



## **2015-16 CAPITAL WORKS PROGRAM**

### **March Quarter 2016 Progress Report**

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## ATTACHMENTS

APPENDIX 1: CAPITAL WORKS EXPENDITURE BY MAJOR PROJECTS

FRONT COVER PHOTOS

CHARLES CONDOR PRIMARY SCHOOL – PRODUCTIVE GARDEN  
MOLONGLO LINK BRIDGE

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## 1 Introduction

This report details the Government's 2015-16 Capital Works Program and outlines major project achievements for the quarter ending 31 March 2016. Details of the Capital Works Program major projects by agency for the March quarter 2016 are at Appendix 1. A major project is a project with a budget greater than or equal to \$10 million.

## 2 2015-16 Capital Program

### 2.1 2015-16 Program Overview

The 2015-16 Budget continued the significant investment in capital works across the Territory.

The original budgeted Capital Works Program, as published in the 2015-16 Budget Papers, was \$699 million. This figure was increased to \$702 million to take account of the rolling over of unspent appropriation from 2014-15, savings, variations and adjustments to Commonwealth funding.

A reconciliation of the 2015-16 Capital Works Program is shown in **Table 1** below.

**Table 1 – 2015-16 Capital Works Program Available Funding**

	\$ million
<i>2015-16 Original Budget Appropriation<sup>(a)</sup></i>	<i>699</i>
<b>Net Program adjustments, savings and rollovers</b>	<b>3</b>
<b><i>Total Funds Available for Expenditure 2015-16</i></b>	<b><i>702</i></b>

(a) See 2015-16 Budget Paper 3, page 164.

### 2.2 2015-16 Program Expenditure as at 31 March 2016

Actual year to date expenditure (YTD) to the March quarter 2016 was \$368 million comprising:

- New Works expenditure of \$103 million; and
- Works in Progress expenditure of \$265 million.

The YTD March quarter expenditure accounted for 52 per cent of total funds available for capital works in 2015-16, compared to the 46 per cent of total funds available recorded for the same period in 2014-15.

Historically, the majority of capital works expenditure occurs in the second half of the financial year and spending in the first two quarters reflects initiated progress on new works and works in progress from the previous year. This is because delivery of the New Works component of the Program cannot commence until 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 31 March 2016**

Agency	2015-16 Total Available Funds for Expenditure \$'000	YTD March 2015-16 Expenditure \$'000	Percentage Spent YTD March
Canberra Institute of Technology	7,189	3,208	45
Capital Metro	16,137	10,371	64
Chief Minister, Treasury and Economic Development Directorate	216,217	87,231	40
Community Services Directorate	2,843	1,152	41
Cultural Facilities Corporation	3,209	1,477	46
Education and Training Directorate	52,998	33,685	64
Environment and Planning Directorate	2,351	918	39
Health Directorate	157,741	98,522	62
Housing ACT	6,965	4,320	62
Justice and Community Safety Directorate	61,906	30,990	50
Office of the Legislative Assembly	6,356	3,056	48
Territory and Municipal Services Directorate	168,194	93,037	55
<b>TOTAL</b>	<b>702,106</b>	<b>367,967</b>	<b>52</b>

### 2.2.1 2015-16 Capital Upgrades Program

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

March year-to-date expenditure on the 2015-16 Capital Upgrades Program was \$23.4 million, equating to 43.7 per cent of the available budget of \$53.5 million.

**Table 3 – 2015-16 Capital Upgrades Program Expenditure – as at 31 March 2016**

Agency	Capital Upgrades Year-to-Date March 2016		
	2015-16 Revised Budget \$'000	2015-16 YTD March Expenditure \$'000	Percentage Spent YTD March
Canberra Institute of Technology	2,515	1,257	50
Chief Minister, Treasury and Economic Development	8,983	4876	54
Community Services Directorate	376	61	16
Cultural Facilities Corporation	379	270	71
Education and Training	12,138	5,877	48
Environment and Planning	143	35	25
Health	4,844	1,477	31
Office of the Legislative Assembly	708	503	71
Justice and Community Safety	1,683	426	25
Territory and Municipal Services	21,708	8,467	39
<b>TOTAL</b>	<b>53,477</b>	<b>23,249</b>	<b>43</b>

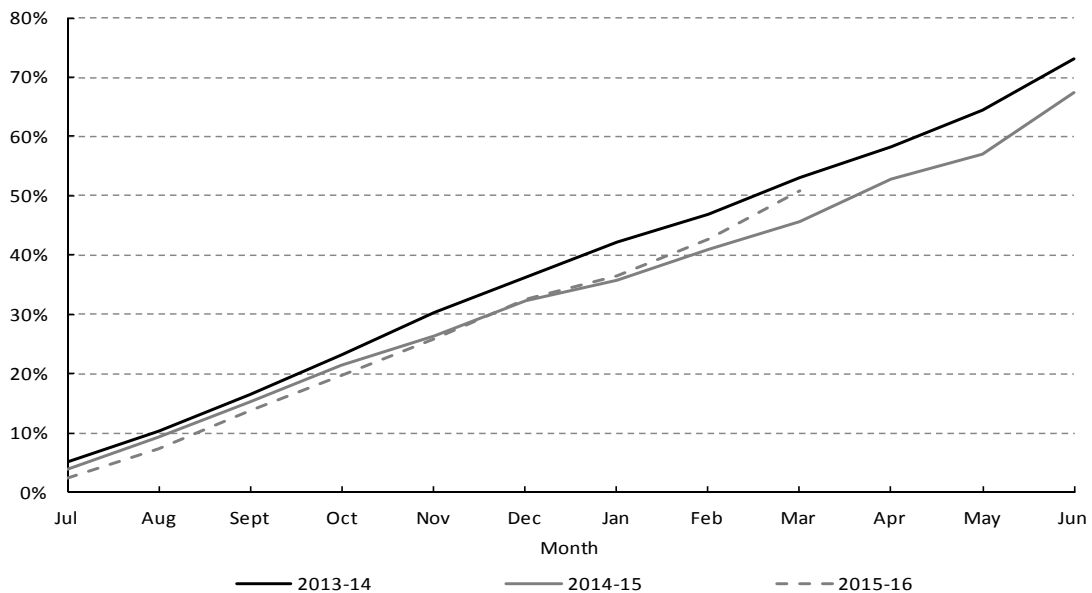
Significant upgrade works being delivered in 2015-16 include:

- public school infrastructure and safety improvements;
- upgrades to youth, child care and community facilities;
- improvements to sports facilities including upgrades to ovals, pavilions, pools, toilet blocks and flood lighting systems;
- building upgrades and facility improvements of health and hospitals 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 expenditure trends as a proportion of the funding within the Capital Works Program for the three years until YTD March 2016.

**Figure 1: Cumulative percentage of program expenditure as at 31 March 2016**



## 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 March quarter is set out in Table 4 below.

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

### Pre-Construction Key Performance Indicators

**Table 4: Quarter 3: Capital Works Program Pre-construction Milestone Performance**

Pre Construction	Number of targets	Actual number of targets achieved	Percentage achieved
Project Brief	0	0	N/A
Feasibility Study	14	11	79
Consultation	2	1	50
Functional Brief Lodged	20	19	95
Final Sketch Plan	3	1	33
Design	12	6	50
DA Lodged	4	3	75
DA Approved	8	5	63
Contract Signed	43	38	88
<b>TOTAL</b>	<b>106</b>	<b>84</b>	<b>79</b>

## **2.4.2 Construction Milestones**

### **Construction Key Performance Indicators**

- Seventy nine per cent (68 out of 86) of agency forecast quarterly construction targets were achieved within an acceptable level of variation of between 0-10 per cent in the second quarter.
- Seven per cent (6) of the projects in the construction phase outperformed against target.
- Fourteen per cent (12) underperformed by greater than 10 per cent during the second quarter.

## **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 Indicative Land Release Program includes a sales target of 13,500 dwelling sites between 2015-16 and 2018-19.

Progress against key capital projects that support the Land Release Program as at 31 March 2016, was as follows:

- Molonglo Infrastructure Investment reached 80 per cent completion.
- Throsby – Access road and western intersection reached 49 per cent completion.
- Molonglo 2 Sewer and Pedestrian Bridge over Molonglo River reached 86 per cent completion.
- Cravens Creek Water Quality Control Pond reached 37 per cent completion.
- Molonglo 3 – Major Electrical Infrastructure Relocation Feasibility Study was completed.
- Molonglo 3 – Preliminary Geotechnical Investigation Feasibility Study was completed.



**The new suburb of Throsby**

### **2.5.2 Public Housing Renewal**

The 2015-16 ACT Budget includes an initial commitment of \$159.2 million over the next two years for the delivery of 352 public housing properties to replace Owen Flats (Lyneham), Allawah Court (Braddon), the Red Hill Housing Precinct (Red Hill) and Karuah (Dickson). The 352 replacement public housing properties will be constructed on sites identified in Monash, Chisholm, Nicholls, Coombs, Moncrieff and Amaroo.

Replacement properties totalling 320 (out of the total 352) are in contract with construction companies, with all these projects now in construction.

These projects are part of the first phase of the Government's Public Housing Renewal Program, which aims to improve outcomes for public housing tenants in the ACT and support the renewal of Canberra's urban areas.

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

The Public Housing Renewal Taskforce has also transferred a further twenty (20) properties to Housing ACT, these properties have been sourced from approved proposals sought from builders, developers and property owners.

The expansion of the Public Housing Energy Efficiency Program also saw 557 properties being upgraded by the end of the March quarter. There were 1,110 properties upgraded in the 2014-15 financial year. The upgrades focus on increasing energy and water efficiency through retrofitting existing dwellings with new energy efficiency hot water and heating systems.

### **2.5.3 Delivery of Transport Infrastructure**

Significant upgrades to transport infrastructure across the Territory are planned for delivery in 2015-16, 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 31 March 2016, was as follows:

- William Slim/Barton Highway Roundabout Signalisation reached 25 per cent construction.
- Urban Renewal Program – Woden – Canberra Hospital connections reached 50 per cent construction.
- Constitution Avenue is ahead of schedule with 75 per cent of construction being achieved.
- Urban Renewal Program – Acton – Sullivans Creek cycle path upgrades had a contract signed.
- Urban Renewal Program – Kingston Group Centre – Pedestrian and cycling accessibility improvements – Stage 1 now has a final sketch plan.
- Majura Parkway to Majura Road – Link road reached 40 per cent completion.
- Woden Bus Interchange Redevelopment – Stage 1 reached 25 per cent construction.
- Better Roads for Tuggeranong – Ashley Drive duplication – Stage 2 is pending signing of the contract.
- Pialligo and Airport Road Network now has a functional brief.



**Constitution Avenue**

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

Progress against key capital projects that support community safety and justice services as at 31 March 2016 was as follows:

- Strengthening Emergency Services – Greenway Ambulance Station has reached 90 per cent construction.
- Emergency Services Agency Station Upgrade and Relocation – Aranda Station has reached 65 per cent completion. The main structure, block work and panels have been installed. The Project is on track for completion in July 2016.
- ESA Station Upgrade and Relocation – South Tuggeranong Station is physically complete.
- Construction of the ACT Law Courts Facilities has commenced following the relocation of the Justice chambers in the Supreme 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 March quarter 2016 was as follows:

- Belconnen High Modernisation – Stage 1 reached completion.
- Belconnen Regional Trade Skills Centre is 99 per cent complete with only the final defect rectification and minor works to be finalised.
- Coombs P-6 School Construction has reached 98 per cent completion with only minor ICT equipment acquisition to be finalised.
- Construction work in the Hazardous Material Removal Program – Stage 3 is now 65 per cent complete and remains on schedule to be completed in the 2016-17 year.
- Schools for the Future – Modernising Belconnen High School advertised a Request for Tender for a design consultant in March 2016.



**External learning and play space at Belconnen High 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 during the March quarter 2016 was as follows:

- The Local Shopping Centre Upgrades Program reached 50 per cent completion.
- Molonglo Riverside Park – Stage 1 reached 75 per cent completion.
- National Arboretum Canberra – Event Terrace and Precinct Facilities reached 25 per cent construction.
- Kingston Visual Arts Hub (Feasibility) is now 98 per cent complete.
- The preliminary planning on Urban Renewal Program – Phillip Oval upgrade has commenced.

### 2.5.7 Supporting Environmental and Waste Management

Works continued on a number of environmental, sustainability and waste management projects during 2015-16. Some of the key progress during the March quarter 2016 was as follows:

- Environmental Offsets – Lawson South reached 25 per cent completion.
- Mugga Lane – Replace Damaged Septic System reached 25 per cent completion.
- Mugga 2 Quarry – Remediation reached 50 per cent completion.
- ACTION – Replace Underground Storage Tanks reached 75 per cent completion.
- Essential Waste Management Infrastructure is now under contract.

### 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 during the March quarter 2016 was as follows:

- The Canberra Hospital – Essential infrastructure and engineering works has achieved 54 per cent construction.
- The transfer of the Ophthalmology Service and Reverse Osmosis Unit to Calvary as part of the Canberra Hospital Redevelopment is now 90 per cent complete.
- Secure Mental Health Unit - Stage 2 is now 77 per cent complete.
- University of Canberra Public Hospital had the official sod turning in February with the site excavation advancing.
- Construction of the Clinical Services and Inpatient Unit Design and Infrastructure Expansion reached 70 per cent completion.
- Staging and Decanting – Moving To Our Future is now physically complete.

- The Aboriginal Torres Strait Islander Residential Alcohol and Other Drug Rehabilitation Facility achieved 82 per cent construction.
- Canberra Hospital – More beds is now physically complete.
- Calvary Public Hospital – Upgrade of medical imaging equipment will release a Request for Tender in early May 2016.



**University of Canberra Public Hospital – Sod Turning**