



**2016-17 CAPITAL WORKS PROGRAM**  
**Year-To-Date 30 June 2017**  
**Progress Report**

## TABLE OF CONTENTS

|          |  |          |
|----------|--|----------|
| <b>1</b> | <b>INTRODUCTION .....</b>  | <b>1</b> |
| <b>2</b> | <b>2016-17 CAPITAL WORKS PROGRAM.....</b>                        | <b>1</b> |
| 2.1      | 2016-17 PROGRAM OVERVIEW .....                                   | 1        |
| 2.2      | 2016-17 PROGRAM EXPENDITURE YTD JUNE 2017 .....                  | 1        |
| 2.2.1    | <i>Capital Delivery Provision</i> .....                          | 2        |
| 2.2.2    | <i>2016-17 Capital Upgrades Program</i> .....                    | 3        |
| 2.3      | HISTORICAL EXPENDITURE TRENDS.....                               | 4        |
| 2.4      | NON-FINANCIAL (MILESTONE) OUTCOMES .....                         | 4        |
| 2.4.1    | <i>Pre-construction Milestones</i> .....                         | 4        |
| 2.4.2    | <i>Construction Milestones</i> .....                             | 5        |
| 2.5      | DELIVERY OF INFRASTRUCTURE FOR THE ACT COMMUNITY.....            | 5        |
| 2.5.1    | <i>Land Release Program</i> .....                                | 5        |
| 2.5.2    | <i>Public Housing Renewal</i> .....                              | 6        |
| 2.5.3    | <i>Delivery of Transport Infrastructure</i> .....                | 6        |
| 2.5.4    | <i>Enhancing Community Safety, Corrections and Justice</i> ..... | 9        |
| 2.5.5    | <i>Providing Education for All</i> .....                         | 9        |
| 2.5.6    | <i>Recreation and Parks</i> .....                                | 10       |
| 2.5.7    | <i>Supporting Environmental and Waste Management</i> .....       | 11       |
| 2.5.8    | <i>Delivering Health Services</i> .....                          | 12       |

## ATTACHMENTS

APPENDIX 1: CAPITAL WORKS EXPENDITURE BY MAJOR PROJECTS

FRONT COVER PHOTOS

LIGHT RAIL – STAGE 1 – ASSEMBLED CAR BODIES IN SPAIN.  
GUNDAROO DRIVE DUPLICATION – GRAVEL PLACEMENT

## 1 Introduction

This report details the Government's 2016-17 Capital Works Program and outlines major project achievements for the three month period ending 30 June 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, by the private sector, 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 \$756 million to take account of the net effect of rolling over unspent appropriation from 2015-16, 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>4</b>   |
| <b>Total Funds Available for Expenditure 2016-17</b>       | <b>756</b> |

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

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

Actual year-to-date (YTD) expenditure as at 30 June 2017 was \$513 million comprising:

- new works expenditure of \$165 million; and
- works-in-progress expenditure of \$348 million.

The YTD June expenditure accounted for 68 per cent of total funds available for capital works in 2016-17, compared to the 81 per cent recorded for the same period in 2015-16.

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

**Table 2 – Capital Works Program Expenditure – as at 30 June 2017**

| Agency  | 2016-17 Total funds available for expenditure \$'000 | YTD June 2017 expenditure \$'000 | Percentage spent YTD June 2017 |
|---|--|----------------------------------|--------------------------------|
| Canberra Institute of Technology                              | 3,886  | 2,994                            | 77                             |
| Chief Minister, Treasury and Economic Development Directorate | 270,880  | 177,116                          | 65                             |
| Community Services Directorate                                | 1,764  | 589                              | 33                             |
| Cultural Facilities Corporation                               | 1,774  | 1,774                            | 100                            |
| Education Directorate   | 46,862   | 19,579                           | 42                             |
| Environment Planning and Sustainable Development Directorate  | 23,321   | 8,405                            | 36                             |
| Health Directorate  | 223,021  | 156,710                          | 70                             |
| Housing ACT   | 5,565  | 5,565                            | 100                            |
| Justice and Community Safety Directorate                      | 24,375   | 15,041                           | 62                             |
| Office of the Legislative Assembly                            | 943  | 693                              | 73                             |
| Transport Canberra and City Services Directorate              | 153,806  | 124,176                          | 81                             |
| <b>TOTAL</b>  | <b>756,197</b>                                       | <b>512,642</b>                   | <b>68</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 30 June 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 June 2017 |
|--|--|--|---|--------------------------------|
| 756,197  | -109,366   | 646,831                                    | 512,642   | 79                             |

### 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 June expenditure on the 2016-17 Capital Upgrades Program was \$38.6 million, equating to 73 per cent of the available budget of \$53.2 million.

**Table 4 – 2016-17 Capital Upgrades Program Expenditure – 30 June 2017**

| Agency   | 2016-17 Budget<br>\$'000 | 2016-17 YTD<br>June 2017<br>expenditure<br>\$'000 | Percentage<br>spent YTD<br>June 2017 |
|--|--------------------------|---|--------------------------------------|
| Canberra Institute of Technology                                 | 2,578                    | 1,595   | 62                                   |
| Chief Minister, Treasury and Economic Development<br>Directorate | 9,335                    | 6,834   | 73                                   |
| Community Services Directorate                                   | 385                      | 385   | 100                                  |
| Cultural Facilities Corporation                                  | 388                      | 387   | 100                                  |
| Education Directorate  | 14,570                   | 9,695   | 67                                   |
| Environment Planning and Sustainable Development<br>Directorate  | 664                      | 565   | 85                                   |
| Health Directorate   | 4,965                    | 2,074   | 42                                   |
| Justice and Community Safety Directorate                         | 1,727                    | 1,448   | 84                                   |
| Office of the Legislative Assembly                               | 250                      | 0   | 0                                    |
| Transport Canberra and City Services Directorate                 | 18,326                   | 15,606  | 85                                   |
| <b>TOTAL</b>   | <b>53,188</b>            | <b>38,589</b>                                     | <b>73</b>                            |

Significant upgrade works being delivered in 2016-17 include:

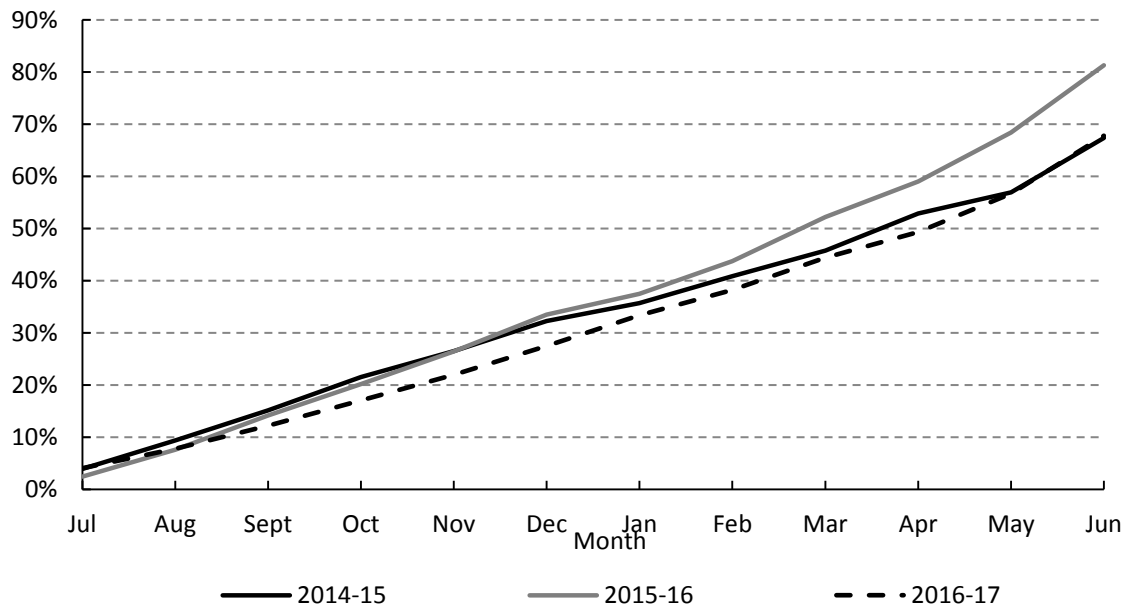
- public school infrastructure and safety improvements;
- upgrades to youth, child care and community facilities;
- improvements to sporting facilities including upgrades to ovals, pavilions, pools, toilet blocks and flood lighting systems;
- building upgrades and facility improvements of health and 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.

In the 2017-18 Budget this program was renamed as the Better Infrastructure Fund.

## 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 June 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 30 June 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: 30 June 2017: Capital Works Program Pre-construction Milestone Performance**

| <b>Pre - Construction</b> | <b>Total number of targets quarter</b> | <b>Targets Achieved</b> | <b>Percentage achievement</b> |
|---------------------------|--|-------------------------|-------------------------------|
| Project Brief             | 1                                      | 1                       | 100                           |
| Feasibility Study         | 15                                     | 9                       | 60                            |
| Consultation              | 3                                      | 1                       | 33                            |
| Functional Brief Lodged   | 1                                      | 1                       | 100                           |
| Final Sketch Plan         | 4                                      | 4                       | 100                           |
| Design                    | 12                                     | 2                       | 17                            |
| DA Lodged                 | 4                                      | 2                       | 50                            |
| DA Approved               | 2                                      | 1                       | 50                            |
| Contract Signed           | 16                                     | 13                      | 81                            |
| <b>TOTAL</b>              | <b>58</b>                              | <b>34</b>               | <b>59</b>                     |

**2.4.2 Construction Milestones**Construction Key Performance Indicators

- Sixty two per cent (60 out of 96) 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 June 2017.
- Eighteen per cent (17 out of 96) of the projects in the construction phase outperformed against target.
- Twenty per cent (19 out of 96) 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 2016-17 Budget 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 June 2017 is as follows:

- Better Roads for Gungahlin – Horse Park Drive duplication - has reached 80 per cent construction and is now slightly ahead of schedule.
- Better Roads for Weston Creek – Cotter Road duplication (Tuggeranong Parkway to Yarralumla Creek) - has reached 26 per cent.
- Majura Parkway to Majura Road – Link road - has reached 70 per cent construction. The bridge deck has been poured and pavement work has commenced.



Woolshed Creek Bridge - Majura Link Road

### **2.5.2 Public Housing Renewal**

The 2017-18 ACT Budget provides capital funding of more than \$194 million in 17-18 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 continued renewal of public housing, particularly 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 510 completed properties to Housing ACT. The Taskforce is also constructing and purchasing replacement properties. As at 30 June 2017, 57 dwellings were under construction, 24 dwellings were subject to Development Applications or tender processes and offers had been accepted for purchase of more than 300 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 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 June 2017, was as follows:

- Better Roads for Belconnen – Aikman Drive duplication - has reached 26 per cent completion.
- Better Public Transport for Tuggeranong – Park and ride facility for Wanniasa – has reached 50 per cent completion.
- Urban Renewal Program – Acton – Sullivans Creek cycle path upgrades - has reached physical completion.
- Better Roads for Gungahlin – Horse Park Drive duplication (Mulligans Flat Road to the Federal Highway) – the site office has been established and earthworks and service relocations have commenced. The design of the Federal Highway to Well Station Drive section is nearing completion with stakeholder presentations to commence shortly.
- Better Roads for Tuggeranong – Ashley Drive duplication (Ellerston Avenue to Johnson Drive) - has reached 25 per cent completion.
- Better Roads for Weston Creek – Cotter Road duplication (Tuggeranong Parkway to Yarralumla Creek) - has reached 26 per cent construction.
- Urban Renewal Program – Tuggeranong Valley and Kaleen age friendly facilities - is 75 per cent completed.
- Better Roads for Gungahlin – Gundaroo Drive duplication - Stage 1 - has reached 35 per cent construction. The project is behind schedule due to adverse weather conditions. However, the earthworks, stormwater and subsoil drains have been constructed and the earthworks between Nari Street and Mirrabei Drive have also been completed.
- Light Rail–Stage 1 (Public Private Partnership) is well progressed with the following achievements:

- As at 30 June 2017, the constructor - Canberra Metro, the Independent Certifier and Transport Canberra and City Services have invested over 800,000 hours of labour in the delivery of the project.
- Construction activities are occurring across the entire length of the Light Rail Stage 1 Network. Earthworks at the Depot site at Mitchell are complete and structural works have commenced on the control centre and maintenance facility. In May 2017 the track slab installation commenced with over fifteen hundred metres of track laid along Flemington Road.
- The light rail vehicles have been ordered and the first unit is well into the manufacturing process in Spain.



Light Rail - Stage 1 - Flemington Road: Slip form paver (machine) and track slab construction.



Ashley Drive duplication

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

Progress against key capital projects that support community safety and justice services as at 30 June 2017 was as follows:

- Reforming Emergency Services - Aero-medical services and hangar upgrade - a tender for the Hangar building has been awarded. The Hangar building works commence in July 2017. The project timeframe has been revised from June to November 2017 due to delays in finalising design, the required aviation certification and negotiations with the incoming provider.
- Reforming Emergency Services – Guises Creek Rural Fire Station upgrade - a contract has been awarded with construction to begin in July 2017. Physical completion is expected in late October 2017.
- Reforming Emergency Services – New SES station for Tuggeranong - the contract has been awarded with the contractor taking possession of the site in June 2017.
- Reforming Emergency Services – Fyshwick Fire and Rescue Station upgrade - delays were experienced due to finalising decisions on the main electrical board infrastructure, finalisation of tender ready documents, asbestos and industrial issues. Works commenced in April 2017 with physical completion to be achieved in July 2017.
- ACT Law courts Facilities (Public Private Partnership) – construction progress includes:
  - the structure is almost complete and the Level 4 (top floor) slab has been installed;
  - the ground floor and Level 1 framing and glazing and some pre-cast panelling is now in place;
  - the first two stages of internal works on the registry refurbishment for the Magistrates Court are now complete; and
  - all of the 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 June 2017 was as follows:

- Schools for the Future – Caroline Chisholm School – Centre for Innovation and Learning – Construction is now 35 per cent completed.
- Schools for the Future – Modernising Belconnen design – The Builder has been engaged for phase 1 of the proposed works on roof replacement and site establishment. Design finalisation is near completion.
- Schools for the Future – North Gungahlin and Molonglo - Design finalisation is near completion. DA submission is expected in July 2017.
- Better Schools – Investment in Gungahlin school infrastructure – Overall the project is 60 per cent complete. Construction work on Amaroo School commenced in early June 2017.

- Construction work in the Hazardous Material Removal Program - Stage 3 has reached completion.



Caroline Chisholm School

#### 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 June 2017 was as follows:

- Development of a New Basketball Centre and Player Amenities – the three on three facility has been physically completed with work on the Capitals court to be undertaken in July 2017.
- National Arboretum Canberra – Event Terrace and Precinct Facilities - has reached 98 per cent completion with only minor works to be completed by the end of July 2017.
- Better Services – Weston Creek and Stromlo swimming pool and leisure centre – tender documentation is being prepared in readiness for procurement.
- Narrabundah Ballpark Upgrade – Best little ballpark in Australia – the final sketch plan was finalised and the Development Application has been lodged. The project is due for completion in November 2018.



### 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 June 2017 was as follows:

- Caring for our Environment – Tharwa fish habitat improvement - is now 40 per cent complete.
- Caring for our Environment – Establishing the Molonglo River Reserve Stage 3 - is 30 per cent complete.
- Caring for our environment – Water Quality Improvement - contributions to the Basin Priority Project – in April 2017, Commonwealth and ACT Governments agreed to a revised schedule for delivery of the Project to better capture updated deliverables, milestone payments and reporting requirements. Fifteen development applications associated with the project have been submitted and fourteen have been approved.
- Environmental Offsets – Lawson South - is now 85 per cent physically complete.
- Essential Waste Management Infrastructure - is now 77 per cent complete.
- Molonglo Riverside Park – Stage 1 - is now physically completed.
- West Belconnen Resource Management Centre Rehabilitation of Landfill Cells is 75 per cent complete.
- Isabella Weir Spillway Upgrades has outperformed its target for the quarter of 10 per cent and achieved 26 per cent of completion as of 30 June. The demolition of Isabella Weir has commenced and work is ongoing on the wetlands.
- Strategic Bushfire Management Planning - is now complete.



**Isabella Pond**

### 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 June 2017 was as follows:

- The Canberra Hospital – Essential infrastructure and engineering works - construction has progressed to 99 per cent with the final work on lift installation being a focus of this quarter including:
  - Completion of lift no. 6 in building 1 upgrade;
  - Code compliance upgrade to lift no. 12 in building 5; and
  - Upgrade of Electrical Distribution Board for lifts 4, 5 & 6 completed.
- University of Canberra Public Hospital - construction has progressed to 72 per cent completion the building envelope is nearing completion with only the Mental Health section remaining.
- Continuity of Health Services Plan – essential Infrastructure - is now 90 per cent complete due to some contract variations. Progress includes:
  - ICT fibre links to buildings are in progress;
  - construction on Building 5 carpark was completed on 9 June 2017;
  - the fire hydrant ring was completed on 27 June 2017;
  - the installation of pipe works for the primary gas meter (off Yamba Drive) is well progressed: and
  - The fabrication of fence panels for Acute Mental Health Unit is progressing.
- Calvary Public Hospital – Operating theatre upgrade - Early works on the project commenced in the fourth quarter, with some delays in the remaining direct theatre and patient flow capital works which will commence in July 2017. All works are on target for completion in December 2017.
- Calvary Public Hospital – Upgrade of medical imaging equipment - the CT user assessments have been completed and the scanner has been procured. The design works have been completed with construction scheduled to commence in July 2017 and construction expected to be completed by September 2017. Construction has been rescheduled to align with delivery of the CT scanner.