



ACT
Government

Annual Report

2019–20

Major Projects Canberra



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Information about the Directorate and an electronic version of this annual report can be found on the website: <https://www.act.gov.au/majorprojectscanberra/home>

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If English is not your first language and you require a translating and interpreting service, please telephone Access Canberra on 13 22 81.

Acknowledgement of Country

We acknowledge the Traditional Owners of the land and waters that we live and thrive on today. We pay our respect to the Ngunnawal and surrounding nations and extend that respect to all Elders past and present.

We also wish to acknowledge that this nation is and will always be Aboriginal and Torres Strait Islander land, recognising their living cultures, their strength, their resilience and their continued nurturing of these lands and waters for many thousands of years.

We respect the Aboriginal and Torres Strait Islander people, particularly our Aboriginal staff, and their continuing culture and contribution they make to the Canberra region and the life of our city.

Contact for this report

For information regarding the *Major Projects Canberra Annual Report 2019–20*, please contact the Ministerial, Governance and Corporate Support Branch by email: MPCGovernance@act.gov.au.

Freedom of Information

Information about Freedom of Information requests is available on the [Major Projects Canberra website](#).



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Contents

Part 1 – Compliance Statement	6
Compliance Statement	7
Message from the Chief Projects Officer	8
Part 2 – Agency Annual Report Requirements	9
2.A Transmittal Certificate.....	10
2.B Organisational Overview and Performance Overview	11
2.C Financial Management	58
Financial Statements	63
Statement of Performance	115
Part 3 - Reporting By Exception.....	122
Reporting by Exception	123
Part 4 - Whole of Government Annual Reporting	124
Whole of Government Annual Reporting.....	125
Part 5 – Additional Input into State of the Service Report.....	126
Additional Input into State of the Service Report	127
List of Abbreviations and Acronyms.....	128
Glossary of Technical Terms	129
Index	130

Part 1



Compliance
Statement

Compliance Statement

The Major Projects Canberra (MPC) Annual Report must comply with the 2019 Annual Report Directions (the Directions). The Directions are found on the [ACT Legislation Register: Annual Reports \(Government Agencies\) Notice 2019](#).

The Compliance Statement indicates the subsections, under the five Parts of the Directions, that are applicable to MPC, and the location of information that satisfies these requirements:

Directions Part 1 – Directions Overview

The requirements under Part 1 of the Directions relate to the purpose, timing and distribution, and record keeping of annual reports. The MPC Annual Report complies with all subsections of Part 1.

To meet Section 15 Feedback, Part 1 of the Directions, contact details for MPC are provided on page 3 of this report to give readers the opportunity to provide feedback.

Directions Part 2 – Annual Report Requirements

The requirements within Part 2 of the Directions are mandatory for all Directorates. MPC complies with all subsections. The information that satisfies the requirements of Part 2 is found in this report as follows:

- **Section A.** Transmittal Certificate, see page 10;
- **Section B.** Organisational Overview and Performance, inclusive of all subsections, see pages 11–16; and
- **Section C.** Financial Management, inclusive of all subsections, see pages 58–122.

Directions Part 3 – Reporting by Exception

In 2019–20, MPC had no information to report by exception under Part 3 of the Directions.

Directions Part 4 – Agency Specific Annual Report Requirements

There are no agency-specific annual report requirements applicable to MPC under Part 4 of the Directions.

Directions Part 5 – Whole of Government Annual Reporting

All subsections of Part 5 of the Directions apply to MPC. Consistent with the Directions, the information satisfying these requirements is reported in the one place for all ACT Public Sector (ACTPS) Directorates:

- **Bushfire Risk Management.** See the Annual Report of the Justice and Community Safety Directorate.
- **Human Rights.** See the Annual Report of the Justice and Community Safety Directorate.
- **Legal Services Directions.** See the Annual Report of the Justice and Community Safety Directorate.
- **Public Sector Standards and Workforce Profile.** See the annual State of the Service Report.
- **Territory Records.** See the Annual Report of Chief Minister, Treasury and Economic, Development Directorate.

ACT Public Service Directorate Annual Reports are available at the following web address:

https://www.cmtedd.act.gov.au/open_government/report/annual_reports

Message from the Chief Projects Officer

Major Projects Canberra plays a lead role in delivering the ACT Government's infrastructure program. Our infrastructure projects range from the largest and most complex infrastructure projects ever undertaken in the ACT through to the delivery of our community's everyday infrastructure needs.



Our Directorate was established on 1 July 2019 for the purpose of building the infrastructure that helps ensure Canberra remains one of the world's most liveable cities. In our first year of operations, we achieved this by working closely with other parts of the ACT Government and the private sector to deliver a range of civil, commercial and social infrastructure across the ACT.

During the financial year, Major Projects Canberra was directly responsible for four designated major projects: the Canberra Hospital Expansion; Light Rail Stage 2 – City to Woden; a new Woden Campus for the Canberra Institute of Technology and accompanying transport interchange; and the Canberra Theatre Centre Redevelopment. When combined with each of the other projects we manage, Major Projects Canberra is truly unique amongst infrastructure delivery agencies nationwide in the breadth of asset types we deliver.

Safety, great community outcomes, excellence in design, supporting diversity and environmental sustainability were key focus areas over the reporting period. Achievement of these objectives was underpinned by active management of project timeframes and costs in close consultation with our clients and stakeholders.

The second half of the financial year – coming only six months after we were established – was an extraordinary period marked by the COVID-19 public health emergency and significant bushfires. This period highlighted the benefits to be delivered by Major Projects Canberra's establishment. I am incredibly proud of the way Major Projects Canberra rose to meet the challenges over the reporting period. Our ability to deliver our planned projects, work closely with the local building sector, innovate and deliver new projects – such as the COVID-19 Surge Centre adjacent to Canberra Hospital – while simultaneously embracing remote working arrangements demonstrates the value our organisation delivers for the Canberra community.

We look forward to what the next twelve months will bring. We will continue to work closely with our partners in industry and across government, as well as with the local community, to deliver our strategic plan and the broader infrastructure program for Canberra.

Duncan Edghill
Chief Projects Officer

20 November 2020

Part 2



Agency Annual Report Requirements

2.A Transmittal Certificate



Mr Andrew Barr MLA
Treasurer
ACT Legislative Assembly
London Circuit
Canberra ACT 2601

Dear Minister,

2019–20 Major Projects Canberra Annual Report

This report has been prepared in accordance with section 6 of the *Annual Reports (Government Agencies) Act 2004* and in accordance with the requirements under the *Annual Reports (Government Agencies) Directions 2019*.

I certify that the information in the attached report and information provided for whole of government reporting, is an honest and accurate account and that all material information on the operations of Major Projects Canberra has been included for the period 1 July 2019 to 30 June 2020.

I hereby certify that fraud and prevention has been managed in accordance with Part 2.3 of the *Public Sector Management Standards 2006* (see section 113 of the *Public Sector Management Standards 2016*).

Section 13 of the *Annual Reports (Government Agencies) Act 2004* requires that you present the report to the Legislative Assembly within 15 weeks after the end of the reporting year. However, under section 14, the Chief Minister has granted an extension of the time when the report must be presented by you to the Legislative Assembly. The Chief Minister granted the extension to 18 December 2020.

The annual report must be provided to the Speaker on 18 December 2020 for distribution to each Member of the Legislative Assembly. The annual report must then be tabled in the Legislative Assembly on the next sitting day.

Yours sincerely

A handwritten signature in black ink, appearing to be 'D Edghill', written over a light blue horizontal line.

Duncan Edghill
Chief Projects Officer
Major Projects Canberra

20 November 2020

GPO Box 158 Canberra ACT 2601 | phone: 132281 | www.act.gov.au

2.B Organisational Overview and Performance Overview

Our Vision

MPC was established on 1 July 2019 to build infrastructure for our community that helps make Canberra the world's most liveable city.

Highlights in 2019–20

The Directorate met its performance targets in 2019–20, as detailed in the Statement of Performance in Section 2C.

MPC performed admirably in achieving project milestones, despite the added complexity brought about by the COVID-19 public health emergency.

The performance highlights for 2019–20 are described below.

COVID-19 Surge Centre

MPC responded with agility to deliver surge capacity for the Canberra Hospital and ACT Healthcare Network in response to the COVID-19 pandemic.

The Surge Centre emergency treatment facility is a unique, world-leading project delivered in an outstanding manner – taking only seven days to design and thirty-seven days to build.

Engagement with Industry

From its inception as an ACT Government directorate, MPC has developed strong relationships with the infrastructure sector, including major contractors, specialist consultants, peak bodies and unions.

This engagement happens across all aspects of MPC's business operations and is led by the Chief Projects Officer and the Executive Leadership Team.

Canberra Hospital Expansion Project

This hospital expansion project is delivering the biggest single investment in health infrastructure undertaken by the ACT Government since self-government. Construction of the new acute health services building is scheduled for completion in mid-2024 with operational commissioning to occur thereafter.

Key achievements during the reporting period include:

- Progress on a series of enabling projects required to free space on the campus for the construction of the new critical services building. These works included:
 - construction of a new modular Building 28 on the hospital campus;
 - demolition of the existing Building 8 and relocation of services along Hospital Road;
 - reconfiguration of the library in Building 4 to accommodate Australian National University (ANU) teaching and training spaces;
 - refurbishment of an area in Building 3 to accommodate the Children at Risk Health Unit; and
 - commencement of preparatory works for construction of a new four-storey building (replacing the demolished Building 8) to house the Canberra Sexual Health Centre, Staff Development Unit, Surgical Skills Centre, University of Canberra, ANU and key hospital administration functions.
- The start of the second of two stages in selecting the Early Contractor Involvement (ECI) contractor to deliver the new critical services building as a part of the Canberra Hospital Expansion.

- The establishment of a Local Community Reference Group and a Consumer Reference Group to ensure the community and consumers of hospital services have a voice in shaping the planning and design of the project.

Canberra Institute of Technology—Woden

The CIT Campus—Woden Project was announced by the ACT Government in November 2019. MPC formed a team to procure adviser consultant services for initial master planning and scope identification for the project.

MPC engaged commercial and technical advisers in early February 2020 to prepare a budget business case for Ministerial consideration in July 2020. This work involved definition of the preferred scope of work, estimated cost and concept design for both the CIT site and building development, as well as the planned Woden Public Transport Interchange and bus layover facilities.

The CIT Woden team worked remotely, drawing upon the videoconferencing capability enhanced by the ACT Government Shared Services team and MPC's Project Management and Reporting System (PMARS). Moving to a completely digital mode of project management enabled the project team to work closely and quickly with CIT, Transport Canberra and City Services and Environment, Planning and Sustainable Development and community stakeholders to keep the project on track during a time of uncertainty.

Light Rail

In 2019–20, key achievements on the first stage of light rail from Gungahlin to the City included:

- working closely with Canberra Metro to achieve Final Completion; and
- release of the 12-month review of the benefits of Light Rail Stage 1. The review confirmed wider economic benefits including increases in land value along the corridor.

The second stage of light rail will see an extension of light rail from the City to Woden. Key achievements during the reporting period included:

- Government consideration of the initial business case for Stage 2A from the City to Commonwealth Park, being undertaken concurrently with the raising of London Circuit. This was announced in September 2019 and was followed by a robust consultation phase for the project, with upwards of 50 project briefings and more than 2500 community members engaged;
- the Territory entering into an Agreement with Canberra Metro consortium members for Canberra Metro to undertake site investigations, surveys and initial design development for the Stage 2A project; and
- progressing referrals for the project under the Commonwealth's *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) – City to Commonwealth Park (2A) and Commonwealth Park to Woden (2B).

Canberra Theatre

Planning and concept design for the Canberra Theatre Centre Redevelopment continued, with \$1.2 million allocated to an options analysis and business case in the 2018–19 Budget, including early site investigations and concept design.

Client Project Delivery

We delivered around \$200 million worth of client infrastructure projects for other ACT Government directorates during the financial year.

Significant client projects delivered during the reporting period included:

- Duplication of a large stretch of Gundaroo Drive, from Gungahlin Drive to the Barton Highway
- Construction of the Stromlo Leisure Centre
- Delivery of the new Weston Walk-In Centre
- Expansion of the Belconnen Arts Centre

MPC Established as a New ACT Government Directorate

The ACT Government announced the establishment of Major Projects Canberra in mid-June 2019, with staff transferring in from identified agencies. Staff working on the designated major projects and corporate areas were relocated before the end of July 2019 to MPC's new space at Callam Offices in the Woden Town Centre.

By 30 June 2020, MPC had 166 FTE and planning was advanced to relocate the Infrastructure Delivery Partners business unit from Nature Conservation House in Belconnen and the Canberra Hospital campus to Callam Offices.

Future priorities and challenges

A primary focus for Major Projects Canberra in 2020-21 will be to work with other parts of government to deliver record levels of infrastructure investment. This is to be achieved whilst maintaining safety as our highest priority and while promoting other ACT Government policies, particularly in relation to local industry participation, diversity and sustainability.

Challenges for 2020-21 include:

- Continuing to deliver major infrastructure projects amid the uncertainties of the COVID-19 pandemic and in the context of a massive demand for infrastructure delivery resources along the east coast of Australia.
- Working with other parts of the ACT Government to optimise the information systems we need to ensure we have access to the right information at the right time to ensure Major Projects Canberra's effectiveness as the ACT Government's key infrastructure delivery body.
- Continuing to build our financial operating model to ensure it supports effective management of public resources and delivers the required capital works outcomes.

COVID-19 Surge Centre



Construction of the COVID-19 Surge Centre is an example of partnership and innovation by ACT Government and industry during a public health emergency. A key component of the Territory-wide clinical response to the COVID-19 pandemic, the Surge Centre expanded the ACT's Emergency Department capacity and enhanced our ability to respond to the pandemic.

The purpose-built facility was designed to maximise staff and patient safety in a COVID-19 environment.

The Surge Centre houses thirty-two acute day beds, twelve short-stay, overnight beds, six resuscitation bays and a palliative care room, and was delivered within budget. The facility is fully demountable and transportable, allowing Garran Oval to be returned to the local community when it is no longer required.

Major Projects Canberra worked with Canberra Health Services and its key delivery and operations partner, Aspen Medical, to establish this unique facility. A team of highly qualified construction and clinical experts was mobilised across government and industry to oversee the project. In consultation with the World Health Organisation, and facing mounting supply chain challenges, local industry quickly adapted existing products and technologies to produce innovative solutions.

Construction of the Surge Centre commenced on 9 April 2020 and was completed on 15 May 2020.

Keeping Canberrans Moving

Working closely with TCCS to deliver a major upgrade of the Monaro Highway, MPC's civil infrastructure team is delivering a safer and more environmentally friendly travel experience for Canberrans. With up to \$100 million over five years to match funding from the Commonwealth for the Monaro Highway under the National Partnership Agreement on Land Transport Infrastructure Projects program, the works include replacing bottleneck intersections in the Pialligo corridor to the north and are adding new overtaking lanes at the ACT border in the south.



The final stage of the Gundaroo Drive duplication was completed in June 2020. These major road connections continue to promote and improve the value of the public transport network as well as reducing inefficiencies throughout the road network from congestion.

We also delivered cycling and walking infrastructure as an integrated part of major road projects, fulfilling the objectives of the ACT Government’s Active Travel Framework.

Other community-focused works included accessible bus stop upgrades, bus layover facilities, new facilities to support waste management in the ACT, and park and ride facilities across the Territory.



Photo credit: Kiernan May

Keeping Canberrans Healthy

The social infrastructure branch delivered a refurbished Ward 14A at the Canberra Hospital and a new nurse-led Walk-in-Centre in Weston Creek 2019–20.

The Ward 14A project is part of a \$17 million revamp of Territory cancer wards to provide more single bedrooms to support patient privacy and to create positive pressure environments that will reduce the risk of infection for immune-suppressed patients.

Ward 14A is the first positive pressure ward in the Canberra Hospital and was opened by Minister Rachel Stephen-Smith on 24 February 2020.

The Weston Creek Walk-in-Centre opened officially on 13 December 2019. The project involved refurbishment and fit-out of an existing facility and was challenging for all. Lessons from the project are being used to improve deliver of the Inner North Walk-in-Centre project, due for completion in August 2020.

Keeping Canberrans Engaged

In 2019–20, MPC’s commercial infrastructure team completed a wide variety of projects. These ranged from a commemorative sculpture for the 50th anniversary of the moon landing in July 2020, to the opening of the Gold Creek Primary School and the expansion of Bonner Primary School for the first day of school in 2020, to the Belconnen Arts Centre Stage 2 and the Stromlo Leisure Centre, due to open in August 2020.

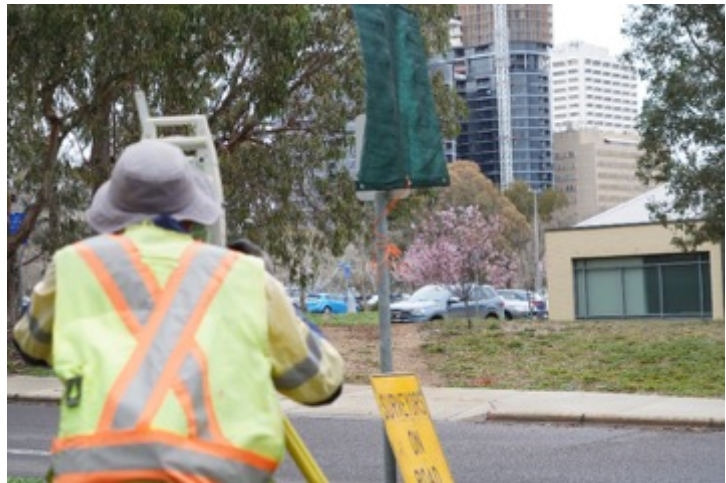


Working closely with the Education Directorate in an integrated nature has been central to our successful delivery of schools from the concept and business case stage through to operational delivery for primary schools, high schools and colleges. Together, we have been able to deliver on budget within limited time frames – usually day 1 term 1 of each school year.

Stimulating Canberra's Economy

As part of the ACT Government's COVID-19 stimulus, MPC worked closely with other Directorates to deliver a range of 'screwdriver-ready' infrastructure projects within short timeframes.

To meet the timelines and ensure quality and safety, we worked with partner directorates to streamline approval processes to minimise delays, better manage costs and meet Government expectations.



For example, we adjusted a temporary traffic management approval process to minimise delays and we arranged for any 'spoil' removed from sites to be taken to Mugga Lane at no cost to the contractor.



Our Role, Functions and Services

MPC achieves its vision by providing advice to government and delivering designated major infrastructure projects and other capital works as part of the Territory's infrastructure program. We undertake project planning, procurement, contract management and delivery oversight on behalf of government directorates and agencies for infrastructure works.

MPC is funded predominantly through direct capital appropriation provided for the delivery of designated major projects. Major Projects Canberra also receives indirect funding from the Territory's capital works program and income from other management services provided in the delivery of the ACT Government infrastructure program.

The key outputs we deliver include:

- directly procuring and delivering designated major projects;
- delivering capital works infrastructure projects in partnership with other Directorates;
- providing advice and industry representation on infrastructure matters;
- contractor prequalification; and
- work health and safety protocols and standards for capital works projects, including [Secure Local Jobs Code Certification](#) and [Active Certification](#).

Our first designated projects include the expansion of Canberra Hospital, the extension of light rail to Woden, the delivery of a new Canberra Institute of Technology (CIT) campus and public transport hub in Woden, and the Canberra Theatre Centre redevelopment.

MPC is led by the Chief Projects Officer, who, as Director-General, reports to the Head of Service and is accountable directly to the Treasurer and relevant project Ministers.

Whole of Government Services

The ACT Chief Engineer is part of the MPC executive. The ACT Chief Engineer provides advice to the ACT Government and is responsible for facilitating the engineering capability required to meet the future needs and growth of the Territory.

On behalf of the ACT Government, MPC operates the Project Management and Reporting System (PMARS) to support delivery of the Territory's capital works program.

Benefits include:

- enhanced productivity and savings through reduced duplication of effort and multiple management systems;
- improved monitoring and reporting capability to allow a greater understanding of – and control over – project delivery;
- better outcomes for the Territory's investment in infrastructure projects outlined in the [ACT Infrastructure Plan](#); and
- shortened payment terms, improved data analytics and invoice reporting.

Major Stakeholders

We are accountable to ACT Government Ministers and, through them, to the Canberra community.

Successful stakeholder engagement is reliant upon Major Projects Canberra having a reputation of integrity, openness and accountability. We need to ensure stakeholders, partners and customers trust that the decisions affecting them are made consistently and openly, and that they will be dealt with in a consistent way by all parts of the agency.

Our key external stakeholders include our community, industry organisations, infrastructure contractors and consultants, unions, planning authorities, other jurisdictions and various regulators.

Organisational Structure

The Major Projects Canberra Executive Leadership Team organisational structure as at 30 June 2020 is at Figure 1.



Figure 1 MPC Executive Leadership Team as at 30 June 2020

MPC Executives

Director-General; Chief Projects Officer

Duncan Edghill

The Chief Projects Officer is responsible for the leadership, management, strategic direction, efficient and effective financial management and good governance of Major Projects Canberra. The Chief Projects Officer also provides advice and reporting to Ministers about the Directorate's activities. As a member of the ACTPS Strategic Board, the Chief Projects Officer also provides whole of government leadership for the ACTPS and is responsible for the implementation of whole of government initiatives on behalf of the Major Projects Canberra.

As at 30 June 2020, the senior executives reporting to the Chief Projects Officer were:

Executive Group Manager, Project Development and Support

Damon Hall

The Executive Group Manager, Project Development and Support is responsible for working with clients to develop designated projects and managing MPC's ministerial, governance and corporate functions, including financial management and communications and engagement. Reporting to the Chief Projects Officer, the position is responsible for ensuring good governance, effective people management, safety, data governance, and implementation of modern ICT, communications and engagement activities and delivery of quality processes and improvements.

The position oversees the financial operations of MPC, as well as provision of legal and contract advice, procurement and associated services.

The Executive Group Manager, Project Development and Support represents MPC at a variety of whole of government forums and is responsible for ensuring any resulting initiatives are implemented in MPC.

Executive Group Manager, Infrastructure Delivery Partners ACT Government Chief Engineer

Adrian Piani

The Executive Group Manager, Infrastructure Delivery Partners is responsible, in coordination with other government agencies, for capital works delivery for the ACT Government, structured into three project management areas:

- Civil infrastructure
- Social infrastructure
- Commercial infrastructure

As the ACT's Chief Engineer, he provides advice across the ACT Government and is responsible for facilitating the engineering capability required to meet the future needs and growth of the Territory.

Project Director, Canberra Hospital Expansion

Martin Little

The Project Director, Canberra Hospital Expansion is responsible for delivering the largest healthcare infrastructure project undertaken by the ACT Government. Together with existing facilities and several other infrastructure projects underway across Canberra, the Canberra Hospital Expansion Project will help meet the increasing demand for complex healthcare services required by our growing, and ageing, population.

The Canberra Hospital Expansion Project will deliver a modern, purpose-built and state-of-the-art emergency, surgical and critical healthcare facility on the Canberra Hospital campus. The new facility will ensure the healthcare needs of our growing and ageing community and region are met today and for the decades ahead.

With more than \$500 million to be invested in the Canberra Hospital campus, the Canberra Hospital Expansion Project will deliver increased capacity across the hospital's adult intensive care, paediatric intensive care, surgical and emergency services.

Project Director, Light Rail Project

Ashley Cahif

The Project Director, Light Rail Project is responsible for planning, delivery and construction of light rail today to ensure the Canberra of tomorrow – with a population of 500,000 by 2030 – can move easily and continue to enjoy Canberra as one of Australia's most liveable cities.

The focus for the position in 2019–20 was the post-operations completion of Stage 1 and developing Stage 2 of Canberra's light rail system, which will connect the light rail to Woden.

Project Director, CIT Woden

Wayne Ford

The Project Director, CIT Woden is responsible for delivering a new, state-of-the-art campus in the Woden Town Centre.

The ACT Government has identified the preferred site for the new campus, which will complement a new public transport interchange in Woden. Both facilities will be built on and adjacent to the site of the existing Woden Bus Station and the former Woden Police Station site. The new CIT Woden campus will cater for the 6,500 students expected to use the campus every year.

CIT Woden will have a focus on cyber, technology qualifications and service skills. In addition, CIT will continue to offer skills for the industries of business, creative industries, hospitality and tourism.

Interim Project Director, Canberra Theatre

Sophie Gray

The Project Director, Canberra Theatre is responsible for leading the preliminary work to redevelop the Canberra Theatre Centre, which will deliver a new complex to improve the cultural life of Canberra and deliver a full range of cultural activities, including live entertainment, expected to improve the appeal of Canberra as a destination.

The project is expected to deliver positive social, economic and environmental outcomes for the Canberra community, the performing arts community and tourism sector through more interstate visitation.

The redevelopment of the Canberra Theatre Centre is a 'City Activation' and Performing Arts project, which encompasses urban renewal and provides a significant opportunity to activate the Civic Square Precinct and the city centre.

Executive Remuneration

The ACT Remuneration Tribunal is an independent statutory body with responsibility for setting the remuneration, allowances and entitlements for public officials in the ACT including the ACT Government. Further information can be found at the [ACT Remuneration Tribunal website](#).

Governance

Major Projects Canberra maintains an internal governance framework to assist in the management of the organisation, set strategic direction and oversee operations, including the management of risk.

The MPC Executive Board supports the Chief Projects Officer in meeting his governance and management obligations under relevant legislation, including the Public Sector Management Act 1994 and the Financial Management Act 1996. Financial management is overseen by a Finance Sub-Committee, while day-to-day business operations are guided by the MPC Executive Leadership Team, as shown in Figure 2.



Figure 2 MPC senior committee structure as at 30 June 2020

MPC aligns its strategic direction and activities to whole of government priorities and the ACT Budget by ensuring a systematic approach to business planning and subsequent reporting to monitor our performance.

In 2019–20, MPC implemented a new Governance Framework and commenced work to develop the Quality Management System that will ensure the services we provide to the community are fit for purpose, and business processes are undertaken consistently and efficiently. The Directorate applies a continuous improvement approach to streamlining governance processes and ensuring MPC makes informed, transparent and accountable decisions with a strong customer focus.

Based on our experience in managing our response to the COVID-19 emergency, we were able to build the Directorate's emergency management and business continuity capability in 2019–20. This included publication of our business continuity corporate procedure, publication of the MPC Business Continuity Plan and subordinate Pandemic Response Plan, and establishment of the internal controls implemented by the MPC Emergency Management Team during a response event.

To improve information sharing and compliance with the Territory Records Act 2002, MPC began the rollout of a unified electronic records management system to all staff. A focus for 2020–21 will be in harmonising data access across MPC and publishing relevant and available data sets to [Open Access](#).

Governance priorities for 2020–21 include publication of the remaining corporate management procedures and core processes to complete the Quality Management System, and publication of corporate plans such as fraud and corruption prevention, internal audit and risk.

Committees and Their Roles

Table 1 details the significant Major Projects Canberra committees as at 30 June 2020 and their role in overseeing our governance and strategic management.

Committee Name	Chaired by	Membership	Purpose
Executive Board	Duncan Edghill	Ashley Cahif Lloyd Esau Wayne Ford Sophie Gray Damon Hall Martin Little Adrian Piani	Sets and promotes MPC's strategic direction, maintains an overview of MPC's governance arrangements and reviews strategic performance and risk management to ensure efficient and effective business operations.
Finance Sub-Committee	Damon Hall	Ashley Cahif Wayne Ford Sophie Gray Martin Little Adrian Piani Erica Wark	Provides leadership and direction in financial strategy and financial management of MPC.
Executive Leadership Team	Duncan Edghill	Ashley Cahif Amanda Cant Lloyd Esau Wayne Ford Sophie Gray Damon Hall Martin Little Adrian Piani Rebecca Power Nikki Pulford Darren Smith George Stellios Erica Wark Simon Webber	Ensures business operations are conducted in accordance with the MPC Governance Framework and aligned with the MPC Strategic Plan.
Emergency Management Team	Nikki Pulford	Amanda Cant Lily Mulholland Phil Gritti Dougal Wilson	Provides leadership and direction in emergency management and business continuity during an emergency. The Emergency Management Team worked closely with the Executive Leadership Team to manage the safety and wellbeing of MPC's people during the COVID-19 public health emergency.

Table 1 Significant MPC Committees

An MPC Audit Committee will be established in 2020–21 to oversee the effectiveness of MPC's system of internal controls and to meet the requirements of [the ACT Government Framework for Internal Audit Committee and Function](#), launched in February 2020.

Project Advisory Boards

A project advisory board is appointed to oversee governance arrangements and delivery of each designated major project, with independent members appointed by the relevant Minister. The boards include members from relevant ACT Government agencies and independent members who bring specialist expertise.

The boards are led by an independent chair who is responsible for advising the Minister and Chief Projects Officer on project progress, opportunities and challenges, and any emerging issues that may affect achievement of project benefits.

In 2019–20, MPC had appointed three project advisory boards:

- Light Rail Project Board
- Canberra Hospital Expansion Project Board
- CIT Woden Project Board

Light Rail Project Board

The Light Rail Project Board meets monthly. The Board is focused on strategic advice in relation to the planning and delivery of the light rail project and broader light rail network development and provides advice to the ACT Government in relation to the planning, procurement and delivery of the light rail project.

As at 30 June 2020, the Light Rail Project Board comprised eight members, with three Independent Members appointed by the ACT Government and five determined by their positions within ACT Government Directorates.

Mr Greg Wilson was appointed as an Independent Member from 1 March 2020 with the intention that he assume the role of Independent Chair upon the expected resignation of Mr John Fitzgerald in October 2020.

The Chief Projects Officer has a standing invitation to attend board meetings.

The composition of the Board changed from September 2019 due to a change in scope of the Board Charter and is reflected in Table 2.

Position	Member	Appointment Expiry
Independent Chair	John Fitzgerald	02/10/2020
Deputy Chair	Under Treasurer, Chief Minister, Treasury and Economic Development Directorate (CMTEDD)	N/A
Independent Member	Michael Kerry	07/08/2021
Independent Member	Greg Wilson	10/03/2022
Member	Director-General, Transport Canberra and City Services Directorate (TCCS)	N/A
Member	Director-General, Environment, Planning and Sustainable Development Directorate (EPSDD)	N/A
Member	Chief Executive Officer, City Renewal Authority (CRA)	N/A
Member	Director-General, Justice and Community Safety Directorate (JACS)	August 2019 (Renewed Board Charter)
Member	Deputy Director-General, Economic Development CMTEDD	August 2019 (Renewed Board Charter)

Table 2 Light Rail Project Board membership at 30 June 2020

In 2019–20, the Board met on 11 occasions with attendance outlined in Table 3. This does not include out-of-session activity. The Board moved the November meeting to December.

Member	Jul	Aug	Sept	Oct	Nov [#]	Dec	Jan	Feb	Mar	Apr	May	Jun
John Fitzgerald	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	N/A	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Under Treasurer	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	N/A	<input checked="" type="checkbox"/> *	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> *	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Michael Kerry	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	N/A	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Greg Wilson	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
DG TCCS	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	N/A	<input checked="" type="checkbox"/> *	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
DG EPSDD	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	N/A	X	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
CEO CRA	N/A	N/A	<input checked="" type="checkbox"/>	X	N/A	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
DG JACS	<input checked="" type="checkbox"/>	X	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
DDG ED	X	X	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Table 3 Light Rail Project Board attendance

Notes:

* Proxy attended meeting

The November meeting was deferred to December.

Canberra Hospital Expansion Project Board

The Canberra Hospital Expansion Project Board was established in September 2019 to provide strategic decision-making advice and guidance to the ACT Government in relation to the planning, procurement, design and delivery of a new emergency, surgical and critical healthcare facility at the Canberra Hospital (previously known as the SPIRE Project).

The Canberra Hospital Expansion Project Board comprises seven members with two Independent Members appointed by the Minister for Health and five determined by their positions within ACT Government Directorates. The role of Independent Member was vacant as at 30 June 2020.

The Chief Projects Officer has a standing invitation to attend board meetings.

Canberra Hospital Expansion Project Board membership during the reporting period is shown in Table 4.

Position	Member	Appointment Expiry
Independent Chair	Tony Michele	20/01/2023
Deputy Chair	Chief Executive Officer, Canberra Health Services (CHS)	N/A
Member	Under Treasurer (or delegate), Chief Minister, Treasury and Economic Development Directorate (CMTEDD)	N/A
Member	Director-General, ACT Health Directorate (ACTHD)	N/A
Member	Director-General (or delegate), Environment, Planning and Sustainable Development Directorate (EPSDD)	N/A
Member	Director-General (or delegate), Justice and Community Safety Directorate (JACS)	N/A
Independent Member	Vacant	

Table 4 Canberra Hospital Expansion Project Board membership at 30 June 2020

The Board met on 9 occasions in the 2019–20 reporting period and achieved a quorum for all meetings. This does not include out-of-session activity. Board member attendance is outlined in Table 5. The Board delayed the first meeting in September to the first week of October; therefore, two meetings were held in October. There was no meeting in December 2019.

Member	Jul	Aug	Sept/ Oct	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Tony Michele	N/A	N/A	N/A	N/A	N/A	N/A	☑	☑	☑	☑	☑	☑
CEO CHS	N/A	N/A	☑	☑	☑*	N/A	☑	☑	☑	☑	☑	☑
Treasury Delegate	N/A	N/A	☑	☑	☑	N/A	☑	☑	X	☑	☑	☑
DG ACTHD	N/A	N/A	☑*	☑	☑*	N/A	☑	☑*	X	☑*	☑	☑
Delegate EPSDD	N/A	N/A	X	☑	☑*	N/A	☑	☑	☑	☑	☑	☑
DG JACS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	☑	☑	☑	☑

Table 5 Canberra Hospital Expansion Project Board attendance

Notes: * Proxy attended meeting

CIT Woden Project Board

The CIT Woden Project Board (CIT Board) was established in December 2019 to provide strategic decision-making advice and guidance to the ACT Government in relation to the planning, procurement, design and delivery of a new CIT campus and bus interchange in the Woden Town Centre.

The CIT Woden Project Board comprises seven members with one Independent Member appointed by the Minister for Tertiary Education and six determined by their positions within ACT Government Directorates. Provision exists for an additional Independent Member to be appointed, if required.

The Chief Projects Officer has a standing invitation to attend board meetings.

CIT Woden Project Board membership during the reporting period is shown in Table 6.

Position	Member	Appointment Expiry
Independent Chair	Diane Joseph	24/02/2023
Deputy Chair	Chief Executive Officer, CIT	N/A
Member	CIT Governing Board Member	At expiry of CIT Governing Board Appointment (30 June 2020)
Member	Under Treasurer (or delegate), Chief Minister, Treasury and Economic Development Directorate (CMTEDD)	N/A
Member	Deputy Director-General, Economic Development, CMTEDD	N/A
Member	Director-General (or delegate), Environment, Planning and Sustainable Development Directorate (EPSDD)	N/A
Member	Director-General (or delegate), Transport Canberra and City Services (TCCS)	N/A
Independent Member	Vacant	

Table 6 CIT Woden Project Board membership at 30 June 2020

The Board met on 8 occasions in the 2019–20 reporting period, with two meetings in March and June 2020. This does not include out-of-session activity. A quorum was maintained for all meetings held in the reporting period and Board member attendance is outlined in Table 7.

Following appointment, the Board Chair commenced attendance at meetings in March 2020.

Member	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Diane Joseph	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	☑	☑	☑	☑
CEO CIT	N/A	N/A	N/A	N/A	N/A	N/A	☑	☑	☑	☑	☑	☑
CIT Board Member	N/A	N/A	N/A	N/A	N/A	N/A	☑	☑	☑	☑	☑	☑
Treasury Delegate	N/A	N/A	N/A	N/A	N/A	N/A	☑	☑	☑	☑	☑	☑
DDG CMTEDD	N/A	N/A	N/A	N/A	N/A	N/A	☑	☑*	X	☑	☑*	☑
Delegate EPSDD	N/A	N/A	N/A	N/A	N/A	N/A	☑	☑	X	☑*	☑*	☑
Delegate TCCS	N/A	N/A	N/A	N/A	N/A	N/A	☑	X	☑	☑	☑	☑

Table 7 CIT Woden Project Board attendance

Note: * Proxy attended meeting

Project Board Governance

Each project board operates within a governance framework that sets out their responsibilities, membership requirements and operating procedures. Secretariate support is provided by MPC's Ministerial, Governance and Corporate Support Branch.

Project Board members are appointed by the relevant Minister and are non-statutory in nature.

Remuneration of Independent Members on Major Projects Canberra's advisory boards is determined by the ACT Remuneration Tribunal under the *Part-time Public Office Holders Determination*. Public servants who are members on Project Boards do not receive remuneration in addition to their salary.

All board members are required to sign confidentiality deeds and declaration of potential or perceived conflicts of interests upon commencement and are also required to declare any conflicts at the start of each meeting.

Should it be required, boards have access to probity and legal services provided by the ACT Government Solicitor through MPC's Ministerial, Governance and Corporate Support Branch.

Additional project advisory boards are established as designated projects enter delivery stage.

Planning Framework

The MPC Strategic Plan 2020–25 describes how we will achieve our purpose and manage risk in our unique operating environment, including our priorities and success indicators. The plan is structured around three high-level objectives:

- **Community, clients and projects.** We want to ensure that our projects are helping Canberra to be the world's most liveable city.
- **Government and industry.** We want to work with our colleagues in Government and industry to deliver the Territory's infrastructure program.
- **Organisational health.** We want our workforce to have the skills, technology and facilities it needs to deliver the best value infrastructure while meeting our legal and policy obligations.

The plan is supported by an implementation plan that informs every aspect of our work and directly influences business unit planning and individual employee performance plans.

Performance Framework

MPC actively participates in the ACTPS Performance Framework, which sets out the objectives for managing the performance and development of ACTPS employees.

MPC is committed to providing regular and effective performance feedback to employees to identify development needs and opportunities in line with broader business objectives.

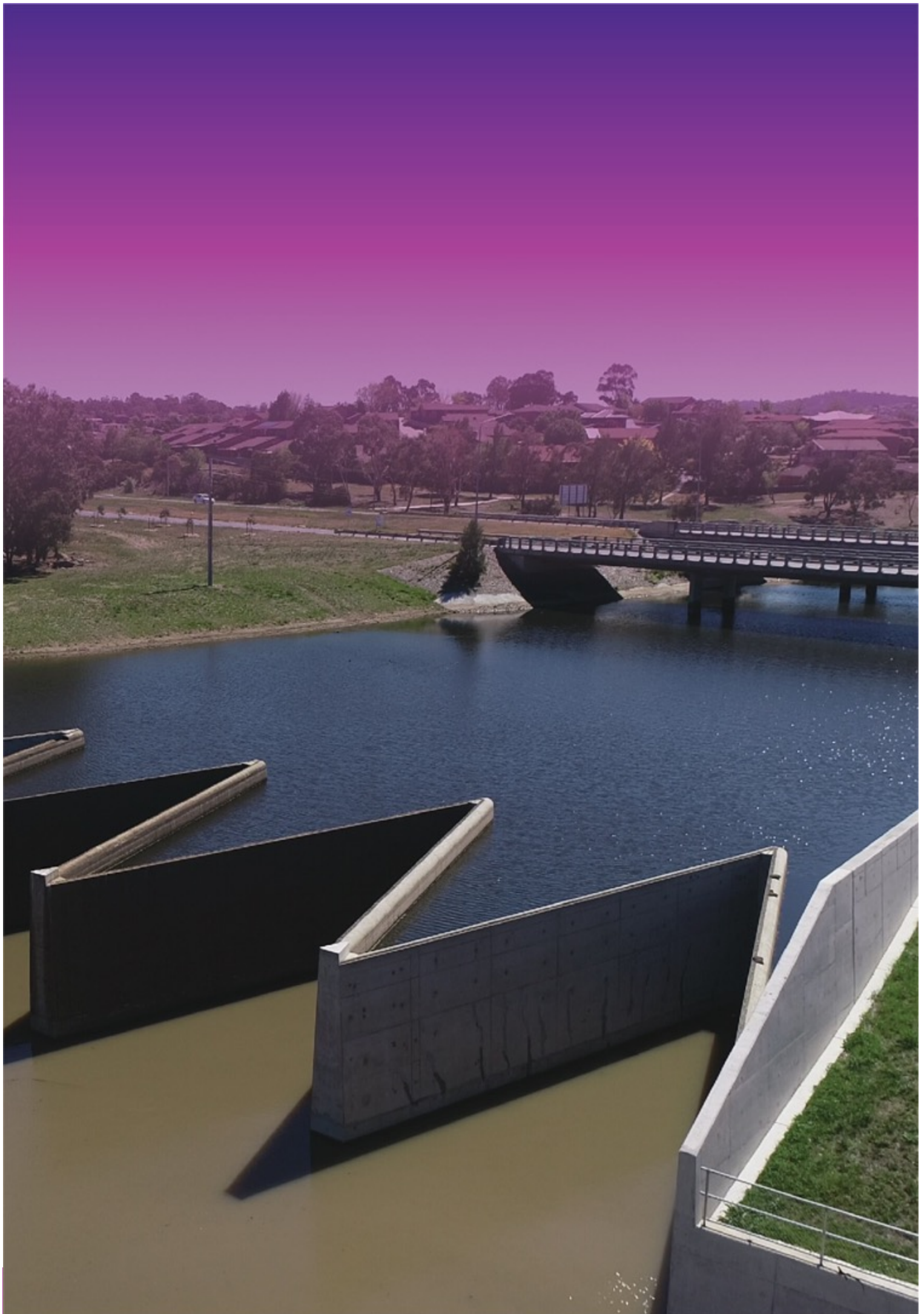
The Chief Projects Officer is responsible for ensuring all employees have a performance plan in place that is linked to the achievements of their team business unit goals and MPC objectives, and for these plans to be reviewed bi-annually. For executives, these agreements are formalised through their executive contracts.

Aboriginal and Torres Strait Islander Reporting

MPC will develop an Action Plan in 2020–21 to support the ACT Government's commitment to the [Aboriginal and Torres Strait Islander Agreement 2019–28](#).

The plan will support initiatives to support Aboriginal and Torres Strait Islander communities in the ACT in actively influencing and participating in the Territory's social, economic and cultural life. This includes achieving the intended results of the Aboriginal and Torres Strait Islander Procurement Policy (ATSIPP), launched on 31 May 2019.

MPC contributes to whole of government initiatives through ensuring Aboriginal and Torres Strait Islander requirements are incorporated into project procurement and management and participating in the ACT Public Service Strategic Board Aboriginal and Torres Strait Islander Affairs Sub-Committee and associated committees and working groups.



Performance Analysis

MPC performed well in 2019–20, making progress against its strategic indicators and meeting accountability indicator performance targets. See also the Statement of Performance in Part 2C, Financial Management.

An overspend of eighteen per cent is attributable one-off expense in recognition of the existing leave balances of new staff and capital project-related costs incurred which did not meet the accounting criteria for capitalisation. See also the Financial Statements in Part 2C.

Strategic Indicators

Strategic Indicator 3.1: Expansion of the Light Rail Network

Strategic Indicator 3.1 was transferred from the Transport Canberra and City Services (TCCS) Directorate to MPC during the reporting period.¹

Work to expand the Light Rail Network continued in 2019–20 through planning the second stage, which is currently planned to see an extension of light rail from the City to Woden in two sub-stages:

1. **Stage 2A.** City to Commonwealth Park
2. **Stage 2B.** Commonwealth Park to Woden

The initial Light Rail Stage 2A project business case received government endorsement on 26 August 2019.² Stage 2A is planned to deliver a 1.7-kilometre wireless track extension to Commonwealth Park along London Circuit and Commonwealth Avenue and is the first step in continuing the Gungahlin to City Light Rail line to Woden. As one of the [ACT Government Infrastructure Plan](#) priorities over the next five years, building Light Rail to Woden will contribute to our city's growth by providing public transport infrastructure ahead of actual demand.

Other key achievements in the reporting period included:

- Completion of a robust consultation phase for the project, with upwards of 50 project briefings and more than 2,500 community members engaged following the project's announcement in September 2019; and
- As required by *Phase 6: Measure of The Capital Framework*, MPC released a twelve-month review of the benefits from Light Rail Stage 1 on 7 May 2020. The benefits realisation snapshot is available on the [MPC website](#).

No other strategic indicators were applicable during the reporting period.

¹ This transfer occurred in line with current administrative arrangement orders and was approved by the Chief Minister on 30 June 2020.

² This milestone aligns to [Stage \(3\) Prove: Single Assessment Framework \(SAF\)](#) of [The Capital Framework](#)

Output Class

MPC had one output class in 2019–20:

- Output Class 1: Major Projects Canberra
 - Output 1.1: Major Projects Canberra

Accountability Indicators

MPC performed well against its three accountability indicators in 2019–20, as shown in Table 8.

	2019–20 Target	30 June 2020 Result	Variance	Note
Accountability indicators				
a) Proportion of relevant projects supported by Major Projects Canberra that have had WHS audits performed in accordance with the Active Certification Audit Program ¹	90%	98%	9%	1
b) Capital Works Projects: ²				
○ Percentage of Construction Projects Completed on Budget	>85%	100%	18%	2
○ Percentage of Construction Projects Completed on Time	>85%	100%	18%	3
○ Percentage of contracts awarded to prequalified contractors/consultants	>95%	98%	3%	
c) Proportion of relevant contracts managed by Major Projects Canberra that include the requirement for the contractor to hold IRE Certification ³	>90%	100%	11%	4
Total Cost (\$'000)	28,009	32,948	18%	5
Controlled Recurrent Payments (\$'000)	12,356	11,200	(9%)	6

Table 8 Performance against accountability indicators

The Accountability Indicators table should be read in conjunction with the accompanying notes. The variance result has been rounded to the nearest whole number.

The above Accountability Indicators are examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*. The Total Cost and Controlled Recurrent Payments measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*.

Explanation of Accountability Indicators

1. Responsibility for this accountability indicator transferred to Major Projects Canberra on 1 July 2019 from the Chief Minister, Treasury and Economic Development Directorate. The Active Certification Audit Program applies to construction work for Government capital works projects valued at \$250,000 or more.
2. This accountability indicator applies to all construction projects managed by Infrastructure Delivery Partners Group (previously Infrastructure Finance and Capital Works as part of the Chief Minister, Treasury and Economic Development Directorate). Responsibility for this accountability indicator transferred to Major Projects Canberra on 1 July 2019. As was the case in previous financial years, the

'on time' and 'on budget' measures for 2019–20 are assessed against the final completion time and budget per project, as agreed with the partner directorate. Major Projects Canberra notes that if these measures were to be assessed as against the originally forecast completion times and budgets, the 2019–20 results would be 64% and 64% respectively.

3. Responsibility for this accountability indicator transferred to Major Projects Canberra on 1 July 2019 from the Chief Minister, Treasury and Economic Development Directorate. The Industrial Relations and Employment (IRE) certification program was replaced by the Secure Local Jobs Code (SLJC) with effect 15 January 2019. IRE certificates remained valid until their renewal date, after which time suppliers were required to obtain an SLJC certificate. This accountability indicator is expected to be updated for the 2020–21 Budget.

Explanation of Material Variances (+/-5%)

1. Major Projects Canberra completed a higher number of WHS audits than planned during the reporting period due to increasing industry familiarity and compliance with the initiative and increased efficiency of the audit team.
2. More projects were completed within budget due to a mature and efficient approach to project management.
3. More projects were completed on time than planned, as measured against final agreed timeframes.
4. Inclusion of threshold criteria in tender documentation and checks at time of tender assessment contributed to a higher level of compliance.
5. Total expenditure in 2019–20 was \$32.9 million, which was \$4.9 million or 17.5 per cent higher than the revised 2019–20 Budget of \$28.0 million, primarily due to: higher leave expenses related to the accrued leave balances transferred with new staff (\$1.8 million); expensing of capital works in progress balances for the Northbourne Verges works that did not meet capitalisation criteria on return of the asset to Transport Canberra and City Services (\$0.6 million); capital project support cost and overheads which did not meet the capitalisation criteria (\$2.1 million); and demolition and relocation expenses on the delivery of the SPIRE Project, which are not recognised as capital expenses (\$0.3 million).
6. The variance relates to undrawn appropriation related to lower than expected expenditure on the delivery of the light rail stop at Mitchell (\$0.15 million) and Light Rail Stage 2 (\$1.006 million) which are anticipated to be rolled forward to the 2020–21 reporting period.

Designated Projects

In addition to the Light Rail Project discussed above, MPC is responsible for delivering designated major infrastructure projects where MPC holds budget and is directly accountable to the responsible Minister. In 2019–20, MPC's designated projects were:

- A major expansion of the Canberra Hospital, at the time known as SPIRE
- The delivery of the second stage of light rail from the City to Woden
- A new Woden campus for the Canberra Institute of Technology (CIT) and public transport interchange
- A revitalisation of the Canberra Theatre Precinct

Performance in delivering MPC's designated projects is described in section 2B.

Client Projects

MPC's Infrastructure Delivery Partners group is responsible for delivering capital works projects in partnership with the ACT Government's directorates and agencies.

MPC performed well in delivering capital works projects for the Canberra community in 2019–20.

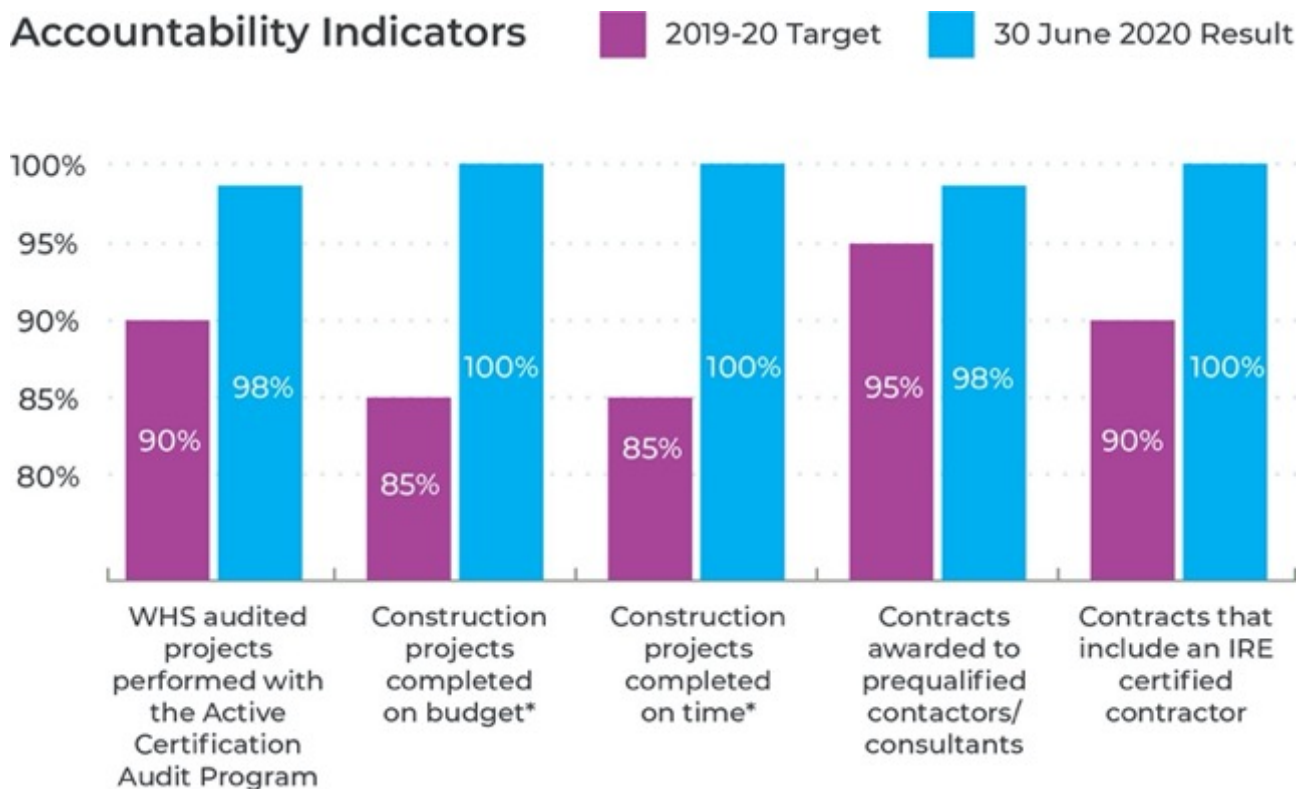


Figure 3 2019–20 Accountability Indicator Targets and Results. *See note on page 32.

Working in partnership with other Directorates to deliver the ACT Government's capital works program (including projects within the Better Infrastructure Fund), IDP successfully delivered over 100 capital infrastructure projects in 2019–20 to the value of around \$200 million.

Key achievements over the reporting period include:

- working with TCCS to progress the delivery of major road upgrades to the Monaro Highway and the duplications of Athllon Drive, William Hovell Drive and William Slim Drive;
- completion of civil works for the Gundaroo Drive Duplication Stage 2 Barton Highway to Gungahlin Drive, which duplicated 2.5km of the existing carriageway at a construction cost of \$22 million;
- completion of ACT No Waste works at a cost of \$24 million to provide an additional eight years capacity at the Mugga Lane Resource Management Centre;
- delivering multiple projects across more than fifty sites at a cost exceeding \$6 million to promote the Territory's targets on Active Travel – Better schools for our kids – Safer walking and cycling around schools and 60 DDA-compliant bus stops including community paths and shared paths in about twenty-five suburbs;

- delivery of the Ward 14A project at the Canberra Hospital – a \$17 million revamp of aging cancer wards in a bid to provide more single bedrooms to support patient privacy and to create positive pressure environments to reduce the risk of infection to immune suppressed patients;
- delivery of the Weston Creek Walk-in Centre – Canberra’s fourth nurse-led service offering free health care for minor injury and illness;
- completion of the major \$15 million expansion of the Belconnen Arts Centre;
- delivery of the final stage in the modernisation of Belconnen High School, which involved a series of progressive upgrades to the school’s buildings and grounds;
- expansion of the Gold Creek School to create space for 300 new students in the junior school;
- a permanent expansion to Neville Bonner Primary School to accommodate an additional 175 students;
- completion or commencement of more than \$268 million of capital infrastructure for the Education Directorate; and
- delivery of the Stromlo Leisure Centre which features an eight-lane, fifty-metre swimming pool, a twenty-metre, multi-purpose pool, a splash park and a gymnasium.

Standardising Capital Works Project Management

MPC’s Project Management and Reporting System (PMARS) provides a project management monitoring and reporting capability for the Territory’s capital works program. In 2019–20, we introduced the system across the ACT Government and, in 2020–21, we will use the system to track the delivery of ACT Government agency capital works projects.

Developing the Territory’s Engineering Workforce

In 2019–20, the ACT Chief Engineer developed and promoted an innovative and skilled engineering workforce for the ACT public service, built productive relationships with ACT Government partners in the engineering industry, and provided strategic engineering oversight on ACT Government infrastructure projects.

In February 2020, the ACT Chief Engineer hosted the inaugural ACT Chief Engineers Innovation Forum. The forum brought together more than 120 representatives and focused on how digital engineering is changing the industry – from how we design, build, operate and maintain our infrastructure, where the industry is heading and how best we can apply digital engineering innovation, to delivering positive outcomes for government, the private sector and communities.

During the reporting period, the ACT Chief Engineer, working with industry, provided guidance on infrastructure projects across the region and consulted widely on the challenges faced by the current engineering cohort. The ACT Chief Engineer promoted the value and complexity of infrastructure projects being delivered in the Territory, advocated for the safe delivery of infrastructure, and provided leadership on sustainability in the built environment.

The focus for 2020–21 is the release and implementation of an ACT Government Engineering Workforce Plan in consultation with industry and the ACT Public Service. The Workforce Plan and proposed registration scheme will be central to positioning the ACT Government as an engineering employer of choice and ensuring the continued high-quality delivery of the physical, social and digital infrastructure necessary to meet government priorities.

Scrutiny

ACT Auditor-General

Table 9 addresses the one Auditor-General's office recommendation relevant to MPC. Responsibility for the Light Rail Project transferred from TCCS to MPC on 1 July 2019.

ACT Auditor-General's Report 5/2016 – Initiation of the Light Rail Project		
Recommendation No. and summary	Action	Status
1. PROJECT CONTROLS PROCEDURE The Capital Metro Agency (TCCS as of 1 July 2016) should develop and implement a Project Controls Procedure to assist in managing project activities in accordance with the Project Plan and its objectives	During the procurement phase of the project, a dedicated Project Controls team in the former Capital Metro Agency (CMA) managed all aspects of project controls in accordance with the project plan. This team was responsible for project governance, an area which was recognised by the Auditor-General in her report as being sound and generally in accord with better practice. Strong governance arrangements are in place for Light Rail Stage 2, including a project controls system to assist in managing activities in accordance with the project plan and its objectives.	Complete

Table 9 Audit and Committee recommendations relevant to MPC

Other recommendations relating to the Light Rail project were completed by TCCS and, in accordance with the annual report directions, require no further reporting.

ACT Ombudsman

There were no ACT Ombudsman reports or recommendations relevant to MPC in 2019–20.

Legislative Assembly Committees

There were no Legislative Assembly Committee matters relevant to MPC in 2019–20.

Risk Management

MPC continues to develop its risk management framework as part of broader governance arrangements and in accordance with the AS ISO 31000:2018 Risk Management Guidelines and ACT Insurance Authority guidance.

When fully implemented in 2020–21, the risk management framework will:

- support building a risk culture in MPC;
- shape strategic and business planning; and
- build organisational capacity by developing skills in our people to better identify and manage risk.

Outputs of the framework will include a residual risk profile and risk appetite statement. We will use this information to integrate risk management into our strategic and business planning, including our enterprise plan for preventing and detecting business integrity risk. Areas of significant risk will be incorporated into MPC's internal audit program and subject to management-initiated review.

Risk is managed in accordance with the ACT Government Risk Management Policy 2019 and the MPC Governance Framework, with oversight provided by the MPC Executive Board and the Finance Sub-Committee.

Risks are identified and managed at three levels: strategic, operational and project delivery. The MPC Executive Leadership Team manages strategic and operational risk while the relevant Executives manage project delivery risk.

Individual designated major projects also maintain project-related risk management processes.

Internal Audit

MPC continues to develop its system of internal controls to define management authorities and accountabilities, consistent with legislative, regulatory and policy requirements. These controls are described in MPC's Quality Management System and their role in managing strategic, operating and service delivery risk will be described in MPC's Risk Management Procedure.

In 2020–21, MPC will develop its internal audit program to provide independent assurance of the effectiveness of MPC's risk management, internal control, and governance practices. Oversight will be provided by MPC's Audit Committee, which will be chaired by an independent member in accordance with the ACT Government's Framework for Internal Audit Committee and Function 2020. Audit outcomes will inform Chief Projects Officer decisions about where MPC's internal controls may require strengthening and support regular review of our approach to setting an appropriate control and risk management environment to help achieve strategic objectives.

Fraud Prevention

As a new Directorate, MPC continues to implement ACT Government-wide processes and develop its fraud prevention and detection capability. Work on the MPC Integrity Procedure and MPC Fraud and Corruption Prevention and Detection Plan started in 2019–20. Once implemented, the documents will provide policy guidance on how fraud and corruption will be managed in MPC and describe the actions to be taken when fraud or corruption is suspected.

Controls currently in place include:

- financial delegations, limiting authority to commit public funds to a small number of delegates;
- appointment of a Senior Executive Responsible for Business Integrity Risk (SERBIR), as required by the *ACT Public Interest Disclosure Act 2012*;
- appointment of disclosure officers on 26 September 2019 to investigate suspected wrongdoing and take appropriate action when a public interest disclosure is made in relation to MPC's operations;
- on-the-job training is provided for relevant staff;
- written guidance on how fraud and related integrity risks are to be managed was provided to all staff during 2019–20 and is included in the MPC Induction Manual;
- the online MPC security incident report assists us in identifying potentially fraudulent or corrupt behaviour; and
- information on integrity, fraud and corruption is available on the MPC Intranet and aligns with the ACT Government Integrity Policy.

No disclosures were received in our first 12 months of operations.

SERBIR

The SERBIR provides regular updates to Executives, team leaders and staff on their integrity responsibilities, including mandatory notification requirements and changes to MPC's integrity arrangements resulting from the establishment during the reporting period of the ACT Integrity Commission.

Executives, team leaders and staff have been advised that allegations of suspected fraud are to be reported to the SERBIR. The SERBIR investigates all allegations and, where the notification threshold is met, will refer the allegation to the ACT Integrity Commissioner in accordance with whole of government protocols.

The SERBIR undertook one investigation in 2019–20. The SERBIR determined the reported action concerned a lack of judgement and was therefore a disciplinary matter that did not meet the ACT Integrity Commission reporting threshold. It was referred to human resources and managed as a disciplinary matter.

Freedom of Information

MPC is committed to the principles of Open Government and aligns business operations with the objectives of the *Freedom of Information Act 2016* (FOI Act).

In 2019–20, MPC received eighteen access requests:

- Eleven were closed and information was provided to the applicant.
- Five were closed and no information was provided to the applicant as the information requested was not held by MPC.
- Two requests remained in progress at 30 June 2020.

Detailed information about access requests actioned in the reporting period is in Table 10.

Open Access Information	
Section 96 (3) (a) (i), (ii) and (iii)	
Number of decisions to publish Open Access information	45
Number of decisions not to publish Open Access information	0
Number of decisions not to publish a description of Open Access information withheld	0
FOI Applications received and decision type for completed applications	
Section 96 (3) (a) (iv), (vii), (viii) and (ix)	
Number of access applications received	18
Number of access applications completed by 30 June 2020	16
Number of applications where access to all information requested was given	5
Number of applications where access to only some of the information requested was given (partial release)	6
Number of applications where access to the information was refused	0
Number of applications where no information was provided to the applicant as the information requested was not held by MPC	5
FOI processing timeframes for completed applications	
Section 96 (3) (v) and (vi); Section 96 (3) (d)	
Total applications decided within the time to decide under section 40	14
Applications not decided within the time to decide under section 40	2
Number of days taken to decide over the time to decide in section 40 for each application	<20 (11) >20 (5) >35 (0)
Amendment to personal information	
Section 96 (a) (x) and Section 96 (3) (e)	
Number of requests made to amend personal information, and the decisions made (e.g. amended, refused, notation added to record, other).	0
Reviews	
Section 96 (3) (b); Section 96 (3) (c)	
Number of applications made to ombudsman under section 74 and the results of the application (e.g. confirmed, varied, set aside and substituted, withdrawn, other).	1 confirmed
Number of applications made to ACAT under section 84 and the results of the applications (e.g. affirmed, varied, set aside and substituted, withdrawn, other)	0
Fees	
Section 96 (3) (f)	
Total charges and applications fees collected from access applications	\$0

Table 10 Freedom of Information

Making an Access Application

Every person has an enforceable right to obtain access to Government information. Access applications made to MPC are recorded in our [Disclosure Log](#), as required by the FOI Act.

We can assist you to locate the information you are seeking. Please contact the Freedom of Information Coordinator on 02 6205 1757 or email MPCFOI@act.gov.au.

For more information on making an access application, please visit <https://www.act.gov.au/majorprojectscanberra/about-us/access-to-information>.

Community Engagement and Support

We are committed to genuine and meaningful engagement that supports project development and ensures our projects are fit-for-purpose and meet the needs of our growing community.

Over the reporting period, this involved engaging early and regularly with the Canberra community, as depicted in Figure 4.



Figure 4 Community Engagement and Support

Canberra Hospital Expansion

Following the establishment of MPC, we enhanced engagement with the local community to seek regular input and feedback.

Engagements included hosting pop-up information sessions and local community briefings at local shops, libraries, health centres and community facilities, as well as engaging regularly with local stakeholders such as the Garran Primary School.



The first Local Community Reference Group Forum was established in February 2020. The workshop was attended by approximately 30 community members, with attendees offering comments, concerns, aspirations and possible solutions regarding the following themes:

- Design phase: urban design
- Design phase: parking and local traffic
- Design phase: school access
- Delivery arrangements

The session acted as a precursor to the selection of members to establish the project's Local Community Reference Group. The first Local Community Reference Group (LCRG) meeting was subsequently held in February 2020. Membership represented the hospital's near neighbours, including local residents and businesses, the Garran Primary School and community associations. The group's remit is to assist in shaping the project by providing a conduit to the community to ensure there is a voice in the planning and development of the project.

The LCRG is a formal mechanism for the community to provide comment and feedback, with meetings held monthly to discuss various aspects of the project. Feedback provided via the LCRG is being used to shape the project's design, with changes made to address feedback around traffic impacts, green space ratios and parking.

In addition to these engagements, we also supported statutory consultation public comment periods for the Development Applications associated with the project's enabling works program.

All engagement activities were supported by ongoing opportunities for the community to comment on the project via YourSay and a dedicated project enquiry email address.



Light Rail Stage 2

Over the course of the last 12 months, project development and planning for the next stage of light rail was supported by a range of community engagement activities.

In August 2019, local business was a key focus area for the engagement team, with MPC undertaking consultation with businesses located in City West to inform future planning of Stage 2A. Of the 370 businesses identified within one block of the future light rail alignment, 161 surveys were collected representing a sample of almost 44 per cent.

Consultation included face-to-face discussions, pop-up engagement events, electronic newsletters, an online survey and a second round of doorknocks. The objective was to raise project awareness and seek feedback on:

- general operational information including trading hours, logistics, staffing, and access;
- opportunities and challenges for construction planning;
- preferences and interest levels for future communication with the project; and
- existing awareness levels of the current and future stages.

To validate these suggestions, MPC developed a series of case studies in September 2019 with businesses who could provide insight and lessons learned from Light Rail Stage 1. Suggestions for improvement included assisting businesses with their online strategies prior to project commencement, considering other practical means of support, providing early and accurate construction information and limiting construction impacts/time in the area as much as possible.

Additionally, in May 2020, MPC consulted with businesses in Gungahlin and Mitchell, who experienced Stage 1 from inception through to commencement of services, to provide valuable insights. Given the restrictions associated with COVID-19, engagement was limited to online surveys and research via telephone, with 100 businesses contacted to provide feedback.

Findings from this consultation will be used to inform construction methodologies, traffic management plans and planning to assist in reducing or mitigating impacts, with a series of recommendations put forward on how best to support businesses during the project's construction phase.

This work was complemented by a range of face-to-face engagement activities with the local community and special interest groups, including some 30 pop-up information sessions and 50 stakeholder briefings held.

In December 2019, a community workshop was held with more than 20 members of the local community. During the session feedback was gathered on the following topics:

- Disability and access
- The environment
- Culture and heritage
- Urban landscape
- Pedestrian and cycling
- Community and residential impacts
- Local business
- The transport network

The session was a precursor to the establishment of the project's Community Reference Group, with the smaller group of community representatives meeting for the first time in June 2020. Feedback from the community workshop and community reference group meetings will be used to guide the project's development and design, as well as supporting the projects formal approval processes, such as the Development Application and Works Approvals processes.

Findings from ongoing conversations and engagement activities were corroborated by an independent socio-economic assessment of the project, conducted in May 2020.

CIT Campus – Woden

After the CIT Campus – Woden project was announced in late 2019, MPC committed to engaging early with the local community and key stakeholders and incorporating their feedback into the project's business case and ongoing design development.



In May 2020, MPC undertook community consultation over a four-week period to gain feedback on the various aspects of the project's early concept designs. This included gathering feedback relating to building height and layout, green space ratios, connectivity to local facilities, public transport integration and sustainability features.

Along with an online survey and social media polling, we held a range of stakeholder briefings, with key areas of discussion including:

- Connectivity, safety and access through to the City Centre
- Site selection
- Composition of facilities on site including commercial or community elements
- Learning outcomes sought and interaction with local businesses/industry
- Changes to current traffic routes
- Changes to the future public transport network including buses and light rail

The views of more than 400 community members were captured, providing valuable qualitative and quantitative responses to support the design development process.

The community indicated a preference for well-integrated buildings of up to 12 storeys, featuring activated common areas and green space. A design firm will work with the ACT Government in 2020–21 to develop and refine the initial campus designs, incorporating feedback gathered to date. These refinements will be subject to further public consultation.

Community Support Initiatives: Grants and Sponsorship

No grants or sponsorships were made during the reporting period.

Aboriginal and Torres Strait Islander Reporting

As a new Directorate, MPC continues to develop its program of engagement with Aboriginal and Torres Strait Islander Peoples in the Territory.

Our flagship engagement was our contribution to the development of the Aboriginal and Torres Strait Islander Procurement Policy (ATSIPP) with Procurement ACT, and leading the procurement for the Gold Creek Senior School Expansion project with the Education Directorate.

The Gold Creek School project focused on supporting Aboriginal and Torres Strait Islander suppliers by including a requirement that only Indigenous-owned companies were able to tender for the project. Further to this, emphasis was placed on Indigenous employment within the selection criteria with the intention of significantly increasing the participation at the subcontractor level.

As part of this focus on Aboriginal and Torres Strait Islander companies, MPC developed an engagement program to educate potential suppliers on how to do business with government, including providing briefings on government processes, attending Aboriginal and Torres Strait Islander industry events and running workshops with interested suppliers.

Within MPC, we are also working with our Indigenous staff members to support their development further to provide role models for now, and leaders for the future.

In the reporting period, we had two key areas of success:

- Participation in the leadership program for Indigenous senior managers, which has led to a successful yarning circle for peer support in the leadership space.
- Supporting an Indigenous employee placement program staff member to become a project support officer and who is now receiving further training to become a project manager.

In 2019–20 we worked with Indigenous enterprises to approve them for prequalification as part of the Territory's Prequalification Scheme for Consultants. Three Aboriginal and Torres Strait Islander registered companies were interviewed for Prospective Prequalification and we expect to finalise the process in early 2020–21.

During the reporting period, MPC worked with two Aboriginal and Torres Strait Islander contractors on projects delivered for ACT Government clients, as shown in Table 11. These projects were funded by the client directorate.

Company	Project	Value	Client
Projex Building Group	Cook and Scullin property works	\$1,382,292	Community Services
	Taylor property works	\$1,166,880	
	Residential block works in Canberra	\$331,587	
	Sports ground upgrades	\$651,200	ACT Health
	Centenary Hospital for Women and Children administration building works	\$3,536,500	
	Hawker College heating, ventilation, and air conditioning upgrade	\$1,600,000	
Rork Projects Pty Ltd	Amaroo High School classroom fit out	\$618,700	Education
	CIT improvements and upgrade works	\$1,570,800	CIT
	Northside Opioid Treatment Service facility	\$519,465	ACT Health
	Florey Primary School acoustic upgrade	\$191,400	Education
	TCCS Stimulus Phase 1 projects	\$1,263,200	Transport Canberra and City Services
	Garema Place & City Walk improvements	\$800,000	City Renewal Authority
Total value		\$13,632,025	

Table 11 Projects delivered with Indigenous contractors in 2019–20. Figures are as at 30 June 2020.

An action plan will be developed in 2020–21 in consultation with the Aboriginal and Torres Strait Islander Elected Body. This will include implementing the structures necessary to meet the ACT Government’s [ACT Aboriginal and Torres Strait Islander Agreement 2019–2028](#) and associated [Agreement Action Plans](#).

For whole of government Aboriginal and Torres Strait Islander Reporting, please refer to the [Community Services Directorate website](#).

Work Health and Safety

Overview

The safety of our people is our number one priority.

MPC works closely with the inter-directorate Human Resources Committee to promote the physical and mental wellbeing of our workforce and with WorkSafe ACT to monitor and improve work health and safety on our infrastructure projects.

In 2019–20, the COVID-19 pandemic placed increased pressure on our people as they grappled with the need to transition rapidly to remote working arrangements while enabling delivery of the infrastructure components of the ACT Government's COVID stimulus package. Additional work health and safety concerns increased WHS risk to our workforce.

To manage and mitigate this risk, we developed WHS protocols in accordance with whole of government guidance and communicated them to all staff through Emergency Management Team messaging, team meetings and the MPC Intranet. These included additional safety protocols for on-site meetings. We also worked with principal contractors to ensure alignment with their COVID-19 risk management activities.

We also developed a mental health action plan in response to a staff survey conducted in April 2020, which provided access to a range of mental health resources for teams, individuals and family members.

Work health and safety focus areas for 2020–21 are:

- reinforcement of a safety culture within our organisation and on our construction sites;
- development and implementation of a wellbeing strategy;
- implementation of formal staff consultation mechanisms and election of additional Health and Safety Representatives;
- development and implementation of competency based WHS training for all MPC staff;
- implementation of a pre-construction (before works start) WHS audit program;
- strengthening safety considerations in procurement evaluation; and
- continuing to work closely with WorkSAFE ACT, the construction industry, peak bodies and unions.

Safety and Wellbeing of Our People

The safety and wellbeing of MPC staff is managed in accordance with statutory provisions of the *Work Health and Safety Act 2011*.

The primary focus in our first year of operations was on developing detailed work health and safety guidance to support our diverse working environment and to build a workforce that is mindful and committed to health and safety.

In our first year of operations, MPC undertook a series of worker consultations on work health and safety matters. We used a variety of different engagement methods including:

- Staff surveys
- Staff bulletins
- Formal consultation on COVID-19 safety transition planning
- Team meetings
- Safety shares at Executive Leadership Team meetings

MPC had one elected Health and Safety Representative in 2019–20. Once we finalise the move of all staff to Callam Offices in 2020–21, we will conduct elections for three Health and Safety Representatives, which provides effective coverage for our workforce of 168.

Our performance against the performance against the following Australian Work Health and Safety Strategy 2012–2022 targets is shown in Table 12 and Table 13.

Financial year ¹	# new 5-day claims	Rate per 1000 employees	Directorate Target	ACTPS # new 5-day claims	Rate per 1000 employees	ACTPS Target
Avg 9/10-11/12	1.88	13.68	13.68	274.00	12.45	12.45
12-13	0	0.00	13.27	274	13.42	12.08
13-14	0	0.00	12.86	257	12.20	11.70
14-15	0	0.00	12.45	228	10.49	11.33
15-16	0	0.00	12.04	205	9.36	10.96
16-17	2	12.81	11.63	243	10.91	10.58
17-18	0	0.00	11.22	202	8.93	10.21
18-19	0	0.00	10.81	201	8.50	9.84
19-20	1	6.02	10.40	231	9.32	9.46
20-21			9.99			9.09
21-22			9.58			8.72

Table 12 Target 1 – reduce the incidence rate of claims resulting in one or more weeks off work by at least 30%

Note 1: Data prior to 2019–20 was transferred from CMTEDD and other Directorates as part of the changes to administrative arrangements when MPC was established on 1 July 2019.

Financial year ¹	# new 5-day MSD claims	Rate per 1000 employees	Directorate Target	ACTPS # new 5-day MSD claims	Rate per 1000 employees	ACTPS Target
Avg 9/10-11/12	1.39	10.09	10.09	167.00	8.55	8.55
12-13	0	0.00	9.79	183	8.96	8.29
13-14	0	0.00	9.49	175	8.31	8.03
14-15	0	0.00	9.19	144	6.63	7.78
15-16	0	0.00	8.88	146	6.67	7.52
16-17	0	0.00	8.58	150	6.73	7.26
17-18	0	0.00	8.28	128	5.66	7.01
18-19	0	0.00	7.97	102	4.31	6.75
19-20	0	0.00	7.67	126	5.09	6.49
20-21			7.37			6.24
21-22			7.07			5.98

Table 13 Target 2: reduce the incidence rate of claims for musculoskeletal disorders (MSD) resulting in one or more weeks off work by at least 30%

Note 1: Data prior to 2019–20 is sourced from CMTEDD and other Directorates and transferred to MPC as part of the changes to administrative arrangements when MPC was established on 1 July 2019.

Project Safety Management

Work health and safety (WHS) is a priority for the ACT Government and is central to MPC's culture.

As the ACT Government Directorate responsible for infrastructure delivery, we are committed to improving WHS outcomes and practices on Territory Construction Projects in line with the ACT Government's overall response to the 2012 Getting Home Safely report.

We work closely with WorkSafe ACT and work with industry to improve site safety outcomes.

In 2019–20, the focus of our work with industry was on improving worker safety on building sites, including through the implementation of the ACT Government [WHS Active Certification Policy](#) and Prequalification Schemes. The Active Certification Policy relies on prequalification as a tool to ensure contractors are effectively managing WHS. The policy is assured through regular audits and includes a points demerit system aimed at ensuring that safe working systems are developed and implemented rigorously.

We only prequalify construction contractors (and permit them to remain prequalified) where they demonstrate they have in place and implement systems to address work health and safety practices. Contractors must follow the Active Certification Policy in order to maintain prequalification.

We regularly review prequalified contractors' WHS management systems (including the implementation of WHS Management Plans) at various stages of construction projects. The primary purpose of this auditing process is to enable the Territory to rely on Auditors' findings as part of actively assuring that prequalified contractors are implementing safety systems. At the end of an audit process, we may allocate final points to a prequalified contractor for any WHS non-conformances. The allocation of those points may impact on the prequalified contractor's prequalification status under a prequalification scheme and their ability to compete for projects managed by MPC or other Territory directorates and agencies.

Where prequalified contractors are given control of construction projects sites, they are appointed Principal Contractor and given management responsibility for work health and safety matters on those sites. The principal contractor responsible for other contractors including any non-conformance by those entities. Any WHS non-conformance referable or attributable to other contractors performing works on the site will be a WHS non-conformance of the principal contractor and may attract the allocation of points under the Active Certification Policy.

Impacts of COVID-19 on Site Safety

MPC worked closely with ACT Health and industry to establish exemptions for cross-border construction partners and infrastructure consultants.

We worked with industry to develop additional safety protocols and helped to distribute information on how COVID-safe measures could be implemented on site.

Superintendent of Works

The Superintendent of Works (SOW) engages closely with WorkSafe ACT, building on a seven-year relationship focused on sharing of knowledge and information on WHS in the construction industry.

Key engagements in 2019–20 included developing COVID-19 protocols for action if a worker at a construction site in the ACT tested positive to COVID-19 and consultation on all construction companies' WHS performance for all tenders for construction works managed by MPC.

The SOW represents MPC on a variety of federal and territory bodies as:

- a member of the WorkSafe ACT Codes of Practice review committee;
- a member of the Office of the Federal Safety Commissioner National Work Health Safety Reference Committee comprising members for all state and territory Governments, private Construction companies; and
- an advisor to the Australian Procurement Construction Council on construction work health safety matters.

The SOW also consults regularly with Safe Work Australia on the Model Work Health Safety Act and regulations and with regulators from all states and territories on WHS matters.

The SOW is also the point of contact for the construction industry, and Government directorates on matters including:

- WHS in the Construction Industry
- Active certification
- WHS requirements tender assessment
- Weighted Assessment Criteria in tender evaluations
- WHS advice
- Administers Active certification Policy (including allocation of demerit points)
- Assessing WHS component of tender evaluation
- Consult with Skills ACT on WHS competency training

In 2019–20, the SOW started the process to formulate a memorandum of understanding with WorkSafe ACT to codify joint responsibilities for monitoring and auditing WHS and construction safety on MPC project sites. The memorandum is expected to be concluded in 2020–21.

Improvement Notices

Table 14 provides a summary of the improvement, prohibition, or non-disturbance notices issued during the reporting period.

Requirement	Response
Improvement, prohibition, or non-disturbance notice issued under Part 10	MPC had nil notices issued under Part 10 Principal contractors performing works for MPC had the following: <ul style="list-style-type: none"> ○ Notifiable Incidents: 8 ○ Prohibition Notice: 0 ○ Improvement Notices: 2 ○ Infringement Notice: 1 ○ Non-Disturbance Notice: 0
Any failure to comply with an improvement, prohibition or non-disturbance notice issued under Part 10	All notices issued by WorkSafe ACT were deemed by the regulator as closed and all matters of areas of improvement have been addressed by the recipient of the notice. There were no prohibition notices or non-disturbance notices issued to any principal contractor performing construction works for MPC on ACT Government construction sites.
Any enforceable undertaking under Part 11	There were no enforceable undertakings issued by the regulator to a principal contractor performing construction works on an ACT Government construction site.
Any failure to comply with an enforceable undertaking under Part 11	Not applicable
Any findings of a failure to comply with a safety duty under Part 2 Division 2.2, 2.3 or 2.4	None
Any instances of a failure to address any finding of failing to comply with a safety duty	Not applicable

Table 14 Work Health and Safety Act 2011 mandatory reporting

Secure Local Jobs

The ACT Government has changed the way it awards contracts to support businesses that do the right thing by their workers. The [Secure Local Jobs Code](#) strengthens the ACT Government's procurement practices so our contracts are only awarded to contractors that meet the highest ethical and labour standards. The code replaced the Industrial Relations and Employment Obligation Certification (IRE) scheme on 15 January 2019.

Businesses tendering for construction, cleaning, security or traffic management work need to meet workplace standards in the Secure Local Jobs Code and have a Secure Local Jobs Code Certificate. They also need to complete a Labour Relations, Training and Workplace Equity Plan if the value of work is more than \$25,000.

From 7 November 2019, businesses seeking to provide services worth more than \$200,000 to the ACT Government need a Code Certificate and Plan. The new requirements create a fairer procurement process for ethical employers and holds to account businesses not meeting their industrial and legal obligations.

The active certification and secure local jobs programs work together to reduce physical and psychosocial hazards for people working on Territory construction projects.

In our first year of operations, MPC established a thirty per cent weighting for safety in the total score for tender evaluations. No other criterion has a greater score value than Work Health Safety. This rating is up to twenty per cent higher than any other Australian jurisdiction.

Other project safety measures include:

- the requirement for a Lead Auditor of WHS management systems to assess tender responses independently from the tender assessment team;
- close consultation on WHS matters with construction industry companies and individuals. This includes on-site WHS performance;
- the inclusion of safety as the first agenda item in all site meetings with the principal contractor;
- holding regular round table meetings with the Master Builders Association and its members, including the Commercial Construction Association and the Civil Construction Federation; and
- consulting with the Housing Industry Association (HIA) on residential WHS matters.

Effect of COVID-19 on Work Health and Safety

The COVID-19 pandemic emerged as MPC's highest risk to our safety and wellbeing in 2019–20. MPC's Emergency Management Team worked with the Chief Minister, Treasury and Economic Development Directorate and the Justice and Community Safety Directorate to develop WHS guidance consistent with whole of government direction.

The effectiveness of these arrangements was overseen by MPC's Executive Board and Executive Leadership Team and evaluated through two staff surveys conducted in April and June 2020.

The lessons identified through this oversight and evaluation will be used in 2020–21 to refine WHS policy and practice in MPC, as well as to inform future planning for emergencies and business disruptions.

Wellbeing and Mental Health

Professional and confidential counselling services were made available to staff and their families under the ACT Government Employee Assistance Program (EAP) contract and provision and promotion of the EAP Manager Assist Program.

We appointed a Mental Health Champion, Ashley Cahif, to provide a focal point for our efforts and to promote mental health and wellbeing across our workforce. Mr Cahif engaged in whole of government initiatives to support the achievement of the Government's [Healthy Minds – Thriving Workplaces strategy](#).

In recognition of the additional stresses our people faced during the COVID-19 pandemic, on 2 June 2020 we implemented a Mental Health Action Plan and a Supporting Your Team's Mental Health resource for managers.

Health and wellbeing initiatives in 2019–20 included:

- offering influenza vaccinations at various locations for staff;
- conducting virtual wellbeing workshops for MPC teams;
- providing access to mental health awareness training for all MPC staff as part of the Mental Health Guru program; and
- promoting mental health awareness activities, including staff participated in a Rail R U OK? Day activity run by the TrackSAFE Foundation and the R U OK organisation.

In 2020–21, we will develop an MPC wellbeing plan to promote physical and mental health across our workforce. Our programs will align with the [ACT Public Sector Work Health, Safety and Wellbeing Strategy 2019 – 2022](#) and the [Healthy Minds, Thriving Workplaces strategy](#).

Human Resources Management

MPC’s people capability is different from most other ACT Government directorates and agencies. We have a blended workforce, which comprises a mix of public servants and contractors. We work closely with a range of enabling partners through a variety of mechanisms (e.g. public private partnerships) and we engage with clients and customers across government and in the community.

The nature of our work is complex and demanding and we require a highly skilled, adaptable and agile workforce. In such a dynamic environment we need to exercise particular care about the way we manage our people, from recruitment through to departure from the organisation.

Given MPC’s focus on delivering innovative infrastructure, it’s important that our organisational structures, processes and people management approaches shape a workforce to meet an ideal future state, rather than allowing its current state to shape what MPC can deliver in the future.

A focus for 2020–21 will be to ensure that our workforce planning is integrated into annual business planning cycles, when strategic priorities are being clearly articulated. This will include incorporating the core outcomes and strategic indicators of the *ACT Aboriginal and Torres Strait Islander Agreement 2019–2028*.

Human Resources Data

Table 15–Table 22 provide the mandatory human resources data required by the annual report directions. Data is at 30 June 2020.

Branch/Division	FTE	Headcount
Designated Projects	30.0	30
Infrastructure Delivery Partners	103.7	105
Office of the Chief Project Officer	2.0	2
Project Development & Support	30.4	31
Total	166.0	168

Table 15 FTE and headcount by business unit as at 30 June 2020

	Female	Male	Total
FTE by Gender	68.3	97.8	166.0
Headcount by Gender	69	99	168
% of Workforce	41.1%	58.9%	100.0%

Table 16 FTE and headcount by gender as at 30 June 2020

Classification Group	Female	Male	Total
Administrative Officers	25	9	34
Executive Officers	3	10	13
Professional Officers	2	5	7
Senior Officers	39	75	114
Total	69	99	168

Table 17 Headcount by classification and gender as at 30 June 2020

Employment Category	Female	Male	Total
Casual	0	1	1
Permanent Full-time	59	76	135
Permanent Part-time	4	3	7
Temporary Full-time	6	19	25
Temporary Part-time	0	0	0
Total	69	99	168

Table 18 Headcount by employment category and gender 2019–20

Diversity Group	Headcount	% of Total Staff
Aboriginal and/or Torres Strait Islander	3	1.8%
Culturally & Linguistically Diverse	32	19.0%
People with a disability	9	5.4%

Table 19 Headcount by diversity group as at 30 June 2020

Age Group	Female	Male	Total
Under 25	2	2	4
25-34	21	17	38
35-44	23	21	44
45-54	14	25	39
55 and over	9	34	43

Table 20 Headcount by age group and gender as at 30 June 2020

Gender	Female	Male	Total
Average years of service	6.8	7.4	7.2

Table 21 Average length of service as at 30 June 2020

Recruitment Rate	Separation Rate
15.2%	6.1%

Table 22 Recruitment and separation rates as at 30 June 2020

Learning and Development

To develop the agile workforce, we need to meet the needs of the ACT community and effectively serve the government of the day, MPC is committed to developing our people, including through on the job training, mentoring and formal courses.

Supervisors work with their teams to identify training and professional development needs, conduct regular and fair performance appraisals and enable and encourage mobility and promotion.

In our first year of operations (which were affected by COVID-19), our focus was on:

- completing our staff induction procedure to ensure that all new starters can hit the ground running when they start in a new position;
- conducting a series of 'toolbox talks' on a range of topics, including safety management, contract management and project management;
- through our strategic planning, identifying priorities for future learning and development, including the development of a competency-based training program for staff in technical positions;
- facilitating access to whole of government learning and development initiatives (such as the ACTPS Graduate Program); and
- as part of the Chief Engineer's work to develop the ACT's engineering workforce, beginning the work to develop a competency-based development program to be implemented from 2020–21.

Recognising the impacts of the pandemic on the mental wellbeing of our staff, we provided access to and promoted the Mental Health Guru awareness programs and Employee Assistance Program COVID-19 webinars to all staff.

In 2019–20, seven staff participated in the MPC study assistance program (total cost \$9,979) and 10 staff undertook courses offered through the ACTPS Training Calendar (total cost \$640).

Other training was provided during the reporting period.

PMARS Training

The PMARS team refined its approach to user training during the reporting period and continued to provide support to users during the pandemic.

The team moved to virtual delivery of training, recording the sessions for future use by participants.

Training instructions were developed to help key users to perform contract management and project management tasks, as well as analytical and reporting functions within PMARS.

Focus for 2020–21

Our priorities for 2020–21 include:

- developing the Directorate's study assistance program;
- expanding Infrastructure Delivery Partners' competency-based learning and development program across the Directorate;
- supporting implementation of the ACT Engineering Workforce Plan; and
- strengthening our engagement with ACTPS training and mentoring programs to ensure we are developing the broader capability of our workforce.

Ecologically Sustainable Development

MPC is committed to the principles of ecologically sustainable development as set out in the *Commissioner for Sustainability and the Environment Act 1993*, *Climate Change and Greenhouse Gas Reduction Act 2010* and the *Environment Protection Act 1997*. We actively support and encourage directorates and public sector bodies to embed sustainability in their decision-making processes.

In 2019–20, MPC received no requests from the Commissioner for Sustainability and the Environment for staff to assist in the preparation of the State of the Environment Report. There were no investigations carried out by the Commissioner into MPC activities and consequently no recommendations made by the Commissioner.

In our first year of operations, we established an Environment and Sustainable Infrastructure Working Group to guide MPC's:

- compliance with Australian and ACT policy and legislation;
- implementation of relevant environment and sustainability policies;
- Introduction of project standards for achieving infrastructure sustainability ratings to certify the sustainability outcomes achieved;
- project reporting of environment and sustainability data;
- delivery of training for MPC staff to deliver sustainable infrastructure outcomes;
- investment in the 'social cost of carbon' to support achievement of the ACT Government's zero emissions policy;
- consideration of climate change adaptation in infrastructure design and the public realm; and
- socially and sustainable procurement of goods, services and materials.

MPC's management practices are consistent with the principles of ecologically sustainable development. We use recycled paper and, where possible, energy efficient office equipment. Recycling and organic bins are provided for the use of staff. Where possible, electronic communications are used in preference to paper.

Carbon Neutral Government

Under the ACT Government Carbon Neutral Framework, the ACT Government is committed to achieving carbon neutrality in its own operations by 2020. This means demonstrating leadership in reducing greenhouse gas emissions and supporting the achievement of the Territory's legislated greenhouse gas reduction targets.

Table 22 provides information on the MPC's energy, water, transport fuel and waste consumption, and the associated greenhouse gas emissions. Consumption is reported for MPC's office accommodation and external usage for MPC controlled sites. MPC relies on Shared Services (in CMTEDD) to provide this data.

Indicator	Unit	2019–20	2018–19 ¹	Percentage change
Stationary energy usage				
Electricity use	Kilowatt hours	302,520	n/a	n/a
Natural gas use (non-transport)	Megajoules	242,696	n/a	n/a
Diesel use (non-transport)	Kilolitres	0	n/a	n/a
Transport fuel usage				
Electric vehicles	Number	0	n/a	n/a
Hybrid vehicles	Number	3	n/a	n/a
Hydrogen vehicles	Number	0	n/a	n/a
Total number of vehicles	Number	9	n/a	n/a
Fuel use – Petrol (including E10)	Kilolitres	1	n/a	n/a
Fuel use – Diesel	Kilolitres	1	n/a	n/a
Fuel use – Liquid Petroleum Gas (LPG)	Kilolitres	0	n/a	n/a
Fuel use – Compressed Natural Gas (CNG)	Gigajoules	0	n/a	n/a
Water usage				
Water use	Kilolitres	210	n/a	n/a
Resource efficiency and waste				
Reams of paper purchased	Reams	827	n/a	n/a
Recycled content of paper purchased	Percentage	19%	n/a	n/a
Waste to landfill	Litres	11,323	n/a	n/a
Co-mingled material recycled	Litres	3,565	n/a	n/a
Paper & Cardboard recycled (incl. secure paper)	Litres	2,627	n/a	n/a
Organic material recycled	Kilograms	1,980	n/a	n/a
Greenhouse gas emissions				
Emissions from electricity use	Tonnes CO ₂ -e	0	n/a	n/a
Emissions from natural gas use (non-transport)	Tonnes CO ₂ -e	12	n/a	n/a
Emissions diesel use (non-transport)	Tonnes CO ₂ -e	0	n/a	n/a
Emissions from transport fuel use	Tonnes CO ₂ -e	4	n/a	n/a
Total emissions	Tonnes CO₂-e	16	n/a	n/a

Table 23 Sustainable Development Performance: 2019–20

Note 1: As MPC was established on 1 July 2019, no figures were recorded in 2018–19.



2.C Financial Management

MPC was established on 1 July 2019 as a result of changes to administrative arrangements; therefore, no budget or prior year figures are included in the financial statements.

Financial Management Analysis

General Overview

Objectives

Major Projects Canberra was established on 1 July 2019 to play a key role in delivering the ACT Government's Infrastructure Plan. Major Projects Canberra is committed to the delivery of infrastructure that provides great outcomes for the community, government and the infrastructure industry. This is reflected in Major Projects Canberra's Strategic Plan, which articulates the purpose of building infrastructure that helps make Canberra the world's most liveable city. This purpose is realised by working closely with other parts of the ACT Government and the private sector to deliver a range of civil, commercial and social infrastructure across the ACT.

The scope of Major Projects Canberra infrastructure delivery involvement ranges from the largest and most complex projects through to local community scale infrastructure. The current scope of works being delivered by Major Projects Canberra is:

- **Canberra Hospital Expansion** – delivering a new emergency, surgical and critical care facility on the Canberra Hospital campus.
- **City to Woden Light Rail** – planning and constructing the extension of Canberra's light rail from Gungahlin to Woden through the City.
- **CIT Campus in Woden** – preparing to build a state-of-the-art Canberra Institute of Technology (CIT) campus and public transport interchange at Woden Town Centre.
- **Infrastructure Delivery Partners** – partnering with other Government agencies in the delivery of the Territory's Infrastructure Plan through the management of procurement, contract management and delivery functions.

Risk Management

Risk Management is a fundamental part of Major Projects Canberra's governance framework, and assists decision making to meet strategic and operational objectives. Risks are identified and managed at three levels: strategic, operational and project delivery. The Major Projects Canberra Executive Board manages strategic and operational risk while the relevant Executives manage project delivery risk.

Major Projects Canberra is developing its risk management framework as part of its broader governance arrangements and in accordance with the AS ISO 31000:2018 Risk Management Guidelines and ACT Insurance Authority guidance. The risk management framework will generate outputs such as the Major Projects Canberra Risk Profile and Major Projects Canberra Risk Appetite Statement, which will be used to: support building a risk culture in Major Projects Canberra; shape strategic and business planning; manage organisational performance; and build organisational capacity by developing skills in our people to better identify and manage risk. We expect the risk management framework and artefacts to be ready for implementation by September 2020.

MPC's individual designated major projects have each implemented project-specific risk management structures.

Major Projects Canberra Financial Performance

The following financial information is based on audited Financial Statements for 2019–20 and the budget and forward estimates contained in the 2019–20 Supplementary Budget Papers. Forward estimates are based on the prior budget as the Legislative Assembly resolved on 18 June 2020 to delay the introduction of the Appropriation Bill 2020–2021/Appropriation (Office of the Legislative Assembly) Bill 2020–2021 and 2020–21 Budget until after the election has been held and the formation of a government.

Comparison to Revised Budget

Major Projects Canberra's net cost of services for 2019–20 was \$8.6 million or 92.5 per cent higher than the revised 2019–20 Budget (as shown in Table 24). This reflects a combination of factors including:

- higher expenditure of \$4.9 million or 17.5 per cent, as outlined at *Total Expenditure – Comparison to Revised Budget*; and
- lower own source revenue of \$3.7 million or 19.8 per cent, as outlined at *Total Own Source Revenue – Comparison to Revised Budget*.

	Actual 2019–20 \$m	Revised Budget 2019–20 \$m	Forward Estimate 2020–21 \$m	Forward Estimate 2020–21 \$m
Expenditure	32.9	28.0	21.0	21.4
Own Source Revenue	15.0	18.7	19.2	19.6
Net Cost of Services	17.9	9.3	1.8	1.8

Table 24 Total Net Cost of Services

* For the purposes of the Management Discussion and Analysis, the Revised Budget means the Budget as published in the 2019–20 Supplementary Budget Papers.

Future Trends

During the reporting period, Major Projects Canberra did not experience any significant financial impacts as a result of the COVID-19 pandemic. Estimates presented for 2020–21 through to 2021–22 are based on the 2019–20 Revised Budget. The Legislative Assembly resolved on 18 June 2020 to delay the introduction of the Appropriation Bill 2020–2021/Appropriation (Office of the Legislative Assembly) Bill 2020–2021 and 2020–21 Budget until after the election has been held and the formation of a government.

Major Projects Canberra's Net Cost of Services is estimated to decrease by \$8.6 million in 2020–21 primarily due to greater revenue from the capital works management levy on the whole of government capital works program and reduced expenses related to capital projects as they are in the project stage whereby project related costs meet the criteria to be capitalised.

Expenditure

Components of Expenditure

Figure 5 indicates the components of actual expenditure for 2019–20. Total expenditure was \$32.9 million, comprising of employee and superannuation expenses of \$21.8 million, supplies and services of \$9.0 million, depreciation and amortisation of \$1.5 million and other expenses of \$0.7 million.

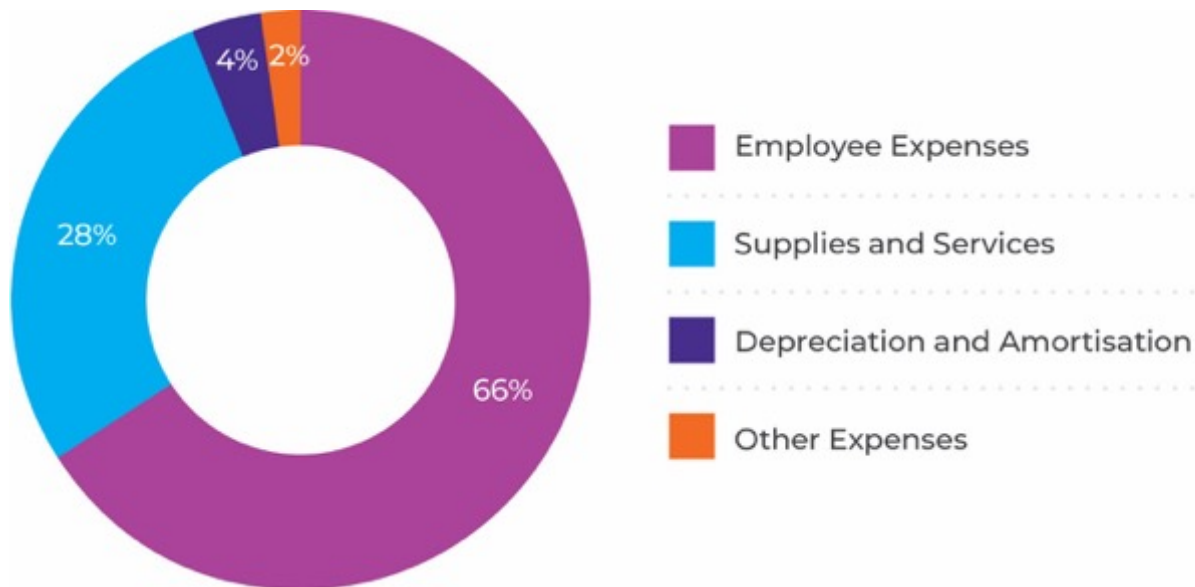


Figure 5 Components of Expenditure

Comparison to Revised Budget

Total expenditure in 2019–20 was \$32.9 million, which was \$4.9 million or 17.5 per cent higher than the revised 2019–20 Budget of \$28.0 million, primarily due to higher:

- leave expenses related to the one-off recognition of previously accrued leave balances transferred with new staff (\$1.8 million);
- expensing of capital works in progress balances for the Northbourne Verges works that did not meet capitalisation criteria on return of the asset to Transport Canberra and City Services (\$0.6 million);
- capital project support cost and overheads which did not meet the capitalisation criteria (\$2.1 million); and
- demolition and relocation expenses on the delivery of the SPIRE Project which are recognised as capital expenses (\$0.3 million).

Own Source Revenue

Components of Own Source Revenue

Total own source revenue in 2019–20 was \$15.0 million, comprising of primarily of capital works project management services provided to the ACT Government \$14.9 million.

Comparison to Revised Budget

Own source revenue consists of project management fees and levies applied to the ACT Government capital work program. Total own source revenue for 2019–20 was \$15.0 million which was \$3.7 million or 19.8 per cent lower than the 2019–20 revised budget of \$18.7 million primarily due to:

- management levy on certain projects delivered in 2019–20 previously recognised in the 2018–19 Financial Statements prior to establishment of Major Projects Canberra (\$2.2 million); and
- other Directorates' project budgets and associated management levy to MPC being reprofiled into future years (\$1.7 million).

Major Projects Canberra Financial Position

Total Assets

Components of Total Assets

Figure 6 identifies the categories of assets held by Major Projects Canberra. Total assets held were \$70.8 million, comprising capital works in progress \$46.5 million, cash and cash equivalents of \$16.4 million, intangible assets of \$5.2 million, receivables of \$2.3 million and plant and equipment of \$0.3 million.

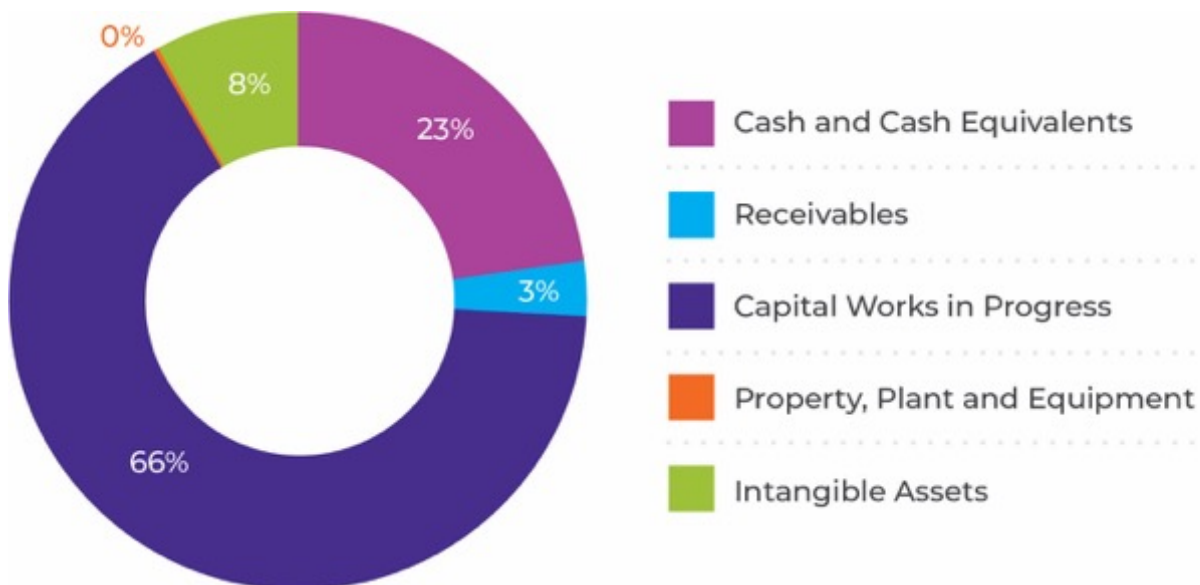


Figure 6 Total Assets as at 30 June 2020

Comparison to Revised Budget

Total assets as at 30 June 2020 of \$70.8 million, were \$114.1 million lower than the 2019–20 Revised Budget due to:

- re-profiled project expenditure related to the SPIRE and Light Rail Stage 2 projects of \$70.5m;
- components of the designated projects being completed and returned to the operating agency (\$25.4 million not included in the revised budget); and
- reduced receivables due to the introduction of the project management and reporting system removing the need for Major Projects Canberra to make payment to suppliers of the capital works program and seek reimbursements from the delivery agency (\$34.8 million); offset by:
 - increased cash and cash equivalent due to increased capital appropriation drawn for payment of large invoices early in 2020–21 (\$16.4 million).

Total Liabilities

Components of Total Liabilities

Figure 7 identifies the categories of liabilities held by Major Projects Canberra. Total liabilities were \$37.9 million, comprising payables of \$14.8 million, total employee benefits of \$8.5 million, non-interest-bearing liabilities of \$9.0 million, contract liabilities of \$5.2 million and other provisions of \$0.4 million.

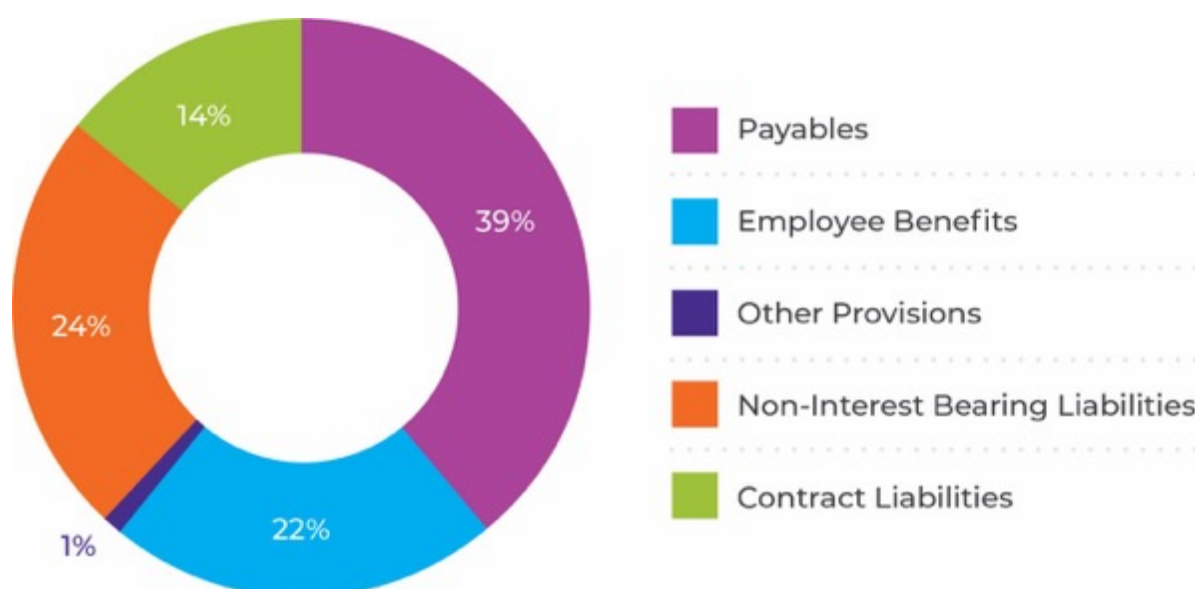


Figure 7 Total Liabilities as at 30 June 2020

Comparison to Revised Budget

Total liabilities as at 30 June 2020 of \$37.9 million were \$15.5 million or 29.1 per cent lower than the 2019–20 revised budget mainly due to a reduction in the overdraft bank balance of \$28.3 million resulting from the introduction of the Project Management and Reporting System through which delivery agencies to make payment directly to suppliers, replacing the previous process of initial payment by Major Projects Canberra and subsequently seeking reimbursement. This reduction is partially offset by:

- higher payables of \$8.2 million due to timing of large capital works payments in early 2020–21;
- higher employee benefits of \$3.0 million resulting from leave balances transferred with staff not included in the revised budget; and
- higher contract liabilities resulting from a higher volume of the Territory’s capital works projects budget being reprofiled for delivery in future years.

FINANCIAL STATEMENTS

Major Projects Canberra

For the Year Ended

30 June 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of the ACT Legislative Assembly

Opinion

I have audited the financial statements of Major Projects Canberra for the year ended 30 June 2020 which comprise the operating statement, balance sheet, statement of changes in equity, statement of cash flows, statement of appropriation and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- (i) present fairly, in all material respects, Major Projects Canberra's financial position as at 30 June 2020, and its financial performance and cash flows for the year then ended; and
- (ii) are presented in accordance with the *Financial Management Act 1996* and comply with Australian Accounting Standards.

Basis for opinion

I conducted the audit in accordance with the Australian Auditing Standards. My responsibilities under the standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of this report.

I am independent of Major Projects Canberra in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (Code). I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Major Projects Canberra for the financial statements

The Chief Projects Officer is responsible for:

- preparing and fairly presenting the financial statements in accordance with the *Financial Management Act 1996*, and relevant Australian Accounting Standards;
- determining the internal controls necessary for the preparation and fair presentation of the financial statements so that they are free from material misstatements, whether due to error or fraud; and
- assessing the ability of Major Projects Canberra to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the financial statements.

Auditor's responsibilities for the audit of the financial statements

Under the *Financial Management Act 1996*, the Auditor-General is responsible for issuing an audit report that includes an independent opinion on the financial statements of Major Projects Canberra.

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of Major Projects Canberra's internal controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Major Projects Canberra;
- conclude on the appropriateness of Major Projects Canberra's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Major Projects Canberra's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in this report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of this report. However, future events or conditions may cause Major Projects Canberra to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether they represent the underlying transactions and events in a manner that achieves fair presentation.

I communicated with the Chief Projects Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Ajay Sharma
Assistant Auditor-General, Financial Audit
28 September 2020

**Major Projects Canberra
Financial Statements
For the Year Ended 30 June 2020**

Statement of Responsibility

In my opinion, the financial statements are in agreement with Major Projects Canberra's accounts and records and fairly reflect the financial operations of Major Projects Canberra for the year ended 30 June 2020 and the financial position of Major Projects Canberra on that date.



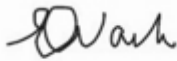
Duncan Edghill
Chief Projects Officer
Major Projects Canberra

25 September 2020

**Major Projects Canberra
Financial Statements
For the Year Ended 30 June 2020**

Statement by the Chief Finance Officer

In my opinion, the financial statements have been prepared in accordance with the Australian Accounting Standards, and are in agreement with Major Projects Canberra's accounts and records and fairly reflect the financial operations of Major Projects Canberra for the year ended 30 June 2020 and the financial position of Major Projects Canberra on that date.



Erica Wark
Chief Finance Officer
Major Projects Canberra
25 September 2020

**Major Projects Canberra
Operating Statement
For the Year Ended 30 June 2020**

	Note No.	Actual 2020 \$'000
Income		
Revenue		
Controlled Recurrent Payments	3	11 200
Sales of Services from Contracts with Customers	4	14 934
Grants and Contributions		80
Other Revenue		16
Total Revenue		<u>26 230</u>
Total Income		<u>26 230</u>
Expenses		
Employee Expenses	5	18 775
Superannuation Expenses	6	2 975
Supplies and Services	7	9 044
Depreciation and Amortisation		1 466
Borrowing Costs		11
Other Expenses		677
Total Expenses		<u>32 948</u>
Operating (Deficit)		<u>(6 718)</u>
Total Comprehensive (Deficit)		<u>(6 718)</u>

The above Operating Statement should be read in conjunction with the accompanying notes.

Major Projects Canberra only has one output class and as such the above Operating Statement is also the Operating Statement for the Major Projects Canberra Output Class.

**Major Projects Canberra
Balance Sheet
As at 30 June 2020**

	Note No.	Actual 2020 \$'000
Current Assets		
Cash and Cash Equivalents	8	16 420
Receivables	9	2 345
Other Assets		2
Total Current Assets		18 767
Non-Current Assets		
Property, Plant and Equipment		257
Intangible Assets	10	5 238
Capital Works in Progress	11	46 529
Total Non-Current Assets		52 024
Total Assets		70 791
Current Liabilities		
Payables	12	14 769
Contract Liabilities	13	5 175
Employee Benefits	14	8 078
Non-Interest Bearing Liabilities	15	8 986
Leases Liabilities		64
Total Current Liabilities		37 072
Non-Current Liabilities		
Employee Benefits	14	474
Other Provisions	16	368
Lease Liabilities		30
Total Non-Current Liabilities		872
Total Liabilities		37 944
Net Assets		32 847
Equity		
Accumulated Funds		32 847
Total Equity		32 847

The above Balance Sheet should be read in conjunction with the accompanying notes.

Major Projects Canberra only has one output class and as such the above Balance Sheet is also the Balance Sheet for the Major Projects Canberra Output Class.

**Major Projects Canberra
Statement of Changes in Equity
For the Year Ended 30 June 2020**

	Note No.	Actual 2020 \$'000
Balance at 1 July 2019		-
Operating (Deficit)		(6 718)
Total Comprehensive (Deficit)		<u>(6 718)</u>
 Transactions Involving Owners Affecting Accumulated Funds		
Capital Injections		70 805
Net (Liabilities) Transferred in as part of an Administrative Restructure	17	(3 177)
Capital Works in Progress returned to Other ACT Government Entities	11	(25 363)
Other Capital Distributions to Directorates		(2 700)
Total Transactions Involving Owners Affecting Accumulated Funds		<u>39 565</u>
 Balance at 30 June 2020		 <u><u>32 847</u></u>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Major Projects Canberra Statement of Cash Flows For the Year Ended 30 June 2020

	Note No.	Actual 2020 \$'000
Cash Flows from Operating Activities		
Receipts		
Controlled Recurrent Payments		11 200
Sales of Services from Contracts with Customers		19 131
Capital Works Reimbursements from Other ACT Government Entities		80 083
Goods and Services Tax Input Tax Credits from the Australian Taxation Office		15 823
Goods and Services Tax Collected from Customers		10 159
Other		16
Total Receipts from Operating Activities		136 412
Payments		
Employee		17 018
Superannuation		2 942
Supplies and Services		10 035
Capital Works Payments on Behalf of Other ACT Government Entities		52 144
Goods and Services Tax Paid to Suppliers		12 425
Goods and Services Tax Input Tax Remitted to the Australian Taxation Office		12 554
Total Payments from Operating Activities		107 118
Net Cash Inflows from Operating Activities	21	29 294
Cash Flows from Investing Activities		
Payments		
Purchase of Capital Works		56 774
Total Payment from Investing Activities		56 774
Net Cash (Outflows) from Investing Activities		(56 774)
Cash Flows from Financing Activities		
Receipts		
Capital Injections		70 805
Receipts of Transferred Cash Balances	17	1 320
Total Receipts from Financing Activities		72 125
Payments		
Transferred Overdraft Balance	17	37 211
Total Payments from Financing Activities		37 211
Net Cash Inflows from Financing Activities		34 914
Net Increase in Cash and Cash Equivalents		7 434
Cash and Cash Equivalents at the Beginning of the Reporting Period		-
Cash and Cash Equivalents at the End of the Reporting Period	8, 15	7 434

The above Statement of Cash Flows represents movements in Cash and Cash Equivalents and the Overdraft Bank Account should be read in conjunction with the accompanying notes.

**Major Projects Canberra
Statement of Appropriation
For the Year Ended 30 June 2020**

	Total Appropriated 2020 \$'000	Appropriation Drawn 2020 \$'000
Controlled Recurrent Payments	12 356	11 200
Capital Injections	147 733	70 805
Total Appropriation	160 089	82 005

The above Statement of Appropriation should be read in conjunction with the accompanying notes.

Column Heading Explanation

The *Total Appropriated* column is inclusive of all appropriation variations occurring after the Original Budget. As Major Projects Canberra was established subsequent to the publishing of the Original Budget, there is no original budget values disclosed.

The *Appropriation Drawn* is the total amount of appropriation received by Major Projects Canberra during the year. This amount appears in the Statement of Cash Flows in these financial statements.

Major Projects Canberra Statement of Appropriation For the Year Ended 30 June 2020

Reconciliation of Appropriation for 2019-20	Controlled Recurrent Payments \$'000	Capital Injections \$'000
Administrative Arrangements Transfer (FMA s.16) ^a	7 568	108 509
2019-20 Supplementary Appropriation	88	33 900
Treasurer's Advance (FMA s.18) ^b	4 700	-
Rollover of Undisbursed Appropriations (FMA s.16B) ^c	-	5 324
Total Appropriated	12 356	147 733
Undrawn Funds	(1 156)	(76 928)
Controlled Appropriation Drawn	11 200	70 805

- a. Administrative Arrangement 2019 (No.2) notifiable instrument NI2019-549 came into effect on 1 July 2019 to establish Major Project Canberra. Appropriation provided to Transport Canberra and City Services (Controlled Recurrent Payments \$7.568 million, Capital Injections \$48.309 million) and the ACT Health Directorate (Capital Injection \$60.2 million) to fulfill the functions transferred to Major Projects Canberra under a section 16 Financial Management Act (FMA) instrument.
- b. Major Projects Canberra received a Treasurers Advance during the financial year. This consisted of \$2 million to meet the immediate cash needs for Major Projects Canberra operations in late 2019-20 and \$2.7 million to provide sufficient cash to facilitate a payment to the Chief Minister, Treasury and Economic Development Directorate.
- c. After the establishment of Major Projects Canberra, unspent 2018-19 capital funding appropriated to the ACT Health Directorate related to the delivery of the SPIRE Centre at Canberra Hospital was rolled into Major Projects Canberra appropriation following a section 16B FMA instrument.

Variations between 'Total Appropriated' and 'Appropriation Drawn'

Controlled Recurrent Payments

The variance relates to undrawn appropriation related to lower than expected expenditure on the delivery of the light rail stop at Mitchell \$0.15 million and Light Rail Stage 2 \$1.006 million which are anticipated to be rolled forward to the 2020-21 reporting period.

Capital Injections

Capital appropriation remaining undrawn of \$76.928 million as at 30 June 2020 relates to the following initiatives:

- Delivering the SPIRE Centre at Canberra Hospital (\$50.782 million);
- Light Rail City to Woden and Raising London Circuit (\$21.082 million);
- Delivering Stage 2 of Light Rail to Woden (\$2.028 million); and
- Commencing Light Rail Stage 1 Operations and Delivering a Light Rail Stop at Mitchell (\$3.036 million).

Major Projects Canberra

Note Index of the Financial Statements

For the Year Ended 30 June 2020

Note	1	Objectives of Major Projects Canberra
Note	2	Significant Accounting Policies (see Appendices A and B) Appendix A - Basis of Preparation of the Financial Statements Appendix B - Significant Accounting Policies

Income Notes

Note	3	Controlled Recurrent Payments
Note	4	Sales of Services from Contracts with Customers

Expense Notes

Note	5	Employee Expenses
Note	6	Superannuation Expenses
Note	7	Supplies and Services

Asset Notes

Note	8	Cash and Cash Equivalents
Note	9	Receivables
Note	10	Intangible Assets
Note	11	Capital Works in Progress

Liability Notes

Note	12	Payables
Note	13	Contract Liabilities
Note	14	Employee Benefits
Note	15	Non-Interest Bearing Liabilities
Note	16	Other Provisions

Other Notes

Note	17	Restructure of Administrative Arrangements
Note	18	Financial Instruments
Note	19	Commitments
Note	20	Contingent Liabilities and Contingent Assets
Note	21	Cash Flow Reconciliation
Note	22	Third Party Monies
Note	23	Related Party Disclosures

Major Projects Canberra

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 1. OBJECTIVES OF THE MAJOR PROJECTS CANBERRA

Operations and Principal Activities

Major Projects Canberra is a non-for-profit ACT Government Agency and was established on 1 July 2019 to undertake project planning, procurement, contract management and delivery oversight on behalf of government directorates and agencies for infrastructure works.

Major Projects Canberra is led by the Chief Projects Officer who reports to the Head of Service and is accountable directly to the Treasurer and relevant Ministers.

The key outputs delivered by Major Projects Canberra include:

- directly procuring and delivering infrastructure projects designated by the Government as major projects. Major Projects Canberra designated projects currently include the expansion of Canberra Hospital, the extension of light rail to Woden and the delivery of a new CIT campus and public transport hub in Woden;
- delivering other whole-of-government infrastructure projects in partnership with other directorates;
- providing advice and industry representation on infrastructure matters;
- contractor pre-qualification and Industrial Relations and Employment obligations (IRE) certification, project management and reporting, superintendency of works and Workplace Health and Safety (WHS) Active Certification; and
- the Chief Engineer function facilitating the engineering capability required to meet the future needs and growth of the Territory.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Refer to the following appendices for the notes comprising significant accounting policies and other explanatory information.

Appendix A - Basis of Preparation of the Financial Statements

Appendix B - Significant Accounting Policies

Major Projects Canberra
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 3. CONTROLLED RECURRENT PAYMENTS

Controlled Recurrent Payments are revenue received from the ACT Government to fund the costs of delivering outputs.

	2020
	\$'000
Controlled Recurrent Payments	11 200
Total Controlled Recurrent Payments	11 200

NOTE 4. SALES OF SERVICES FROM CONTRACTS WITH CUSTOMERS

Revenue recorded in this note is within the scope of AASB 15 Revenue from Contracts with Customers, i.e. exists within an enforceable contract with sufficiently specific performance obligations.

Revenue from sales of services from contracts with customers is derived by providing capital works project management services to other ACT Government agencies. The revenue is legally retained by the Major Projects Canberra and driven by the Territory's budget for capital works.

Revenue is recognised at a point in time following achieving up-front agreement with ACT Government Entities of the services to be delivered.

	2020
	\$'000
User Charges - ACT Government	14 934
Total Sales of Services from Contracts with Customers	14 934

Major Services

Delivering Whole of Government Infrastructure Projects	10 898
Principal Authorized Persons and Panel Management Services	2 826
Other Project Management Services	1 210
Total Sales of Services from Contracts with Customers	14 934

Major Projects Canberra
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 5. EMPLOYEE EXPENSES

	2020 \$'000
Salaries and Wages	19 533
Annual Leave Expense	1 014
Long Service Leave Expense	1 107
Workers' Compensation Insurance Premium	195
Capitalised Employee Cost ^a	(3 074)
Total Employee Expenses	18 775

- a. Employee expenses for staff dedicated to the delivery of Major Projects Canberra's designated projects are carried in the relevant projects work in progress balance to be capitalised on completion of the asset. This offset to employee expenses relates to staff employed in the delivery of the Light Rail, CIT Woden and SPIRE projects from the time that the project was deemed probable that the future benefits of the project will be realised.

NOTE 6. SUPERANNUATION EXPENSES

	2020 \$'000
Superannuation Contributions to the Territory Banking Account	1 214
Productivity Benefit	109
Superannuation to External Providers	1 652
Total Superannuation Expenses	2 975

Major Projects Canberra
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 7. SUPPLIES AND SERVICES

	2020 \$'000
Contractors and Consultants ^a	4 265
IT and Communication	1 317
Property Expenses	1 064
Staff Development and Recruitment	475
Finance, Procurement and Human Resources Charges	467
Printing, Stationery and Publications	388
Removal and Services Relocation	322
Decommissioning Costs	167
Legal Expenses	160
Insurance Expenses	62
Auditor's Remuneration ^b	85
Other	272
Total Supplies and Services	9 044

- a. Contractors and consultants expense relate primarily to professional advisory services provided on the designated major project of Light Rail Stage 2 prior to meeting the criteria for capitalisation.
- b. Other than the audit of the financial statements and limited assurance engagement on the statement of performance, no other services were provided by the ACT Audit Office.

NOTE 8. CASH AND CASH EQUIVALENTS

Major Projects Canberra holds four bank accounts with the Westpac Banking Corporation as part of the whole-of-government banking arrangements. As part of these arrangements, Major Projects Canberra does not receive interest on these accounts.

	2020 \$'000
Cash at Bank	16 419
Cash on Hand	1
Total Cash and Cash Equivalents	16 420

Major Projects Canberra
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 9. RECEIVABLES

	2020 \$'000
Current Receivables	
Trade Receivables	1 028
Net Goods and Services Tax Receivable	602
Accrued Revenue	715
Total Current Receivables	2 345
Total Receivables	2 345
Classification of Receivables	
Receivables with ACT Government Entities	
Net Trade Receivables	992
Accrued Revenue	715
Total Receivables with ACT Government Entities	1 707
Receivables with Non-ACT Government Entities	
Net Trade Receivables	36
Net Goods and Services Tax Receivable	602
Total Receivables with Non-ACT Government Entities	638
Total Receivables	2 345

As Major Projects Canberra's receivables relate to trading with ACT and Commonwealth Government agencies no allowance for impairment has been recognised due to the assessment that there is no credit risk on these receivables.

Major Projects Canberra
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 10. INTANGIBLE ASSETS

Major Projects Canberra's Intangible Asset consist of internally developed project management and reporting system software.

	2020
	\$'000
Computer Software	
<i>Internally Generated Software</i>	
Computer Software at Cost	6 552
Less: Accumulated Amortisation	(1 314)
<i>Total Internally Generated Software</i>	5 238
Total Intangible Assets	5 238

Reconciliation of Intangible Assets

The following table shows the movement of each class of Intangible Assets from the beginning to the end of 2019-20.

	Internally Generated Software \$'000	Total \$'000
Carrying Amount at the Beginning of the Reporting Period	-	-
Administrative Arrangement Transfer	6 552	6 552
Amortisation	(1 314)	(1 314)
Carrying Amount at the End of the Reporting Period	5 238	5 238

NOTE 11. CAPITAL WORKS IN PROGRESS

Assets under construction include infrastructure and buildings related to major projects designated to be delivered by Major Projects Canberra.

	2020
	\$'000
Infrastructure Works in Progress ^a	35 495
Building Works in Progress ^b	11 034
Total Capital Works in Progress	46 529

- a. Infrastructure works in progress relate to works on the design and procurement of Light Rail Stage 2, extending the current rail from Gungahlin to Woden, through the City.
- b. Buildings works in progress relate to the delivery of the SPIRE centre, a new emergency, surgical and critical care facility at the Canberra Hospital and the new CIT campus and transport interchange in Woden.

Major Projects Canberra
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 11. CAPITAL WORKS IN PROGRESS - CONTINUED

Reconciliation of Capital Works in Progress

The following table shows the movement of Capital Works in Progress during 2019-20.

	Infrastructure Works in Progress \$'000	Building Works in Progress \$'000	Plant and Equipment Works in Progress \$'000	Works in Progress Total \$'000
Carrying Amount at the Beginning of the Reporting Period	-	-	-	-
Additions	49 875	15 304	-	65 179
Capital Works in Progress Transferred in from Transport Canberra and City Services Directorate	6 155	-	41	6 196
Capital Works in Progress Transferred in from ACT Health Directorate	-	1 162	-	1 162
Completed Works Transferred to Transport Canberra and City Services Directorate ^a	(2 935)	-	(41)	(2 976)
Completed Works and Transferred to Transport Canberra Operations ^b	(16 955)	-	-	(16 955)
Completed Works Transferred to Canberra Health Services ^c	-	(5 432)	-	(5 432)
Capital Works Expensed	(645)	-	-	(645)
Carrying Amount at the End of the Reporting Period	35 495	11 034	-	46 529

a. Relates to the return of completed works related to Northbourne Avenue verges improvements to Transport Canberra and City Services Directorate.

b. Relates to the transfer of the Light Rail Stage 1 Gungahlin to City capital works in progress balance at 30 June 2020 transferred to Transport Canberra Operations.

c. Relates to the transfer of completed works related to Building 28 at the Canberra Hospital to Canberra Health Services.

Major Projects Canberra
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 12. PAYABLES

	2020 \$'000
Current Payables	
Accrued Expenses	14 769
Total Current Payables	14 769
Total Payables	14 769
Payables are aged as follows:	
Not Overdue	14 769
Total Payables	14 769
Classification of Payables	
Payables with ACT Government Entities	
Accrued Expenses	3 705
Total Payables with ACT Government Entities	3 705
Payables with Non-ACT Government Entities	
Accrued Expenses	11 064
Total Payables with Non-ACT Government Entities	11 064
Total Payables	14 769

NOTE 13. CONTRACT LIABILITIES

	2020 \$'000
Amounts Received Related to Contracts with Customers where the Performance Obligations have not yet been satisfied	5 175
Total Contract Liabilities	5 175

Contract Liabilities Arising from Contracts with Customers

Contract liabilities relate to consideration received in advance from customers in respect of project management services to be delivered on the Territory's future capital work program. The balance of contract liabilities as at 30 June 2020 was impacted by delayed expenditure of the capital works appropriation into future years.

On the basis of the updated 2020-21 capital works projections advised by ACT Treasury, Major Projects Canberra expects that 81% of the transaction price allocated to the unsatisfied performance obligations as of 30 June 2020 will be recognised as revenue during the next reporting period. The remaining 19% is expected to be recognised as revenue in the year ended 30 June 2022.

Major Projects Canberra
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 14. EMPLOYEE BENEFITS

	2020 \$'000
Current Employee Benefits	
Annual Leave	3 277
Long Service Leave	4 395
Accrued Salaries	354
Other Benefits	52
Total Current Employee Benefits	<u>8 078</u>
Non-Current Employee Benefits	
Long Service Leave	474
Total Non-Current Employee Benefits	<u>474</u>
Total Employee Benefits	<u><u>8 552</u></u>
Estimate of when Leave is Payable	
Estimated Amount Payable within 12 months	
Annual Leave	1 413
Long Service Leave	287
Accrued Salaries	354
Other Benefits	52
Total Employee Benefits Payable within 12 months	<u>2 106</u>
Estimated Amount Payable after 12 months	
Annual Leave	1 864
Long Service Leave	4 582
Total Employee Benefits Payable after 12 months	<u>6 446</u>
Total Employee Benefits	<u><u>8 552</u></u>

As at 30 June 2020, Major Projects Canberra employed 166 full-time equivalent (FTE) staff.

Major Projects Canberra
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 15. NON-INTEREST BEARING LIABILITIES

Major Projects Canberra holds a bank overdraft with Westpac Banking Corporation transferred under Administrative Arrangements 2019 (No. 2). This facility was originally created to provide extra working capital to enable payment to external parties for completed capital works related activities. Major Projects Canberra is working to the closure of this account following the change in the management of the Territory's Capital Works supplier payments. Major Projects Canberra is not charged interest on the bank overdraft.

	2020
	\$'000
Non-Interest Bearing Liabilities	
Bank Overdraft	8 986
Total Non-Interest Bearing Liabilities	8 986

NOTE 16. OTHER PROVISIONS

	2020
	\$'000
Non-Current Other Provisions	
Provision for Make Good	368
Total Non-Current Other Provisions	368
Total Other Provisions	368

Provision for Make Good

On 1 August 2015 a lease agreement was entered into for some office space at Nature Conservation House, 153 Emu Bank Belconnen. On 1 July 2019, the responsibility for this lease was transferred to Major Projects Canberra following Administrative Arrangement transfers. There are clauses within the lease agreement which require Major Projects Canberra, upon cessation of the tenancy, to return the office space to the condition it was in before it was leased. This is referred to as 'make good'. The tenancy runs for 10 years.

Major Projects Canberra has leasehold improvements at Nature Conservation House. Therefore, the Provision for Make Good consists of the recognition of a provision to return Major Projects Canberra's leased accommodation to its original state. The make good provision is based on an estimated rate per square metre of occupancy, of \$225 per square meter (sqm).

	2020
	\$'000
Reconciliation of the Provision for Make Good	
Provision for Make Good at the Beginning of the Reporting Period	-
Increase in Provision due to Administrative Arrangement Transfer	358
Increase in Provision due to Unwinding of Discount	10
Provision for Make Good at the End of the Reporting Period	368

Major Projects Canberra
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 17. RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS

Restructures of Administrative Arrangements 2019-20

Administrative Arrangements 2019 (No.2) notifiable instrument NI2019-549 came into effect on 1 July 2019 to establish Major Projects Canberra with the following transfers:

- The Light Rail Project delivery function from Transport Canberra and City Services Directorate (TCCS). The total value of the net assets transferred was \$3.0 million;
- The delivery of the SPIRE Centre from ACT Health Directorate (AHD). The total value of the net assets transferred was \$1.1 million; and
- The Infrastructure Delivery Partners function was from the Chief Minister, Treasury and Economic Development Directorate (CMTEDD). The total value of net liabilities transferred was \$7.3 million.

Assets and Liabilities

Increases or decreases in net assets and net liabilities resulting from Administrative Arrangements are recognised in the Statement of Changes in Equity. The Assets and Liabilities transferred as part of the Administrative Arrangements at the dates of transfer were as follows:

	Amounts Transferred from TCCS	Amounts Transferred from AHD	Amounts Transferred from CMTEDD	Total Amounts Transferred
	2019-20	2019-20	2019-20	2019-20
	\$'000	\$'000	\$'000	\$'000
Assets				
Cash and Cash Equivalents	1 319	-	1	1 320
Receivables	373	-	37 591	37 964
Property, Plant and Equipment	-	-	357	357
Intangible Assets	-	-	6 522	6 522
Capital Works in Progress	6 196	1 176	20	7 392
Total Assets Transferred	7 888	1 176	44 491	53 555
Liabilities				
Non-Interest Bearing Liabilities	-	-	37 211	37 211
Payables	3 912	-	950	4 862
Employee Benefits	978	95	5 530	6 603
Other Liabilities	-	-	7 567	7 567
Other Provision	-	-	489	489
Total Liabilities Transferred	4 890	95	51 747	56 732
Total Net Assets/(Liabilities) Transferred	2 998	1 081	(7 256)	(3 177)

Major Projects Canberra
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 18. FINANCIAL INSTRUMENTS

Details of the significant policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability are disclosed in Note 2 (see Appendix B) *Significant Accounting Policies*.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Major Projects Canberra is considered to have insignificant exposure to interest rate risk, as it holds only cash and cash equivalents and bank overdraft with the Westpac Banking Corporation as part of the whole-of-government banking arrangements. As part of these arrangements, Major Projects Canberra does not receive any interest on this cash and cash equivalents and does not pay interest on bank overdraft. Major Projects Canberra's receivables and payables are non-interest bearing.

Sensitivity Analysis

A sensitivity analysis has not been undertaken for the interest rate risk of Major Projects Canberra as it has been determined that the possible impact on income and expenses or total equity from fluctuations in interest rates is immaterial.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Financial assets consist of cash and cash equivalents and receivables. Major Projects Canberra's credit risk is limited to the carrying amount of the financial assets it holds net of any allowance made for impairment. As a significant portion of Major Projects Canberra's receivables relate to trading with other ACT Government agencies, Major Projects Canberra expects to collect all financial assets.

Cash and cash equivalents are held with the Westpac Banking Corporation, in accordance with whole of ACT Government banking arrangements and Major Projects Canberra holds no investments.

Credit risk for Major Projects Canberra is therefore considered to be low.

Liquidity Risk

Liquidity risk is the risk that Major Projects Canberra will encounter difficulties in meeting its financial obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

To limit its exposure to liquidity risk, Major Projects Canberra is able to draw down additional Controlled Recurrent Payments in the next reporting period to cover its financial liabilities when they fall due. This ensures Major Projects Canberra has enough liquidity to meet its emerging financial liabilities.

Major Projects Canberra
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 18. FINANCIAL INSTRUMENTS – CONTINUED

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether these changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.

Major Projects Canberra does not have any financial instruments that are subject to price risk.

Sensitivity Analysis

A sensitivity analysis has not been undertaken for the price risk of Major Projects Canberra given it does not have any exposure to price risk.

Carrying Amount and Fair Value of Financial Assets and Liabilities

The carrying amount of financial assets and liabilities approximates its fair value.

	Note No.	Carrying Amount 2020 \$'000
Financial Assets		
Cash and Cash Equivalents	8	16 420
Receivables	9	1 743
Total Financial Assets		<u>18 163</u>
Financial Liabilities		
Payables	12	14 769
Bank Overdraft	15	8 986
Contract Liabilities	13	5 175
Leases Liabilities		94
Total Financial Liabilities		<u>29 024</u>

Note that the GST receivable/payable and the FBT Payable have not been included in the receivables/payables line item above given they are statutory assets/liabilities.

Fair Value Hierarchy

Major Projects Canberra's financial assets and liabilities are measured, subsequent to initial recognition, at amortised cost and as such are not subject to the Fair Value Hierarchy.

All financial assets and liabilities except for leases liabilities of Major Projects Canberra are non-interest bearing and are shown on an undiscounted Cash Flow basis.

Major Projects Canberra
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 18. FINANCIAL INSTRUMENTS – CONTINUED

The following table sets out the Major Projects Canberra's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2020. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

2020	Note No.	Fixed Interest Maturing In:			Non-Interest Bearing \$'000	Total \$'000
		Weighted Average Interest Rate	1 Year or Less \$'000	Over 1 Year to 5 Years \$'000		
Financial Instruments						
Financial Assets						
Cash and Cash Equivalents	8		-	-	16 420	16 420
Receivables	9		-	-	1 743	1 743
Total Financial Assets			-	-	18 163	18 163
Financial Liabilities						
Payables	12		-	-	14 769	14 769
Bank Overdraft	15		-	-	8 986	8 986
Contract Liabilities	13				5 175	5 175
Lease Liabilities		1.23%	64	30	-	94
Total Financial Liabilities			64	30	28 930	29 024
Net Financial (Liabilities)			(64)	(30)	(10 767)	(10 861)

Major Projects Canberra
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 18. FINANCIAL INSTRUMENTS - CONTINUED

	2020 \$'000
Carrying Amount of Each Category of Financial Asset and Financial Liability	
Financial Assets	
Financial Assets Measured at Amortised Cost	1 743
Financial Liabilities	
Financial Liabilities Measured at Amortised Cost	29 024

Major Projects Canberra does not have any financial liabilities in the 'Financial Liabilities at Fair Value through Profit and Loss' category and, as such, this category is not included above.

NOTE 19. COMMITMENTS

Capital Commitments

Capital commitments contracted at reporting date mainly relate to the delivery of designated capital works projects related to the SPIRE Centre that have not been recognised as liabilities.

	2020 \$'000
<i>Capital Commitments – Buildings</i>	
Payable:	
Within One Year	3 522
<i>Total Capital Commitments – Buildings</i>	3 522
Total Capital Commitments	3 522

Other Commitments

Other commitments contracted at reporting date mainly relate to ICT Equipment Leases with Shared Services, the Project Management and Reporting System (PMARS), office accommodation and other contractors. Following the implementation of accounting standard AASB 16, 'Leases', from 1 July 2019, most of the operating leases commitments will no longer be reported as commitments, however, exceptions for AASB 16 have been applied.

	2020 \$'000
Within One Year	1 757
Later than One Year but not later than Five Years	3 961
Later than Five Years	543
Total Other Commitments	6 261

Major Projects Canberra
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 20. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Liabilities

Light Rail Construction Final Completion

Major Projects Canberra has a contingent liability relating to payments for the modifications and risk items agreed to be retained by the Territory e.g. project delays due to utilities diversions. The amount payable is \$10 million and is contingent on achieving final completion as certified by the independent certifier.

NOTE 21. CASH FLOW RECONCILIATION

(a) Reconciliation of Cash and Cash Equivalents at the End of the Reporting Period in the Statement of Cash Flows to the equivalent items in the Balance Sheet.

	2020 \$'000
Bank Overdraft	(8 986)
Cash and Cash Equivalents	16 420
Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Statement of Cash Flows	7 434

(b) Reconciliation of the Operating (Deficit) to Net Cash Inflows from Operating Activities

Operating (Deficit)	(6 718)
Add/(Less) Non-Cash Items	
Depreciation and Amortisation	1 466
Impairment Losses and Write-Offs	32
Add/(Less) Items Classified as Investing or Financing	
Net loss on Disposal of Non-Current Assets	645
Cash Before Changes in Operating Assets and Liabilities	(4 575)
Changes in Operating Assets and Liabilities	
(Increase) in Receivables	(2 345)
(Increase) in Other Assets	(2)
Increase in Payables	14 769
Increase in Employee Benefits	8 553
Increase in Other Liabilities	5 175
Increase in Provisions	368
Net Operating Assets Transferred	7 351
Net Changes in Operating Assets and Liabilities	33 869
Net Cash Inflows from Operating Activities	29 294

Major Projects Canberra
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 22 THIRD PARTY MONIES

Security Deposits Holdings

Third Party Monies held in the Major Projects Canberra Trust Account are monies received from contractors who have entered into agreements with the Territory. Those agreements have clauses that specify the amount of 'security' to be held and at what point those securities can be released to the contractor, and also clauses around how the Territory can access those securities if agreement terms have not been met.

	2020 \$'000
Balance at the Beginning of the Reporting Period	-
Balance transferred as part of an Administrative Arrangement	980
Cash Receipts	275
Cash Payments	(597)
Balance at the End of the Reporting Period	<u>658</u>

The Trust Account's operations were transferred from CMTEDD effective 1 July 2019 as part of Administrative Arrangements 2019 (No. 2).

Major Projects Canberra Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2020

NOTE 23. RELATED PARTY DISCLOSURES

A related party is a person that controls or has significant influence over the reporting entity, or is a member of the Key Management Personnel (KMP) of the reporting entity or its parent entity, and includes their close family members and entities in which the KMP and/or their close family members individually or jointly have controlling interests.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of Major Projects Canberra, directly or indirectly.

KMP of Major Projects Canberra are the Portfolio Minister, the Chief Project Officer and certain members of the Major Projects Canberra Executive Team. The Head of Service and the ACT Executive comprising the Cabinet Ministers are KMP of the ACT Government and therefore related parties of Major Projects Canberra.

This note does not include typical citizen transactions between the KMP and Major Projects Canberra that occur on terms and conditions no different to those applying to the general public.

Controlling Entity

Major Projects Canberra is an ACT Government controlled entity.

Key Management Personnel

Compensation of Key Management Personnel

Compensation of all Cabinet Ministers, including the Portfolio Minister, is disclosed in the note on related party disclosures included in the ACT Executive's financial statements for the year ended 30 June 2020.

Compensation of the Head of Service is included in the note on related party disclosures included in the Chief Minister, Treasury and Economic Development Directorate's (CMTEDD) financial statements for the year ended 30 June 2020.

Compensation by the Major Projects Canberra to KMP is set out below.

	2020 \$'000
Short-term employee benefits	1 862
Post-employment benefits	220
Other long-term benefits	44
Total Compensation by Major Projects Canberra to KMP	2 126

Transactions with Key Management Personnel

There was no transaction with KMP that were material to the Financial Statements.

Transactions with Parties Related to Key Management Personnel

There was no transaction with parties related to KMP, including transaction with KMP close family members or other related entities that were material to the Financial Statements.

Transactions with Other ACT Government Controlled Entities

All transactions with ACT Government controlled entities are disclosed in the relevant notes to the financial statements.

Major Projects Canberra
Forming Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2020

APPENDIX A - BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

LEGISLATIVE REQUIREMENT

The *Financial Management Act 1996* (FMA) requires the preparation of annual financial statements for ACT Government Agencies. The FMA and the *Financial Management Guidelines* issued under the FMA, requires Major Projects Canberra's financial statements to include:

- i. an Operating Statement for the reporting period;
- ii. a Balance Sheet at the end of the reporting period;
- iii. a Statement of Changes in Equity for the reporting period;
- iv. a Statement of Cash Flows for the reporting period;
- v. a Statement of Appropriation for the reporting period;
- vi. the significant accounting policies adopted for the reporting period; and
- vii. other statements as necessary to fairly reflect the financial operations of Major Projects Canberra during the reporting period and its financial position at the end of the reporting period.

These general purpose financial statements have been prepared in accordance with:

- i. Australian Accounting Standards (as required by the FMA); and
- ii. ACT Accounting and Disclosure Policies.

ACCRUAL ACCOUNTING

The financial statements have been prepared using the accrual basis of accounting. The financial statements are prepared according to the historical cost convention.

CURRENCY

These financial statements are presented in Australian dollars, which is Major Projects Canberra's functional currency.

INDIVIDUAL NOT-FOR-PROFIT REPORTING ENTITY

Major Projects Canberra is an individual not-for-profit reporting entity.

REPORTING PERIOD

These financial statements state the financial performance, changes in equity and cash flows of Major Projects Canberra for the year ended 30 June 2020 together with the financial position of Major Projects Canberra as at 30 June 2020.

Major Projects Canberra
Forming Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2020

**APPENDIX A - BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS -
CONTINUED**

COMPARATIVE FIGURES

Budget Figures

Major Projects Canberra was established on 1 July 2019 subsequent to the development and publication of the 2019-20 Budget. As such, there are no Budget amounts to be disclosed in the financial statements.

Prior Year Comparatives

As Major Projects Canberra was established on 1 July 2019, there are no prior period comparatives to be disclosed in the financial statements.

ROUNDING

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000). Use of "-" represents zero amounts or amounts rounded down to zero.

GOING CONCERN

As at 30 June 2020, Major Projects Canberra current liabilities (\$37.072 million) exceed its current assets (\$18.767 million) by \$18.305 million. However, this is not considered a liquidity risk as its cash needs are funded through appropriation by the ACT Government on a cash-needs basis. This is consistent with the whole-of-Government cash management regime, which requires excess cash balances to be held centrally rather than within individual agency bank accounts.

The 2019-20 financial statements have been prepared on a going concern basis as Major Projects Canberra has been funded in 2020-21 under section 7 of the *Financial Management Act 1996* pending funding in the 2020-21 Budget and the 2020-21 Budget Papers including forward estimates for Major Projects Canberra. The 2020-21 Budget will be presented to the Legislative Assembly subsequent to the signing of Major Projects Canberra's 2019-20 financial statements.

Major Projects Canberra
Forming Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2020

APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES

SIGNIFICANT ACCOUNTING POLICIES – INCOME

REVENUE RECOGNITION

Revenue is recognised in accordance with AASB 15 Revenue from Contracts with Customers where the contract is enforceable and contains sufficiently specific performance obligations, otherwise revenue is in the scope of AASB 1058 Income of not-for-Profit Entities.

AASB 15 Revenue from Contracts with Customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the entity expects to receive in exchange for those goods or services. Revenue is recognised by applying a five step model as follows:

1. identify the contract with the customer;
2. identify the performance obligations;
3. determine the transaction price;
4. allocate the transaction price; and
5. recognise revenue as or when control of the performance obligation is transferred to the customer.

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of Major Projects Canberra have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

SALES OF SERVICES FROM CONTRACTS WITH CUSTOMERS (NOTE 4)

Revenue from the sale of services is recognised when control has been transferred at a point in time. Payments are generally required within 28 days of transfer of the services.

Major Projects Canberra earns revenue related to project management levy on the capital works budget, panel management services and representation as principle authorised persons related to the delivery of the Territory's capital works program.

Revenue is recognised when Major Projects Canberra satisfies the performance obligations which is over time in line with the expenditure of the project budget to which the project management levy is applied or in line with the delivery of panel management and principle authorised persons services provided for in the project budgets.

AASB 1058 Income of Not-for-Profit Entities

Where revenue streams are in the scope of AASB 1058, Major Projects Canberra recognises the asset received (generally cash or other financial asset) at fair value, recognises any related amount (e.g. liability or equity) in accordance with an accounting standard and recognises revenue as the residual between the fair value of the asset and the related amount on receipt of the asset.

Major Projects Canberra
Forming Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2020

APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

SIGNIFICANT ACCOUNTING POLICIES – INCOME - CONTINUED

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES – REVENUE FROM CONTRACTS WITH CUSTOMERS

In assessing the value of revenue from contracts, Major Projects Canberra has made judgements regarding the relationship to the agreed budget and the associated delivery of service. Major Projects Canberra has determined that Management Levy revenue is recognised in proportion to the expenditure of the project budget. Revenue from the provision of panel management and principle authorised person service delivery is recognised in line with the delivery of the project under the approved project budget.

Where the payment of the management levy exceeds the related percentage of the total spend against the project budget for the year, which will occur in the circumstances when a capital project's budget is revised and a component of the original budget is re-profiled into the forward year, the receipt relating to the re-profiling is recognised as a contract liability.

CONTROLLED RECURRENT PAYMENTS (NOTE 3)

Controlled Recurrent Payments are recognised as revenue when Major Projects Canberra gains control over the funding. Control over appropriated funds is obtained upon the receipt of cash.

GRANTS AND CONTRIBUTIONS

Where Major Projects Canberra receives an asset or services for significantly less than fair value then the transaction is in the scope of AASB 1058 and revenue is recognised on receipt of the asset / services.

Where services are received, the expense is recognised in the line item to which it relates.

Services that are received free of charge are only recognised in the Operating Statement if they can be reliably measured and would have been purchased if not provided to Major Projects Canberra free of charge.

Major Projects Canberra
Forming Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2020

APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

SIGNIFICANT ACCOUNTING POLICIES – EXPENSES

EMPLOYEE EXPENSES (NOTE 5)

Employee benefits include:

- short-term employee benefits such as wages and salaries, annual leave loading, and applicable on-cost if expected to be settled wholly before twelve months (see Appendix B – Note 14 *Employee Benefits* if longer than 12 months) after the end of the annual reporting period in which the employees render the related services;
- other long-term benefits such as long service leave and annual leave; and
- termination benefits.

On-costs include annual leave, long service leave, superannuation and other costs that are incurred when employees take annual leave and long service leave.

(See Appendix B – Note 14 *Employee Benefits* for accrued wages and salaries, and annual and long service leave).

Where employee expenses are incurred that are directly attributable to the delivery of the designated major projects, the employee expenses are reflected as capital works in progress and capitalised against the project on completion of the asset.

SUPERANNUATION EXPENSES (NOTE 6)

Employees of Major Projects Canberra will have different superannuation arrangements due to the type of superannuation schemes available at the time of commencing employment, including both defined benefit and defined contribution superannuation scheme arrangements.

For employees who are members of the defined benefit Commonwealth Superannuation Scheme (CSS) and Public Sector Superannuation Scheme (PSS) Major Projects Canberra makes employer superannuation contribution payments to the Territory Banking Account at a rate determined by the Chief Minister, Treasury and Economic Development Directorate. Major Projects Canberra also makes productivity superannuation contribution payments on behalf of these employees to the Commonwealth Superannuation Corporation, which is responsible for administration of the schemes.

For employees who are members of defined contribution superannuation schemes (the Public Sector Superannuation Scheme Accumulation Plan (PSSAP) and schemes of employee choice) Major Projects Canberra makes employer superannuation contribution payments directly to the employees' relevant superannuation fund.

All defined benefit employer superannuation contributions are recognised as expenses on the same basis as the employer superannuation contributions made to defined contribution schemes. The accruing superannuation liability obligations are expensed as they are incurred and extinguished as they are paid.

Superannuation Liability Recognition

For Major Projects Canberra employees who are members of the defined benefit CSS or PSS the employer superannuation liabilities for superannuation benefits payable upon retirement are recognised in the financial statements of the Superannuation Provision Account.

**Major Projects Canberra
Forming Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2020**

APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

SIGNIFICANT ACCOUNTING POLICIES – EXPENSES - CONTINUED

SUPPLIES AND SERVICES (NOTE 7)

Insurance

Major risks are insured through the ACT Insurance Authority. The excess payable, under this arrangement, varies depending on each class of insurance held.

Property Expenses

This covers payments for short-term leases (12 month term or less) and low-value leases (individual asset less than \$10,000) and standard non-specialised accommodation leases with Property Group.

DEPRECIATION AND AMORTISATION

Amortisation is used in relation to intangible assets and depreciation is applied to physical assets such as leasehold improvements and motor vehicles.

Leasehold improvements are depreciated over the estimated useful life of each asset, or the unexpired period of the relevant lease, whichever is shorter.

All depreciation is calculated after first deducting any residual values which remain for each asset.

Depreciation/amortisation for non-current assets is determined as follows:

Class of Asset	Depreciation/ Amortisation Method	Useful Life (Years)
Motor Vehicles	Straight Line	3 – 5
Leasehold Improvements	Straight Line	5 – 10
Intangible Assets	Straight Line	2 – 5

The useful lives of all major assets held are reassessed on an annual basis.

Major Projects Canberra
Forming Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2020

APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

SIGNIFICANT ACCOUNTING POLICIES – ASSETS

ASSETS – CURRENT AND NON-CURRENT

Assets are classified as current where they are expected to be realised within 12 months after the reporting date. Assets which do not fall within the current classification are classified as non-current.

CASH AND CASH EQUIVALENTS (NOTE 8)

Cash includes cash at bank and cash on hand. Cash Equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are included in cash and cash equivalents in the Statement of Cash Flows but not in the cash and cash equivalents line on the Balance Sheet.

RECEIVABLES (NOTE 9)

Accounts Receivable

Accounts receivable for goods and services (including trade receivables and other trade receivables), which have 30 day terms, are recognised at the nominal amounts due less any allowance for impairment. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when the collectability of the debt is no longer probable.

Major Projects Canberra
Forming Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2020

APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

SIGNIFICANT ACCOUNTING POLICIES – ASSETS - CONTINUED

PROPERTY, PLANT AND EQUIPMENT

Acquisition and Recognition of Property, Plant and Equipment

Property, plant and equipment are initially recorded at cost.

Where property, plant and equipment are acquired at no cost, or minimal cost, cost is its fair value as at the date of acquisition. However, property, plant and equipment acquired at no cost or minimal cost as part of a restructuring of administrative arrangements is measured at the transferor's book value.

Property, plant and equipment with a minimum value of \$5,000 are capitalised.

Measurement of Property, Plant and Equipment after Initial Recognition

Property, plant and equipment and leasehold improvements are valued at cost. However, if at any time Major Projects Canberra considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued.

Right-of-use assets are initially measured at cost. After the commencement date, right of use assets are measured at cost less any accumulated depreciation and accumulated losses and adjusted for any re-measurement of the lease liability.

Significant Accounting Judgements and Estimates – Useful Lives of Property Plant and Equipment

Major Projects Canberra has made a significant estimate in determining the useful lives of its property, plant and equipment. The estimation of useful lives of property, plant and equipment is based on the historical experience of similar assets. The useful lives are assessed on an annual basis and any adjustments made when necessary. Disclosure concerning assets useful life (see Appendix B – Depreciation and Amortisation).

Impairment of Assets

Major Projects Canberra assesses at each reporting date whether there is any indication that an asset may be impaired. Assets are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. However, intangible assets that are not yet available for use are tested annually for impairment regardless of whether there is an indication of impairment, or more frequently if events or circumstances indicate they might be impaired.

Impairment losses for plant and equipment, leasehold improvements and intangible assets are also recognised in the Operating Statement as these asset classes are carried at cost. The carrying amount of the asset is also reduced to its recoverable amount.

Non-financial assets that have previously been impaired are reviewed for possible reversal of impairment at each reporting date.

Major Projects Canberra
Forming Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2020

APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

SIGNIFICANT ACCOUNTING POLICIES – ASSETS - CONTINUED

INTANGIBLE ASSETS (NOTE 10)

Major Projects Canberra intangible assets comprise internally generated software.

Internally generated software is recognised and capitalised when:

- it is probable that the expected future economic benefits attributable to the software will flow to Major Projects Canberra;
- the cost of the software can be measured reliably; and
- the acquisition cost is equal to or exceeds \$50,000.

Capitalised software has a finite useful life. Software is amortised on a straight-line basis over its useful life, over a period not exceeding 5 years.

Intangible Assets are measured at cost.

SIGNIFICANT ACCOUNTING POLICIES – LIABILITIES

Liabilities – Current and Non-Current

Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or Major Projects Canberra does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Liabilities which do not fall within the current classification are classified as non-current.

PAYABLES (NOTE 12)

Payables are initially recognised at fair value based on the transaction cost and subsequent to initial recognition at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement. All amounts are normally settled within 28 days after the invoice date.

Payables include Trade Payables, Accrued Expenses and Other Payables.

CONTRACT LIABILITIES (NOTE 13)

When an amount of consideration is received from a customer prior to Major Projects Canberra transferring a good or service to the customer, the balance of the consideration which has not been transferred is presented as a contract liability.

Major Projects Canberra
Forming Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2020

APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

SIGNIFICANT ACCOUNTING POLICIES – LIABILITIES - CONTINUED

LEASE LIABILITIES

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentive receivables;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that termination option.

After the commencement date, lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount to reflect any reassessment or lease modifications.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease.

Major Projects Canberra
Forming Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2020

APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

SIGNIFICANT ACCOUNTING POLICIES – LIABILITIES - CONTINUED

LEASE LIABILITIES - CONTINUED

Accounting Policies under AASB 16 – Applicable from 1 July 2019

At inception of a contract, Major Projects Canberra assesses whether a lease exists – i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- the contract involves the use of an identified asset – this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset;
- Major Projects Canberra has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- Major Projects Canberra has the right to direct the use of the asset i.e. decision-making rights in relation to changing how and for what purpose the asset is used.

At the lease commencement date, Major Projects Canberra recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where Major Projects Canberra is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then Major Projects Canberra uses the incremental borrowing rate published by ACT Treasury which most closely matches the remaining lease term.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in Major Projects Canberra's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in the operating statement if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

Major Projects Canberra has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets.

Major Projects Canberra recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Major Projects Canberra
Forming Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2020

APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

SIGNIFICANT ACCOUNTING POLICIES – LIABILITIES - CONTINUED

EMPLOYEE BENEFITS (NOTE 14)

Employee Benefits are listed in Appendix B - 14 *Employee Expenses*.

Wages and Salaries

Accrued wages and salaries are measured at the amount that remains unpaid to employees at the end of the reporting period.

Annual and Long Service Leave

Annual and long service leave, including applicable on-costs, that are not expected to be wholly settled before twelve months after the end of the reporting period when the employees render the related service are measured at the present value of estimated future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to the future wage and salary levels, experience of employee departures and periods of service. At the end of each reporting period end, the present value of future annual leave and long service leave payments is estimated using market yields on Commonwealth Government bonds with terms to maturity that match, as closely as possible, the estimated future cash flows.

Annual leave liabilities have been estimated on the assumption that they will be wholly settled within three years. This financial year the rate used to estimate the present value of future:

- Annual leave payments is 100.9%; and
- Long Service Leave payments is 113.6%.

The long service leave liability is estimated with reference to the minimum period of qualifying service. For employees with less than the required minimum period of 7 years qualifying service, the probability that employees will reach the required minimum period has been taken into account in estimating the provision for long service leave and applicable on-costs.

The provision for annual leave and long service leave includes estimated on-costs. As these on-costs only become payable if the employee takes annual and long service leave while in-service, the probability that employees will take annual and long service leave while in service has been taken into account in estimating the liability for on-costs.

Annual and long service leave liabilities are classified as current liabilities in the Balance Sheet where there are no unconditional rights to defer the settlement of the liability for at least 12 months. Conditional long service leave liabilities are classified as non-current because Major Projects Canberra has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Significant Judgements and Estimates – Employee Benefits

Significant judgements have been applied in estimating the liability for employee benefits. The estimated liability for annual and long service leave requires a consideration of the future wage and salary levels, experience of employee departures, probability that leave will be taken in service and periods of service. The estimate also includes an assessment of the probability that employees will meet the minimum service period required to qualify for long service leave and that on-costs will become payable.

The significant judgements and assumptions included in the estimation of annual and long service leave liabilities include an assessment by an actuary. The Australian Government Actuary performed this assessment in April 2019. The next actuarial review is expected to be undertaken by early 2022.

**Major Projects Canberra
Forming Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2020**

APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

SIGNIFICANT ACCOUNTING POLICIES – OTHER NOTES

FINANCIAL INSTRUMENTS (NOTE 18)

Financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- (a) the business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial assets.

The following are the classification of Major Projects Canberra's financial assets under AASB 9:

Items	Business Model Held to collect principal and interest/sell	Solely for payment of Principal and Interest SPPI Test (basic lending characteristics)	Classification
Cash and Cash Equivalents	Held to collect	Yes	Amortised cost
Trade Receivables	Held to collect	Yes	Amortised cost
Accrued Revenue	Held to collect	Yes	Amortised cost

Financial liabilities are measured at amortised cost.

Capital Works

This section describes the progress of MPC's capital works program, which comprises projects designated by government. Other capital works undertaken on behalf of client directorates are included in those directorates' annual reports.

Significant progress was also made in the Canberra Hospital Expansion and CIT Campus – Woden projects, which are expected to enter into contract with delivery partners in the first half of 2020–21.

Capital Works Tables

The capital works tables provide details of new works, works in progress and completed projects, including those physically but not financially completed.

There were five work in progress items transferred to MPC upon establishment on 1 July 2019; of these one was completed during the financial year.

New Works Commenced During the Year:

Table 25 shows new works commenced in 2019–20.

Project	Estimated completion date	Original project value \$'000	Revised project value \$'000	Prior year expenditure \$'000	Current year expenditure \$'000	Total expenditure to date \$'000
Extending Light Rail to Woden – Delivering Stage 2A	Jun-24	31,400	31,400	N/A	17,900	17,900
Taking Light Rail to Woden – Raising London Circuit	Jun-24	2,500	2,500	N/A	2,500	2,500

Table 25 New works commenced during 2019–20

Works Still in Progress at Year End

Works still in progress are described in Table 26.

Project	Estimated completion date	Original project value \$'000	Revised project value \$'000	Prior year expenditure \$'000	Current year expenditure \$'000	Total expenditure \$'000
Commencing Light Rail Stage 1 Operations and Delivering a Light Rail Stop at Mitchell	Jun-21	4,847	4,847	-	1,998	1,998
Delivering Stage 2 of Light Rail to Woden	To be determined by Government	20,158	20,158	-	17,593	17,593
Delivering the SPIRE Centre at Canberra Hospital	Jun-24*	60,200	65,524	-	15,539	15,539
Light Rail – Stage 1 PPP Territory Retained Risk	Jul-20	21,405	21,405		11,405	11,405

Table 26 Works still in progress at the end of 2019–20

Note:

* Construction completion is scheduled for 2024, operational commission thereafter.

Completed Projects

Completed projects are described in Table 27.

Project	Estimated completion date	Actual completion date	Original project value \$'000	Revised project value \$'000	Prior year expenditure \$'000	Current year expenditure \$'000	Total expenditure \$'000
Light Rail – Stage 1 – Procurement and Delivery	Jun-19	Apr-19	51,777	49,691	48,149	1,542	49,691

Table 27 Completed projects 2019–20

The Reconciliation Schedules

A reconciliation of current year financing is detailed in Table 28.

Reconciliation of Total Current Year Financing	\$'000
Original Capital Works Financing	0
Add: S17 Variation of Appropriation	33,900
Add: S16B Rollovers from 2018–19	5,324
Add: S16 Transfers from other Directorates	108,509
Total Approved 2019–20 Capital Works	147,733
Less: Capital Injection not drawn in 2019–20	(76,928)
Capital Injection from Government per Cash Flow Statement	70,805
Less: Accruals 2018–19	(2,699)
Add: Accruals 2019–20	11,996
Less: Year End Cash Balance related to Capital	(12,218)
Add: Opening Cash Balance related to Capital	593
Total Current Year Capital Works Expenditure	68,477
Add: WIP Expenditure for other Capital Injection Projects	2,406
Add: Accruals 2018–19	2,699
Less: Accruals 2019–20	(11,996)
Total Purchase of Capital Works as per Cash Flow Statement	56,774

Table 28 current year financing reconciliation

The contact officer for further information about MPC's capital works program is:

Damon Hall,
Executive Group Manager,
Project Development and Support
 Ph: 02 6207 0058
 Email: damon.hall@act.gov.au

Asset Management

MPC delivers infrastructure for the Canberra community in partnership with other ACT Government directorates and public sector bodies.

As projects are completed, assets are transferred to the relevant directorate. As described in the Financial Statements (pp 58-120), MPC holds no assets of material value.

Assets Managed

Administrative Arrangements 2019 (No.2) notifiable instrument NI2019-549 came into effect on 1 July 2019 to establish Major Projects Canberra and included the following transfers of some assets from CMTEDD.

No other assets were added to or removed from Major Projects Canberra asset register in 2019–20.

Major Project Canberra assets by type and value are listed in Table 29.

Class of Type	2019–20 Net Book Value \$'000
Leasehold Improvements	257
Internally Generated Software	5,238
Total value of assets	5,495

Table 29 Asset by Type and Value

On 30 June 2020, MPC had no properties not being used by Major Projects Canberra or identified as potentially surplus.

Asset Maintenance and Upgrade

There are no assets on the MPC asset register that require maintenance and upgrade.

Office Accommodation

As at 30 June 2020, the Directorate had 166 FTE occupying 2062 m², as shown in Table 30.

Location	Number of Employees	M ² per Employee
Callam Offices	62	9.9
Canberra Hospital Campus	21	7.3
Nature Conservation House	83	15.6
The average area occupied by each employee is		12.4

Table 30 Office accommodation occupancy average by employee

Please note that due to COVID-19, most employees worked remotely from 25 March 2020 through to the end of the reporting period.

MPC will vacate the premises at Nature Conservation House and the Canberra Hospital Campus in 2020–21, with all staff to be consolidated in Callam Offices, pandemic permitting.

Government Contracting

MPC undertakes a wide range of procurement and contracting activities in support of infrastructure delivery projects and development of our organisational capability.

Projects exclusively funded by the Commonwealth or other Territory entities are not be reported on, nor services funded by another ACT Government directorate or public sector body. This includes projects that MPC delivers on behalf of partner directorates.

Procurement Principles and Processes

All procurement processes within the Directorate are required to comply with the procurement legislative framework including the *Government Procurement Act 2001*, *Government Procurement Regulation 2007* and subordinate policy.

MPC's engagement model has been developed to ensure a consistent and effective relationship with internal stakeholders and partner directorates to ensure that procurement expenditures are approved by the appropriate delegate (which depends on which directorate is funding a project or activity). MPC continues to be responsible for the management of contracts issued for client projects.

Contract management training and support for those actively involved in managing contracts is provided by MPC's Contracts and Prequalification team.

A competitive procurement process is conducted wherever possible and any select or single select procurement processes are approved by the Chief Projects Officer and completed in accordance with the provisions of the *Government Procurement Regulation 2007*.

MPC accessed Commonwealth and State government standing offer panel agreements where these are assessed as providing value for money. MPC actively implemented the requirements of the Secure Local Jobs Code throughout the reporting period.

External Sources of Goods and Services

Table 31 lists all contracts with a value of \$25,000 or more executed by MPC from 1 July 2019—30 June 2020.

Contract Number	Contract Title	Procurement Method	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contractor name	Contract amount	Execution Date	Expiry Date
58208-NCT-034	ACONEX tender platform for SPIRE main works tender	single select	Consultancy	No	Oracle Corporation Australia	\$109,890	06/03/2020	05/09/2020
2020-LRS2-AD001	Augmentation Deed Light RailSystem Stage 2	single select	Services (non-consultancy)	No	Canberra Metro Operations	\$7,690,060	30/03/2020	31/12/2020
2020-LRS2-AD002	Augmentation Deed Light RailSystem Stage 2 - Work Order 2	single select	Services (non-consultancy)	No	Canberra Metro	\$7,309,940	22/06/2020	13/04/2020
2017.29059.110.65	Canberra Light Rail- Technical Advisors Panel	panel	Consultancy	No	Social Atlas Pty Ltd	\$534,285	17/07/2019	1/11/2020
2017.29059.110.67	Canberra Light Rail- Technical Advisors Panel	panel	Consultancy	No	Contrado	\$1,652,928	2/10/2019	1/11/2020
2017.29059.110.69	Canberra Light Rail- Technical Advisors Panel	panel	Consultancy	No	GML Heritage Pty Ltd	\$70,620	6/12/2019	1/11/2020
2017.29059.110.73	Canberra Light Rail- Technical Advisors Panel	public	Consultancy	No	Connell Griffin Pty Ltd	\$262,933.33	20/05/2020	1/11/2020
35482.002.01	CIT Campus Development - Site Masterplan & Concept Design	selective	Consultancy	No	Hayball	\$166,815	21/02/2020	31/03/2020
8208-NCT-005	Consultancy Services to the SPIRE Project	single select	Consultancy	Yes	Health Care Consumers' Association ACT	\$265,341	23/09/2019	31/12/2020
58208-NCT-003	Design Services for SPIRE Project Enabling Works - Building 4 Library and Australian National University Clinical Skills	public	Works	No	GHD Pty Ltd	\$206,571	19/12/2019	31/03/2020
58208-NCT-004	Design Services for SPIRE Project Enabling Works - Canberra Hospital Supplementary Car Parking	public	Works	No	Indesco Pty Ltd	\$194,425	19/12/2019	16/12/2020
58209-NCT-003	Preliminary Sketch Plan Design Services on behalf of Major Projects Canberra for Child at Risk Health Unit (CARHU)	public	Consultancy	No	May & Russell Architects Pty Ltd	\$267,795	24/01/2020	6/11/2020
MP21900230	Procurement of Executive Recruitment Search Services	selective	Services (non-consultancy)	No	Hudson	\$116,000	17/10/2019	11/12/2019
2020.58205.02	Provision of Advisory Services	quotation	Consultancy	No	Hudson	\$139,425	18/03/2020	30/09/2020
58208-NCT-009	SPIRE Enabling Works - Demolition of Building 8 at The Canberra Hospital	public	Works	No	Shaw Building Group	\$573,368	13/01/2020	11/05/2021
58208-NCT-006	SPIRE Project Cost Planning Services	public	Consultancy	Yes	Rider Levett Bucknall	\$291,720	28/01/2020	28/01/2025
58208-NCT-007	SPIRE Staging & Decanting Building 8 Modular Design Services on MPC	public	Consultancy	No	peckvonhartel	\$448,288	29/01/2020	29/11/2020
58208-NCT-008	Surgical Procedures Interventional Radiology and Emergency (SPIRE) Project	public	Works	No	STH	\$1,377,346	4/11/2019	3/11/2020

Table 31 Contracts over \$25,000 issued by MPC in 2019–20

Creative Services Panel

In 2019–20, MPC procured \$74,568 worth of services from the whole of government Creative Services Panel.

Non-MPC contracts

MPC supported other Directorates and Agencies in preparing contract documentation in support of a wide range of procurements during the reporting period, including those shown in Table 32. While the below contracts are listed against MPC in the Tenders ACT database, they were funded by other agencies.

Contract number	Name	Contractor Name	Contract Amount	Contracting Agency	Execution Date	Expiry Date
29601-NCT-001	Delivery and Operation of a Temporary COVID-19 Treatment Facility	Aspen Medical	\$14,269,949	Canberra Health Services	24/04/2020	31/10/2020
F19200210	Callam Offices Fitout for A3 and B3 - Design Services	Peckvonhartel	\$86,477	ACT Property Group	02/10/2019	02/01/2020

Table 32 Contracts prepared by MPC but funded by other Directorates and Agencies

Contractor Prequalification

MPC manages the Territory's Prequalification Scheme to support a more effective, efficient and safe procurement system to support the outcomes of the *Government Procurement Act 2001* and *Government Procurement Regulation 2007*.

Table 34 shows the number of contractors approved for prequalification in 2019–20.

Prequalification Category	Number of Prequalified Contractors as at 19 December 2019	Number of Prequalified Contractors as at 30 June 2020
Contractors ACT	87	79
NPS Contractors Civil Road and Bridge	44	36
NPS Contractors – Construction >\$50m	6	5
ACT Consultants	146	115
Senior Auditors	10	9
Fire Trails Construction and Maintenance	3	3
Footpath Contractors	12	12
Weed Control Contractors	14	14
Small Architects and Landscape Architects in Registration Scheme	9	9
	331	282

Table 33 Number of Prequalified Contractors

MPC received 320 applications for prequalification between 1 July 2019 to 30 June 2020. Of these:

- 276 assessments were completed within the benchmark of 37 days; and
- 4 assessments were placed on hold, pending further action from the applicant and are expected to be assessed in 2020–21.

Secure Local Jobs Code

No exemptions were required under the Secure Local Jobs Code in 2019–20.

Aboriginal and Torres Strait Islander Procurement Policy (ATSIPP)

Under the ATSIPP, entities must report performance against three measures:

- The number of unique Aboriginal and Torres Strait Islander Enterprises that respond to the reporting entity's tender and quotation opportunities that were issued from the Approved Systems.
- The number of unique Aboriginal and Torres Strait Islander Enterprises attributed a value of addressable spend in the financial year.
- Percentage of the financial year's addressable spend which is spent with Aboriginal and Torres Strait Islander Enterprises.

As detailed on p.29, Aboriginal and Torres Strait Islander enterprises were involved in a range of significant infrastructure projects delivered by MPC's Infrastructure Delivery Partners group in 2019–20. The total value of these projects was \$13,632,025.

However, as these projects are funded by our client directorates, expenditure against these projects is not able to be recorded as MPC expenditure and therefore not reflected in our performance against the ATSIPP targets, as shown in Table 34.

No.	ATSIPP Performance Measure	Result
1	The number of unique Aboriginal and Torres Strait Islander Enterprises that respond to Territory tender and quotation opportunities issued from the Approved Systems.	0
2	The number of unique Aboriginal and Torres Strait Islander Enterprises attributed a value of Addressable Spend in the financial year.	2
3	Percentage of the financial year's Addressable Spend of \$63,333,200.85 that is spent with Aboriginal and Torres Strait Islander Enterprises – target 1.0%.	0

Table 34 Aboriginal and Torres Strait Islander Procurement Policy (ATSIPP) Performance Measures in the financial year 2019–20

Planning commenced in 2019–20 to ensure target performance can be achieved in 2020–21 through expenditure on our designated projects.



STATEMENT OF PERFORMANCE

Major Projects Canberra

For the Year Ended

30 June 2020

INDEPENDENT LIMITED ASSURANCE REPORT

To the Members of the ACT Legislative Assembly

Conclusion

I have undertaken a limited assurance engagement on the statement of performance of Major Projects Canberra for the year ended 30 June 2020.

Based on the procedures performed and evidence obtained, nothing has come to my attention to indicate the results of the accountability indicators reported in the statement of performance for the year ended 30 June 2020 are not in agreement with Major Projects Canberra's records or do not fairly reflect, in all material respects, the performance of Major Projects Canberra, in accordance with the *Financial Management Act 1996*.

Basis for conclusion

I have conducted the engagement in accordance with the Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. My responsibilities under the standard and legislation are described in the 'Auditor-General's responsibilities' section of this report.

I have complied with the independence and other relevant ethical requirements relating to assurance engagements, and the ACT Audit Office applies Australian Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements*.

I believe that sufficient and appropriate evidence was obtained to provide a basis for my conclusion.

Responsibilities of Major Projects Canberra for the statement of performance

The Chief Projects Officer is responsible for:

- preparing and fairly presenting the statement of performance in accordance with the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*; and
- determining the internal controls necessary for the preparation and fair presentation of the statement of performance so that the results of accountability indicators and accompanying information are free from material misstatements, whether due to error or fraud.

Auditor-General's responsibilities

Under the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*, the Auditor-General is responsible for issuing a limited assurance report on the statement of performance of Major Projects Canberra.

My objective is to provide limited assurance on whether anything has come to my attention that indicates the results of the accountability indicators reported in the statement of performance are not in agreement with Major Projects Canberra's records or do not fairly reflect, in all material respects, the performance of Major Projects Canberra, in accordance with the *Financial Management Act 1996*.

In a limited assurance engagement, I perform procedures such as making inquiries with representatives of Major Projects Canberra, performing analytical review procedures and examining selected evidence supporting the results of accountability indicators. The procedures used depend on my judgement, including the assessment of the risks of material misstatement of the results reported for the accountability indicators.

Limitations on the scope

The procedures performed in a limited assurance engagement are less in extent than those required in a reasonable assurance engagement and consequently the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, I do not express a reasonable assurance opinion on the statement of performance.

This limited assurance engagement does not provide assurance on the:

- relevance or appropriateness of the accountability indicators reported in the statement of performance or the related performance targets;
- accuracy of explanations provided for variations between actual and targeted performance due to the often subjective nature of such explanations; or
- adequacy of controls implemented by Major Projects Canberra.



Ajay Sharma
Assistant Auditor-General, Financial Audit
4 November 2020

**Major Projects Canberra
Statement of Performance
For the Year Ended 30 June 2020**

Statement of Responsibility

In my opinion, the Statement of Performance is in agreement with the Directorate's records and fairly reflects the service performance of Major Projects Canberra in delivering the required outputs during the financial year ended 30 June 2020 and also fairly reflects the judgements exercised in preparing it.



Duncan Edghill
Chief Projects Officer
Major Projects Canberra

4 November 2020

Major Projects Canberra Statement of Performance For the Year Ended 30 June 2020

This annual statement of performance was prepared in accordance with the *Financial Management Act 1996*.

The *Financial Management (Statement of Performance Scrutiny) Guidelines 2019* specifies that the statement of performance reports on a directorate's accountability indicators only and does not include strategic indicators.

	2019–20 Target	30 June 2020 Result	Variance	Note
Accountability indicators				
a. Proportion of relevant projects supported by Major Projects Canberra that have had WHS audits performed in accordance with the Active Certification Audit Program ¹	90%	98%	9%	1
b. Capital Works Projects: ²				
- Percentage of Construction Projects Completed on Budget	>85%	100%	18%	2
- Percentage of Construction Projects Completed on Time	>85%	100%	18%	3
- Percentage of contracts awarded to prequalified contractors/consultants	>95%	98%	3%	
c. Proportion of relevant contracts managed by Major Projects Canberra that include the requirement for the contractor to hold IRE Certification ³	>90%	100%	11%	4
Total Cost (\$'000)	28,009	32,948	18%	5
Controlled Recurrent Payments (\$'000)	12,356	11,200	(9%)	6

The Accountability Indicators table should be read in conjunction with the accompanying notes. The variance result has been rounded to the nearest whole number.

The above Accountability Indicators are examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*. The Total Cost and Controlled Recurrent Payments measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*.

Explanation of accountability indicators

- Responsibility for this accountability indicator transferred to Major Projects Canberra on 1 July 2019 from the Chief Minister, Treasury and Economic Development Directorate. The Active Certification Audit Program applies to construction work for Government capital works projects valued at \$250,000 or more.
- This accountability indicator applies to all construction projects managed by Infrastructure Delivery Partners Group (previously Infrastructure Finance and Capital Works as part of the Chief Minister, Treasury and Economic Development Directorate). Responsibility for this accountability indicator transferred to Major Projects Canberra on 1 July 2019. As was the case in previous financial years, the 'on time' and 'on budget' measures for 2019-20 are assessed against the final completion time and budget per project, as agreed with the partner directorate. Major Projects Canberra notes that if these measures were to be assessed as against the originally forecast completion times and budgets, the 2019-20 results would be 64% and 64% respectively.
- Responsibility for this accountability indicator transferred to Major Projects Canberra on 1 July 2019 from the Chief Minister, Treasury and Economic Development Directorate. The Industrial Relations and Employment (IRE) certification program was replaced by the Secure Local Jobs Code (SLJC) with effect 15 January 2019. IRE certificates remained valid until their renewal date, after which time suppliers were required to obtain an SLJC certificate. This accountability indicator is expected to be updated for the 2020–21 Budget.

Major Projects Canberra Statement of Performance For the Year Ended 30 June 2020

Explanation of material variances (+/-5%)

1. Major Projects Canberra completed a higher number of WHS audits than planned during the reporting period due to increasing industry familiarity and compliance with the initiative and increased efficiency of the audit team.
2. More projects were completed within budget due to a mature and efficient approach to project management.
3. More projects were completed on time than planned, as measured against final agreed timeframes.
4. Inclusion of threshold criteria in tender documentation and checks at time of tender assessment contributed to a higher level of compliance.
5. Total expenditure in 2019-20 was \$32.9 million, which was \$4.9 million or 17.5 per cent higher than the revised 2019–20 Budget of \$28.0 million, primarily due to higher: leave expenses related to the accrued leave balances transferred with new staff (\$1.8 million); expensing of capital works in progress balances for the Northbourne Verges works that did not meet capitalisation criteria on return of the asset to Transport Canberra and City Services (\$0.6 million); capital project support cost and overheads which did not meet the capitalisation criteria (\$2.1 million); and demolition and relocation expenses on the delivery of the SPIRE Project, which are not recognised as capital expenses (\$0.3 million).
6. The variance relates to undrawn appropriation related to lower than expected expenditure on the delivery of the light rail stop at Mitchell (\$0.15 million) and Light Rail Stage 2 (\$1.006 million) which are anticipated to be rolled forward to the 2020–21 reporting period.

Building Light Rail to Woden



Woden

CANBERRA HOSPITAL

CIT Campus – Woden

Canberra Hospital Expansion

Part 3



Reporting
by Exception

Reporting by Exception

No Dangerous Substances or Medicines, Poisons and Therapeutic Goods non-compliance notices were issued to MPC in 2019–20.

Part 4



Whole of Government
Annual Reporting

Whole of Government Annual Reporting

The ACT Government has assigned responsibility for whole of government annual reporting to other Directorates.

Consistent with the Directions, information relevant to MPC and satisfying these requirements is reported in the one place for all ACT Public Sector (ACTPS) Directorates:

- **Bushfire Risk Management.** See the Annual Report of the Justice and Community Safety Directorate.
- **Human Rights.** See the Annual Report of the Justice and Community Safety Directorate.
- **Legal Services Directions.** See the Annual Report of the Justice and Community Safety Directorate.
- **Public Sector Standards and Workforce Profile.** See the annual State of the Service Report.
- **Territory Records.** See the Annual Report of Chief Minister, Treasury and Economic, Development Directorate.

Part 5



Additional Input into State
of the Service Report

Additional Input into State of the Service Report

MPC provided requested input for the State of the Service report, which is published by the Chief Minister, Treasury and Economic Development Directorate.

<https://www.cmtedd.act.gov.au/functions/publications>

List of Abbreviations and Acronyms

ACT	Australian Capital Territory
ACTHD	ACT Health Directorate
ACTPS	ACT Public Service
ANU	Australian National University
AS ISO	Australian International Standards Organisation
ATSIPP	Aboriginal and Torres Strait Islander Procurement Policy
CARHU	Child at Risk Health Unit
CHS	Canberra Hospital Services
CIT	Canberra Institute of Technology
CMTEDD	Chief Minister, Treasury and Economic Development Directorate
COVID	Corona virus disease
CRA	City Renewal Authority
DDA	Disability Discrimination Act 1992
EAP	Employee Assistance Program
ECI	Early contractor involvement
EPBC Act	Environment Protection and Biodiversity Conservation Act 1999
EPSDD	Environment, Planning and Sustainable Development Directorate
FOI	Freedom of Information
FTE	Full-time equivalent
IDP	Infrastructure Delivery Partners
IRE	Industrial relations and employment
JACS	Justice and Community Services
MPC	Major Projects Canberra
PDP	Performance and Development Plan
PMARS	Project Management and Reporting System
PPP	Public Private Partnership
SERBIR	Senior Executive Responsible for Business Integrity Risk
SLJC	Secure Local Jobs Code
SOW	Superintendent of Works
TCCS	Transport Canberra and City Services
Territory	Australian Capital Territory
WHS	Work health and safety

Glossary of Technical Terms

ACT Government Engineering Workforce Plan	A plan to deliver an innovative and skilled engineering workforce to support the delivery of Territory infrastructure.
Completed works	The date when all actions on the project are designated as completed by the client.
Construction project	The Work Health and Safety Regulation 2011 (WHS Regulation) defines a construction project as any project that involves construction work where the cost is \$250,000 or more. This is an increase from the previous value of \$80,000. Work valued at less than \$250,000 is not deemed to be a construction project.
Construction work	Construction work is any work carried out in connection with the construction, alteration, conversion, fitting-out, commissioning, renovation, repair, maintenance, refurbishment, demolition, decommissioning or dismantling of a structure, or preparation of a building site. Under the model WHS Act, the term 'demolition' includes 'deconstruction'.
Early contractor involvement	A method of contracting that allows a construction contractor to become involved, and potentially start work, before the design has been completed. Note: a procurement option for complex major infrastructure projects, where there is significant unknown scope, risks or interfaces, or a need for accelerated delivery timeframes.
Financial completion	The date at which all financial transactions required to complete the project have been finalised. Note: A period may elapse between practical and financial completion.
Panel arrangements	In principle, Panel arrangements are a form of Standing Offer. They usually involve running a competitive process to select suppliers who are considered suitable to provide a particular type of service commonly required by an agency. Purchasers requiring those services can then either directly engage any supplier on that panel or can run a competitive process restricted to all or some selected panel members. Panel arrangements are often used as a method of prequalifying suppliers so that lengthy open tendering processes are not required every time an area within the agency requires those services.
Practical completion	Practical Completion refers to the contractual date, as revised from time to time, for completion.
Prequalification	The prequalification process for suppliers is characterised as the initial stage of a two-stage tender process. Prequalification is a capability framework that allows firms to tender within stated prequalification limits as set out in criteria to be satisfied. A two-stage process is more administratively efficient because it can be used to identify suppliers that have already met a summary group of evaluation criteria.
Principal contractor	Each construction project will have a principal contractor who has specific duties under the WHS Regulation, in addition to their duties as a PCBU. Notes: A client can authorise a contractor to have management or control of a workplace for construction work that is valued less than \$250 000 (and is therefore not a construction project). However, in this situation the contractor would not inherit the additional duties of a principal contractor under part 6.4 of the WHS Regulation. Section 293 of the WHS Regulation states that a construction project can have only one principal contractor at any specific time.

Index

- Aboriginal and Torres Strait Islander, 3, 29, 44, 45, 113, 128
- ACT Aboriginal and Torres Strait Islander Agreement 2019–2028, 45, 52
- ACT Chief Engineer, 20, 35
- ACT Engineering Workforce Plan, 35, 129
- ACT Government Infrastructure Plan, 18, 29, 31, 58
- Active Certification, 18, 32, 48
- Active Travel, 15, 34
- assets, 33, 60, 109
- audit, 23, 33, 37, 46, 48
- Auditor-General, 36
- Better Infrastructure Fund, 34
- Callam Offices, 13, 46, 109, 112
- Canberra Hospital Expansion, 11, 21, 24, 26, 41, 58, 106, 107, 111
- Canberra Theatre Centre Redevelopment, 12, 18, 21, 22, 33
- capital works, 13, 18, 20, 32, 33, 34, 35, 59, 60, 61, 62, 106, 108
- Chief Projects Officer, 8, 10, 11, 18, 20, 22, 24, 26, 27, 29, 37, 110
- CIT Campus - Woden, 12, 43, 58, 106, 111
- Civic Square Precinct, 22
- client projects, 13, 15, 34, 35, 110
- community engagement, 11, 19, 20, 40, 41, 42, 43, 44, 46, 54, 110
- COVID Stimulus Package, 16, 46
- COVID-19, 11, 13, 14, 16, 22, 23, 42, 46, 48, 49, 51, 54, 59, 109, 112, 128
- designated projects, 13, 18, 20, 28, 33, 58, 62, 113, 129
- diversity and inclusion, 13, 53, 128
- Emergency Management Team, 22, 23, 46, 51
- Employee Assistance Program, 51, 54, 128
- environment and sustainability, 13, 14, 29, 35, 37, 42, 43, 46, 52, 55
- Executive Remuneration, 22
- Financial Statements, 31, 59, 61, 109
- Freedom of Information, 38, 40, 128
- Open Access, 38
- governance, 20, 22, 23, 24, 28, 36, 37, 58
- government procurement and contracting, 18, 20, 24, 26, 27, 29, 32, 36, 44, 46, 50, 55, 58, 110, 112, 129
- health infrastructure, 11, 15, 35
- Improvement Notices, 49, 50
- industry engagement, 11, 13, 14, 18, 19, 29, 33, 35, 40, 43, 44, 46, 48, 49, 51, 58
- infrastructure, 11, 13, 14, 15, 16, 18, 19, 20, 21, 29, 31, 33, 34, 35, 46, 48, 52, 55, 58, 109, 110, 113, 129
- Infrastructure Delivery Partners, 13, 20, 32, 34, 52, 54, 58, 113, 128
- integrity, fraud and corruption, 10, 19, 23, 37, 38
- Light Rail, 12, 18, 21, 24, 25, 31, 33, 36, 42, 43, 58, 106, 107, 111
- major road upgrades, 34
- mental health, 46, 51, 52
- No Waste, 15, 34, 55, 56
- PMARS, 12, 18, 35, 54, 128
- prequalification, 18, 44, 48, 112, 113, 129
- project boards, 24, 25, 26, 27, 28
- Quality Management System, 22, 23, 37
- risk management, 15, 23, 29, 35, 37, 46, 51, 58
- road upgrades, 14, 34
- school upgrades, 15, 35, 41, 44, 45
- Secure Local Jobs Code, 18, 33, 50, 110, 113, 128
- Senior Executive Responsible for Business Integrity Risk, 38, 128
- Statement of Performance, 11, 31, 32
- Strategic and Accountability Indicators, 29, 31, 32, 33, 52
- strategic plan, 23, 29, 58
- Surge Centre, 11, 14
- The Capital Framework, 31
- transport interchange, 12, 21, 58
- wellbeing, 23, 46, 51, 52, 54
- Work Health and Safety, 18, 32, 33, 46, 48, 49, 51, 128, 129



ACT
Government

Major Projects Canberra

www.act.gov.au/majorprojectscanberra