools is now 40 per cent complete.
- Schools for the Future – Modernising Belconnen High is now 98 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 30 September 2019 was as follows:

- Better Services – Weston Creek and Stromlo swimming pool and leisure centre is now 60 per cent complete.
- More and better jobs – Expanding Belconnen Arts Centre is now 30 per cent complete.
- More jobs for our growing city – Better arts facilities – project planning continues, pending the outcomes of consultation.
- More jobs for our growing city – New tracks and trails at the National Arboretum is now 90 per cent complete.



Tracks and trails at the National Arboretum

- More services for our suburbs – Parkwood estate rehabilitation – the Development Application proposal is under review to include a hazardous material survey of all the structures and the above ground material currently left behind by the tenants. The consultancy has been extended to cover the development of a sample analysis and quality plan for the proposed rehabilitation work.

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 30 September 2019 was as follows:

- Better services in your community – Upgrade stormwater infrastructure on Flemington Road – a contract for construction of a levy bank had been awarded and construction was underway.
- Environmental Offsets – Gungahlin (EPIC) is now complete.
- Caring for our Environment – Water Quality Improvement – Contributions to the ACT Healthy Waterways Project – had reached 90 per cent of completion.
- Caring for our Environment – Tharwa fish habitat improvement is now complete.
- Caring for our Environment – Establishing the Molonglo River Reserve Stage 3 is now complete.
- More jobs for our growing city – Greening the Murrumbidgee River Corridor is now complete.
- More services for our suburbs – Improved conservation management is 50 per cent complete.

2.5.8 Delivering Health Services

Some of the key progress to 30 September 2019 was as follows:

- Expanding Clare Holland House to strengthen palliative care – early planning has been finalised and a project control group has been established.
- Delivering the Inner North Walk-in Centre – the design stage has been completed and a principal design consultant has been appointed.
- More surgical theatres at Calvary Public Hospital – the early planning stage has been completed and the project has progressed to procurement.
- More urology services at Calvary Public Hospital – the early planning stage has been completed and the project scope is under review.
- More mental health services at the Canberra Hospital – the procurement process has commenced to appoint a principal consultant to develop preliminary sketch plan designs.
- Expanding pharmacy services at Canberra Hospital – A design consultant has been engaged to complete initial proof of concept designs for a new sterile manufacturing suite.
- Opioid treatment services on Canberra's northside – the design stage has been completed and architects have been appointed to undertake proof of concept design.
- Better healthcare for a growing community – More mental health accommodation – the Development Application has been approved and a head contractor for main construction works has been appointed.
- Improved Infrastructure for Acute Aged Care and Cancer Inpatients has reached 30 per cent completion. Ward 14A construction progressed and is nearing completion. Ward 14B construction is to commence in early 2020.

- Better healthcare for a growing community – ACT Health critical assets upgrades – is four per cent complete with Linear accelerator 2 commencing operations, while Linear accelerator 3 is expected to commence in the December 2019 quarter.
- Clinical Services Redevelopment – Phase 3 – has reached 80 per cent completion and works continued on the helipad and mental health ligature minimisation work during the quarter.
- Sterilising Services – Relocation and upgrade – has reached 80 per cent completion and the new pre-rinse sterilising unit has commenced operations.