

## 3.7 INFRASTRUCTURE AND CAPITAL

### The 2021-22 Infrastructure Investment Program

The ACT Infrastructure Investment Program (IIP) includes \$5.0 billion of investment in the General Government Sector (GGS) and \$1.4 billion of investment by Public Trading Enterprises (PTEs) over the next five years.

This is our largest ever program with a record \$1.3 billion in 2021-22 and \$6.4 billion over the five years to 2025-26.

This Budget marks the first year of the move to a five-year budget cycle for our infrastructure investment program. The addition of the fifth year reflects the longer timeframe involved in planning and delivering the large and complex projects that Canberra needs.

This means that we take a long-term view in building our economic and social capital through investments in health and community wellbeing, education and skills development, and in environment, climate, transport and planning. We are also investing in projects with high local content for fast-tracked delivery.

The 2021-22 ACT Infrastructure Investment Program continues the approach of focussing on both smaller projects that can be delivered quickly and longer-term investments to enhance the wellbeing of Canberrans and support our future economic growth.

Investment in the GGS is funded through the budget and delivered by portfolio agencies. The contribution from the Commonwealth Government for the GGS infrastructure investment program is around \$610 million over 5 years.

PTEs undertake capital works to deliver specific services drawing on their own sources of revenue or borrowings and supplementation from the budget. The five PTEs are Cemeteries and Crematoria Authority, City Renewal Authority, Housing ACT, Icon Water and Suburban Land Agency.

**Our infrastructure investment program provides an important pipeline of activity to support the economy and create jobs. Interest rates are the lowest since Federation, providing a valuable opportunity for the Government to build sustainable, productivity-improving and growth-enabling infrastructure to prepare our city for the future.**

**Our capital investment priorities continue to be health, education, public transport, public housing, sustainable energy and urban renewal. These priorities are mutually re-enforcing: quality health and education services are the foundation for a vibrant, inclusive, and innovative society. Our significant urban renewal program incorporates a well-integrated public transport system that connects people with places, public housing facilities that meet the needs of residents, and modern health, education and community facilities with easy access.**

A summary of the ACT Infrastructure Investment Program over the next five years is provided in Table 3.7.1 below. More detailed information on the investment programs by the GGS and PTEs is provided in the subsequent sections.

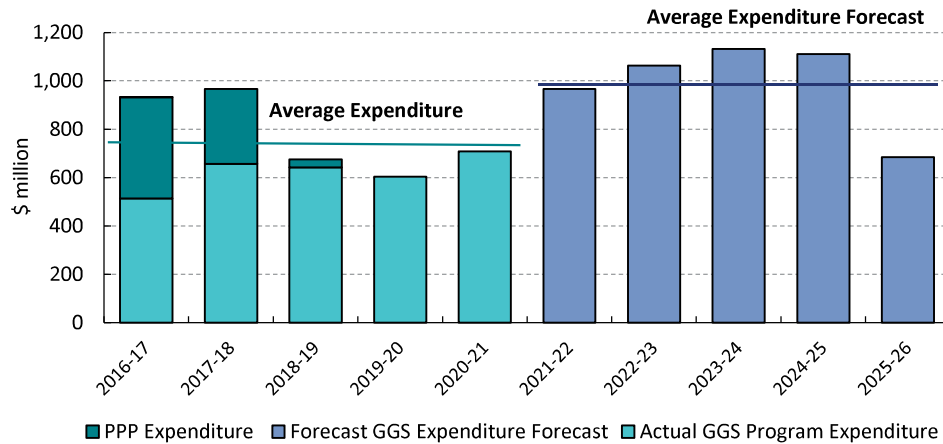
**Table 3.7.1: Summary of the 2021-22 GGS Infrastructure Investment Program – 5 years to 2025-26**

	2021-22 Allocation \$'000	2022-23 Allocation \$'000	2023-24 Allocation \$'000	2024-25 Allocation \$'000	2025-26 Allocation \$'000	Total Investment \$'000
<b>New Capital Works</b>						
Early Planning	13,481	7,269	296	28	0	<b>21,074</b>
Design	8,813	14,127	500	0	0	<b>23,440</b>
Construction	141,546	189,620	131,460	89,989	23,600	<b>576,215</b>
ICT	19,144	10,574	11,743	10,373	5,134	<b>56,968</b>
ICT Early Planning	0	0	0	0	0	<b>0</b>
PP+E	27,808	14,322	12,849	11,680	3,000	<b>69,659</b>
Capital Grants	8,895	13,171	7,000	0	0	<b>29,066</b>
<b>Total New Works</b>	<b>219,687</b>	<b>249,083</b>	<b>163,848</b>	<b>112,070</b>	<b>31,734</b>	<b>776,422</b>
<b>Total Better Infrastructure Fund</b>	<b>98,844</b>	<b>76,923</b>	<b>74,845</b>	<b>79,908</b>	<b>73,553</b>	<b>404,073</b>
<b>Works-in-progress</b>						
Early Planning	7,036	2,372	0	0	0	<b>9,408</b>
Design	4,347	715	800	0	0	<b>5,862</b>
Construction	518,642	742,372	508,176	152,618	5,500	<b>1,927,308</b>
ICT	98,429	61,538	29,729	11,330	7,447	<b>208,473</b>
PP+E	67,144	57,483	5,892	5,477	3,466	<b>139,462</b>
Capital Grants	14,470	16,179	8,810	0	0	<b>39,459</b>
<b>Total Works-In-Progress</b>	<b>710,068</b>	<b>880,659</b>	<b>553,407</b>	<b>169,425</b>	<b>16,413</b>	<b>2,329,972</b>
<b>Central Capital Provisions</b>						
Early Planning	0	0	0	0	0	<b>0</b>
Design	0	7,000	6,000	0	0	<b>13,000</b>
Construction	0	269,707	312,698	290,876	336,197	<b>1,209,478</b>
ICT	0	519	0	0	0	<b>519</b>
PP+E	0	36,148	40,461	50,279	0	<b>126,888</b>
Capital Grants	0	38,000	35,000	7,329	25,788	<b>106,117</b>
<b>Total Central Capital Provisions</b>	<b>0</b>	<b>351,374</b>	<b>394,159</b>	<b>348,484</b>	<b>361,985</b>	<b>1,456,002</b>
<b>Total Infrastructure Investment Program Including Provisions</b>	<b>1,028,599</b>	<b>1,558,039</b>	<b>1,186,259</b>	<b>709,887</b>	<b>483,685</b>	<b>4,966,469</b>
<b>Capital Delivery Provision</b>	<b>-60,000</b>	<b>-490,000</b>	<b>-50,000</b>	<b>400,000</b>	<b>200,000</b>	<b>0</b>
<b>Total Infrastructure Investment Program Forecast (GGS)</b>	<b>968,599</b>	<b>1,068,039</b>	<b>1,136,259</b>	<b>1,109,887</b>	<b>683,685</b>	<b>4,966,469</b>
<b>Public Trading Enterprises (PTE)</b>	<b>372,065</b>	<b>381,413</b>	<b>353,696</b>	<b>255,126</b>	<b>84,080</b>	<b>1,446,380</b>
<b>TOTAL GGS and PTE Infrastructure Investment Forecast</b>	<b>1,340,664</b>	<b>1,449,452</b>	<b>1,489,955</b>	<b>1,365,013</b>	<b>767,765</b>	<b>6,412,849</b>
<b>Capital Works Reserve (GGS) and offsetting provision</b>	<b>190,000</b>	<b>-190,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## General Government Sector Infrastructure Investment Program

The GGS Infrastructure Investment Program is an estimated \$968 million in 2021-22 and \$5.0 billion over the five years to 2025-26. This is a significant step up in expenditure from past years and an increase of 28 per cent from the previous five years to 2020-21.

Figure 3.7.1 GGS Infrastructure Investment Program – 5 year period comparison



### Program components

The GGS Infrastructure Investment Program has five main components.

- **New capital works:** \$220 million in 2021-22 and \$776 million over the five years to 2025-26. The program includes new projects approved in the 2021-22 Budget for physical infrastructure and ICT.
- **Better Infrastructure Fund (BIF):** \$99 million in 2021-22 and \$404 million over the five years to 2025-26. BIF provides funds for improvements to existing infrastructure which extend the useful life, or improve the delivery capacity of existing physical assets.
- **Works-in-progress:** \$710 million in 2021-22 and \$2.3 billion over the five years to 2025-26 for projects that commenced prior to 2021-22.
- **Central capital provisions:** \$1.5 billion over the five years to 2025-26. These provisions set aside funding for significant capital works projects for which budgets or other details are yet to be settled, or which are commercially sensitive. Provisioned funding is allocated once conditions are met, generally as a result of the approval of business cases, provision of other information, or following the conclusion of tender processes in the case of commercial sensitivities.

- **Capital Delivery Provision:** net zero impact over the five years to 2025-26. The Capital Delivery Provision (CDP) is applied to the total infrastructure investment program including provisions. The CDP indicatively re-profiles approximately 6 per cent of the investment program in 2021-22 and 31 per cent of the program in 2022-23 into the last two years of the program. This indicative re-profiling provides forecasts of program expenditure based on historical trends and does not affect the delivery of any individual project.

The Budget also provides for a **capital works reserve** which allows agencies with multi-year budget allocations for capital works to draw on future funding if an agency's capital expenditure in a budget year exceeds that agency's allocation for that year. For example, if projects are delivered more quickly than scheduled, directorates can access future years' funding through the reserve to maintain the pace of progress, while staying within the overall project cost envelope.

Funds available under the capital works reserve are not included in the GGS Infrastructure Investment Program until they are drawn by agencies. The amount available from the reserve in 2021-22 is \$190 million and unused reserve funding lapses at the end of the financial year.

Projects funded under the GGS Infrastructure Investment Program are identified, assessed and developed in accordance with [The Capital Framework](#).<sup>8</sup>

New capital initiatives in the 2021-22 budget year are outlined in Chapter 3.2.

*Appendices D and E* provide information on projects in the 2021-22 Better Infrastructure Fund and works-in-progress respectively.

More detailed information on the Infrastructure Investment Program in the General Government Sector can be found at <https://www.treasury.act.gov.au/budget/budget-2021-22/budget-papers/>.

### ***Program by agency***

The GGS Infrastructure Investment Program is delivered by budget-funded agencies. Table 3.7.2 below shows the Program for each agency for the five years to 2025-26. The central capital provisions are held by ACT Treasury until they are allocated to the delivery agencies.

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<sup>8</sup> <https://apps.treasury.act.gov.au/infrastructure-finance-and-reform/the-capital-framework>

**Table 3.7.2: Summary of Infrastructure Investment Program by Agency - GGS**

	2021-22 Financing \$'000	2022-23 Financing \$'000	2023-24 Financing \$'000	2024-25 Financing \$'000	2025-26 Financing \$'000	Total Investment \$'000
<b>ACT Electoral Commission</b>						
New Capital Works	0	0	0	0	0	0
Better Infrastructure Fund	0	0	0	0	0	0
Works-in-progress	263	0	0	0	0	263
<b>Total</b>	<b>263</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>263</b>
<b>ACT Health Directorate</b>						
New Capital Works	14,121	21,710	1,000	0	0	36,831
Better Infrastructure Fund	2,062	1,432	1,468	1,505	1,543	8,010
Works-in-progress	60,052	46,840	6,509	5,009	0	118,410
<b>Total</b>	<b>76,235</b>	<b>69,982</b>	<b>8,977</b>	<b>6,514</b>	<b>1,543</b>	<b>163,251</b>
<b>ACT Integrity Commission</b>						
New Capital Works	390	731	0	0	0	1,121
Better Infrastructure Fund	0	0	0	0	0	0
Works-in-progress	0	0	0	0	0	0
<b>Total</b>	<b>390</b>	<b>731</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,121</b>
<b>Canberra Health Services</b>						
New Capital Works	2,902	12,025	4,700	0	0	19,627
Better Infrastructure Fund	5,007	4,075	4,434	4,545	4,658	22,719
Works-in-progress	59,938	56,945	1,900	0	0	118,783
<b>Total</b>	<b>67,847</b>	<b>73,045</b>	<b>11,034</b>	<b>4,545</b>	<b>4,658</b>	<b>161,129</b>
<b>Canberra Institute of Technology</b>						
New Capital Works	0	0	0	0	0	0
Better Infrastructure Fund	2,917	2,990	3,064	3,141	3,220	15,332
Works-in-progress	2,524	1,257	1,257	1,257	1,257	7,552
<b>Total</b>	<b>5,441</b>	<b>4,247</b>	<b>4,321</b>	<b>4,398</b>	<b>4,477</b>	<b>22,884</b>
<b>Chief Minister, Treasury and Economic Development Directorate</b>						
New Capital Works	41,848	25,024	19,046	10,241	0	96,159
Better Infrastructure Fund	13,800	8,393	8,603	8,818	9,038	48,652
Works-in-progress	46,220	40,596	7,660	500	1,500	96,476
<b>Total</b>	<b>101,868</b>	<b>74,013</b>	<b>35,309</b>	<b>19,559</b>	<b>10,538</b>	<b>241,287</b>
<b>City Renewal Authority</b>						
New Capital Works	1,910	890	0	0	0	2,800
Better Infrastructure Fund	0	0	0	0	0	0
Works-in-progress	15,913	15,330	5,751	0	0	36,994
<b>Total</b>	<b>17,823</b>	<b>16,220</b>	<b>5,751</b>	<b>0</b>	<b>0</b>	<b>39,794</b>
<b>Community Services Directorate</b>						
New Capital Works	2,582	0	0	0	0	2,582
Better Infrastructure Fund	1,587	448	459	470	482	3,446
Works-in-progress	3,302	0	0	0	0	3,302
<b>Total</b>	<b>7,471</b>	<b>448</b>	<b>459</b>	<b>470</b>	<b>482</b>	<b>9,330</b>
<b>Cultural Facilities Corporation</b>						
New Capital Works	1,250	445	347	0	0	2,042
Better Infrastructure Fund	439	450	461	473	485	2,308
Works-in-progress	1,098	1,621	0	0	0	2,719
<b>Total</b>	<b>2,787</b>	<b>2,516</b>	<b>808</b>	<b>473</b>	<b>485</b>	<b>7,069</b>

	2021-22 Financing \$'000	2022-23 Financing \$'000	2023-24 Financing \$'000	2024-25 Financing \$'000	2025-26 Financing \$'000	Total Investment \$'000
<b>Education Directorate</b>						
New Capital Works	50,656	79,538	44,683	8,783	5,134	<b>188,794</b>
Better Infrastructure Fund	30,641	25,947	22,181	25,850	18,197	<b>122,816</b>
Works-in-progress	101,822	103,368	25,338	6,321	6,447	<b>243,296</b>
<b>Total</b>	<b>183,119</b>	<b>208,853</b>	<b>92,202</b>	<b>40,954</b>	<b>29,778</b>	<b>554,906</b>
<b>Environment, Planning and Sustainable Development Directorate</b>						
New Capital Works	3,946	7,428	443	97	0	<b>11,914</b>
Better Infrastructure Fund	3,608	1,104	1,131	1,160	1,189	<b>8,192</b>
Works-in-progress	8,819	1,147	0	0	0	<b>9,966</b>
<b>Total</b>	<b>16,373</b>	<b>9,679</b>	<b>1,574</b>	<b>1,257</b>	<b>1,189</b>	<b>30,072</b>
<b>Housing ACT</b>						
New Capital Works	61,760	20,000	20,000	0	0	<b>101,760</b>
Better Infrastructure Fund	0	0	0	0	0	<b>0</b>
Works-in-progress	33,788	5,000	5,000	5,000	5,000	<b>53,788</b>
<b>Total</b>	<b>95,548</b>	<b>25,000</b>	<b>25,000</b>	<b>5,000</b>	<b>5,000</b>	<b>155,548</b>
<b>Justice and Community Safety Directorate</b>						
New Capital Works	12,696	17,047	5,846	3,079	3,000	<b>41,668</b>
Better Infrastructure Fund	3,032	2,052	2,102	2,155	2,155	<b>11,496</b>
Works-in-progress	31,291	26,356	26,131	2,122	111	<b>86,011</b>
<b>Total</b>	<b>47,019</b>	<b>45,455</b>	<b>34,079</b>	<b>7,356</b>	<b>5,266</b>	<b>139,175</b>
<b>Major Projects Canberra</b>						
New Capital Works	3,631	5,193	0	0	0	<b>8,824</b>
Better Infrastructure Fund	3,625	3,690	3,941	4,114	4,217	<b>19,587</b>
Works-in-progress	169,309	342,985	332,595	47,135	0	<b>892,024</b>
<b>Total</b>	<b>176,565</b>	<b>351,868</b>	<b>336,536</b>	<b>51,249</b>	<b>4,217</b>	<b>920,435</b>
<b>Office of the Legislative Assembly</b>						
New Capital Works	0	0	0	0	0	<b>0</b>
Better Infrastructure Fund	292	299	307	315	323	<b>1,536</b>
Works-in-progress	35	35	35	35	35	<b>175</b>
<b>Total</b>	<b>327</b>	<b>334</b>	<b>342</b>	<b>350</b>	<b>358</b>	<b>1,711</b>
<b>Office of the Work Health and Safety Commissioner</b>						
New Capital Works	350	0	0	0	0	<b>350</b>
Better Infrastructure Fund	0	0	0	0	0	<b>0</b>
Works-in-progress	0	0	0	0	0	<b>0</b>
<b>Total</b>	<b>350</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>350</b>
<b>Transport Canberra and City Services Directorate</b>						
New Capital Works	21,645	59,052	67,783	89,870	23,600	<b>261,950</b>
Better Infrastructure Fund	31,834	26,043	26,694	27,362	28,046	<b>139,979</b>
Works-in-progress	175,694	239,179	141,231	102,046	2,063	<b>660,213</b>
<b>Total</b>	<b>229,173</b>	<b>324,274</b>	<b>235,708</b>	<b>219,278</b>	<b>53,709</b>	<b>1,062,142</b>

	2021-22 Financing \$'000	2022-23 Financing \$'000	2023-24 Financing \$'000	2024-25 Financing \$'000	2025-26 Financing \$'000	Total Investment \$'000
<b>Total all Agencies</b>						
New Capital Works	219,687	249,083	163,848	112,070	31,734	<b>776,422</b>
Better Infrastructure Fund	98,844	76,923	74,845	79,908	73,553	<b>404,073</b>
Works-in-progress	710,068	880,659	553,407	169,425	16,413	<b>2,329,972</b>
<b>TOTAL AGENCY INFRASTRUCTURE PROGRAMS</b>	<b>1,028,599</b>	<b>1,206,665</b>	<b>792,100</b>	<b>361,403</b>	<b>121,700</b>	<b>3,510,467</b>
<b>Central Capital Provisions</b>						
New Capital Works	0	22,721	66,741	44,764	5,329	<b>139,555</b>
Better Infrastructure Fund	0	0	0	0	0	<b>0</b>
Works-in-progress	0	328,653	327,418	303,720	356,656	<b>1,316,447</b>
<b>Total Central Capital Provisions</b>	<b>0</b>	<b>351,374</b>	<b>394,159</b>	<b>348,484</b>	<b>361,985</b>	<b>1,456,002</b>
<b>TOTAL INFRASTRUCTURE INVESTMENT PROGRAM</b>	<b>1,028,599</b>	<b>1,558,039</b>	<b>1,186,259</b>	<b>709,887</b>	<b>483,685</b>	<b>4,966,469</b>

### Public trading enterprises infrastructure investment program

In 2021-22, Public Trading Enterprises (PTEs) with their own infrastructure programs are expected to undertake new works totalling \$372 million and \$1.4 billion over the five years to 2025-26. These programs below are funded outside of the budget through each entity's own-source revenue or borrowing, as detailed in Table 3.7.3.

**Table 3.7.3: Summary of Public Trading Enterprises' infrastructure program – 2021-22 to 2025-26<sup>1</sup>**

Agency	Financing 2021-22 \$'000	Financing 2022-23 \$'000	Financing 2023-24 \$'000	Financing 2024-25 \$'000	Financing 2025-26 \$'000	Total \$'000
Cemeteries and Crematoria Authority	331	242	362	367	380	<b>1,682</b>
City Renewal Authority	1,360	2,438	708	0	0	<b>4,506</b>
Housing ACT	152,800	157,200	93,400	22,200	0	<b>425,600</b>
Icon Water	101,652	69,410	112,123	117,100	83,700	<b>483,985</b>
Suburban Land Agency	115,922	152,123	147,103	115,459	0	<b>530,607</b>
<b>Total PTEs</b>	<b>372,065</b>	<b>381,413</b>	<b>353,696</b>	<b>255,126</b>	<b>84,080</b>	<b>1,446,380</b>

Note:

1. Except for Icon Water and Cemeteries and Crematoria Authority, capital works programs for the PTEs are determined on a rolling four-year cycle.

### ***Cemeteries and Crematoria Authority***

The Cemeteries and Crematoria Authority manages three cemeteries and a crematorium in the ACT. The Authority is responsible for ensuring that there are suitable interment options and adequate burial capacity for the ACT community. The forward capital works program for the Authority includes maintaining existing facilities and replacing plant and equipment when items have reached end of life.

### ***City Renewal Authority***

The City Renewal Authority is responsible for managing the revitalisation of central Canberra to make it a great place to live, work, explore and enjoy. The Authority is doing this by leading the transformation of the City Renewal Precinct, which spans Dickson, Northbourne Avenue, Haig Park, Braddon, the city centre and Acton Waterfront.

In partnership with the community, private sector, and other government agencies, the Authority is creating a vital and prosperous city heart through the delivery of a people-centred, design-led and sustainable urban renewal program.

In addition to leading urban renewal within the precinct, the Authority sells government-owned leases in the precinct on behalf of the Territory and is actively undertaking design and development planning activities for future land releases within the city centre.

### ***Housing ACT***

Housing ACT undertakes an annual program of building and purchasing properties, as well as upgrading and refurbishing homes to ensure they meet the needs of tenants. The capital works program is largely driven by the Growing and Renewing Public Housing Program, the construction of Common Ground Dickson, the repair and maintenance of the public housing portfolio, as well as other smaller but essential works (such as the Energy Efficiency program) that assist in the provision of appropriate housing.

The Common Ground Dickson development includes 40 residential units (20 supportive and 20 affordable), with a mix of one, two and three-bedroom dwellings, as well as communal areas, community spaces, onsite support services and provision for a social enterprise business. The complex will provide long-term, high-quality housing options for people experiencing chronic homelessness and for low-income earners. The future tenant cohort is expected to include older women, single parents and families with children.

Furthermore, 2021-22 will see an increased investment of \$80 million in the repair and maintenance of the public housing portfolio, improving the average condition of current housing stock and the quality of life of current and future tenants.

Overall, Housing ACT will continue to focus on improving tenant outcomes by continuing to upgrade Canberra's ageing public housing stock and in doing so support the broader renewal of Canberra's city and urban areas.

### ***Icon Water Limited***

Icon Water Limited is an unlisted public company owned by the ACT Government.

Icon Water owns and manages the assets used to provide water and sewerage services to the ACT and deliver bulk water to Queanbeyan. Icon Water also has an investment in the ACT's energy distributor (Evoenergy) and retailer (ActewAGL), through a joint venture of two partnerships with Jemena Limited and AGL Energy Limited.

Key highlights within the capital program planned over the five years to 2025-26 include:

- ongoing upgrades to the Lower Molonglo Water Quality Control Centre (LMWQCC), which was constructed in the 1970s and requires substantial upgrades and renewals. LMWQCC is critical to ensuring that the water discharged from Canberra maintains the river health of the Murrumbidgee;



- replacement of several reservoir roofs and other significant structural elements to ensure the continued provision of high-quality water to the community from these aged assets;
- increasing the capacity of the existing trunk sewer system to accommodate population growth and provide additional ventilation and odour control units. This includes upgrades to the Belconnen trunk sewer and within the North Canberra sewer network;
- replacements and upgrades at the Cotter Pump Station to ensure reliable and safe supply of water from Cotter Reservoir and the Murrumbidgee River;
- continued renewal of the water pipes and sewer pipes to minimise interruptions to customer water and sewer services;
- upgrading the Googong Water Treatment Plant clarifier systems, which provide critical water supply for the ACT and Queanbeyan; and
- ongoing renewal of water meters to meet regulatory requirements and to provide accurate metering and replace defective devices.

### ***Suburban Land Agency***

The Suburban Land Agency (SLA) is the largest PTE by expenditure. The agency develops and releases residential, commercial, industrial and community land in new suburban estates and through urban renewal projects.

The SLA buys and sells land leases on behalf of the Territory to deliver a mixture of public and private housing in new suburbs. Through its land release program, the SLA delivers affordable and community housing and carries out development of land in an environmentally sustainable way.

Since its establishment on 1 July 2017, the SLA has delivered land releases across Canberra. Major estate developments over the next four years include the suburbs of Jacka and Kenny in Gungahlin; Whitlam in the Molonglo Valley; Strathnairn and Macnamara in Belconnen; and Kingston Foreshore and East Lake in Central Canberra.

The SLA will also undertake infrastructure works supporting the Molonglo Valley region including the 132kV powerline underground relocation project, the Molonglo Valley Interceptor Sewer and the Deep Creek Water Control Pond.

Further information on the forward capital works program of the SLA is provided in the Indicative Land Release Program section below.