



ACT
Government



2017-18 CAPITAL WORKS PROGRAM
Year-To-Date 30 September 2017
Progress Report

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ATTACHMENTS

APPENDIX 1: CAPITAL WORKS EXPENDITURE BY MAJOR PROJECTS

FRONT COVER PHOTOS

LIGHT RAIL – STAGE 1 – ASSEMBLED CAR BODIES.

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1 Introduction

This report details the Government's 2017-18 Capital Works Program and outlines major project achievements for the three month period ending 30 September 2017. Details of agency major projects 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.

The 2017-18 Capital Works Program now includes reporting against investment in Information 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 2017-18 Capital Works Program. This report does provide a progress update for each PPP project.

In 2017-18 the scheduled PPP expenditure, by the private sector, is \$250 million for Light Rail –Stage 1 and \$59 million for the ACT Law Courts Facilities.

2 2017-18 Capital Works Program

2.1 2017-18 Program Overview

The 2017-18 Budget continued the significant investment in capital works across the Territory.

The original budgeted Capital Works Program, as published in the 2017-18 Budget Papers, was \$888 million. This budget was increased to \$1,008 million to take account of the net effect of rolling over unspent appropriation from 2016-17, post-budget expenditure adjustments, program savings and variations.

A reconciliation of the 2017-18 Capital Works Program is shown in **Table 1** below.

Table 1 – 2017-18 Capital Works Program Available Funding

	\$ million
<i>2017-18 Original Budget Appropriation^(a)</i>	<i>888</i>
Net Program adjustments, savings and rollovers	120
<i>Total Funds Available for Expenditure 2017-18</i>	<i>1,008</i>

(a) See 2017-18 Budget Paper 3, page 164.

2.2 2017-18 Program Expenditure YTD September 2017

Actual year-to-date (YTD) expenditure as at 30 September 2017 was \$157 million comprising:

- new works expenditure of \$12 million; and
- works-in-progress expenditure of \$145 million.

The YTD September capital expenditure accounted for 16 per cent of total funds available for capital works in 2017-18.

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

Table 2 – Capital Works Program Expenditure – as at 30 September 2017

Agency	2017-18 Total funds available for expenditure \$'000	YTD September 2017 expenditure \$'000	Percentage spent YTD September 2017
Canberra Institute of Technology	4,792	1,049	22
Chief Minister, Treasury and Economic Development Directorate	106,195	22,780	21
City Renewal Authority	9,500	0	0
Community Services Directorate	4,964	10	0
Cultural Facilities Corporation	1,520	438	29
Education Directorate	102,157	9,161	9
Elections ACT	235	0	0
Environment Planning and Sustainable Development Directorate	299,817	38,793	13
Health Directorate	221,666	40,466	18
Housing ACT	5,700	1,560	27
Justice and Community Safety Directorate	48,139	2,062	4
Office of the Legislative Assembly	595	261	44
Transport Canberra and City Services Directorate	201,950	40,039	20
TOTAL	1,007,586	156,619	16

2.2.1 Capital Delivery Provision

The 2017-18 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 2017-18 Budget, adjusted for the Capital Delivery Provision, is provided in Table 3:

Table 3 – Performance against Capital Delivery Forecast 30 September 2017

2017-18 Total funds available for expenditure (\$'000)	2017-18 Capital Delivery Provision adjustment (\$'000)	2017-18 Capital delivery forecast (\$'000)	Actual expenditure YTD against Capital delivery forecast (\$'000)	Percentage spent YTD September 2017
1,007,586	-131,176	876,410	156,619	18

2.2.2 2017-18 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. In the 2017-18 Budget this program, previously referred to as the Capital Upgrade Program, was renamed as the Better Infrastructure Fund.

YTD September expenditure on the 2017-18 Better Infrastructure Fund was \$3.4 million, equating to six per cent of the available budget of \$60.2 million.

Table 4 – 2017-18 Better Infrastructure Fund Expenditure – 30 September 2017

Agency	2017-18 Budget \$'000	2017-18 YTD September 2017 expenditure \$'000	Percentage spent YTD September 2017
Canberra Institute of Technology	2,642	327	12
Chief Minister, Treasury and Economic Development Directorate	7,418	1,848	25
Community Services Directorate	395	9	2
Cultural Facilities Corporation	398	162	41
Education Directorate	20,700	0	0
Environment Planning and Sustainable Development Directorate	976	106	11
Health Directorate	5,089	217	4
Justice and Community Safety Directorate	1,771	42	2
Office of the Legislative Assembly	144	0	0
Transport Canberra and City Services Directorate	20,639	730	4
TOTAL	60,172	3,441	6

Significant infrastructure improvements being delivered in 2017-18 include:

- a major investment in public school infrastructure and safety improvements;
- improvements to Canberra's CIT infrastructure;
- improvements to sporting facilities including upgrades to ovals, pavilions, pools, toilet blocks and flood lighting systems;
- safety compliance upgrades to city infrastructure;
- major upgrades to Woden library;
- building upgrades and facility improvements of health and hospital infrastructure;
- road safety measures including traffic signal controls;
- footpath and cycling improvements around schools and the broader city network;
- upgrades and modifications to public transport infrastructure;
- improvements to our parks and nature reserves; and
- improvements to emergency services facilities.

2.2.3 2017-18 Information Communication Technology (ICT) and Plant and Equipment (P&E) Expenditure

The 2017-18 Capital Works Program includes investment by the Government in ICT and P&E projects. Total investment in these projects for 2017-18 is valued at \$158 million. For the period ending 30 September 2017 a total of \$24 million had been spent or 15 per cent of available funding, refer to Table 5.

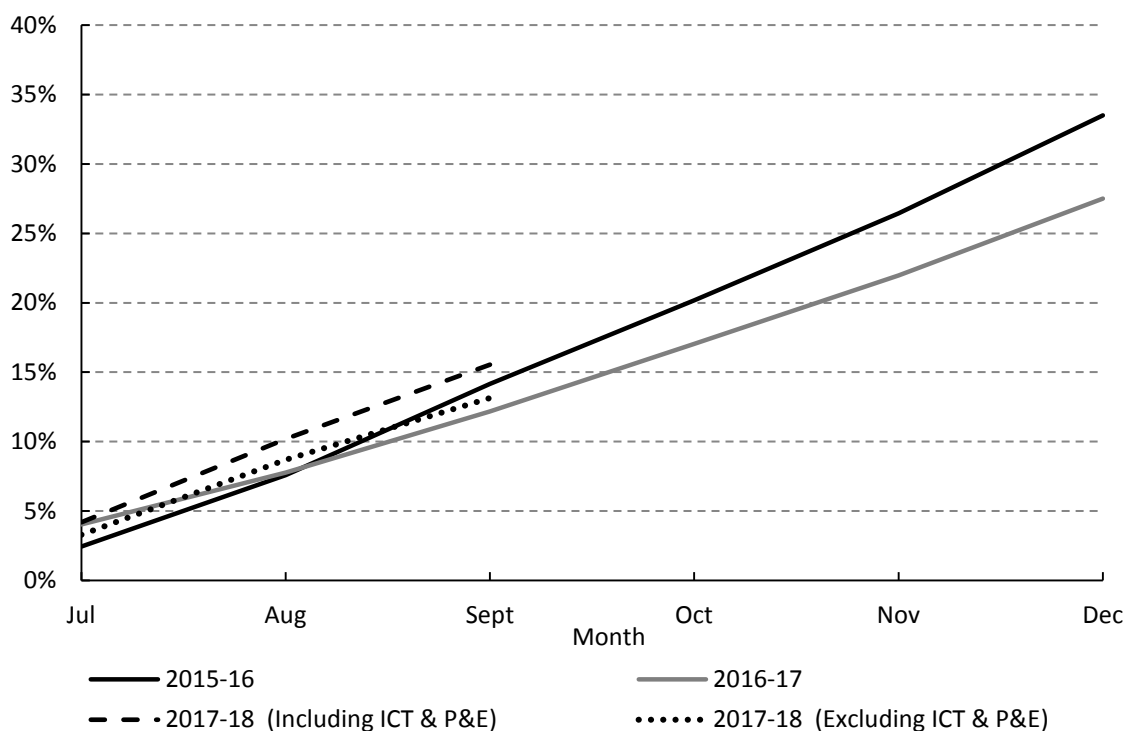
Table 5 – 2017-18 ICT and Plant and Equipment project expenditure – 30 September 2017

Agency	2017-18 Budget \$'000	2017-18 YTD September 2017 expenditure \$'000	Percentage spent YTD September 2017
Canberra Institute of Technology	1,257	154	12
Chief Minister, Treasury and Economic Development Directorate	41,797	14,020	34
Community Services Directorate	3,394	0	0
Education Directorate	16,452	503	3
Elections ACT	235	0	0
Environment Planning and Sustainable Development Directorate	4,480	481	11
Health Directorate	16,718	1,515	9
Justice and Community Safety Directorate	30,654	1,194	4
Office of the Legislative Assembly	201	19	9
Transport Canberra and City Services Directorate	42,433	6,324	15
TOTAL	157,621	24,210	15

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 2017-18.

Figure 1: Cumulative percentage of program expenditure - YTD September 2017, 2015-16 and 2016-17



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:

- 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 30 September 2017 is set out in Table 4 below.

This table excludes projects under the Better Infrastructure Fund which are usually minor projects.

Pre-Construction Key Performance Indicators

Table 4: 30 September 2017: Capital Works Program Pre-construction Milestone Performance

Pre - Construction	Total number of targets quarter	Targets Achieved	Percentage achievement
Project Brief	9	4	44
Feasibility Study	16	8	50
Consultation	3	3	100
Functional Brief Lodged	13	10	77
Final Sketch Plan	6	3	50
Design	4	2	50
DA Lodged	2	0	0
DA Approved	2	2	100
Contract Signed	20	17	85
TOTAL	75	49	65

2.4.2 Construction Milestones

Construction Key Performance Indicators

- Sixty three per cent (55 out of 87) 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 30 September 2017.
- Thirteen per cent (11 out of 87) of the projects in the construction phase outperformed against target.
- Twenty four per cent (21 out of 87) 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 2017-18 Budget includes a sales target of 16,250 dwelling sites between 2017-18 and 2020-21.

Progress against key capital projects that support the Land Release Program as at YTD September 2017 is as follows:

- Better Roads for Gungahlin – Horse Park Drive duplication (Mulligans Flat Road to the Federal Highway) - The section between Anthony Rolfe Avenue and Gundaroo Drive is now complete. Works are progressing well on the section between Gundaroo Drive and Mulligans Flat Road. Tenders for the final stage between Well Station Drive and the Federal Highway are due to be called in November 2017, with all works due for completion by mid-2019.
- Better Roads for Weston Creek – Cotter Road duplication (Tuggeranong Parkway to Yarralumla Creek) - The project has reached 50 per cent construction. Works are progressing on upgrading the existing bridges and carriageway. Works are planned for completion in early 2018.
- Majura Parkway to Majura Road – Link road - The project has reached 75 per cent construction.
- Building a better city – William Hovell Drive upgrade - Early planning is underway and the functional brief has been lodged.



John Gorton Drive Extension

2.5.2 Public Housing Renewal

The 2017-18 ACT Budget provides capital funding of more than \$194 million in 2017-18 for the Public Housing Renewal Program and a total of \$296 million over the four years to 2020-21. This includes additional funding of \$50 million over four years for the sale and replacement of 72 public housing properties at Gowrie Court (Narrabundah) and the ongoing Public Housing Renewal Taskforce costs.

This funding also ensures the ACT Government can provide ongoing support and assistance to tenants during their relocation to improved accommodation. It builds on the allocations in the 2015–16 and 2016–17 Budgets for the redevelopment and replacement of 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).

Total funding of more than \$600 million has now been provided for the renewal of all public housing sites included in the ACT's Asset Recycling Initiative (ARI) agreement with the Commonwealth.

The Public Housing Renewal Taskforce has now transferred 585 completed properties to Housing ACT. The Taskforce is also constructing and purchasing replacement properties. As at 30 September 2017, 149 dwellings were in the design pipeline, 232 dwellings were subject to Development Applications or tender processes, 12 dwellings were under construction and offers had been accepted for purchase of 287 dwellings.

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 2017-18 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 30 September 2017, was as follows:

- Better Public Transport for Tuggeranong – Park and ride facility for Wanniasa - The project has reached physical completion.
- Better Roads for Tuggeranong – Ashley Drive Duplication – Stage 2 - Two underpasses (Statton/Bugden) are now complete and the Monks Creek bridge is nearing completion. The Clift Crescent intersection has also been completed and re-opened to traffic. The water main relocation continues to be discussed with Icon Water. Final completion is planned for early 2018. The project is approximately 50 per cent complete.
- Better Roads for Tuggeranong – Ashley Drive Duplication (Ellerston Avenue to Johnson Drive) - The contractor has completed additional stormwater works at the intersection with Ellerston Avenue. Works on the new duplicated section to the Johnson Drive roundabout are progressing well. The project is approximately 35 per cent complete and due to be opened to traffic in early 2018.
- Better Roads for Belconnen – Aikman Drive Duplication - Construction activities are progressing on schedule with the final completion of the Stage 1 works due for completion in November 2017. Stage 2 works extending Pantawora Street is planned to begin in early 2018. The project is approximately 40 per cent complete.
- Better Roads for Gungahlin – Gundaroo Drive duplication – Stage 1 - The project has reached 50 per cent completion. Works are progressing on widening of Mirrabei Drive and the signalisation with Gunadroo Drive. Works are continuing on Gundaroo Drive, south of Gungahlin Drive through to Anthony Rolfe Avenue, with a traffic switch planned for late 2017.
- Light Rail–Stage 1 (Public Private Partnership) is well progressed with the following achievements:
 - As at 30 September 2017, the constructor - Canberra Metro, the Independent Certifier and Transport Canberra and City Services across all aspects of the Light Rail Stage 1 project including safety, environmental, construction, design, audits, administrative and financial operations has seen over 1,000,000 hours of labour invested in the project.
 - Construction activities are occurring across the entire length of the alignment. There has been a significant increase in the construction activities relating to the installation of track slab and physical track along the route; a quarter of the track slab has now been installed, and the installation of the physical track has now commenced, predominantly on the north section of the light rail route.

- Works at the depot are progressing with works on the bridge, maintenance and administration buildings progressing well in order to be ready for the arrival of the first tram.
- The first light rail vehicle was inspected at the manufacturer's plant in Spain in mid-October by the Chief Minister and representatives of Transport Canberra and City Services. It has since been transported by road to the port in Spain, transferred to the ship, and is currently on route to Australia. It is scheduled to arrive at the depot site in Canberra in mid-December 2017.



Light Rail - Stage 1 - track slab and physical track construction.

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 2017 was as follows:

- Reforming Emergency Services – Aero-medical services and hangar upgrade - The new helipad and the height extension to the hangar are complete. Builders are now recladding the hangar. Once the hangar is water tight, the internal works/fitout will begin.
- Reforming Emergency Services – Guises Creek Rural Fire Station upgrade - The extension has been clad and the roof has been fitted with internal works and fitout to begin from early October 2017.
- Reforming Emergency Services – New SES station for Tuggeranong - The building is nearing lock up stage. The roofing and windows are completed and the wall cladding is almost complete.
- Reforming Emergency Services – Fyshwick Fire and Rescue Station upgrade - The project has reached physical completion.
- Better support when it matters – More frontline firefighters – Second crew at Ainslie Station - The project is now in the final stage of early planning.

- Better support when it matters – Upgrading ESA Communications Centre and non-emergency patient transport facilities - The project now in the final stage of early planning.
- ACT Law courts Facilities (Public Private Partnership) – construction progress includes:
 - the structure is now complete with the topping out ceremony held 26 July 2017;
 - works progress on the Supreme Court communications room with racks being replaced and cable runs commencing in the room;
 - wall framing and sheeting is underway on all levels;
 - the ceiling structure for Court 4 is complete with screen wood installation commenced;
 - well advanced installation of services throughout the building; and
 - the temporary hearing room and Legal Aid consult rooms to Level 1 of the Magistrates Court are nearing completion.

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 2017 was as follows:

- Better schools for our kids – Expanding schools in Gungahlin - The project brief has been completed.
- Better schools for our kids – Narrabundah College and Campbell Primary School - The project brief has been completed.
- Schools for the Future – Caroline Chisholm School – Centre for Innovation and Learning - Construction is now 60 per cent completed and is continuing to schedule with operations to commence at the beginning of term 1, 2018.
- Schools for the Future – Modernising Belconnen design - The project has reached 10 per cent construction.
- Schools for the Future – North Gungahlin and Molonglo - Design finalisation is now complete.
- Better Schools – Investment in Gungahlin school infrastructure - Overall the project is 70 per cent complete. The Palmerston Pre-school and the Harrison School Expansion are complete. The work on Amaroo School is now 10 per cent complete, with operations to commence at the beginning of term 1, 2018.



Caroline Chisholm High School Centre for Innovation and Learning (left) and Amaroo School - new multi-purpose building under construction (right).

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 September 2017 was as follows:

- Building a better city – Improving major venues - The project has reached 20 per cent completion and the tender has now closed for Manuka turf replacement.
- More and better jobs – Improving Manuka Oval broadcast and media facilities - Minor works have commenced, pre approvals are being sought and tenderer briefing has been undertaken along with design meetings regarding the architecture.
- Better Services – Weston Creek and Stromlo swimming pool and leisure centre - The project brief has been finalised and a construction tender was issued in August 2017.
- More and better jobs – Expanding Belconnen Arts Centre - The project brief has been completed.
- Narrabundah Ball Park Upgrade – Best Little Ballpark in Australia - Transport Canberra and City Services (TCCS) and Active Canberra have partnered with Baseball Australia as part of the project consultation and due diligence. If the timely advice/information is received from Baseball Australia to finalise consultation, then the project can be completed within scheduled timeframes.
- Urban Renewal Program – City to the Lake – West Basin infrastructure - The project reached 60 per cent completion.

2.5.7 Supporting Environmental and Waste Management

Works continued on a number of environmental, sustainability and waste management projects in 2017-18. Some of the key progress as at 30 September 2017 was as follows:

- Caring for our Environment – Establishing the Molonglo River Reserve Stage-3 (Catherine Park) - A Request for Tender has been released for the landscape design of the park to incorporate:
 - restoration of the degraded areas back to Box-Gum Grassy Woodland using innovative best practice techniques;
 - remediation comprising containment and rehabilitation of sludge pits associated with the former Molonglo Sewerage Treatment Plant; and
 - recreation including establishment of a cultural interpretation space, nature playground, passive facilities (e.g. parking, benches) with a focus on maintaining broader movement connections for multiple site users (e.g. bike riders, pedestrians).
- Caring for our Environment – Improving species and habitat protection - The project is now 10 per cent complete.
- Caring for our environment – Water Quality Improvement – contributions to the Basin Priority Project – Stage 2 - Construction is 10 per cent complete.
- Essential Waste Management Infrastructure - The project is now physically complete.

- Stromlo Forest Park – Implementation of bushfire management plan - The project is now 50 per cent implemented.
- Isabella Weir Spillway Upgrades - The project has reached 40 per cent completion.
- Enhancing the protection of endangered species and habitat - The achievements this quarter include:
 - The construction of the 2.4 kilometre section of the fence adjacent to the new suburb of Throsby is almost complete. The northern section of the fence is 100 per cent complete and the southern section is on hold while the critically endangered Superb Parrots are nesting in the Sanctuary; and
 - Design for the Gorooyaroo section of the fence is almost complete with construction to be tendered in December 2017. Construction of this 9.5 kilometre section will complete the enclosure of the extended sanctuary, and is programmed for completion by 30 June 2018.
- Digital Canberra – Upgrade of the ACT Government spatial data management system - Phase 1 of the project is 85 per cent complete.
- Better services in your community – Jarramlee Nature Reserve – Protecting our nature reserves - The project is now under contract.
- Better services in your community – Improving our capacity to fight bushfires - The project now has a finalised project brief.



Isabella Weir upgrade and Isabella Wetland

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 to September 2017 was as follows:

- University of Canberra Public Hospital - Project construction has progressed to 83 per cent. The Building, landscaping and fit out works are near completion. Building services commissioning is progressing well with practical completion expected in late November 2017.
- Improved Infrastructure for Acute Aged Care and Cancer Inpatients - A draft Health Planning Unit Brief and Model of Care for 14A and 14B (oncology services) have been developed. A detailed project plan, including procurement strategy, master schedule and cost plan analysis is now complete.

Construction of the Ward 11A refurbishment (acute aged care facilities) is underway with a target completion date of December 2017.

- Better Health Services – Upgrading and maintaining ACT Health assets (UMAHA) - The planning and implementation for works associated with UMAHA is underway. The key objective is to deliver necessary building upgrades whilst minimising disruption to health service delivery.
- The E-healthy Future - The project has reached 89 per cent completion.
- Calvary Public Hospital – Operating theatre upgrade - The project is progressing well. The key progress over the quarter included:
 - the establishment of a new theatre entry and reception;
 - the upgrade of six bed patient holding bays;
 - the upgrade of Theatres 1-4 with separate patient entry and exit doors; and
 - new surgical lights, pendants and equipment integration in Theatre 1-3.Work continues on the redevelopment and upgrading of:
 - the post anaesthetic care recovery area; and
 - the construction of a procedure room.

- Calvary Public Hospital – Upgrade of medical imaging equipment - The project is progressing. The key progress over the quarter included:
 - completed installation of a new direct digital radiography and fluoroscopy x-ray machine;
 - new ultrasound machine; and
 - new mobile direct digital radiography and image intensifier units.

Work continues on the redevelopment and upgrading of:

- the new CT scanner, which has been delivered on site; and
- the lead shielding for the new CT room is due for delivery in two weeks for the construction of the new CT scanner room which is due to be completed by the end of December 2017.