





# Annual Report 2020-2021

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:

# ${\it act.gov.au/major projects can be rra/home}$

#### **Accessibility Statement**

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If you are deaf, or have a hearing or speech impairment, and need the telephone typewriter (TTY) service, please phone **13 36 77** and ask for **13 34 27**. For speak and listen users, please phone **1300 555 727** and ask for **13 34 27**. For more information on these services, contact us through the National Relay Service: **relayservice.gov.au** 

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 Custodians 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 2020–21*, 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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Part 1 Compliance Statement



# **Compliance** Statement

The Major Projects Canberra (MPC) Annual Report must comply with the 2021 Annual Report Directions (the Directions) made under section 8 of the *Annual Reports* (Government Agencies) Act 2004. The Directions are found on the ACT Legislation Register: **legislation.act.gov.au**.

The Compliance Statement indicates the subsections, under Parts 1 to 5 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 under the Directions.

To meet the requirements under Section 15, Part 1 of the Directions, provided on page II of this report are MPC's contact details. Readers can provide feedback to MPC using these details.

# 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 9;
- Section B. Organisational Overview and Performance, inclusive of all subsections, see page 10; and
- > **Section C.** Financial Management Reporting, inclusive of all subsections, see page 61.



# Directions Part 3 - Reporting by Exception

In the 2020–21 reporting year, MPC had no information to report by exception under Part 3 of the Directions.

# Directions Part 4 – Directorate and Public Sector Body Specific Annual Report Requirements

There are no directorate or public sector body-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: 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 second 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, MPC 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, MPC 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.

2020-2021 has again been a hard time for our community, organisation and our industry as the ACT has locked down to respond to the recent COVID19 epidemic. MPC has taken a key leadership role in relation to the COVID challenges, and in supporting the ACT's local construction sector. It has been tremendously

rewarding for MPC staff to support and deliver on the stimulus infrastructure projects brought forward to achieve this and help the ACT community.

One of MPC's major achievements relates to the Canberra Hospital Expansion (CHE) project that reached a significant milestone at the end of June 2021 with the signing of the main works contract with Multiplex. The contract signing marked the next step towards building the new Emergency, Surgical and Critical Healthcare building.

MPC's light rail team reached an important milestone with the commencement of construction on the Sandford Street Light Rail Stop in December 2020. This new stop will see many benefits for the local community, including improved connectivity for the Mitchell business precinct, as well as supporting the development of the future suburb in Kenny.

Finally, the CIT Woden project hit an important milestone with Minister for Transport Chris Steel announcing that the development application (DA) for the new public transport interchange had been approved. Construction has officially begun on the project, with work underway to build a new bus layover on Launceston street. The layover is the first in a series of upgrades which will prepare Woden for a new public transport interchange.

# **Duncan Edghill**

Chief Projects Officer

20 November 2021







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,

#### 2020-21 Major Projects Canberra Annual Report

This report has been prepared in accordance with section 6(1) of the *Annual Reports (Government Agencies) Act 2004* and in accordance with the requirements under the *Annual Reports (Government Agencies) Directions 2021*.

It has been prepared in conformity with other legislation applicable to the preparation of the Annual Report by Major Projects Canberra.

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 2020 to 30 June 2021.

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

Section 13 of the *Annual Reports (Government Agencies) Act 2004* requires that you present the Annual 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 has granted the extension to the Legislative Assembly sitting day on 2 December 2021.

Duncan Edghill Chief Projects Officer Major Projects Canberra

20 November 2021

GPO Box 158 Canberra ACT 2601 | phone: 132 281 | act.gov.au

# **2.B** Organisational Overview and Performance Overview

## **Our Vision**

MPC's vision is to build infrastructure for the community that helps make Canberra the world's most livable city.

# Highlights in 2020-21

The directorate met its performance targets in 2020–21, as detailed in the Statement of Performance in Section 2C.

MPC delivered on its project milestones, despite the added complexity brought about by the extended nature of the COVID-19 public health emergency.

The performance highlights for 2020–21 are described below.

# **Light Rail**

The light rail network is better connecting Canberra to meet our growing city's transport needs. Building on the success of Stage 1 from Gungahlin to City, Stage 2 of light rail to Woden will provide the network's north-south spine.

By building light rail to Woden, we are helping the ACT Government to deliver the next stage of Canberra's integrated public transport network. This will give people more transport options, help reduce traffic gridlock and support Canberra's transition to a zero emissions future.

Stage 2 of light rail to Woden is being constructed in two stages. The first stage will extend the line from the City to Commonwealth Park, while the second stage will take light rail through to Woden.

To facilitate the first stage of light rail from the City to Commonwealth Park, London Circuit will be raised approximately by six metres to create an at grade intersection with Commonwealth Avenue. Works will involve changing the current split-level, overpass-underpass configuration into a more pedestrian and cyclist-friendly intersection by raising the road level on either side of Commonwealth Avenue. The raising London Circuit works are being led by MPC in close consultation with the City Renewal Authority (CRA) and TCCS.

In 2020–21, key achievements on the Light Rail Project included:

- Release to market of the Tender for Light Rail Stage 2 Technical Advisor with AECOM Australia Pty Ltd appointed in April 2021 for Stages 2A and 2B following a competitive market process.
- > Approval in February 2021 for Light Rail Stage 2A under the Commonwealth's Environment Protection and Biodiversity Conservation Act 1999 (EPBC).
- Announcement of \$132.5 million Commonwealth co-funding for Light Rail Stage 2A.
- Release to market of the Tender for Light Rail Stage 2 Commercial Advisor with PwC (Pricewaterhouse Coopers Australia) appointed in June 2021 following a competitive market process.
- Commencement of construction of an additional stop to the Light Rail Stage 1 service located at Mitchell, south of Sandford Street.
- Release of the Light Rail Stage 2A Project fly-through to provide the community with an indicative visual representation of the Project after construction.

# **Canberra Hospital Expansion Project**

The hospital expansion project is delivering the biggest single investment in health infrastructure undertaken by the ACT Government since self-government. On 29 June 2021, the ACT Government and its construction partner Multiplex signed the design and construct contract for the new Emergency, Surgical and Critical Healthcare building. This represented the culmination of the early planning activities, stakeholder consultation, enabling works on the campus and initial design preparation by the Territory and Multiplex. Construction of the new Emergency, Surgical and Critical Healthcare building remained onbudget and on-schedule for completion in mid-2024 with operational commissioning to occur thereafter.

Other achievements in relation to this project during the reporting period include:

## **Enabling Works**

MPC completed a series of works required to enable the demolition of Buildings 5 and 24. Demolition of these buildings is required to facilitate the construction of the new Emergency, Surgical and Critical Healthcare building. Specifically, MPC:

- delivered a brand-new Building 8, providing upgraded facilities for the Canberra Sexual Health Centre and other key tertiary teaching and training facilities on the campus;
- refurbished 12 apartments in Building 9, being used for short-term accommodation at the Canberra Hospital for interstate outpatients and carers. These works provided a much-needed facelift to the campus accommodation;
- refurbished a defined area of Building 3 to provide new accommodation for the Child At Risk Health Unit;
- refurbished Building 4, which supports the hospital's administrative functions. The work included upgrades to the ANU Medical School and University of Canberra's clinical training facilities, as well as modifications to the Canberra Health Services Library.
- > MPC also completed the first stage of a new temporary carpark on the former Woden CIT site. The works provided over 750 car parking spaces for hospital staff and contractors, freeing-up parking spaces on the campus.



# Delivery of the Emergency, Surgical and Critical Healthcare building

- > On 3 September 2020, MPC and Multiplex commenced the two-stage procurement process by executing the Early Contractor Involvement Agreement. This secured Multiplex to progress the project's design sufficient to submit a lump sum design and construct offer and commence relocating existing inground services required as part constructing the new Emergency, Surgical and Critical Healthcare building.
- > The project team has undertaken design discussions with consumers, local residents and has commenced its third round of Clinical User Group consultations with more than 300 separate user group workshops with clinicians already having been completed.
- > Between 18 December 2020 and 24 February 2021, the project undertook a 10-week consultation period for the Canberra community to provide feedback on the draft designs prior to the submission of the Main Works Development Application (DA). The DA was publicly notified between 5 May 2021 and 18 June 2021, with DA Approval provided on 5 August 2021.
- > In May 2021, soft demolition commenced in Building 5 to remove hazardous material prior to the hard demolition of the building commenced in August 2021.
- construction of the Prototype Shed and contractor compound commenced in late June 2021, with the Prototype Shed scheduled for completion early 2022. The Prototype Shed will house examples of the types of rooms that will be part of the new Emergency, Surgical and Critical Healthcare building. The Prototype Shed will allow staff to test out the functionality of proposed spaces for the new building, such as operating theatres, and undertake clinical training in a simulated space to ensure the actual rooms constructed in the new Emergency, Surgical and Critical Healthcare building are fit for purpose.

## Canberra Institute of Technology—Woden

The CIT Campus—Woden Project was announced by the ACT Government in November 2019. The CIT Project will be delivered through four contract packages of work:

- Construction of the Bus Layover and Ancillary Road Works;
- 2. Design and construction of the Transport Interchange in Callam Street;
- **3.** Design and construction of the new CIT Campus at the former Woden Bus Interchange; and
- **4.** Design and Construction of the Yurauna Centre at CIT Campus Bruce.

Students who attend the CIT Campus in Woden will enjoy a dynamic educational experience, from digitally enabled learning spaces to collaboration opportunities with local industry, and more. It is expected that 6500 students will study at CIT Woden each year, preparing them for future jobs in fields such as IT, cyber security, hospitality, and design.

A Youth Foyer is also to be built as part of the CIT Woden Campus project to better support young people who are at risk of, or are experiencing, homelessness, by providing accommodation and opportunities to pursue education and training in the same location.



Key achievements during the reporting period include:

- > The Request for Tender (RFT) for the Bus Layover and Ancillary Road Works Package was advertised publicly through Tenders ACT to prequalified Contractors on 29 January 2021. The contract was awarded on 17 May 2021, with work commencing on 15 June 2021.
- The Request for Expression of Interest for the Transport Interchange Package was released on 31 August 2020, with tender responses received from shortlisted tenderers on 15 April 2021. The contract was awarded on 21 June 2021.
- Shortlisting of parties to participate in the Request for Tender stage for the new CIT Campus Package was completed on 3 June 2021 following a Request for Expression of Interest released on 11 March 2021.
- Consumer engagement was undertaken to provide updates to the community about the changes to the Woden Town Centre and existing public transport infrastructure. This will continue in future years as the project progresses.
- > Comprehensive engagement was undertaken with key external stakeholders as well as the Transport Canberra and City Services Directorate, Canberra Institute of Technology, Community Service Directorate and Environment, Planning and Sustainable Development Directorate regarding the design, urban realm, customer experience and educational needs of the precedent.

Within the next reporting period, the award of the Tender for the new CIT Campus Package and the final design process of the Campus will be undertaken by the successful tenderer.

## **Canberra Theatre Centre Project**

Formed under a Memorandum of Understanding between MPC and the CRA, the MPC City Projects Unit supports an integrated approach to project delivery for the designated Canberra Theatre Centre Project and the CRA capital works program. Early planning, design and commercial analysis for a significant expansion and redevelopment of the Canberra Theatre Centre progressed, overseen by an inter-directorate project steering committee.





# **Infrastructure Delivery Partners**

We provide procurement and contract administration services to ACT Government Directorates across a wide range of infrastructure projects. At any given time, the Infrastructure Delivery Partners (IDP) division within MPC delivers over 100 individual contracts for projects with a total value in excess of \$500 million.

Significant partner directorate projects delivered during the reporting period included:

- Opening of the Dickson Walk-In Centre in August 2020 to provide additional capacity for this type of service in the Inner North;
- Completion of both the Gawaggal Extended Care Unit project in Bruce and the Southside Step-Up Step-Down facility in Garran has increased the range and capacity of mental health services in the ACT;
- Refurbishment of the 12-bed Paediatric High Care Ward as part of the expansion to the Centenary Hospital for Women and Children and refurbishment of Ward 14, a 28-bed Medical Oncology and Radiation Oncology ward at the Canberra Hospital;
- Completion and handover of the Essential Waste Management project which provides additional landfill cells providing an additional 2.5 million cubic metres of landfill airspace, and providing another eight to nine years of general waste capacity;

- Completion of the Stromlo Leisure Centre providing an award-winning indoor aquatic and gymnasium facility for central Canberra at Stromlo Forest Park; and
- > Completion of the Evelyn Scott School Preschool to year 6 ready for Day one Term one of 2021. The facility provides a second public primary school in the fast-growing area of Molonglo. It was constructed in a compressed time frame of just over twelve months on a complex sloping site.



# Consolidation of MPC at Callam Offices

The ACT Government announced the establishment of MPC in mid-June 2019, with staff transferring in from identified agencies.

By 30 June 2021, MPC had 202.4 FTE and had completed the move of the IDP business unit from Nature Conservation House in Belconnen and the Canberra Hospital Campus to Callam Offices, following an extensive fit-out of the MPC office space.

# **COVID-19 Stimulus Projects**

In 2020–21 we continued to work with other directorates to identify and deliver 'screwdriver-ready' projects in support of the ACT Government's COVID-19 economic stimulus program.

#### Projects included:

- Additional scope was able to be delivered as part of the Dickson Walk-In Centre project;
- > Canberra Theatre Centre upgrades;
- > National Arboretum Canberra Café extension;
- > Transport Canberra and City Services (TCCS) Stimulus Package which included upgrade and extension of the footpath and cycling network, road safety improvements, open space landscape improvements and building improvements associated with the Waste and Transport portfolio's and delivered approximately \$8.5 million stimulus works to the small to medium enterprises within the civil sector.

# Establishment of the Project Management Office

In 2020–21, we established the MPC Project Management Office (PMO) to lead MPC in taking the next step in its project delivery maturity. The PMO brings together the pre-existing Contracts and Prequalification, the Project Management and Reporting System (PMARS) Helpdesk, and WHS Active Certification functions along with the creation of a new Project Controls & Reporting function.

#### The PMO will:

- be responsible for the establishment and ongoing management of a common Project Delivery Framework to define the minimum requirements for project control activities;
- review, verify and validate project controls functions and outputs for designated projects and Partner directorate projects to provide assurance to the Executive Board; and
- > provide project establishment support to new designated projects.

A standardised approach to project delivery and contract management will help to manage risk and deliver on time, cost, quality and safety commitments through clearly defined roles and responsibilities, the establishment of documented processes, forms and templates and the use of PMARS.



# Meaningful engagement

Achieving great diversity and inclusion outcomes through our infrastructure delivery activities is a priority for MPC. With executive focus on inclusion, MPC has started changing 'business as usual' practices for its projects. This work benefits the ACT's social community and there are numerous examples where MPC has achieved this across its projects.

The Canberra Hospital Expansion (CHE) project acknowledges the Ngunnawal people as the traditional custodians of the land on which the facility is being built and acknowledges the Ngunnawal Peoples ongoing connection to the land. We recognise the ongoing contribution of the Ngunnawal People's to the life and culture of the ACT. Further to this, we recognise that the area on which the facility is being built is a traditional meeting place for Aboriginal and Torres Strait Islander people and will continue to be.

The CHE project is providing a purpose built, tertiary referral critical services building, servicing people from the ACT and surrounding regions. As we progress through the design of the facility, we have recognised the importance of engaging with consumers and the community to ensure we have a culturally appropriate and welcoming facility. Central to this ethos is ongoing frequent and meaningful engagement with the Aboriginal and Torres Strait Islander community.

The United Ngunnawal Elders Council has committed to work with the project team to plan and construct a native garden, which will include traditional medicinal plants, as well as integrate artwork opportunities within the building fabric. These artwork opportunities include areas such as the façade and ceiling of the Welcome Hall which will become the main entry point and reception space for not only the critical services building but the hospital campus generally. This represents a significant partnership between the Ngunnawal people and CHE project. The gifts of the songlines and the planting of a traditional medicinal garden further embraces the theme of Heal Country, by providing a health facility which recognises the fundamental connection with the land and embraces the notion of bringing cultures together to provide healing opportunities.

Prior to demolition of Building 24 and building 5, Warren Daley, a Ngunnawal Elder, performed a smoking ceremony. Warren burnt native plants taken from the region to produce a cleansing smoke. The cleansing smoke rids the area of bad spirits, bringing protection and harmony to the land and the people working on it. The ashes from the ceremony will be laid within the concrete structure of the facility and will provide ongoing protection to the building and the people within. It is a significant milestone for the project.

In addition to the above engagement, the CHE project established the Connectivity Centre (the Centre). The Centre underpins the CHE Diversity and Inclusion strategy, with a focus on engaging Aboriginal and Torres Strait Islander people and businesses.

Welcome Hall façade artwork



The Centre serves two purposes. It is a centre for opportunities in training and employment by connecting subcontractors and suppliers with potential job seekers through training opportunities, work experience programs, and traineeships and apprenticeships.

For the CHE project, the Centre acts as an accessible single point of contact that will streamline processes and simplify employment and subcontracting pathways for people seeking training and employment opportunities. In relation to Aboriginal and Torres Strait Islander people and businesses – the project will provide employment support through:

- > Sustainable pathways for Aboriginal and Torres Strait Islander entrants into the construction industry;
- Aboriginal and Torres Strait Islander service providers and employment and training programs, development of remote region Aboriginal and Torres Strait Islander business;
- Opportunities for project building works by Aboriginal and Torres Strait Islander-majority owned businesses; and
- > Subcontractor engagement of Aboriginal and Torres Strait Islander workforce.

The Centre is beginning to show results with 11 apprentices and trainees now on the CHE project site with another 20 going through preemployment support and training. The Centre's team provides and facilitates a suite of wrap

around services, directed to assisting those people looking for specific work on the CHE project, to gain employment and achieve sustainable outcomes for the Canberra community.

MPC's IDP Commercial team also began work on a new Gugan Gulwan Youth Corporation in partnership with the Office for Aboriginal and Torres Strait Islander Affairs at the Community Services Directorate (CSD). The Centre, which is run by the Gugan Gulwan Youth Aboriginal Corporation, has been supporting Aboriginal and Torres Strait Islander youth in the ACT since its beginning in 1992. Their services are currently delivered from an existing building located in the Erindale town centre in Wanniassa, providing key programs, including a community arts, music and academic tutoring. These programs are run alongside support services for drug and alcohol, mental health, child and family needs. The new building is being designed in collaboration with the Gugan Gulwan Youth Aboriginal Corporation and the broader Aboriginal and Torres Strait Islander community, to create a bespoke facility that better meets their needs and allows for an improved and expanded service delivery. The consultant team includes a young Aboriginal graduate architect, and the remaining procurement processes will further utilise the ATSIPP to provide additional benefits and connectivity to the community during the construction phases. Working directly with the communities who benefit from the facilities they deliver every day is a driving force in the Commercial Branch.

# **Future Priorities**

The primary focus for MPC in 2021–22 will be to work with other parts of government to deliver record levels of infrastructure investment, while maintaining safety as our highest priority and promoting other ACT Government policies, particularly in relation to local industry participation, diversity and sustainability.

#### Priorities for 2021-22 include:

- Continuing to deliver major infrastructure projects amid the ongoing uncertainties of the COVID-19 pandemic and in the context of continued demand for infrastructure delivery resources along the east coast of Australia. The Canberra Hospital Expansion, Light Rail from the City to Woden, the new CIT Campus Woden and the Canberra Theatre Project are the key major projects to be progressed by MPC through the financial year.
- Working with other ACT Government agencies to assist them in planning and delivering key projects and record levels of infrastructure investment in the ACT, including schools, health infrastructure, major roads and other transport infrastructure.
- Liaising closely with community, industry, union and other stakeholders to promote great local community and local industry participation, employment, sustainability and diversity outcomes.
- Rectifying potentially combustible cladding on ACT Government owned buildings through the ACT Cladding Rectification Program and administering the ACT Government's support scheme for the rectification of potentially combustible cladding on eligible private buildings.
- Continuing to liaise closely with local industry and union groups on the ACT Government's infrastructure pipeline, industry development, safety and COVID-19 matters.



# 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 for infrastructure works on behalf of government directorates and agencies.

MPC is funded predominantly through direct capital and controlled recurrent appropriation provided for the delivery of designated major projects. MPC 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:

- procuring and delivering infrastructure projects designated by the ACT Government as major projects;
- delivering other whole of government infrastructure projects in partnership with other directorates; and
- providing project management and reporting, superintendency of works and WHS Active Certification services.

We also ensure whole of government work health and safety protocols and standards are applied to our 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 CIT Campus and public transport hub in Woden, and planning for 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

## **ACT Chief Engineer**

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.

#### **PMARS**

On behalf of the ACT Government, MPC manages the vendor contract and provides help desk and system administration support for Project Management and Reporting System (PMARS) which is used to support delivery of the Territory's capital works program.

PMARS provides a project monitoring and reporting capability for the Territory's capital works program. In 2019, the system became active for the management of invoicing of capital works related contracts across the ACT Government. In 2021–22, the consistent use of the project and contract level financial information modules will be used to track the delivery of ACT Government agency capital works projects.

In 2020-21 PMARS was critical to the successful transition to a 14-day payment term to support cashflow to industry in response to the COVID-19 pandemic.

## **Prequalification Schemes**

MPC administers the construction contractor prequalification, including for the National Prequalification Schemes for Building Non-Residential (\$50m and greater) and Civil (Road and Bridge). The ACT Government's and National Prequalification Schemes are a risk mitigation process which protects the Territory when engaging with the construction industry. Prequalification is a pre-approval allowing companies in specific areas of industry to respond to an approach to market through a procurement activity. The Prequalification Schemes provide a level of assurance to Tender Evaluation Teams that contractors have technically qualified personnel, current insurances, current certified management systems, including work health and safety and sufficient financial strength to complete the works resulting from the procurement activity.

# **Major Stakeholders**

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

Successful stakeholder engagement is reliant upon MPC 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 MPC Executive Leadership Team organisational structure as at 30 June 2021 is at Figure 1.



# **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 MPC. 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 provides whole of government leadership for the ACTPS and is responsible for the implementation of whole of government initiatives on behalf of MPC.

As at 30 June 2021, 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 four project management areas:

- > Civil infrastructure
- Social infrastructure
- > Commercial infrastructure
- Cladding rectification program

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 Project, 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.

CHE 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 building will be over 40,000m2 in size and include more operating rooms, more treatment spaces and more intensive care beds to expand the overall capacity of the Canberra Hospital. 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 Canberra's light rail system 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 the world's most liveable cities.

The focus for the position in 2020–21 was the addition of the Sandford Street Stop at Mitchell to the first stage of the Canberra's light rail system and preparations for construction of Light Rail Stage 2A of which will connect the light rail to Commonwealth Park.

## **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.

# **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 performance, 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

MPC 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 the Finance and Risk Subcommittee, while day-to-day business operations are guided by the MPC Executive Leadership Team, as shown in Figure 2.

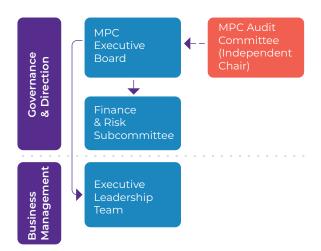


Figure 2 MPC senior committee structure as at 30 June 2021

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 2020–21, MPC continued to implement its governance framework and further developed a Quality Management System. These 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 responding to the COVID-19 emergency, we were able to further build the Directorate's emergency management and business continuity capability in 2020–21.

To improve information sharing and compliance with the *Territory Records Act 2002*, MPC continued its rollout of a unified electronic records management system to all staff. A focus for 2021–22 will be in harmonising data access across MPC and publishing relevant and available data sets to **Open Access**.

# Committees and their Roles

Table 1 details the significant MPC committees as at 30 June 2021 and their role in overseeing our governance and strategic management.

Committee	Chaired by	Membershi	ip	Purpose
Executive Board	Duncan Edghill	Ashley Cahif 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 and Risk Subcommittee	Damon Hall	Duncan Edghill Ashley Cahif Wayne Ford Sophie Gray	Martin Little Adrian Piani Nikki Pulford Erica Wark	Provides leadership, direction and oversight of financial strategy, financial management and enterprise risk management in MPC.
MPC Audit Committee	Don Cross (independent chair)	Damon Hall Craig Jordan	Danielle Krajina Sophie Gray	Oversees 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.
Executive Leadership Team	Duncan Edghill	Ashley Cahif David Doctor Lloyd Esau Wayne Ford Sophie Gray Damon Hall Alan Hooley Amaranth King Martin Little	Tania Navarro 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	Lily Mulholland	Phil Gritti	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 as at 30 June 2021



# **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 2020–21, MPC had 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 has a focus on strategic decision-making in relation to 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 City to Woden light rail project.

The Board comprises six members, with two Independent Members appointed by the Minister for Transport and City Services and four determined by their positions within ACT Government agencies. Mr Greg Wilson was appointed as an additional Independent Member in the previous reporting period to allow some cross-over prior to the expected resignation of the Independent Chair. Mr Wilson assumed the role of Independent Chair in October 2020. The Chief Projects Officer has a standing invitation to attend board meetings.

The composition of the Board is shown in Table 2.

Position	Member	Appointment Expiry
Independent Chair	Greg Wilson	10/03/2022
Previous 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
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

Table 2 Light Rail Project Board membership at 30 June 2021

In 2020–21, the Board met on 12 occasions with attendance outlined in Table 3. This does not include out-of-session activity.

Member	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
John Fitzgerald	<b>√</b>	<b>√</b>	<b>√</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Under Treasurer	<b>√</b>	<b>√</b>	✓	<b>√</b>	✓	✓	<b>√</b> *	<b>√</b> *	✓	✓	✓	✓
Michael Kerry	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	✓
Greg Wilson	<b>✓</b>	<b>✓</b>	<b>√</b>	<b>✓</b>	<b>√</b>	<b>√</b>	<b>✓</b>	<b>✓</b>	<b>√</b>	<b>√</b>	<b>√</b>	$\checkmark$
DG TCCS	<b>✓</b>	<b>✓</b>	<b>✓</b>	<b>✓</b>	<b>✓</b>	<b>√</b>	<b>√</b> *	<b>✓</b>	<b>✓</b>	<b>√</b>	<b>✓</b>	$\checkmark$
DG EPSDD	Χ	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	$\checkmark$	<b>√</b>	<b>√</b>
CEO CRA	<b>√</b>	<b>√</b> *	Χ	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b> *	<b>√</b>

Table 3 Light Rail Project Board attendance

## **Canberra Hospital Expansion Project Board**

The Canberra Hospital Expansion Project Board was established in September 2019 (as the then SPIRE Project Board) 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.

At the end of the reporting period, the Board comprises eight members with two Independent

Members appointed by the Minister for Health and six determined by their positions within ACT Government Directorates. The Board extended its membership in March 2021 to include the Director-General Transport Canberra and City Services. The role of Independent Member remained vacant as at 30 June 2021. The Chief Projects Officer has a standing invitation to attend board meetings.

The composition of the Board 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
Member	Director-General, Transport Canberra and City Services (TCCS)	N/A
Independent Member	Vacant	N/A

Table 4 Canberra Hospital Expansion Project Board membership at 30 June 2021

The Board met on 12 occasions in the 2020–21 reporting period with member attendance outlined in Table 5. This does not include out-of-session activity.

Member	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Tony Michele	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>
CEO CHS	<b>√</b>	<b>√</b>	Х	<b>✓</b>	<b>√</b>	<b>√</b>	<b>√</b> *	<b>✓</b>	<b>√</b>	<b>✓</b>	<b>√</b>	<b>√</b>
Treasury Delegate	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b> *	Х	<b>√</b>	<b>√</b>	<b>√</b> *	<b>√</b>	<b>√</b> *	<b>√</b>
DG ACTHD	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b> *	<b>✓</b>	<b>√</b>	$\checkmark$				
Delegate EPSDD	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	X	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	<b>/</b> *	<b>√</b> *
DG JACS	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	X	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	$\checkmark$
DG TCCS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>√</b>	<b>/</b> *	<b>√</b>	$\checkmark$

Table 5 Canberra Hospital Expansion Project Board attendance

Note: \* Proxy attended meeting

## **CIT Woden Project Board**

The CIT Woden Project 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 Board comprises eight members with two Independent Members appointed by the Minister

for Tertiary Education and six determined by their positions within ACT Government agencies. The role of Independent Member remained vacant as at 30 June 2021. The Chief Projects Officer has a standing invitation to attend board meetings.

The composition of the Board is shown in Table 6.

Position	Member	Appointment Expiry
Independent Chair	Diane Joseph	24/02/2023
Deputy Chair	Chief Executive Officer, Canberra Institute of Technology (CIT)	N/A
Member	CIT Governing Board Member	N/A
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 2021

The Board met on 11 occasions in the 2020-21 reporting period with board member attendance outlined in the table below. This does not include out-of-session activity. Board member attendance is outlined in Table 7.

Member	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Diane Joseph	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	<b>✓</b>	<b>√</b>	N/A	<b>√</b>	<b>✓</b>	<b>✓</b>	<b>✓</b>	<b>√</b>
CEO CIT	<b>✓</b>	<b>√</b>	<b>√</b>	<b>✓</b>	<b>√</b>	<b>√</b>	N/A	<b>√</b>	$\checkmark$	$\checkmark$	<b>√</b>	$\checkmark$
CIT Board Member	<b>√</b>	<b>√</b>	<b>√</b>	Х	✓	✓	N/A	<b>√</b>	✓	✓	✓	<b>√</b>
Treasury Delegate	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b> *	N/A	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b> *
DDG CMTEDD (ED)	<b>√</b>	<b>/</b> *	<b>√</b>	Х	Х	<b>√</b> *	N/A	<b>√</b>	<b>√</b>	Х	<b>√</b>	<b>√</b>
Delegate EPSDD	<b>√</b>	<b>√</b>	Х	<b>√</b>	<b>√</b>	<b>√</b>	N/A	<b>√</b>	<b>√</b> *	<b>√</b>	<b>√</b>	<b>√</b>
Delegate TCCS	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	✓	✓	N/A	<b>√</b>	✓	✓	<b>√</b> *	<b>/</b> *

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. Secretariat 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.

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

If 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.

# **Project Board Remuneration**

Remuneration of Independent Members on all of MPC's advisory project boards is determined by the ACT Remuneration Tribunal. Public servants who are members on project boards do not receive remuneration in addition to their salary.

# **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 developed its Phase One Action Plan in 2020–21 to support the ACT Government's commitment to the **Aboriginal and Torres Strait Islander Agreement 2019–28**.

The plan outlines key initiatives and outputs that 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.

In February 2021, MPC nominated Sophie Gray as Executive Champion for Aboriginal and Torres Strait Islander engagement and to ensure a continued organisational focus on supporting Aboriginal and Torres Strait Islander people in achieving self-determination. In early 2021, MPC stood up a Reconciliation Committee consisting of four working groups. These include a Reconciliation Action Plan (RAP) working group, a working group addressing Systemic Racism, a Phase One Action Plan working group and

a Phase Two Action Plan working group. In the first half of 2021, MPC initiated procurement of a consultant to deliver the first MPC RAP.

During the year, MPC participated in a number of events including:

- > In January, four members of the Reconciliation Committee attended the Reconciliation Australia National Conference;
- > In February, the Executive Champion attended an event held by the ACT Council of Social Services, to reflect on the 13th anniversary of the National Apology to the Stolen Generation;
- Participating in a joint Callam Offices Hands
   Up event as part of National Reconciliation
   Week In June;
- Presented at the Procurement ACT Aboriginal and Torres Strait Islander Industry Showcase; and
- Producing a video showcasing projects that highlight engagement with the Aboriginal and Torres Strait Islander community and suppliers as part of NAIDOC Week in July.

MPC continued to attend as members the Interdirectorate Committee and the Subcommittee for Addressing Systemic Racism, and to engage with the Aboriginal and Torres Strait Islander Elected Body, including liaison with the nominated MPC coordination representative, Ms Katrina Fanning, then Chair of the Elected Body.

# Guidelines that support our diverse community

In May 2021, MPC established new Diversity and Inclusion Procurement Guidelines for our designated projects. The new guidelines:

- > align with, and support, the Government Procurement (Charter of Procurement Values) Direction 2020 that applies to all new procurements regardless of value; and
- > outline a "program approach" to working with our partner directorates and portfolio ministers to achieve positive diversity and inclusion outcomes across the program of MPC delivered works.

In consultation with other ACT Government and community stakeholders, MPC identified six priority diverse groups to consider as part of the program approach to achieving positive diversity and inclusion outcomes:



# **Aboriginal and Torres Strait Islander**



Provide genuine career opportunities to Aboriginal and Torres Strait Islander People in the ACT, through employment on our biggest construction projects, in a variety of roles.



## Women in non-traditional roles

Mandate practices that improve gender equality in ACT Government workplaces outside of government, including through leveraging ACT Government funding.



# 03 People with disability

Becoming a disability-confident organisation that can attract, recruit, and retain People with Disability and provide genuine career opportunities for existing employees.



# Age - people over 55 / people under 25

Assist young people in entering the workforce and older workers looking to remain in the workforce to address age discrimination.



## 5 LGBTIQ+

Support workplace settings to be safe and inclusive for LGBTIQ+ people.



# 6 Culturally and linguistically diverse people

Improve our ability to attract, recruit and retain people of culturally diverse backgrounds and targeted under-represented groups, such as recently arrived migrants and people on temporary visas.

While the Territory's designated major projects can support multiple positive diversity and inclusion outcomes, focus areas have been adopted to provide direction so that particular diversity and inclusion objectives can be exceeded.



# **Performance Analysis**

MPC performed well in 2020–21, 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 nine per cent is mostly attributable to capital funded employee expenses (including superannuation) which did not meet the accounting criteria for capitalisation. See also the Financial Statements in Part 2C.

# **Strategic Indicators**

Strategic Indicator 1a: Significant milestones are met for designated major projects managed by MPC

MPC's designated major projects have been performing well against their milestones. Progress on these projects is discussed earlier in this document.

Strategic Indicator 1b: MPC supports other Directorates in the procurement and delivery of their capital works projects on time and within budget

During the reporting period, MPC worked closely with partner directorates to ensure capital works projects were delivered on time and on budget and in compliance with statutory and policy provisions. The 2020–21 reporting period continued to see pressures wrought by the ongoing public health emergency; however, through sound project management and early management of supply chain issues by our industry partners, the Territory's capital works program performed well throughout the reporting period.

Strategic Indicator 1c: Capital works projects procured and delivered by MPC comply with work health and safety requirements and contractors meet ethical and labour standards in accordance with the Secure Local Jobs Code

Through implementation of the Active Certification Policy Audit Program, the Secure Local Jobs Code Certificate requirements, the prequalification schemes, including national prequalification schemes, standard suite of construction related contracts and associated contract management processes and tools, and application of the procurement framework, MPC ensured that a high levels of compliance remained a focus throughout the reporting period.

#### **Output Class**

MPC had one output class in 2020-21:

> Output Class 1: Major Projects Canberra

# **Accountability Indicators**

MPC performed well against its three accountability indicators in 2020–21, as shown in Table 8.

	2020–21 Target	30 June 2021 Result	Variance	Note
Accountability indicators				
<ul> <li>a. Proportion of relevant projects supported by Major Projects Canberra that have had WHS audits performed in accordance with the Active Certification Audit Program¹</li> </ul>	>90%	99%		а
Capital Works Projects:				
<ul> <li>Percentage of Construction Projects Completed on Budget<sup>2</sup></li> </ul>	>85%	100%		b
<ul> <li>Percentage of Construction Projects Completed on Time<sup>3</sup></li> </ul>	>85%	92%		С
<ul> <li>Percentage of contracts awarded to prequalified contractors/consultants<sup>4</sup></li> </ul>	>95%	96%		
Total Cost (\$'000)	31,389	34,337	9%	d
Controlled Recurrent Payments (\$'000)	7,650	7,147	(7%)	е

Table 8 Performance against accountability indicators

The Accountability Indicators table should be read in conjunction with the accompanying notes. The results and variance percentages have 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:

- This accountability indicator relates to the Active Certification Audit Program, which applies to construction work for Government capital works projects valued at \$250,000 or more. It excludes contractors granted a waiver under Active Certification policy provisions.
- 2. This accountability indicator relates to construction projects over the value of \$250,000 procured and delivered by MPC on behalf of other ACT Government Directorates and which achieve 'practical completion' during the reporting period. It excludes Better Infrastructure Fund projects, which are focused on improvements to existing infrastructure, and plant and equipment expenditure. The 'completed on budget' indicator is measured against the final budget approved by the client Directorate for the project including contingency, as may be adjusted for approved variations in scope.

- 3. This accountability indicator relates to construction projects over the value of \$250,000 procured and delivered by MPC on behalf of other ACT Government Directorates and which achieve 'practical completion' during the reporting period. It excludes Better Infrastructure Fund projects, which are focused on improvements to existing infrastructure, and plant and equipment expenditure. Achievement of the 'on-time' indicator is measured against the time contracted for 'practical completion' (or equivalent) with the ACT Government's delivery partner, as may be adjusted for variations or valid extension of time claims.
- 4. 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, CMTEDD) and other eligible notifiable Territory construction contracts. It applies only to contracts for works and services that have a prequalification category under the ACT Government Prequalification Schemes, including the National Prequalification Scheme.

#### **Explanation of 30 June 2021 results**

- a. During the reporting period, 223 Active Certification Audits were required under the policy. Only three audits were not completed within the required timeframes
- b. All 24 projects completed during the reporting period were within the final project budget, as agreed by the partner directorate.
- c. All but two of the 24 projects completed during the reporting period were within the final project schedule, as agreed by the partner directorate.

- d. The variance is primarily due to capital funded employee expenses (including superannuation) which did not meet the capitalisation criteria.
- e. The variance is due to undrawn appropriation related to lower than expected expenditure related to the ACT Government cladding rectification schemes introduced during the reporting period.

# **Major Projects**

In addition to procuring and delivering capital works projects on behalf of partner directorates, MPC is responsible for delivering designated major infrastructure projects where MPC holds budget and is directly accountable to the responsible Minister. In 2020–21, MPC's designated major projects were:

- 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.

New accountability indicators will be introduced in 2021–22 to better reflect MPC's role in delivering designated projects and partner directorate projects.

# **Partner Directorate 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 2020–21.

#### **Accountability Indicators**

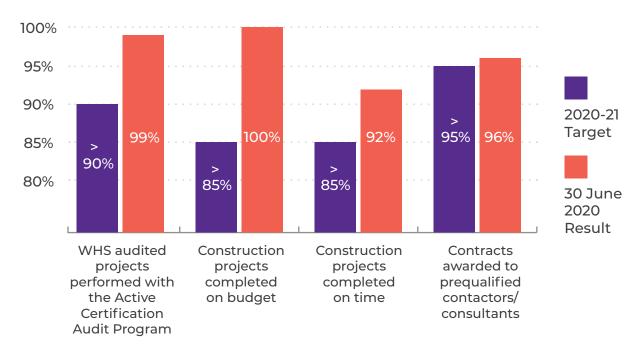


Figure 3 2020–21 Accountability Indicator Targets and Results

Working in partnership with other Directorates to deliver the ACT Government's capital works program (excluding projects within the Better Infrastructure Fund), IDP successfully completed 24 capital infrastructure projects greater than \$250,000 in 2020–21 to the value of nearly \$120 million.

# Developing the Territory's Engineering Workforce

Developed by the ACT Chief Engineer and released in September 2020, the ACT Government Engineering Workforce Plan (the Workforce Plan) has been created to attract, develop and retain the engineering workforce required to deliver against the infrastructure program for the Canberra region.

The Workforce Plan contains 19 actions designed to:

- > boost the recruitment of engineers,
- > optimise the engineering workforce,
- > strengthen the engineering profession, and
- > collaborate with key stakeholders.

During the first nine months of implementation, we have seen strong engagement in delivering the Workforce Plan, including:

- established a community of practice that allows the 200+ engineers across government to share ideas and collaborate on projects.
- > sponsored the infrastructure stream of the ACT Government graduate program, with the number of engineers participating in the 2021 graduate program the highest it has been in five years.
- released an Engineering Workforce Framework supporting ACTPS directorates to incorporate engineering requirements into their workforce plans. The Framework provides directorates the tools to assess their engineering needs and to identify relevant roles and skill shortages.

- developed a government-to-industry engineering secondment program. The secondment program allows an early career engineer from the ACT Government, an industry firm and a construction firm to undertake job swap placements. This allows professional development opportunities for staff while strengthening working relationships between government and industry.
- piloted an ACTPS engineering competency framework to enhance knowledge and maintain up-to-date technical skills. This will allow staff members to identify the skills and competencies they need to develop to be able to progress in their government engineering career.
- established an engineer mentoring program across the ACTPS that has seen over 20 partnerships put in place to develop skills, share knowledge, encourage the formation of networks and work towards future goals.

2021-22 will see the ACT Government Chief Engineer continue to develop and promote an innovative and skilled engineering workforce, build productive relationships with ACT Government partners in the engineering industry, and provide strategic engineering oversight on ACT Government infrastructure projects.

# Scrutiny

#### **ACT Auditor-General**

There were no ACT Auditor-General reports or recommendations relevant to MPC in 2020-21.

#### **ACT Ombudsman**

There was one ACT Ombudsman recommendation relevant to MPC in 2020-21.

# **Legislative Assembly Committees**

There were no Legislative Assembly Committee matters relevant to MPC in 2020–21.

# Risk Management

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 and Risk Subcommittee.

MPC continues to implement 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.

The MPC Enterprise Risk Management Framework:

- > supports building a risk culture in MPC;
- shapes strategic and business planning; and
- builds organisational capacity by developing skills in our people to better identify and manage risk.

Outputs of the framework include an enterprise risk register and risk appetite statement. This information is used to assess risk and to integrate risk information into our strategic and business planning, including our enterprise plan for

preventing and detecting business integrity risk. Areas of significant risk are addressed through MPC's internal audit program and are subject to management-initiated review.

Each designated project maintains an independent risk management register. Project directors are responsible for managing project risk and escalating project risks to the enterprise level when appropriate. The MPC Project Management Office (PMO) will play an important role in developing MPC's standard approach to service delivery risk management practices which align with the enterprise risk framework.

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 is described in MPC's Enterprise Risk Management Framework.

# **Internal Audit**

In 2020–21, MPC established its internal audit function. Achievements include:

- > appointment of the Head of Internal Audit;
- publications of the MPC Head of Internal Audit and Internal Audit Charters;
- > establishment of the MPC Audit Committee through the Audit Committee Charter; and
- > publication of the MPC Interim Audit Program to provide independent assurance of the effectiveness of MPC's risk management, internal control, and governance practices.

Audit outcomes from the internal audit program will be used to 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.

The Head of Internal Audit has a direct reporting relationship to the Chair of the Audit Committee and the Chief Projects Officer on the operation of the internal audit function and provides updates on audit outcomes to the Finance and Risk Subcommittee and the Executive Board as required.

#### **MPC Audit Committee**

The MPC Audit Committee, which met for the first time in March 2021, is chaired by an independent member in accordance with the ACT Government's Framework for Internal Audit Committee and Function 2020.

The Committee held two meetings in 2020–21: in March and in June, which were attended as shown in Table 9.

Name of Member	Role	Meetings attended
Don Cross	Independent Chair	2
Craig Jordan (Transport Canberra and City Services Directorate)	Deputy Chair	2
Damon Hall (Major Projects Canberra)	Member	2
Danielle Krajina (Justice and Community Services Directorate)	Member	2
Sophie Gray (Major Projects Canberra)	Member	2

Table 9 MPC Audit Committee attendance during 2020–21

The Chief Projects Officer has a standing invitation to attend all Audit Committee meetings.

The Independent Chair is remunerated in accordance with the rates approved for payment through the ACT Government Professional and Consulting Services Panel.

# Fraud Prevention

MPC continues to implement ACT Government-wide processes and develop its fraud prevention and detection capability. The MPC Integrity Framework was published in 2020–21 and is supported by a Fraud and Corruption Control Plan, to be implemented early in 2021–22 following the completion of the enterprise risk assessment, which includes an integrity risk assessment.

Controls currently in place include:

- MPC Procedure Integrity;
- conflicts of interest disclosure requirements are in place for all Executives, staff who participate in procurement evaluation activities and for all staff seeking approval to undertake external employment, including in a voluntary capacity;
- financial delegations, limiting authority to commit public funds to a small number of delegates;
- > mandatory fraud and ethics training;
- > 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;
- written guidance on how fraud and related integrity risks are to be managed is provided to all staff by the SERBIR 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 Public Interest Disclosures were received during the reporting period.

#### SERBIR

The SERBIR provides regular updates to Executives, team leaders and staff on their integrity responsibilities, including mandatory notification requirements as required by 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 two preliminary assessments in 2020–21. The SERBIR determined the reported actions concerned a lack of judgement and were therefore disciplinary matters that did not meet the ACT Integrity Commission reporting threshold. The matters were referred to human resources for management.

# 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 2020–21, MPC received 13 Freedom of Information (FOI) access requests:

- > Eleven were closed and information was provided to the applicant.
- > One request remained in progress at 30 June 2021.

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	49
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 applica	ations
Section 96 (3) (a) (iv), (vii), (viii) and (ix)	
Number of access applications received	13
Number of applications where access to all information requested was given	1
Number of applications where access to only some of the information requested was given (partial release)	10
Number of applications where access to the information was refused	0
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	9
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 (1) >20 (1) >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 Access Information

#### **Making an Access Application**

Subject to the FOI Act, every person has an enforceable right to obtain access to Government information.

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** 

Access applications are recorded in a **disclosure log**, as required by the FOI Act.

For more information on making an access application, please visit act.gov.au/majorprojectscanberra.

# **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.











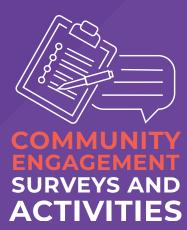


Figure 4 Community engagement and support

# **Canberra Hospital Expansion**

MPC undertook extensive community and stakeholder consultation during the financial year to continue to shape hospital expansion design.

The project conducted more than 250 clinical user group meetings with clinical and other staff at the Canberra Hospital and held regular meetings with stakeholder reference groups. The project team also held two briefings with the Woden Valley Community Council.

The Consumer Reference Group met 9 times and provided guidance on the needs of healthcare consumers and carers. Members included the Health Care Consumers' Association, the Clinical Advisory Council, the Mental Health Consumers Network, the CHS Patient Experience Team and peak bodies for carers, the ageing, Aboriginal and Torres Strait Islander people and people with disabilities.

The Local Community Reference Group met 12 times. Members included a selection of local residents and businesses neighbouring the hospital, the Garran Primary School and community associations.

Extensive consultation with the wider community was also conducted as part of the Development Application for the new Emergency, Surgical and Critical Healthcare building.

MPC conducted a public 10-week pre-Development Application consultation process from 18 December 2020 to 24 February 2021 on the proposed designs for the new facility.

The engagement included:

- > In-person and virtual information sessions;
- Pop-up stalls at shopping centres across Canberra; and
- > A YourSay survey allowing participants to have their say on the design of new public and green spaces.

753 comments were received on the draft plans from members of the public and key stakeholders.

The Development Application to build the Emergency, Surgical and Critical Healthcare building was approved on 5 August 2021. Consultation will continue as the design is refined and construction commences.





# **Light Rail Stage 2 to Woden**

MPC held a program of engagement activities in early 2021 to restart communications and consultation with Canberrans on the light rail project.

The consultation focused on bringing the community up to speed on the next stage of light rail to Woden and provided them with an update on timelines, benefits, project status and milestones for 2021.

The engagement program involved:

- > 15 pop-up information sessions at local cafes between Civic and Mawson;
- > 580 face-to-face conversations with the community;
- > 19,000 project updates distributed to residents and businesses along the alignment; and
- More than 5000 emails sent to project subscribers.

During the engagement period feedback was gathered on topics such as:

- > connection to the wider transport network;
- > trees and landscaping;
- how light rail will cross Lake Burley Griffin;
- cost and timeframes for construction;
- > sustainability and heritage; and
- > the route.

Findings from this consultation are being used to reduce and mitigate construction impacts, including the planning of construction methodologies and traffic management plans.

The Light Rail Community Reference Group was established in 2021 and met for the first time in April. The group includes a diverse range of

Canberrans whose role is to provide the ACT Government with important insights and ideas into the community's needs and priorities for the project.

Members of the Light Rail Community Reference Group include representatives from Pedal Power, Living Streets Canberra, the Australian National University and the Council of the Ageing, alongside other Canberrans advocating for different stakeholder groups and communities.

In May, MPC stepped up community and business engagement even further, with the launch of a new project website and virtual engagement room. The sites are a hub for information and consultation and offer an easy and convenient way for people to find out more about light rail, follow the latest project developments, have a say on project impacts and design, and subscribe for email updates.

The new virtual engagement tool in particular supports more online engagement activity, with face-to-face engagement opportunities less reliable during the pandemic.

As preparation for the commencement of utility relocation works in the city got closer, a project to clean up stakeholder contacts in light rail's Customers Relationship Management (CRM) system commenced.

This exercise not only supports the ongoing engagement with businesses and residents in the city as part of Stage 2A, but sets up the system for longer-term success as stakeholders are identified and contacted along the entire alignment as the project progresses.

MPC also began working closely with other ACT Government Directorates as part of the newly formed Disruption Taskforce. The Taskforce focuses on minimising the impact of construction on the transport network, commuters and businesses.



#### **CIT Campus - Woden**

The CIT Campus – Woden project continued to engage with the local community and key stakeholders including the Woden Valley Community Council. Feedback was incorporated into the project's pre-Development Application (DA) and ongoing design development.

During November and December 2020, MPC ran an engagement program to gather feedback for the new public transport interchange, bus layovers and associated roadworks DA.

As part of this pre-DA engagement program:

- > 11 community information pop-ups were held at various locations in the Woden Town Centre, the City and at the CIT Reid campus
- > Briefing sessions were held with businesses and other key stakeholders
- > A survey on the Your Say website collected 183 survey responses.

Overall, community feedback focused on the following topics:

- > Protection from the elements;
- Green space and landscaping;
- Accessibility and distance from Westfield;
- > Safety and lighting; and
- > the closure of Callam Street.

At the same time, MPC also launched the CIT Campus – Woden Virtual Engagement Room, which allowed the public to move around a 3D space and view materials related to the project.

In March 2021, MPC held its first meeting of the newly formed Construction and Traffic Management Stakeholder Group for the project.

This group was established to support and communicate early and consistently with stakeholders, neighbours and businesses in the nearby area, as construction on Package 1 of the project was due to get started. An online information portal was also launched to support this group with regular and timely information. The group met in March and June.

# **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.

MPC contributed to the implementation of the Aboriginal and Torres Strait Islander Procurement Policy (ATSIPP) with Procurement ACT. We also led 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 Aboriginal and Torres Strait Islander-owned companies were able to tender for the project. Further to this, emphasis was placed on Aboriginal and Torres Strait Islander employment within the selection criteria with the intention of increasing the participation at the subcontractor level.

For the design phase of the Gugan Gulwan Youth Community Centre, MPC required a Aboriginal and Torres Strait Islander architect in the team. Our focus on the engagement of Aboriginal and Torres Strait Islander suppliers and contractors will continue throughout all phases of this project.

Multiplex's contract for the CHE Project includes social procurement targets, including 10% of the value of sub-contracted works from Aboriginal and Torres Strait Islander accredited bodies; and 30% of its onsite tradespersons from traineeships, apprenticeships and similar programs.

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 Aboriginal and Torres Strait Islander staff members to support their development.

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

- Participation in the leadership program for Aboriginal and Torres Strait Islander senior managers, which has led to a successful yarning circle for peer support in the leadership space.
- > Supporting an Aboriginal and Torres Strait Islander employee placement program staff member to become a project support officer. They are now receiving training to become a project manager.

In 2020-21 we worked with Aboriginal and Torres Strait Islander enterprises to provide clarification around applying for the Territory's Prequalification Schemes. Two Aboriginal and Torres Strait Islander registered companies were interviewed for Prospective Prequalification. To date, these enquiries have not come to fruition.

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

Company	Project	Client
Projex Building Group	Sports ground upgrades	Transport Canberra and City Services
	Centenary Hospital for Women and Children administration building works	Canberra Health Services
	ACT Integrity Office Fitout	Integrity Commission
	Boomanulla Oval Refurbishment Works	Sport & Recreation
	Hawker College heating, ventilation, and air conditioning upgrade	Education
Rork Projects Pty Ltd	Amaroo High School classroom fit out	Education
	CIT improvements and upgrade works	CIT
	Northside Opioid Treatment Service facility	Canberra Health Services
	Florey Primary School acoustic upgrade	Education
	TCCS Stimulus Phase 1 projects	Transport Canberra and City Services
	Garema Place & City Walk improvements	City Renewal Authority

Table 11 Projects delivered with Aboriginal and Torres Strait Islander contractors in 2020–21

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**

Safety is our number one priority. MPC works closely with the People Forum 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 2020–21, the COVID-19 pandemic continued to present WHS risk to our workforce. To manage and mitigate this risk, MPC continued to implement its WHS protocols. These included additional safety protocols for on-site meetings. MPC continued to work with principal contractors to ensure alignment with their COVID-19 risk management activities.

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

- 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 provision for Health and Safety Representatives;
- > 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.

MPC undertook a series of worker consultations on work health and safety matters. We used a variety of different engagement methods including:

- > Staff surveys
- > Team meetings
- Safety shares at Executive Leadership Team meetings

MPC has three Health and Safety Representatives and three Deputy Health and Safety Representatives. Our performance against the Australian Work Health and Safety Strategy 2012–2022 targets is shown in Table 12 and Table 13.

Financial year <sup>1</sup>	# new 5-day claims	Rate per 1000 employees	Directorate Target	ACTPS # new 5-day claims	Rate per 1000 employees	ACTPS Target
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	0	0.00	9.99	325	9.32	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%

Financial year <sup>1</sup>	# new 5-day MSD claims	Rate per 1000 employees	Directorate Target	ACTPS # new 5-day MSD claims	Rate per 1000 employees	ACTPS Target
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	0	0.00	7.37	194	7.44	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%



# **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, industry, industry bodies and other interested parties in the establishment and maintaining of safe working environments in the construction industry. In 2020–21, the focus of our work with industry was on improving worker safety on building sites. This included the implementation of the ACT Government WHS Active Certification Policy, the weighted assessment criteria for WHS in tender assessments performed by independent WHS experts and Prequalification Schemes.

#### **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 2020–21 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 construction companies' WHS performance for 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;
- Administers Active certification Policy (including allocation of demerit points); and
- Consult with Skills ACT on WHS competency training.

In 2020–21, 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 2021–22.

#### **Active Certification Policy**

MPC administers the Active Certification Policy on behalf of most ACT Government Directorates delivering Capital Works. The Active Certification Policy provides a process for the auditing of Prequalified Contractors WHS Management Systems and their onsite implementation of the site specific WHS management system. 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.

The primary purpose of the Active Certification Policy auditing process is to enable the Territory to rely on Auditors' findings as part of assuring that prequalified contractors are implementing safety systems. At the end of an audit process, MPC may allocate points to a prequalified contractor for any WHS non-conformances. The allocation of those points may impact on the contractor's prequalification status under a prequalification scheme and their ability to compete for projects managed by MPC or other Territory directorates and agencies. In FY2020-21 no points were awarded under the Active Certification Policy.

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 is 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.

#### **WHS Weighted Assessment Criteria**

MPC general includes a 30% weighting for safety in the evaluation criteria for tenders it manages.

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 remained MPC's highest risk to our safety and wellbeing in 2020–21. MPC's Emergency Management Team continued to provide WHS guidance to all MPC staff consistent with whole of government direction.

#### **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.

Health and wellbeing initiatives in 2020 - 21 included:

- > influenza vaccinations for staff;
- conducting virtual wellbeing workshops for MPC teams;
- > reasonable adjustments; and
- access to the Respect, Equity and Diversity (RED) Contact Officers.

In 2020–21, work has progressed on the MPC Work Health Safety and Wellbeing Framework, previously referred to as the MPC Wellbeing Plan, and a MPC Wellbeing Working Group has been set up to contribute to the develop of the framework. Our programs will align with the ACT Public Sector Work Health, Safety and Wellbeing Strategy 2019 – 2022 and the Healthy Minds, Thriving Workplaces strategy.

# Impacts of COVID-19 on Site Safety

MPC worked closely with ACT Health, Worksafe ACT, Access Canberra and industry to establish exemptions for cross-border construction partners and infrastructure consultants along with developing additional safety requirements for managing COVID-19 related risks.

#### **Secure Local Jobs**

The ACT Government introduced the **Secure Local Jobs Code** in 2019 to strengthen 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 Labour Relations, Training and Workplace Equity Plan. These requirements create a fairer procurement process for ethical employers and holds to account businesses not meeting their industrial and legal obligations.

MPC ensures that the requirements of the Code are considered through both procurement and contract management activities. This is achieved by including the requirement to have a Certificate and a Labour Relations, Training and Workplace Equity Plan as a Threshold Criteria for applicable procurement activities. Where applicable, Contractors are required to provide regular reports to Contract Managers on the implementation of the Labour Relations, Training and Workplace Equity Plan.

# **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.

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 14–Table 21 provide the mandatory human resources data required by the annual report directions. Data is at 30 June 2021.

Branch/Division	FTE	Headcount
Designated Projects	56.0	56
Infrastructure Delivery Partners	90.3	92
Office of the Chief Projects Officer	2.7	3
Project Development & Support	53.5	54
Total	202.4	205

Table 14 FTE and headcount by business unit as at 30 June 2021

	Female	Male	Total
FTE by Gender	90.2	112.2	202.4
Headcount by Gender	92	113	205
% of Workforce	44.9%	55.1%	100.0%

Table 15 FTE and headcount by gender as at 30 June 2021

Classification Group	Female	Male	Total
Administrative Officers	27	12	39
Executive Officers	4	13	17
Professional Officers	2	7	9
Senior Officers	59	81	140
Total	92	113	205

Table 16 Headcount by classification and gender as at 30 June 2021

<b>Employment Category</b>	Female	Male	Total
Casual	0	1	1
Permanent Full-time	68	82	150
Permanent Part-time	7	1	8
Temporary Full-time	16	28	44
Temporary Part-time	1	1	2
Total	92	113	205

Table 17 Headcount by employment category and gender as at 30 June 2021  $\,$ 

Diversity Group	Headcount	% of Total Staff
Aboriginal and/or Torres Strait Islander	3	1.5%
Culturally & Linguistically Diverse	42	20.5%
People with a disability	10	4.9%

Table 18 Headcount by diversity group as at 30 June 2021

Age Group	Female	Male	Total
Under 25	2	3	5
25-34	25	17	42
35-44	32	32	64
45-54	21	27	48
55 and over	12	34	46

Table 19 Headcount by age group and gender as at 30 June 2021

Gender	Female	Male	Total
Average years of service	6.6	7.2	6.9

Table 20 Average length of service as at 30 June 2021

Recruitment Rate	Separation Rate		
9.5%	4.8%		

Table 21 Recruitment and separation rates 2020-21



# **Learning and Development**

MPC continues to invest in building the capability of its workforce to meet the needs of the ACT community and effectively serve the government of the day

During 2020–21 employees were provided access to a range of learning and development opportunities. These included:

- programs offered via the ACTPS Training Calendar;
- > Identified training and professional development needs, conduct regular and fair performance appraisals and enable and encourage mobility and promotion;
- specialised programs organised and/or facilitated by the business areas;
- > study assistance;
- > targeted employment programs; and
- > participation in programs identified in the ACTPS Core Learning Policy.

MPC continues to support participation in training co-ordinated by the Organisational Learning and Development Unit in Chief Minister, Treasury and Economic Development Directorate (CMTEDD) via the ACT Training Calendar, including but not limited to:

- > Core Inclusion Program;
- > LGBTIQ+ Inclusion;
- > ACTPS Induction Program;
- Certificate IV in Procurement and Contracting; and
- Aboriginal and Torres Strait Islander Cultural Awareness workshop.

In 2020–21, one employee participated in the MPC study assistance program (total cost \$3,254) and 27 staff undertook courses offered through the ACTPS Training Calendar (total cost \$18,269).

Other training was provided during the reporting period.

# **PMARS Training**

The PMARS team consistently delivered monthly 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 users to perform contract management and project management tasks, as well as analytical and reporting functions within PMARS.

# Fraud and Ethics and Security Awareness Training

In 2020–21, MPC implemented awareness training for all staff on fraud and ethics and on protective security. Twelve sessions were conducted from April—June 2021, attended by 182 staff. The training will be conducted annually to ensure staff are aware of related risks and how they are managed within MPC. They will also be clear on their reporting obligations should they become aware of integrity or security risks and incidents.

#### **Focus for 2021-22**

Our training priorities for 2021–22 include:

- development of an MPC Training Action Plan:
- establish a 'lessons learned' capability, including a formal toolbox and skills workshops;
- implement a records and recognition program; and
- continue to support, promote and deliver Domestic and Family Violence and Cultural Awareness training.

# 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.

MPC, working with our partner directorates, delivers ACT Government infrastructure to help make Canberra one of the world's most liveable cities. This places us in a privileged position to be able to influence the environmental sustainability of those projects, to show Government leadership, to promote sustainable materials and services, to seek sustainability ratings and to provide a long-term benefit for the Canberra community.

In 2020–21, 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. The ACT Chief Engineer provided insight on the construction sector to support the Commissioner with their investigation of Scope 3 emissions in the Territory.

The MPC Environment and Sustainable Infrastructure Working Group guides MPC's:

- compliance with Australian and ACT policy and legislation;
- implementation of relevant Whole of Government 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, in accordance with the ACT Climate Change Strategy 2019-2025 and Canberra's Living Infrastructure Plan: Cooling the City; and
- social and sustainable procurement of goods, services and materials, in accordance with the Sustainable Procurement Policy.

In 2021 MPC coordinated training for over 100 ACT Government staff in ISCA and Greenstar ratings.



MPC are incorporating innovative sustainability and ecologically sustainable design cross our designated projects. The CIT Woden Campus project, for example, intends to be a leading showcase across social and environmental sustainability. Key features are captured below:



STUDENTS COMMUTING BY

ACTIVE TRAVEL MODES

ACTIVE TRAVEL MODES
TO 20 PER CENT





ACHIEVE ENERGY AND WATER EFFICIENCY



ENSURE NO NET LOSS IN TREE CANOPY FROM A 2018 BASELINE



CONSIDER MATERIALS CARBON IMPACTS



REDUCE
GENERAL
WASTE BY
10 PER CENT





In 2021, our Infrastructure Delivery Partners facilitated a low embodied energy concrete pour as part of the Campbell Primary School Modernisation Program being delivered by IDP with Education as the partner directorate.

The project is a major upgrade for Campbell Primary. It delivers two new buildings along with a canteen, bike shelter, new landscaping and play areas. The new buildings will replace the original 1960s classroom buildings and will house the learning areas for all of Campbell Primary School's 450 students.



All ground and first floor concrete slabs have recently been completed using the lower emissions concrete, covering approximately 2800m<sup>2</sup> of floor slab.

MPC stipulated in the brief for the contractors to continue to be collaborative and innovative in implementing good environmental outcomes. The IDP Civil Team was already using lower carbon concrete in their horizontal infrastructure and this is just one way that we can all adapt our standard practices to reduce the risks of climate change.

The concrete being used in this project is lower carbon because it uses less cement in the concrete mixture, instead including materials such as fly ash. This trial of lower emissions concrete is just one innovative approach that has been adopted by our colleagues at IDP as they continue to deliver important upgrades across Canberra. Works are scheduled to be completed in early 2022.

MPC incorporates appropriate management practices that are consistent with the principles of ecologically sustainable development into its daily business practices. Recycled paper and, where possible, energy efficient office equipment are used. Recycling bins are provided for the use of staff. Where possible, electronic communications are used in preference to paper.

# Zero Emissions Government: Sustainable Development Performance 2020–21

Under the ACT Government Carbon Neutral Framework, the ACT Government is committed to achieving carbon neutrality in its own operations. 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.

Readers should note that during 2019-20, MPC occupied one Pod (Pod C3) in Callam Offices and Level 2 at Nature Conservation House in Belconnen. In 2020-21, all staff co-located on level 3 at Callam Offices in Pods A, B and C. The increase from the baseline figure of 16 Tonnes CO<sub>2</sub>-e to an actual of 40 Tonnes CO<sub>2</sub>-e is due to data not being available when MPC was established, the relocation of MPC staff into Callam Offices and the increase in our staffing numbers. ACT Property Group, who manage the Heritage Listed Callam Offices building, have secured funding to upgrade the current heating, ventilation, and air conditioning (HVAC) system in 2024-25. The current system utilises gas boilers for heating, contributing the majority of MPCs CO<sub>2</sub> emissions.

Indicator	Unit	2020–21	2019–20	Percentage change
Stationary energy usage				
Electricity use	Kilowatt hours	424,968	302,520	+40%
Natural gas use (non-transport)	Megajoules	436,097	242,696	+79.69%
Diesel use (non-transport)	Kilolitres	0	0	N/A
Transport fuel usage				
Electric vehicles	Number	0	0	N/A
Hybrid vehicles	Number	4	3	+33%
Hydrogen vehicles	Number	0	0	N/A
Total number of vehicles	Number	9	9	N/A
Fuel use – Petrol (including E10)	Kilolitres	2.96	1	+196%
Fuel use – Diesel	Kilolitres	1.05	1	+5%
Fuel use – Liquid Petroleum Gas (LPG)	Kilolitres	0	0	N/A
Fuel use – Compressed Natural Gas (CNG)	Gigajoules	0	0	N/A
Water usage				
Water use	Kilolitres	613.42	210	+192%
Resource efficiency and waste	*			
Reams of paper purchased	Reams	249	827	-70%
Recycled content of paper purchased	Percentage	96%	19%	+405%
Waste to landfill	Litres	3995	11323 (1/3 = 3774)	+5.85%
Co-mingled material recycled	Litres	N/A	3565 (1/3 = 1188)	N/A
Paper & Cardboard recycled (incl. secure paper)	Litres	2550	2627	-14%
Organic material recycled	Kilograms	N/A	1980 (1/3 = 660)	N/A
Greenhouse gas emissions				
Emissions from electricity use	Tonnes CO <sub>2</sub> -e	0	0	N/A
Emissions from natural gas use (non-transport)	Tonnes CO <sub>2</sub> -e	22	12	+83%
Emissions diesel use (non-transport)	Tonnes CO <sub>2</sub> -e	0	0	N/A
Emissions from transport fuel use	Tonnes CO <sub>2</sub> -e	11	4	+175%
Total emissions	Tonnes CO <sub>2</sub> -e	40	16	+150%

Table 22 Sustainable Development Performance: 2020–21

\* ACTPG have advised the waste to landfill and co-mingled recycling data provided in 2019-20 for Callam Offices is for the whole building. We share the building with multiple tenants, the waste is combined and cannot be traced back to MPC specifically. The data provided for 2020-21 is the total for the building divided by three (as we occupy the whole third floor) and is unable to be separated out between comingled and waste to landfill.

We currently do not have an organic waste provider for Callam Offices.

# Explanatory Information Relevant to Ecologically Sustainable Development in 2020-21 Annual Reports

Please note that some data reported for FY 2019-20 in the table above may differ slightly from figures reported in the 2019-20 Annual Report. These are due to updates to agency occupancy and historical consumption data, and annual adjustments to ACT specific electricity emissions factors. Where actual data is not available, the Enterprise Sustainability Platform provides estimations using an accruals function. Accruals are calculated from the average annual daily consumption of the most current 12-month period applied for the number of days of missing data.

Emissions reported for stationary energy and transport fuels include Scope 1 and Scope 2 emissions only. Scope 1 are direct emissions from sources owned and operated by the government including: emissions from transport fuel, refrigerants and natural gas use. Scope 2 are indirect emissions from mains electricity.

The ACT Government starts reporting emissions from refrigerants in the 2020-21 Annual report. The reporting threshold applied to refrigerants is 100kg per unit, based on the NGER Measurement Determination 2008. Units with refrigerant charge below the threshold are not reportable.

Emission factors used to calculate refrigerants, natural gas and fleet fuel are based on the latest National Greenhouse Accounts factors.

The ACT met it's 100% renewable electricity target in 2019-20. As a result, the ACT Government reports zero greenhouse gas emissions from electricity use. The ACT Government is committed to maintaining 100% renewable electricity supply beyond 2020.

### Treatment of plug-in hybrids

For the purposes of annual reporting plug-in hybrids have been treated as electric vehicles. A plug-in hybrid electric vehicle (also known as a range-extended vehicle) is fuelled by electricity as well as having either a petrol or diesel tank to extend the range of the vehicle for long trips. These vehicles can be run either on electricity or fuel, but are considered to be zero emissions vehicles as it is most likely that the vehicle will be run on electricity for the majority of trips (due to lower cost for charging than re-fuelling).



# 2.C Financial Management

MPC was established on 1 July 2019 as a result of changes to administrative arrangements; therefore, no budget or figures prior to the 2019–20 year are included in the financial statements.

# Financial Management Analysis

#### **General Overview**

# **Objectives and Principal Activities**

MPC is a not-for-profit ACT Government Agency, established on 1 July 2019 to build infrastructure for the community. The directorate delivers major infrastructure projects, advises government on capital works procurement policies and undertakes procurement on behalf of government agencies for infrastructure and capital works.

The key outputs delivered by MPC include:

- > procuring and delivering infrastructure projects designated by the Government as major projects. MPC 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 ACT Government agencies;
- providing project management and reporting, superintendency of works and work health and safety active certification services;
- enabling the office of the ACT Chief
   Engineer and developing the ACT
   Government's engineering workforce; and
- delivering whole of government services, including the Project Management and Reporting System (PMARS) and contractor pre-qualification.

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

#### **Risk Management**

Risk Management is a fundamental part of MPC's governance arrangements, and enables effective decision making about how to use available resources to meet strategic and operational objectives. Risks are identified and managed at three levels: strategic, enterprise and project delivery. The MPC Executive Board manages strategic and enterprise risk while the relevant Executives manage project delivery risk.

MPC is strengthening its risk management function as part of its broader governance arrangements to support building a risk culture, shape strategic and business planning, manage organisational performance, and build organisational capacity by developing skills in our people to better identify and manage risk.

In April – May 2021, MPC undertook the first of its annual enterprise risk assessments to support strategic planning and the proactive management of risk in achieving the Directorate's purpose and strategic objectives in 2021–22.

# **Major Projects Canberra Financial Performance**

The following financial information is based on audited Financial Statements for 2019-20 and 2020-21, the 2020-21 Budget and the forward estimates contained in the 2021-22 Budget Statements.

	Actual	Budget	Actual	Forward Estimates	Forward Estimates	Forward Estimates	Forward Estimates
	2019-20 \$m	2020-21 \$m	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
Expenditure	32.9	31.4	34.3	46.4	39.7	31.1	48.7
Own Source Revenue	15.0	22.5	22.0	18.9	2.4	2.1	1.9
Net Cost of Services	17.9	8.9	12.3	27.5	37.3	29.0	46.8

Table 23 Total Net Cost of Services

#### **Comparison to Budget**

MPC's 2020-21 net cost of services of \$12.3 million was \$3.4 million or 38.2 percent higher than the 2020-21 Budget. The variance was primarily due to higher than expected expenditure from designated project expenses funded through capital injection appropriation which did not satisfy accounting capitalisation criteria.

#### Comparison to 2019-20

MPC's 2020-21 net cost of services of \$12.3 million was \$5.6 million or 31.3 percent lower than 2019-20 due to higher own source revenue of \$7.0 million or 46.5 percent, as outlined at *Own Source Revenue – Comparison to 2019-20;* offset by higher expenditure of \$1.4 million or 4.2 percent, as outlined at *Expenditure – Comparison to 2019-20.* 

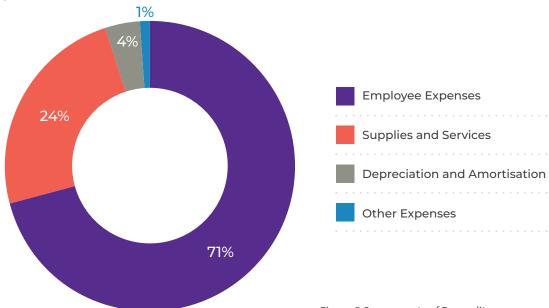
#### **Future Trends**

MPC's Net Cost of Services is estimated to increase by \$16.7 million in 2021-22 mainly due to expenses related to the new initiatives including the ACT Cladding Rectification program (\$7.6 million) and Light Rail Stage 2 associated enabling works (\$7.0 million) and the reduced own source revenue expected in management levy for the delivery of Better Infrastructure Fund projects for other ACT Government agencies which will be appropriated as controlled recurrent payment (\$3.6 million) in 2021-22.

# **Expenditure**

# **Components of Expenditure**

Graph 1 – Components of Expenditure indicates the components of actual expenditure for 2020-21. Total expenditure was \$34.3 million, comprising of employee and superannuation expenses of \$24.5 million, supplies and services of \$8.2 million, depreciation and amortisation of \$1.5 million and other expenses of \$0.2 million.



#### Figure 5 Components of Expenditure

#### **Comparison to Budget**

Total expenditure in 2020-21 was \$34.3 million, which was \$2.9 million or 9.4 percent higher than the 2020-21 Budget of \$31.4 million, primarily due to capital funded employee expenses (including superannuation) which did not meet the capitalisation criteria.

#### Comparison to 2019-20

Total 2020-21 expenditure of \$34.3 million was \$1.4 million, or 4.2 percent higher than 2019-20. The variance was primarily due to higher employee and superannuation expenses of \$2.7 million as staff vacancies in 2019-20 upon the establishment of Major Projects Canberra being filled in 2020-21.

#### **Own Source Revenue**

#### **Components of Own Source Revenue**

Total own source revenue in 2020-21 was \$22.0 million, comprising of primarily capital works project management services provided to the ACT Government (\$20.7 million) and gains from the ACT Property Group contribution to the Callam Offices fit-out (\$1.1 million).

#### **Comparison to Budget**

Total own source revenue for 2020-21 was \$22.0 million which was consistent with the 2020-21 Budget of \$22.5 million.

#### Comparison to 2019-20

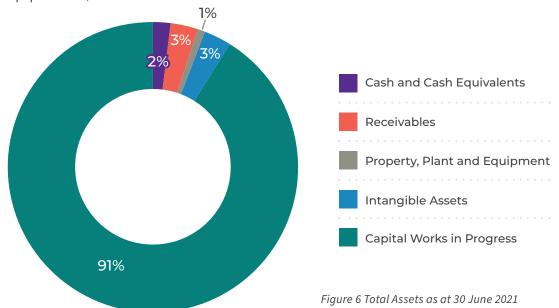
Total 2020-21 own source revenue of \$22.0 million was \$7.0 million, or 46.5 percent higher than 2019-20. The variance was primarily due to higher:

- management levy of \$5.9 million from other ACT Government agencies as a result of increases in the capital projects delivery for the Directorates; and
- gains of \$1.1 million mainly related to the ACT Property Group contribution to the Callam Offices fit-out

# **Major Projects Canberra Financial Position - Total Assets**

#### **Components of Total Assets**

Total Assets as at 30 June 2021 identifies the categories of assets held by Major Projects Canberra. Total assets held were \$122.7 million, comprising capital works in progress \$111.0 million, intangible assets of \$3.9 million, receivables of \$3.3 million, cash and cash equivalents of \$2.9 million and property, plant and equipment of \$1.6 million.



# **Comparison to Budget**

Total assets as at 30 June 2021 of \$122.7 million, were \$27.2 million, or 18.2 percent lower than the 2020-21 Budget of \$149.9 million due to transfer of completed works at multiple buildings of the Canberra Hospital to Canberra Health Services (\$34.3 million) and Light Rail Stage 1 to Transport Canberra Operations (\$10.7 million), partly offset by the increase in capital works in progress due to the progression of the Canberra Hospital Expansion project ahead of budget.

#### Comparison to 2019-20

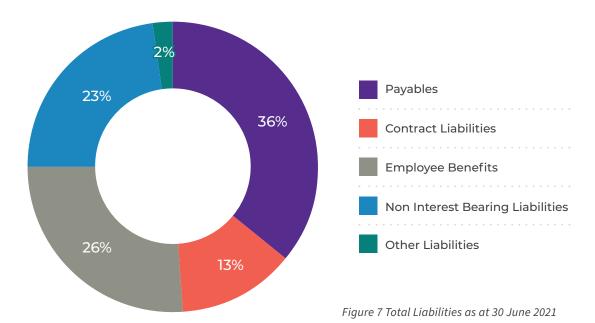
Total 2020-21 assets of \$122.7 million was \$51.9 million, or 73.3 percent higher than

2019-20. The variance was primarily due to higher capital works in progress due to the progression of Major Project Canberra's designated capital projects (\$64.5 million) offset by higher cash held in 2019-20 for the final completion settlement payment for Light Rail Stage 1 in early July 2020.

#### **Total Liabilities**

#### **Components of Total Liabilities**

Total Liabilities as at 30 June 2021 identifies the categories of liabilities held by Major Projects Canberra. Total liabilities were \$39.7 million, comprising payables \$14.3 million, employee benefits of \$10.2 million, non-interest bearing liabilities of \$0.9 million, contract liabilities of \$5.3 million and other liabilities of \$0.8 million.



#### **Comparison to Budget**

Total liabilities as at 30 June 2021 of \$39.7 million were \$14.1 million or 55.2 percent higher than the 2020-21 budget mainly due to higher:

- payables of \$9.7 million related to accrued June 2021 capital works in progress payments to suppliers as a result of the increased activities of capital projects;
- recognition of revenue received in advance of \$2.2 million for management services to be delivered to other ACT Government agencies as a result of the agencies' capital works reprofiling into future years;
- employee benefits of \$1.5 million for annual leave and long services leave due to the growth in designated project delivery teams consisting of employees other than contractors and consultants; and
- other liabilities of \$0.8 million for a loan payable to ACT Property Group for the fit-out work at Callam Offices.

#### Comparison to 2019-20

Total 2020-21 liabilities of \$39.7 million was \$1.7 million, or 4.5 percent higher than

2019-20. The variance was primarily due to higher employee benefits of \$1.6 million for annual leave and long service leave due to the growth in designated project delivery teams.



# FINANCIAL STATEMENTS Major Projects Canberra

For the Year Ended 30 June 2021





### 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 2021 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:

- present fairly, in all material respects, Major Projects Canberra's financial position as at 30 June 2021, 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 22 September 2021

## Major Projects Canberra Financial Statements For the Year Ended 30 June 2021

### **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 2021 and the financial position of Major Projects Canberra on that date.

**Duncan Edghill** 

Chief Projects Officer Major Projects Canberra

22 September 2021

## Major Projects Canberra Financial Statements For the Year Ended 30 June 2021

### 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 2021 and the financial position of Major Projects Canberra on that date.

Erica Wark

**Chief Finance Officer** 

Dach

Major Projects Canberra

22 September 2021

## Major Projects Canberra Operating Statement For the Year Ended 30 June 2021

	Note No.	Actual 2021 \$'000	Budget 2021 \$'000	Actual 2020 \$'000
Income				
Revenue				
Controlled Recurrent Payments	3	7 147	7 650	11 200
Sales of Services from Contracts with Customers	4	20 666	21 904	14 934
Grants and Contributions		242	384	80
Other Revenue		13	185	16
Total Revenue	. <u></u>	28 068	30 123	26 230
Other Gains	5	1 095	-	-
Total Gains		1 095	-	
Total Income		29 163	30 123	26 230
Expenses				
Employee Expenses	6	20 896	14 395	18 775
Superannuation Expenses	7	3 572	2 673	2 975
Supplies and Services	8	8 207	12 825	9 044
Depreciation and Amortisation		1 503	1 334	1 466
Borrowing Costs		4	-	11
Other Expenses		155	162	677
Total Expenses		34 337	31 389	32 948
Operating (Deficit)		(5 174)	(1 266)	(6 718)
Total Comprehensive (Deficit)		(5 174)	(1 266)	(6 718)

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 2021

	Note	Actual 2021	Budget 2021	Actual 2020
Current Assets	No.	\$'000	\$'000	\$'000
Cash and Cash Equivalents	9	2 871	4 081	16 420
Receivables	10	3 303	2 360	2 345
Other Assets	10	13	2	2
Total Current Assets		6 187	6 443	18 767
Non-Current Assets				
Property, Plant and Equipment		1 621	225	257
Intangible Assets	11	3 925	3 936	5 238
Capital Works in Progress	12	110 966	139 325	46 529
Total Non-Current Assets		116 512	143 486	52 024
Total Assets		122 699	149 929	70 791
Current Liabilities				
Payables	13	14 305	4 569	14 769
Contract Liabilities	14	5 327	3 175	5 175
Employee Benefits	15	9 664	8 243	8 078
Non-Interest Bearing Liabilities	16	8 966	8 986	8 986
Lease Liabilities		31	64	64
Other Liabilities	17	128	-	
Total Current Liabilities		38 421	25 037	37 072
Non-Current Liabilities				
Employee Benefits	15	556	485	474
Other Provisions		-	-	368
Lease Liabilities		29	30	30
Other Liabilities	17	654	-	
Total Non-Current Liabilities		1 239	515	872
Total Liabilities		39 660	25 552	37 944
Net Assets	_	83 039	124 377	32 847
Equity				
Accumulated Funds		83 039	124 377	32 847
Total Equity		83 039	124 377	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 2021

	Note No.	Accumulated Funds Actua 2021 \$'000	Equity Actual 2021	Budget 2021 \$'000
Balance at 1 July 2020		32 847	32 847	32 847
Comprehensive Income				
Operating (Deficit)		(5 174	(5 174)	(1 266)
Total Comprehensive (Deficit)		(5 174	(5 174)	(1 266)
Transactions Involving Owners Affecting Accumulated Funds				
Capital Injections		100 409	100 409	92 796
Capital Works in Progress Transferred to Other ACT Government Entities	12	(45 043	(45 043)	-
Total Transactions Involving Owners Affecting Accumulated Funds	•	55 366	55 366	92 796
Bolomeo et 20 luna 2021	•	92.020	92.020	124 277
Balance at 30 June 2021	;	83 039	83 039	124 377
Balance at 1 July 2019	Note No.	Ad	cumulated Funds Actual 2020 \$'000	Equity Actual 2020
Comprehensive Income Operating (Deficit)			(6 718)	(6 718)
Total Comprehensive (Deficit)		_	(6 718)	(6 718)
Transactions Involving Owners Affecting Accumulated Funds				
Capital Injections			70 805	70 805
Net (Liabilities) Transferred in as part of an Administrative Restructure			(3 177)	(3 177)
Capital Works in Progress Transferred to Other ACT Government Entities	12		(25 363)	(25 363)
Other Capital Distributions to Directorates			(2 700)	(2 700)
Total Transactions Involving Owners Affecting Accumulated Funds			39 565	39 565
Balance at 30 June 2020			32 847	32 847

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 2021

	Note No.	Actual 2021 \$'000	Budget 2021 \$'000	Actual 2020 \$'000
Cash Flows from Operating Activities				
Receipts				
Controlled Recurrent Payments		7 147	7 650	11 200
Sales of Services from Contracts with Customers		20 618	19 904	19 131
Capital Works Reimbursements from Other ACT Government Entities		-	-	80 083
Goods and Services Input Tax Credits from the Australian Taxation Office Goods and Services Tax Collected from Customers		8 493 1 720	9 827 2 154	15 823 10 159
Other		1 /20	185	10 159
Total Receipts from Operating Activities		37 992	39 720	136 412
Payments				
Employee		19 322	14 219	17 018
Superannuation		3 541	2 673	2 942
Supplies and Services		7 910	22 641	10 035
Capital Works Payments on Behalf of Other ACT Government Entities		-	-	52 144
Goods and Services Tax Paid to Suppliers		10 864	9 842	12 425
Goods and Services Input Tax Remitted to the Australian Taxation Office Other		53 4	2 154 162	12 554
Total Payments from Operating Activities		41 694	51 691	107 118
Net Cash (Outflows)/Inflows from Operating Activities	20	(3 702)	(11 971)	29 294
Cash Flows from Investing Activities				
Payments				
Purchase of Land and Intangibles		_	368	_
Purchase of Capital Works		107 488	92 796	56 774
Total Payment from Investing Activities		107 488	93 164	56 774
Net Cash (Outflows) from Investing Activities		(107 488)	(93 164)	(56 774)
Cash Flows from Financing Activities				
Receipts				
Capital Injections		100 409	92 796	70 805
Receipts of Transferred Cash Balances			-	1 320
Total Receipts from Financing Activities		100 409	92 796	72 125
Payments				
Distributions to Government		2 700	-	-
Repayment of Borrowings Repayment of Finance Lease Liabilities - Principal		13 35	-	-
Repayment of Transferred Overdraft Balance		-	-	37 211
Total Payments from Financing Activities		2 748	-	37 211
Net Cash Inflows from Financing Activities		97 661	92 796	34 914
Net (Decrease)/Increase in Cash and Cash Equivalents		(13 529)	(12 339)	7 434
Cash and Cash Equivalents at the Beginning of the Reporting Period		7 434	7 434	
Cash and Cash Equivalents at the End of the Reporting Period	9, 16	(6 095)	(4 905)	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 2021

		Total	Appropriation	Appropriation
	Budget	Appropriated	Drawn	Drawn
	2021	2021	2021	2020
	\$'000	\$'000	\$'000	\$'000
Controlled Recurrent Payments	7 650	7 650	7 147	11 200
Capital Injections	92 796	100 409	100 409	70 805
<b>Total Appropriation</b>	100 446	108 059	107 556	82 005

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

### **Column Heading Explanation**

The *Budget* column shows the amounts that appear in the Statement of Cash Flows in the Budget Papers. This amount also appears in the Statement of Cash Flows.

The Total Appropriated column is inclusive of all appropriation variations occurring after the Original Budget.

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.

Reconciliation of Appropriation for 2020-21	Controlled Recurrent Payments \$'000	Capital Injections \$'000
Original Appropriation for 2020-21	7 650	92 796
Capital Works Advance (FMA s.18E)	-	7 613
Total Appropriated	7 650	100 409
Undrawn Funds	(503)	_
Controlled Appropriation Drawn	7 147	100 409

### Variances between 'Budget', 'Total Appropriated' and 'Appropriation Drawn'

### Controlled Recurrent Payments

The variance between the Total Appropriated and the Appropriation Drawn is due to undrawn appropriation related to lower than expected expenditure on the delivery of potentially combustible cladding rectification scheme. The undrawn funds have been rolled forward for spending in the 2021-22 reporting period.

### Capital Injections

The variance between the Original Appropriation and the Total Appropriated is due to a capital works advance provided under a FMA Section 18E Instrument related to accelerated works on the Canberra Hospital Expansion project and Canberra Light Rail – New Mitchell Light Rail Stop. The capital works advance will be deducted from the project's future year budget appropriation.

## Major Projects Canberra Note Index of the Financial Statements For the Year Ended 30 June 2021

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	e Notes
Note	3	Controlled Recurrent Payments
Note	4	Sales of Services from Contracts with Customers
Note	5	Other Gains
	Expens	se Notes
Note	6	Employee Expenses
Note	7	Superannuation Expenses
Note	8	Supplies and Services
	Asset I	Notes
Note	9	Cash and Cash Equivalents
Note	10	Receivables
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Note	12	Capital Works in Progress
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Objectives of Major Projects Canberra

Note 1

### NOTE 1. OBJECTIVES OF MAJOR PROJECTS CANBERRA

### **Operations and Principal Activities**

Major Projects Canberra is a not-for-profit ACT Government Agency and was established on 1 July 2019 to build infrastructure for the community that helps make Canberra the world's most liveable city. To achieve this, Major Project Canberra delivers major infrastructure projects, advises Government on capital works procurement policies and undertakes procurement on behalf of government agencies for infrastructure and capital works.

The key outputs delivered by Major Projects Canberra include:

- 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 ACT Government agencies;
- providing project management and reporting, superintendency of works and work health and safety active certification services;
- enabling the office of the ACT Chief Engineer and developing the ACT Government's engineering workforce; and
- delivering whole of government services, including the Project Management and Reporting System (PMARS) and contractor pre-qualification.

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.

### 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

### NOTE 3. CONTROLLED RECURRENT PAYMENTS

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

	2021	2020
	\$'000	\$'000
Revenue from the ACT Government		
Controlled Recurrent Payments <sup>a</sup>	7 147	11 200
Total Controlled Recurrent Payments	7 147	11 200

a. The decrease in Controlled Recurrent Payments is due to a Treasurer's Advance of \$4.7 million provided in 2019-20 which was not required in 2020-21.

### 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 Major Projects Canberra and driven by the Territory's budget for capital works.

Revenue is recognised at a point in time following achieving prior agreement with ACT Government agencies of the services to be delivered.

	2021 \$'000	\$'000
Major Services - ACT Government		
Delivering Whole of Government Infrastructure Projects <sup>a</sup>	16 839	10 898
Principal Authorized Persons and Panel Management Services	2 482	2 826
Other Project Management Services	1 345	1 210
Total Sales of Services from Contracts with Customers	20 666	14 934

a. The increase predominately relates to greater capital works management levy revenue recognised as a result of an increase in the capital works program managed by Major Projects Canberra.

### NOTE 5. OTHER GAINS

Other Gains are transactions that are not part of Major Projects Canberra's core activities.

	2021 \$'000	2020 \$'000
Gains from Contribution <sup>a</sup>	724	-
Other <sup>b</sup>	371	
Total Other Gains	1 095	<u>-</u>

- a. The increase is due to a contribution from ACT Property Group for the Callam Offices fit-out.
- b. The increase is due to the derecognition of a make good provision upon vacating offices at Nature Conservation House.

### NOTE 6. EMPLOYEE EXPENSES

	2021	2020
	\$'000	\$'000
Salaries and Wages <sup>a</sup>	24 606	19 533
Annual Leave Expense	920	19 555
Long Service Leave Expense	948	1 107
Workers' Compensation Insurance Premium	495	195
Capitalised Employee Cost <sup>a</sup>	(6 073)	(3 074)
Total Employee Expenses	20 896	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 Canberra Hospital Expansion capital projects. The increase of salaries and wages and capitalised employee cost is mainly due to the increased activity of capital projects in 2020-21.

### NOTE 7. SUPERANNUATION EXPENSES

	\$′000	\$'000
Superannuation Contributions to the Territory Banking Account	1 452	1 214
Productivity Benefit	128	109
Superannuation to External Providers	1 992	1 652
Total Superannuation Expenses	3 572	2 975

### NOTE 8. SUPPLIES AND SERVICES

	2021	2020
	\$'000	\$'000
Contractors and Consultants <sup>a</sup>	3 768	4 265
IT and Communication	1 502	1 317
Property Expenses	891	1 064
Staff Development and Recruitment	242	475
Finance, Procurement and Human Resources Charges	403	467
Printing, Stationery and Publications	730	388
Legal Expenses	252	160
Auditor's Remuneration <sup>b</sup>	122	85
Other	297	823
Total Supplies and Services	8 207	9 044

- a. The decrease in Contractor and Consultants expenses in 2020-21 relates to consultancy related to Light Rail Stage 2A meeting capitalisation criteria and recorded as Capital Works in Progress. In 2019-20, prior to project business case approval these costs were expensed and included in Supplies and Services.
- 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 9. CASH AND CASH EQUIVALENTS

Major Projects Canberra holds three 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.

	2021 \$'000	2020 \$'000
Cash at Bank <sup>a</sup>	2 871	16 419
Cash on Hand	<del>_</del>	1
Total Cash and Cash Equivalents	2 871	16 420

a. The decrease mainly relates to greater cash held in late 2019-20 for the final completion settlement payment for Light Rail Stage 1 in July 2021.

### NOTE 10. RECEIVABLES

	2021 \$'000	2020 \$'000
Current Receivables	\$ 000	ÿ 000
Trade Receivables	996	1 028
Net Goods and Services Tax Receivable <sup>a</sup>	1 304	602
Accrued Revenue	986	715
Other Receivables	17	
Total Current Receivables	3 303	2 345
Total Receivables	3 303	2 345

a. The increase relates to tax rebates to be received in July 2021 for GST payments made for enabling works services on the Canberra Hospital Expansion project in June 2021.

### **Classification of Receivables**

### **Receivables with ACT Government Entities**

Receivables with ACT Government Entitles		
Net Trade Receivables	996	992
Accrued Revenue	986	715
Other Receivables	17	
Total Receivables with ACT Government Entities	1 999	1 707
Receivables with Non-ACT Government Entities		
Net Trade Receivables	-	36
Net Goods and Services Tax Receivable	1 304	602
<b>Total Receivables with Non-ACT Government Entities</b>	1 304	638
Total Receivables	3 303	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 minimal credit risk on these receivables.

### **NOTE 11. INTANGIBLE ASSETS**

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

System software.		
	2021	2020
	\$'000	\$'000
Computer Software		
Internally Generated Software		
Computer Software at Cost	6 542	6 552
Less: Accumulated Amortisation	(2 617)	(1 314)
Total Internally Generated Software	3 925	5 238
Total Intangible Assets	3 925	5 238
Reconciliation of Intangible Assets 2020-21	Internally Generated Software \$'000	Total \$'000
Carrying Amount at the Beginning of the Reporting Period	5 238	5 238
Amortisation	(1 310)	(1 310)
Retirement	(3)	(3)
Carrying Amount at the End of the Reporting Period	3 925	3 925
Reconciliation of Intangible Assets 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 12. CAPITAL WORKS IN PROGRESS

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

	2021	2020
	\$'000	\$'000
Infrastructure Works in Progress <sup>a</sup>	62 316	35 495
Building Works in Progress <sup>b</sup>	48 650	11 034
Total Capital Works in Progress	110 966	46 529

- a. Infrastructure works in progress relate to works on the design and procurement of Light Rail Stage 2 extending the current rail to Woden and the construction of a new Light Rail Stop at Sandford Street Mitchell. The increase is due to the Light Rail Stage 2 project progressed further into the detailed design stage.
- b. Building works in progress relate to the delivery of the Canberra Hospital Expansion project and the new CIT campus and transport interchange in Woden. The increase is due to the progression of Canberra Hospital Expansion and the new CIT campus and transport interchange in Woden projects partly offset by components of the Canberra Hospital Expansion projects transferred to Canberra Health Services for ongoing operations.

# NOTE 12. CAPITAL WORKS IN PROGRESS - CONTINUED

Reconciliation of Capital Works in Progress 2020-21

	Infrastructure Works in Progress \$'000	Building Works in Progress \$'000	Works in Progress Total \$'000
Carrying Amount at the Beginning of the Reporting Period	35 495	11 034	46 529
	37 531	71949	109 480
Completed Works Transferred to Transport Canberra Operations <sup>a</sup>	(10 710)	1	(10 710)
Completed Works Transferred to Canberra Health Services <sup>b</sup>		(34 333)	(34 333)
Carrying Amount at the End of the Reporting Period	62 316	48 650	110 966

- Relates to the transfer of final Light Rail Stage 1 Gungahlin to City capital works in progress balance as at 30 June 2021. a.
- Relates to the transfer of completed works at Building 28, the Child at Risk Health Unit, Hospital Road Services, Building 4 and Building 8 of the Canberra Hospital to Canberra Health Services. .

# NOTE 12. CAPITAL WORKS IN PROGRESS - CONTINUED

Reconciliation of Capital Works in Progress 2019-20

			Plant and	
	Infrastructure Works in Progress	Building Works in Progress	Equipment Works in Progress	Works in Progress Total
	000.\$	000.\$	000.\$	000.\$
Carrying Amount at the Beginning of the Reporting Period	•	•	•	
Additions	49 875	15 304	1	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	ı	1 162	1	1 162
Completed Works Transferred to Transport Canberra and City Services Directorate <sup>a</sup>	(2 935)	ı	(41)	(2 976)
Completed Works and Transferred to Transport Canberra Operations <sup>b</sup>	(16 955)	1	1	(16 955)
Completed Works Transferred to Canberra Health Services <sup>c</sup>	•	(5 432)	•	(5 432)
Capital Works Expensed	(645)	1	-	(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.

### NOTE 13. PAYABLES

Current Payables         5000         \$0000           Trade Payables         659         -           Accrued Expenses         13 646         14 769           Total Current Payables         14 305         14 769           Total Payables         14 305         14 769           Payables are aged as follows:         14 260         14 769           Not Overdue         14 260         14 769           Overdue for More than 60 Days         20         -           Overdue for More than 60 Days         25         -           Total Payables         14 305         14 769           Classiffication of Payables         12 30         -           Payables with ACT Government Entities         173         -           Trade Payables         173         -           Accrued Expenses         1 245         3 705           Total Payables with Non-ACT Government Entities         1 4 48         3 705           Payables with Non-ACT Government Entities         1 2 401         11 064           Total Payables with Non-ACT Government Entities         12 80         10 64           Total Payables with Non-ACT Government Entities         12 80         11 064           Total Payables with Non-ACT Government Entities         2021	NOTE 13. PATABLES		
Current Payables         659         - Cacrued Expenses         13 646         14 769         - Cacrued Expenses         13 646         14 769         - Cacrued Expenses         14 305         14 769         - Cacrued Expenses         14 305         14 769         - Cacrued Expenses         - Cacrued Expenses			
Trade Payables         659         - Accrued Expenses         13 646         14 769         14 769         14 305         14 769         14 305         14 769         14 305         14 769         14 305         14 769         14 305         14 769         14 769         14 305         14 769		\$'000	\$'000
Accrued Expenses         13 646         14 769           Total Current Payables         14 305         14 769           Total Payables         14 305         14 769           Payables are aged as follows:           Not Overdue         14 260         14 769           Overdue for Less than 30 Days         20         -           Overdue for More than 60 Days         25         -           Total Payables         14 305         14 769           Classification of Payables           Payables with ACT Government Entities           Trade Payables         173         -           Accrued Expenses         1 245         3 705           Total Payables with ACT Government Entities         1 418         3 705           Payables with Non-ACT Government Entities         486         -           Total Payables with Non-ACT Government Entities         1 2 887         11 064           Total Payables with Non-ACT Government Entities         1 2 887         11 064           Total Payables with Non-ACT Government Entities         2 2021         2020           Total Payables with Non-ACT Government Entities         1 4 305         14 769           NOTE 14. CONTRACT LIABILITIES	Current Payables		
Total Current Payables         14 305         14 769           Total Payables         14 305         14 769           Payables are aged as follows:           Not Overdue         14 260         14 769           Overdue for Less than 30 Days         20         -           Overdue for More than 60 Days         25         -           Total Payables         14 305         14 769           Classification of Payables           Payables with ACT Government Entities           Trade Payables         173         -           Accrued Expenses         1 245         3 705           Total Payables with ACT Government Entities         1 418         3 705           Payables with Non-ACT Government Entities         486         -           Trade Payables         486         -           Accrued Expenses         12 401         11 064           Total Payables with Non-ACT Government Entities         12 887         11 064           Total Payables with Non-ACT Government Entities         2021         2020           NOTE 14. CONTRACT LIABILITIES         2021         2020         \$'000         \$'000           Amounts Received Related to Contracts with Customers where the Performance Obligations have not yet been sa	Trade Payables	659	-
Total Payables14 30514 769Payables are aged as follows:Not Overdue14 26014 769Overdue for Less than 30 Days20-Overdue for More than 60 Days25-Total Payables14 30514 769Classification of PayablesPayables with ACT Government Entities173-Trade Payables1 73-Accrued Expenses1 2453 705Total Payables with ACT Government Entities1 4183 705Payables with Non-ACT Government EntitiesTrade Payables486-Accrued Expenses12 40111 064Total Payables with Non-ACT Government Entities12 88711 064Total Payables with Non-ACT Government Entities12 88711 064Total Payables14 30514 769NOTE 14. CONTRACT LIABILITIES20212020\$'000\$'000Amounts Received Related to Contracts with Customers where the Performance Obligations have not yet been satisfied5 3275 175Contract Liabilities - Current5 3275 175	Accrued Expenses	13 646	14 769
Payables are aged as follows:  Not Overdue  14 260 14 769 Overdue for Less than 30 Days 20 - Overdue for More than 60 Days 25 - Total Payables 14 305 14 769  Classification of Payables Payables with ACT Government Entities  Trade Payables 173 - Accrued Expenses 1245 3 705  Total Payables with ACT Government Entities 1418 3 705  Payables with Non-ACT Government Entities  Trade Payables with Non-ACT Government Entities  Payables with Non-ACT Government Entities  Trade Payables with Non-ACT Government Entities  NOTE 14. CONTRACT LIABILITIES  Amounts Received Related to Contracts with Customers where the Performance Obligations have not yet been satisfied  Contract Liabilities - Current 5 327 5 175	Total Current Payables	14 305	14 769
Not Overdue         14 260         14 769           Overdue for Less than 30 Days         20         -           Overdue for More than 60 Days         25         -           Total Payables         14 305         14 769           Classification of Payables           Payables with ACT Government Entities           Trade Payables         173         -           Accrued Expenses         1 245         3 705           Total Payables with ACT Government Entities         1 418         3 705           Payables with Non-ACT Government Entities           Trade Payables         486         -           Accrued Expenses         12 401         11 064           Total Payables with Non-ACT Government Entities         12 887         11 064           Total Payables with Non-ACT Government Entities         12 887         11 064           Total Payables with Non-ACT Government Entities         2021         2020           **Oot         \$'000         \$'000           Amounts Received Related to Contracts with Customers where the Performance Obligations have not yet been satisfied           Contract Liabilities - Current         5 327         5 175	Total Payables	14 305	14 769
Overdue for Less than 30 Days         20         -           Overdue for More than 60 Days         25         -           Total Payables         14 305         14 769           Classification of Payables           Payables with ACT Government Entities           Trade Payables         173         -           Accrued Expenses         1 245         3 705           Total Payables with ACT Government Entities         1 418         3 705           Payables with Non-ACT Government Entities           Trade Payables         486         -           Accrued Expenses         12 401         11 064           Total Payables with Non-ACT Government Entities         12 887         11 064           Total Payables         14 305         14 769           NOTE 14. CONTRACT LIABILITIES           2021         2020           \$'000         \$'000           Amounts Received Related to Contracts with Customers where the Performance Obligations have not yet been satisfied         5 327         5 175           Contract Liabilities - Current         5 327         5 175	Payables are aged as follows:		
Overdue for More than 60 Days25-Total Payables14 30514 769Classification of PayablesPayables with ACT Government EntitiesTrade Payables173-Accrued Expenses1 2453 705Total Payables with ACT Government Entities1 4183 705Payables with Non-ACT Government EntitiesTrade Payables486-Accrued Expenses12 40111 064Total Payables with Non-ACT Government Entities12 88711 064Total Payables with Non-ACT Government Entities14 30514 769NOTE 14. CONTRACT LIABILITIES20212020\$'000\$'000Amounts Received Related to Contracts with Customers where the Performance Obligations have not yet been satisfied5 3275 175Contract Liabilities - Current5 3275 175	Not Overdue	14 260	14 769
Overdue for More than 60 Days25-Total Payables14 30514 769Classification of PayablesPayables with ACT Government EntitiesTrade Payables173-Accrued Expenses1 2453 705Total Payables with ACT Government Entities1 4183 705Payables with Non-ACT Government EntitiesTrade Payables486-Accrued Expenses12 40111 064Total Payables with Non-ACT Government Entities12 88711 064Total Payables with Non-ACT Government Entities14 30514 769NOTE 14. CONTRACT LIABILITIES20212020\$'000\$'000Amounts Received Related to Contracts with Customers where the Performance Obligations have not yet been satisfied5 3275 175Contract Liabilities - Current5 3275 175	Overdue for Less than 30 Days	20	-
Classification of Payables Payables with ACT Government Entities  Trade Payables Accrued Expenses 1 245 3 705 Total Payables with ACT Government Entities 1 418 3 705  Payables with Non-ACT Government Entities  Trade Payables Accrued Expenses 1 2 401 11 064 Total Payables with Non-ACT Government Entities 1 2 887 11 064 Total Payables with Non-ACT Government Entities 1 2 887 11 064 Total Payables  NOTE 14. CONTRACT LIABILITIES  Amounts Received Related to Contracts with Customers where the Performance Obligations have not yet been satisfied Contract Liabilities - Current 5 327 5 175	·	25	-
Trade Payables Trade Payables Accrued Expenses Total Payables with ACT Government Entities  Payables with Non-ACT Government Entities  Trade Payables Trade Payables Trade Payables Trade Payables Accrued Expenses Total Payables with Non-ACT Government Entities  Trade Payables Accrued Expenses 12 401 11 064 Total Payables with Non-ACT Government Entities 12 887 11 064 Total Payables  NOTE 14. CONTRACT LIABILITIES  Amounts Received Related to Contracts with Customers where the Performance Obligations have not yet been satisfied Contract Liabilities - Current  5 327 5 175	Total Payables	14 305	14 769
Trade Payables Accrued Expenses 1245 3 705  Total Payables with ACT Government Entities  Payables with Non-ACT Government Entities  Trade Payables Accrued Expenses Trade Payables Accrued Expenses 12 401 11 064  Total Payables with Non-ACT Government Entities 12 887 11 064  Total Payables  NOTE 14. CONTRACT LIABILITIES  Amounts Received Related to Contracts with Customers where the Performance Obligations have not yet been satisfied  Contract Liabilities - Current  5 327 5 175			
Accrued Expenses 1 245 3 705  Total Payables with ACT Government Entities 1 418 3 705  Payables with Non-ACT Government Entities  Trade Payables 486 - Accrued Expenses 12 401 11 064  Total Payables with Non-ACT Government Entities 12 887 11 064  Total Payables with Non-ACT Government Entities 12 887 11 064  Total Payables With Non-ACT Government Entities 12 887 11 064  Total Payables With Non-ACT Government Entities 12 887 12 805 14 769  NOTE 14. CONTRACT LIABILITIES  2021 2020 5'000 5'000  Amounts Received Related to Contracts with Customers where the Performance Obligations have not yet been satisfied  Contract Liabilities - Current 5 327 5 175	Payables with ACT Government Entities		
Total Payables with ACT Government EntitiesPayables with Non-ACT Government EntitiesTrade Payables486-Accrued Expenses12 40111 064Total Payables with Non-ACT Government Entities12 88711 064Total Payables14 30514 769 NOTE 14. CONTRACT LIABILITIES           20212020          \$'000\$'000          Amounts Received Related to Contracts with Customers where the Performance Obligations have not yet been satisfied         5 3275 175          Contract Liabilities - Current5 3275 175	Trade Payables	173	-
Payables with Non-ACT Government Entities  Trade Payables 486 - Accrued Expenses 12 401 11 064  Total Payables with Non-ACT Government Entities 12 887 11 064  Total Payables 14 305 14 769  NOTE 14. CONTRACT LIABILITIES  2021 2020 \$'000 \$'000  Amounts Received Related to Contracts with Customers where the Performance Obligations have not yet been satisfied  Contract Liabilities - Current 5 327 5 175		1 245	3 705
Trade Payables Accrued Expenses 12 401 11 064 Total Payables with Non-ACT Government Entities 12 887 11 064 Total Payables  NOTE 14. CONTRACT LIABILITIES  2021 2020 \$'000 \$'000  Amounts Received Related to Contracts with Customers where the Performance Obligations have not yet been satisfied  Contract Liabilities - Current  5 327 5 175	Total Payables with ACT Government Entities	1 418	3 705
Accrued Expenses 12 401 11 064 Total Payables with Non-ACT Government Entities 12 887 11 064 Total Payables 14 305 14 769  NOTE 14. CONTRACT LIABILITIES  2021 2020 \$'000 \$'000  Amounts Received Related to Contracts with Customers where the Performance Obligations have not yet been satisfied  Contract Liabilities - Current 5 327 5 175	Payables with Non-ACT Government Entities		
Total Payables with Non-ACT Government Entities  Total Payables  12 887 11 064 14 305 14 769  NOTE 14. CONTRACT LIABILITIES  2021 2020 \$'000 \$'000  Amounts Received Related to Contracts with Customers where the Performance Obligations have not yet been satisfied  Contract Liabilities - Current  5 327 5 175	Trade Payables	486	-
NOTE 14. CONTRACT LIABILITIES  2021 2020 \$'000 \$'000  Amounts Received Related to Contracts with Customers where the Performance Obligations have not yet been satisfied  Contract Liabilities - Current 5 327 5 175	Accrued Expenses	12 401	11 064
NOTE 14. CONTRACT LIABILITIES  2021 2020 \$'000 \$'000  Amounts Received Related to Contracts with Customers where the Performance Obligations have not yet been satisfied  Contract Liabilities - Current 5 327 5 175	Total Payables with Non-ACT Government Entities	12 887	11 064
2021 2020 \$'000 \$'000  Amounts Received Related to Contracts with Customers where the Performance Obligations have not yet been satisfied  Contract Liabilities - Current 5 327 5 175	Total Payables	14 305	14 769
2021 2020 \$'000 \$'000  Amounts Received Related to Contracts with Customers where the Performance Obligations have not yet been satisfied  Contract Liabilities - Current 5 327 5 175			
\$'000 \$'000  Amounts Received Related to Contracts with Customers where the Performance Obligations have not yet been satisfied  Contract Liabilities - Current 5 327 5 175	NOTE 14. CONTRACT LIABILITIES		
Amounts Received Related to Contracts with Customers where the Performance Obligations have not yet been satisfied  Contract Liabilities - Current 5 327 5 175			
Performance Obligations have not yet been satisfied  Contract Liabilities - Current 5 327 5 175		\$ <b>'000</b>	\$'000
Contract Liabilities - Current 5 327 5 175			
	Performance Obligations have not yet been satisfied		
Total Contract Liabilities 5 327 5 175	Contract Liabilities - Current	5 327	5 175
	Total Contract Liabilities	5 327	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 2021 was impacted by delayed expenditure of the capital works appropriation into future years.

On the basis of the updated 2020-21 capital works reprofiling projections advised by agencies to ACT Treasury, Major Projects Canberra expects that 92% of the transaction price allocated to the unsatisfied performance obligations as of 30 June 2021 will be recognised as revenue during the next reporting period. The remaining 8% is expected to be recognised as revenue in the year ended 30 June 2023.

### NOTE 15. EMPLOYEE BENEFITS

	2021 \$'000	2020 \$'000
Current Employee Benefits		
Annual Leave	3 871	3 277
Long Service Leave	5 157	4 395
Accrued Salaries	548	354
Other Benefits	88	52
Total Current Employee Benefits	9 664	8 078
Non-Current Employee Benefits		
Long Service Leave	556	474
Total Non-Current Employee Benefits	556	474
Total Employee Benefits	10 220	8 552
Estimate of when Leave is Payable		
Estimated Amount Payable within 12 months		
Annual Leave	1 569	1 413
Long Service Leave	250	287
Accrued Salaries	548	354
Other Benefits	88	52
Total Employee Benefits Payable within 12 months	2 455	2 106
Estimated Amount Payable after 12 months		
Annual Leave	2 302	1 864
Long Service Leave	5 463	4 582
Total Employee Benefits Payable after 12 months	7 765	6 446
Total Employee Benefits	10 220	8 552

As at 30 June 2021, Major Projects Canberra employed 202 full-time equivalent (FTE) staff, compared to 166 as at 30 June 2020, the increase in employee benefits is reflective of this growth in employees. The increase of FTE is mainly due recruitment to previously vacant positions as activity on designated capital projects progressed in 2020-21.

### NOTE 16. 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.

	2021 \$'000	2020 \$'000
Non-Interest Bearing Liabilities	<b>V</b> 000	Ψ 555
Bank Overdraft	8 966	8 986
Total Non-Interest Bearing Liabilities	8 966	8 986

### NOTE 17. OTHER LIABILITIES

On 21 September 2020, Major Projects Canberra entered into a 10 year loan with ACT Property Group for the fit-out work at Callam Offices. Repayment of this obligation is made in equal monthly instalments.

	2021 \$'000	2020 \$'000
Other Liabilities		
ACT Government Borrowings - Current	128	-
ACT Government Borrowings - Non-Current	654	
Total Other Liabilities	782	-

### 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 and Capital Injection from future reporting periods to cover its financial liabilities when they fall due. This ensures Major Projects Canberra has enough liquidity to meet its emerging financial liabilities.

### 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 2021	Carrying Amount 2020
		\$'000	\$'000
Financial Assets			
Cash and Cash Equivalents	9	2 871	16 420
Receivables	10	1 999	1 743
Total Financial Assets		4 870	18 163
Financial Liabilities			
Payables	13	14 305	14 769
Contract Liabilities	14	5 327	5 175
Non-Interest Bearing Liabilities	16	8 966	8 986
Other Liabilities	17	782	-
Lease Liabilities		60	94
Total Financial Liabilities	_	29 440	29 024

Net GST receivable has not been included in the receivables line item above given it is a statutory asset.

### **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 lease liabilities of Major Projects Canberra are non-interest bearing and are shown on an undiscounted Cash Flow basis.

## Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021 **Major Projects Canberra**

FINANCIAL INSTRUMENTS - CONTINUED NOTE 18.

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 2021. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

		Fixed Interest Maturing In:	uring In:		
Note	Weighted Average	1 Year	Over 1 Year to 5	Non- Interest	
No.	Interest	or Less	Years	Bearing	Total
	Rate	\$,000	\$,000	\$,000	\$,000
6		•	•	2871	2871
10		ı	ı	1 999	1 999
				4 870	4 870
13		•	•	14 305	14 305
14		ı	ı	5 327	5 327
16		ı	ı	9968	8 966
17		1	ı	782	782
	1.51%	31	29	ı	09
		31	29	29 380	29 440
		(31)	(53)	(24 510)	(24 570)

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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.

			Fixed Interest Maturing In:	uring In:		
		Weighted		Over 1 Year	Non-	
	Note	Average	1 Year	to 5	Interest	
2020	No.	Interest	or Less	Years	Bearing	Total
		Rate	\$,000	\$,000	\$,000	\$,000
Financial Instruments						
Financial Assets						
Cash and Cash Equivalents	6		•	•	16 420	16 420
Receivables	10		ı	1	1 743	1 743
Total Financial Assets			1	•	18 163	18 163
Financial Liabilities						
Payables	13		1	1	14 769	14 769
Contract Liabilities	14		ı	1	5 175	5 175
Non-Interest Bearing Liabilities	16		ı	1	9868	9868
Lease Liabilities		1.23%	64	30	ı	94
Total Financial Liabilities			64	30	28 930	29 024
Net Financial (Liabilities)			(64)	(30)	(10 767)	(10 861)

### NOTE 18. FINANCIAL INSTRUMENTS - CONTINUED

	2021 \$'000	2020 \$'000
Carrying Amount of Each Category of Financial Asset and Financial Liability		
Financial Assets		
Financial Assets Measured at Amortised Cost	1 999	1 743
Financial Liabilities		
Financial Liabilities Measured at Amortised Cost	29 440	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 that have not been recognised as liabilities. All amounts shown in the capital commitments are inclusive of GST.

	\$'000	\$'000
Within One Year	172 577	3 522
Later than One Year but not later than Five years	438 945	-
Total Capital Commitments <sup>a</sup>	611 522	3 522

a. The increase relates to commitments for the design and construction of the Critical Services Building at the Canberra Hospital, the transport interchange in Woden and technical advisory services for Light Rail 2A. These commitments have been made following Cabinet approval to enter significant contracts for design and construction works based on approved project budgets held by Major Projects Canberra or provisioned in the Territory's budget forward estimates. Significant contracts include clauses protecting the Territory by allowing for termination for convenience.

### **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. All amounts shown in the other commitments are inclusive of GST.

	2021 \$'000	2020 \$'000
Within One Year	2 914	1 757
Later than One Year but not later than Five Years	3 780	3 961
Later than Five Years	49	543
Total Other Commitments	6 743	6 261

### NOTE 20. 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.

	2021 \$'000	2020 \$'000
Non-Interest Bearing Liabilities - Bank Overdraft	(8 966)	(8 986)
Cash and Cash Equivalents	2 871	16 420
Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Statement of Cash Flows	(6 095)	7 434
(b) Reconciliation of the Operating (Deficit) to Net Cash Inflows from Operating A	ctivities	
Operating (Deficit)	(5 174)	(6 718)
Add/(Less) Non-Cash Items		
Depreciation and Amortisation	1 503	1 466
Impairment Losses and Write-Offs	155	32
Add/(Less) Items Classified as Investing or Financing		
Net Loss on Disposal of Non-Current Assets	-	645
Gain on Asset Contributed by Other ACT Government Agency	(725)	-
Capital Works Accruals	(2 185)	11 919
Capital Distribution to Other ACT Government Agency	2 700	
Cash Before Changes in Operating Assets and Liabilities	(3 726)	7 344
Changes in Operating Assets and Liabilities		
(Increase) in Receivables	(959)	(2 345)
(Increase) in Other Assets	(11)	(2)
(Decrease)/Increase in Payables	(463)	2 850
Increase in Employee Benefits	1 672	8 553
Increase in Contract Liabilities	153	5 175
(Decrease)/Increase in Provisions	(368)	368
Net Operating Assets Transferred	-	7 351
Net Changes in Operating Assets and Liabilities	24	21 950
Net Cash (Outflows)/Inflows from Operating Activities	(3 702)	29 294

### NOTE 21 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.

	2021 \$'000	2020 \$'000
Balance at the Beginning of the Reporting Period	658	-
Balance transferred as part of an Administrative Arrangement	-	980
Cash Receipts	2 374	275
Cash Payments	(1 524)	(597)
Balance at the End of the Reporting Period	1 508	658

### NOTE 22. 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 Projects 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 2021.

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 2021.

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

	2021 \$'000	2020 \$'000
Short-term employee benefits	2 516	1 862
Post-employment benefits	290	220
Other long-term benefits	60	44
Total Compensation by Major Projects Canberra to KMP	2 866	2 126

### **Transactions with Key Management Personnel**

There were no transactions 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.

### NOTE 23. BUDGETARY REPORTING - OPERATING STATEMENT

	Actual	U	., .		
Operating Statement Line Items	2020-21 \$'000	2020-21 \$'000	\$'000	Variance %	Variance Explanation
Other Gains	1 095	-	1 095		The variance is due to a contribution from ACT Property Group for the Callam Offices fit-out and the derecognition of a make good provision upon vacating offices at Nature Conservation House not included in the budget.
Employee Expenses	20 896	14 395	6 501		The variance is mainly due to more than expected staff numbers as a result of the use of employees for designated project works which were budgeted as contractors and consultants expense and capital funded employee expense that do not meet the capitalisation criteria.
Superannuation Expenses	3 572	2 673	899		The variance is due to more than expected staff numbers as a result of the use of employees for designated project works which were budgeted as contractors and consultants expense and capital funded employee expense that do not meet the capitalisation criteria.
Supplies and Services	8 207	12 825	(4 618)		The variance is mainly due to the use of employees for designated project works which were budgeted as contractors and consultants expense.

<sup>&</sup>lt;sup>1</sup> Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2020-21 Budget Statements). These amounts have not been adjusted to reflect appropriation instruments.

### NOTE 23. BUDGETARY REPORTING - BALANCE SHEET

Balance Sheet Line Items	Actual 2020-21 \$'000	Budget <sup>1</sup> 2020-21 \$'000	Variance \$'000	e Variance O % Variance Explanation
Cash and Cash Equivalents	2 871	4 081	(1 210)	) (30%) The variance is mainly due to variations in the timing of receivables between budget and actual.
Receivables	3 303	2 360	943	40% The variance is mainly due to greater tax rebates than anticipated in the budget to be received in July 2021 for GST payments made for enabling works on the Canberra Hospital Expansion project in June 2021.
Capital Works in Progress	110 966	139 325	(28 359)	) (20%) The variance is mainly due to the transfer of completed components on the Canberra Hospital Expansion to Canberra Health Services and final completion of Light Rail Stage 1 to Transport Canberra Operations which were not included in the budget.
Payables	14 305	4 569	9 736	213% The variance is mainly due to higher than expected accrued June 2021 capital expenses as a result of the increased activities on capital projects.
Contract Liabilities	5 327	3 175	2 152	2 68% The variance is mainly due to higher than expected reprofiling of the whole of Government capital works program resulting in higher recognition of management levy revenue received in advance.
Employee Benefits	10 220	8 728	1 492	2 17% The increase is due to increases to full time equivalent (FTE) staff employed on the designated projects as their activities increase and the recognition of their associated leave balances.
Other Liabilities	782	-	782	# The variance is due to entering into a loan with ACT Property Group for the fit-out work at Callam Offices not included in the budget.

<sup>&</sup>lt;sup>1</sup> Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2020-21 Budget Statements). These amounts have not been adjusted to reflect appropriation instruments.

### NOTE 23. BUDGETARY REPORTING - STATEMENT OF CASH FLOWS

Statement of Cash Flows Line Items	Actual 2020-21 \$'000	Original Budget <sup>1</sup> 2020-21 \$'000	Variance \$'000	Variance %	Variance Explanation
Goods and Services Tax Input Tax Credits from the Australian Taxation Office	8 493	9 827	(1 334)		The variance is due to tax rebates for GST payments made for enabling works services on the Canberra Hospital Expansion project in June 2021 included in the original budget not received until July 2021.
Employee	19 322	14 219	5 103		The variance is due to the utilisation of employees which were included as contractors and consultants in the budget for the designated major projects.
Supplies and Services	7 910	22 641	(14 731)		The variance is due to lower than expected supplies and services expense payments as higher costs were capitalised within the Purchase of Capital Works.
Goods and Services Tax Paid to Suppliers	10 864	9 842	1 022		The variance is mainly due to the accelerated progression of the Canberra Hospital Expansion project ahead of budget.
Purchase of Capital Works	107 333	92 796	14 537		The variance is due to the higher than expected capitalisation of payments for supplies and services. Refer to variance explanation for Supplies and Services above.
Distributions to Government	2 700	-	2 700		The variance is due to a payment of the 2019- 20 contribution to operations of Goods and Services Procurement within the Chief Minister, Treasury and Economic Development Directorate as part of the Administrative Arrangements.

<sup>&</sup>lt;sup>1</sup> Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2020-21 Budget Statements). These amounts have not been adjusted to reflect appropriation instruments.

## Major Projects Canberra Forming Part of Note 2 of the Financial Statements For the Year Ended 30 June 2021

### 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 2021 together with the financial position of Major Projects Canberra as at 30 June 2021.

## Major Projects Canberra Forming Part of Note 2 of the Financial Statements For the Year Ended 30 June 2021

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

### **COMPARATIVE FIGURES**

### **Budget Figures**

To facilitate a comparison with the Budget Papers, as required by the FMA, budget information for 2020-21 has been presented in the financial statements. Budget numbers in the financial statements are the original budget numbers that appear in the Budget Papers.

### **Prior Year Comparatives**

Comparative information has been disclosed in respect of the previous period for amounts reported in the financial statements, except where an Australian Accounting Standard does not require comparative information to be disclosed.

Where the presentation or classification of items in the financial statements is amended, the comparative amounts have been reclassified where practical. Where a reclassification has occurred, the nature, amount and reason for the reclassification is provided.

### **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 2021, Major Projects Canberra current liabilities (\$37.994 million) exceed its current assets (\$6.187 million) by \$31.807 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.

Major Projects Canberra's 2020-21 financial statements have been prepared on a going concern basis as the ongoing functions and activities of the Directorate have been funded in 2021-22 under section 7 of the *Financial Management Act 1996*. The 2021-22 Budget, including forward estimates, will be presented in the Legislative Assembly on 6 October 2021 and will be debated subsequent to the certification of these financial statements.

## Major Projects Canberra Forming Part of Note 2 of the Financial Statements For the Year Ended 30 June 2021

### **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. allocating the transaction price to the performance obligations; 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.

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.

### 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 has undertaken a review to determine whether the services it provides need to be classified as revenue from contracts with customers in accordance with AASB 15. This review involved contacting business units across Major Projects Canberra to obtain information about contracts and other arrangements in order to make an assessment about whether any of these arrangements fall within the scope of AASB 15. Major Projects Canberra then assessed its revenue from contracts with customers to determine the timing and nature of the satisfaction of performance obligations. As a result, Major Projects Canberra determined that the services to be classified as revenue from contracts with customers which have been included in this note as outlined below:

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.

#### 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 principal 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.

Appropriations are recognised when the Agency gains control over the funding which is normally obtained upon the receipt of cash, given they do not contain enforceable and sufficiently specific performance obligations as defined by AASB 15.

Capital injection appropriations are not recognised as income, but instead are recognised as a cash inflow which is used to purchase/build an asset(s) or to reduce a liability(s).

#### **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.

#### **APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

#### SIGNIFICANT ACCOUNTING POLICIES – EXPENSES

#### **EMPLOYEE EXPENSES (NOTE 6)**

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 15 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 15 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 7)**

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.

#### APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

#### SIGNIFICANT ACCOUNTING POLICIES – EXPENSES - CONTINUED

#### **SUPPLIES AND SERVICES (NOTE 8)**

#### 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
Plant and Equipment	Straight Line	2 – 20
Intangible Assets	Straight Line	2 – 5

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

#### 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 9)**

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 10)**

#### **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.

#### 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).

#### APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

#### SIGNIFICANT ACCOUNTING POLICIES – ASSETS – CONTINUED

#### PROPERTY, PLANT AND EQUIPMENT - CONTINUED

#### **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.

#### **INTANGIBLE ASSETS (NOTE 11)**

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. Major Projects Canberra assesses intangible assets at each reporting date whether there is any indication that an asset may be impaired. Impaired intangible assets are accounted for in the same manner as impaired property, plant and equipment assets.

#### **CAPITAL WORKS IN PROGRESS (NOTE 12)**

Major Projects Canberra capitalises its designated capital project costs within capital works in progress accounts in accordance with AASB 116 Property, Plant and Equipment until such time that the associated assets are placed in service and transferred to the relevant ACT Government entities. Capitalisation of project costs depends on the following:

- the probability the associated assets would be developed for future economic benefits; and
- the measurability for the costs to be attributed to the associated assets.

Costs incurred during projects concept development and feasibility study phases are expensed as the associated assets have not sufficiently progressed to demonstrate their probability to be developed for future economic benefits. Costs incurred during subsequent phases, such as forward design, construction and fit-out are capitalised where the costs can be reliably measured and directly attributed to the associated assets.

Major Projects Canberra does not capitalise indirect costs such as corporate support. These costs are administrative in nature and cannot be reliably attributed to specific designated projects.

#### APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

#### 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 13)**

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 14)**

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.

#### **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.

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

#### APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

#### SIGNIFICANT ACCOUNTING POLICIES – LIABILITIES - CONTINUED

#### **LEASE LIABILITIES - CONTINUED**

• 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 exemptions 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. In accordance with ACT Accounting Policy, Major Projects Canberra has applied a threshold of \$10,000 in determining whether an underlying asset is exempt as a low value asset.

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

#### APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

#### SIGNIFICANT ACCOUNTING POLICIES - LIABILITIES - CONTINUED

#### **EMPLOYEE BENEFITS (NOTE 15)**

Employee Benefits are listed in Appendix B - 15 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 100.2% (100.9% in the previous financial year); and
- Long Service Leave payments is 108.7% (113.6% in the previous financial year).

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 oncosts.

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.

#### 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.

#### **BUDGET REPORTING (NOTE 23)**

Significant judgements have been applied in determining what variances are considered 'major variances'. Variances are considered major if both of the following criteria are met:

- The line item is a significant line item: where either the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals) or more than 10% of the sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements; and
- The variances (original budget to actual) are greater than plus (+) or minus (-) 10% of the budget for the financial statement line item.

# STATEMENT OF PERFORMANCE Major Projects Canberra

For the Year Ended 30 June 2021





#### 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 2021.

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 2021 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 22 September 2021

## Major Projects Canberra Statement of Performance For the Year Ended 30 June 2021

#### 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 2021 and also fairly reflects the judgements exercised in preparing it.

Duncan Edghill Chief Projects Officer Major Projects Canberra

22 September 2021

## Major Projects Canberra Statement of Performance For the Year Ended 30 June 2021

#### **Output Class 1: Major Projects Canberra**

**Description:** Major Projects Canberra builds infrastructure for our community that helps make Canberra the world's most liveable city.

A		2020–21 Target	30 June 2021 Result	Variance	Note
	Countability Indicators	> 000/	000/		_
a.	Proportion of relevant projects supported by Major Projects Canberra that have had WHS audits performed in accordance with the Active Certification Audit Program <sup>1</sup>	>90%	99%	-	a
b.	Capital Works Projects:				
	- Percentage of Construction Projects Completed on Budget <sup>2</sup>	>85%	100%	-	b
	- Percentage of Construction Projects Completed on Time <sup>3</sup>	>85%	92%	-	С
	<ul> <li>Percentage of contracts awarded to prequalified contractors/consultants<sup>4</sup></li> </ul>	>95%	96%	-	
Tot	al Cost (\$'000)	31 389	34 337	9%	d
Cor	ntrolled Recurrent Payments (\$'000)	7 650	7 147	(7%)	е

The Accountability Indicators table should be read in conjunction with the accompanying notes. The results and variance percentages have 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**

- This accountability indicator relates to the Active Certification Audit Program, which applies to construction work for Government capital works projects valued at \$250,000 or more. It excludes contractors granted a waiver under Active Certification policy provisions.
- 2. This accountability indicator relates to construction projects over the value of \$250,000 procured and delivered by Major Projects Canberra on behalf of other ACT Government Directorates and which achieve 'practical completion' during the reporting period. It excludes Better Infrastructure Fund projects, which are focused on improvements to existing infrastructure, and plant and equipment expenditure. The 'completed on budget' indicator is measured against the final budget approved by the client Directorate for the project including contingency, as may be adjusted for approved variations in scope.
- 3. This accountability indicator relates to construction projects over the value of \$250,000 procured and delivered by Major Projects Canberra on behalf of other ACT Government Directorates and which achieve 'practical completion' during the reporting period. It excludes Better Infrastructure Fund projects, which are focused on improvements to existing infrastructure, and plant and equipment expenditure. Achievement of the 'on-time' indicator is measured against the time contracted for 'practical completion' (or equivalent) with the ACT Government's delivery partner, as may be adjusted for variations or valid extension of time claims.
- 4. 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, CMTEDD) and other eligible notifiable Territory construction contracts. It applies only to contracts for works and services that have a prequalification category under the ACT Government Prequalification Schemes, including the National Prequalification Scheme.

## Major Projects Canberra Statement of Performance For the Year Ended 30 June 2021

#### Explanation of 30 June 2021 results

- a. During the reporting period, 223 Active Certification Audits were required under the policy. Only three audits were not completed within the required timeframes
- b. All 24 projects completed during the reporting period were within the final project budget, as agreed by the partner Directorate.
- c. All but two of the 24 projects completed during the reporting period were within the final project schedule, as agreed by the partner Directorate.
- d. The variance is primarily due to capital funded employee expenses (including superannuation) which did not meet the capitalisation criteria.
- e. The variance is due to undrawn appropriation related to lower than expected expenditure related to the ACT Government cladding rectification schemes introduced during the reporting period.

## **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 partner directorates are included in those directorates' annual reports.

Significant progress was also made in the Canberra Hospital Expansion. On 29 June 2021, MPC (on behalf of the Territory) executed the main design and construction contract with Multiplex for the delivery project.

#### **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.

#### **New Works Commenced During the Year:**

Table 24 shows new works commenced in 2020-21.

Project	Estimated completion date	Original project value \$'000	Revised project value \$'000	Prior year expenditure \$'000	Current year expenditure \$'000	Total expenditure \$'000
Building Light Rail to Woden and Raising London Circuit	TBD	24,000	24,000	N/A	13,531	13,531
Light Rail State 2 – Design and Raising London Circuit	Jun-23	1,472	1,472	N/A	1,472	1,472
Canberra Light Rail – New Mitchell Light Rail Stop	Sep-21	12,000	12,000	N/A	10,838	10,838
CIT Woden Campus and Bus Interchange	Sep-24	240,300	240,300	N/A	11,619	11,619

Table 24 New works commenced during 2020–21

#### Works Still in Progress at Year End

Works still in progress are described in Table 25.

Project	Estimated completion date	Original project value \$'000	Revised project value \$'000	Prior year expenditure \$'000	Current year expenditure \$'000	Total expenditure \$'000
Delivering the Canberra Hospital Expansion	Jun-24*	65,524	73,345	15,539	63,532	79,071

Table 25 Works still in progress at the end of 2020–21

#### Note:

#### **Completed Projects**

Completed projects 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 Operations and Delivering a Light Rail Stop at Mitchell	Jun-21	4,847	3,347	1,998	1,347	3,347

Table 26 Completed projects 2020–21

<sup>\*</sup> Construction completion is scheduled for 2024, operational commission thereafter.

<sup>\*\* &#</sup>x27;Project Value' represents the value of project funds appropriated to MPC for the delivery of the Canberra Hospital Expansion It excludes provisioned funds related to this project which were subsequently appropriated to MPC in the 2021-22 Budget.

#### The Reconciliation Schedules

A reconciliation of current year financing is detailed in Table 27.

Reconciliation of Total Current Year Financing	\$'000
Original Capital Works Financing	92,796
Add: S18E Capital Works Advance	7,613
Total Approved 2020–21 Capital Works	100,409
Capital Injection from Government per Cash Flow Statement	100,409
Less: Accruals 2019–20	(11,996)
Add: Accruals 2020–21	14,228
Less: Year End Cash Balance related to Capital	(885)
Add: Opening Cash Balance related to Capital	12,218
Less: Capital Project Expensed	(4,254)
Total Current Year Capital Works Expenditure	109,720
Add: Accruals 2019–20	11,996
Less: Accruals 2021–21	(14,228)
Total Purchase of Capital Works as per Cash Flow Statement	107,488

Table 27 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, MPC holds no assets of material value.

#### **Assets Managed**

In 2020-21, MPC undertook fit out works on the occupied space in Callam Offices. The value of these works totalled \$1.5 million and are represented as leasehold improvements and furniture and fittings in the below table.

Major Project Canberra assets by type and value are listed in Table 28

Class of Type	2020–21 Net Book Value \$'000
Leasehold Improvements	817
Furniture and Fittings	734
Plant and Equipment	10
Motor Vehicles	59
Internally Generated Software	3,925
Total value of assets	5,546

Table 28 Asset by Type and Value.

On 30 June 2021, MPC had no properties not being used by MPC or identified as potentially surplus.

#### **Asset Maintenance and Upgrade**

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

#### Office Accommodation

As at 30 June 2021, the directorate had 202.4 FTE occupying 2,318.2 m<sup>2</sup>, as shown in Table 29.

Location	Number of Employees	M² per Employee
Callam Offices	202.4	11.45
The average area occupied	11.45	

Table 29 Office accommodation occupancy average by employee

Please note that due to COVID-19, many employees worked remotely throughout the reporting period.



#### **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 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.

The online ACT Government Contracts Register records contracts with suppliers of goods, services and works, with a value of \$25,000 or more.

A full search of MPC contracts notified with an execution date from 1 July 2020 to 30 June 2021 can be made at **tenders.act.gov.au/contract/search**.

### 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 provide consistent and effective relationships with internal stakeholders and partner directorates to ensure that procurement expenditure is approved by the appropriate delegate. MPC continues to be responsible for the management of contracts issued for partner directorate projects.

Contract management training and support for those actively involved in managing contracts is provided by MPC's Project Management Office.

A competitive procurement process is conducted wherever possible and any select or single select procurement processes for MPC funded procurement activities are approved by the Chief Projects Officer or for partner directorate projects, the relevant Delegate, 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 implemented the requirements of the Secure Local Jobs Code throughout the reporting period.

#### **Prequalification Schemes**

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 30 shows the number of contractors approved for prequalification in 2020–21.

Prequalification Category	Number of Prequalified Contractors as at 19 December 2020	Number of Prequalified Contractors as at 30 June 2021
Contractors ACT	71	76
NPS Contractors Civil Road and Bridge	47	50
NPS Contractors – Construction >\$50m	5	9
ACT Consultants	116	124
Senior Auditors	7	6
Fire Trails Construction and Maintenance	3	4
Footpath Contractors	12	11
Weed Control Contractors	17	14
Small Architects and Landscape Architects in Registration Scheme	6	6
	284	300

Table 30 Number of Prequalified Contractors

MPC received 334 applications for prequalification between 1 July 2020 and 30 June 2021. Of these:

- > 150 assessments were completed within the benchmark of 30 days; and
- > 2 assessments were placed on hold, pending further action from the applicant and are expected to be assessed in 2021–22.

Between 1 July 2020 and 30 June 2021, 95 annual financial assessments of prequalified suppliers were completed.

#### **Secure Local Jobs Code**

No exemptions were sought under the Secure Local Jobs Code in 2020–21 for MPC funded capital works projects.

#### **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.47, Aboriginal and Torres Strait Islander enterprises were involved in a range of significant infrastructure projects delivered by MPC's Infrastructure Delivery Partners group in 2020–21 on behalf of partner directorates.

However, as these projects are funded by our partner 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 31.

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 <b>\$102,614,719</b> that is spent with Aboriginal and Torres Strait Islander Enterprises – target 1.5%.	4.1%

Table 31 Aboriginal and Torres Strait Islander Procurement Policy (ATSIPP) Performance Measures in the financial year 2020–21.

MPC has developed a Diversity and Inclusion Procurement Guidelines (the Guideline). Achieving diversity and inclusion outcomes through our infrastructure delivery activities is a priority for MPC. The Guideline has been developed to inform the procurement of MPC contracts in relation to diversity and inclusion outcomes. It has been developed in consultation with Procurement ACT and other stakeholders across the ACT Government to ensure consistency with relevant policies and legislation, including the Government Procurement Regulation 2007 and Government Procurement (Charter of Procurement Values) Direction 2020.

#### **Creative Services Panel**

The Creative Services Panel is a whole of government arrangement for the purchase of creative services, including:

- > Advertising
- > Marketing
- > Communications and engagement
- > Digital
- > Graphic design
- > Photography and video
- Media buying.

During 2020–21, MPC spent a total of \$42,468 through the panel. This includes designated project awareness campaigns and media and engagement training. Major purchases through this panel are published online on the ACT Government Contracts Register.







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 2020–21.







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.

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
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
EAP	Employee Assistance Program
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
МРС	Major Projects Canberra
PMARS	Project Management and Reporting System
PPP	Public Private Partnership
SERBIR	Senior Executive Responsible for Business Integrity Risk
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.

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