

# 6 STATE CAPITAL PROGRAM

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## *Features*

- The planned level of the 2003-04 State Capital Program is \$577.4 million, an increase of \$69.6 million on 2002-03.
- The 2003-04 State Capital Program includes \$36.3 million expenditure on capital projects from the new Economic and Social Infrastructure Fund (ESIF).
- Funding is continuing for the redevelopment of correctional facilities at Risdon prison.
- The Capital Investment Program (CIP) of agencies for 2003-04 is \$163.7 million, including a \$30.3 million Housing Program and a \$71.2 million Roads Program.
- Expenditure on the 2003-04 CIP will decrease from 2002-03 largely as a result of lower expenditure on CIP (Departments) following the completion of the rebuilding of Reece High School, and a decrease in the CIP Housing Program due to the anticipation of a high level of funding to be carried forward to 2004-05. Excluding Reece High School, the State Government funding for the CIP has been maintained in real terms.
- The 2003-04 CIP, while including a number of longer term projects, continues the emphasis on the maintenance of the State's capital stock through smaller, labour intensive projects.
- The three year rolling CIP provides greater certainty for agencies and the building industry.
- In 2003-04, \$7.8 million has been provided to fund Essential Maintenance projects for public assets and Government office accommodation projects through the Essential Maintenance and Property Services Office Works allocations.
- Government Business Enterprises, State-owned Companies and State Authorities have an estimated capital expenditure program of \$296.3 million in 2003-04.
- Capital projects addressing Social Infrastructure include schools projects in 2003-04 totalling \$13.1 million; TAFE projects totalling \$4.6 million; and health projects that total \$14.4 million.
- Capital works on Social Infrastructure projects funded from the ESIF in 2003-04 total \$16.3 million and include \$2.0 million to increase the provision of child care in schools, \$3.0 million to increase the availability of low cost housing and \$1.8 million for health-related capital works at the Launceston General Hospital and the North West Regional Hospital, while \$2.5 million will be provided for the redevelopment of York Park. A further, \$10.0 million is allocated over two years to infrastructure improvement in parks to enhance visitor services.

# STATE CAPITAL PROGRAM

The State Capital Program comprises the capital programs of Government Business Enterprises (GBEs), State-owned Companies (SOCs) and State Authorities, the Capital Investment Program (CIP), the carry forward from the 2001-02 Infrastructure Fund (IF) and the 2002-03 Social Infrastructure Fund (SIF) and a component of the new Economic and Social Infrastructure Fund (ESIF). The CIP includes major capital works of agencies, the Roads Program, expenditure for public housing and major maintenance projects. The 2003-04 State Capital Program totals \$577.4 million.

This chapter first provides an overview of the State Capital Program funding, then provides details of expenditure on the CIP including the works of agencies in Table 6.5, the Roads Program in Tables 6.6 and 6.7, and the Housing Program in Table 6.8. Expenditure from the ESIF is detailed in Table 6.9, from the SIF in Table 6.10, from the IF in Table 6.11 and the expenditure on capital projects of GBEs, SOCs and State Authorities is summarised in Table 6.12.

The 2003-04 State Capital Program includes \$36.3 million from the new ESIF, \$5.6 million from the 2002-03 Social Infrastructure Fund, and \$7.0 million from the 2001-02 Infrastructure Fund. Funding provided under these Infrastructure Funds is additional to projects funded by the current CIP.

The Prison Infrastructure Redevelopment Program is continuing, involving CIP funding of \$68.6 million for redeveloping the Risdon site between 2001 and 2007. The redevelopment will place the majority of prisoners in new or refurbished accommodation by 2006-07.

The emphasis of the CIP in 2003-04 will continue to be on maintaining the State's asset stock including schools, hospitals and on infrastructure projects. This approach will result in a significant amount of work being undertaken through small, labour intensive projects. In addition, \$7.8 million will be provided for Essential Maintenance projects for public assets and Government office accommodation projects through the Essential Maintenance and Property Services Office Works allocations.

The 1999-00 Budget was the first year of publication of a rolling three year CIP. The three year rolling CIP provides greater certainty and a sound planning framework for agencies and the construction industry. Table 6.5 shows the funding commitments to specific projects over the next three years.

The total funding available for the CIP in 2003-04 has increased from 2002-03, due to a high level of brought forward funding. The increase in brought forward funding more than offsets reductions in Commonwealth roads funding, a transfer of Commonwealth housing funding from capital to recurrent, and the impact of the completion of the \$10 million Reece High School project. Excluding the Reece High School project, which was a special once-off addition to the CIP, the State Government funding for the CIP has been maintained in real terms.

Expenditure on the 2003-04 CIP will decrease from 2002-03, largely as a result of lower expenditure on CIP (Departments) following the completion of the rebuilding of Reece High School, and a decrease in the CIP Housing Program due to the anticipation of a high level of funding to be carried forward to 2004-05.

Major projects in the CIP for agencies that were completed or progressed during 2002-03 include ongoing conservation works at the Port Arthur Historic Site, infrastructure improvements at Cradle Mountain, upgrades to Campbell Town District Hospital, Huon Valley Health Centre and Sorell Community Health Centre, the purchase of a new linear accelerator for the Radiology Division of the Royal Hobart Hospital (RHH), upgrading of TAFE buildings at Hobart and Clarence, and the rebuilding of Reece High School.

Major capital expenditure is planned for 2003-04 to upgrade sections of the RHH, complete upgrading of the Deloraine District Hospital, continue the upgrade of TAFE buildings at Clarence, upgrade sections of Taroona High School and Mowbray Heights Primary School, continue conservation works at the Port Arthur Historic Site and continue work on the Prison Infrastructure Redevelopment Program.

Funding for individual agencies and projects varies from year to year due to the size and construction timetable of the projects involved. This should be kept in mind when making inter-year comparisons.

In framing the overall Capital Investment Program, priority has been given to those projects which:

- meet essential community needs;
- are consistent with the Government's priorities, including *Tasmania Together*;
- provide economic benefit to the State; or
- lead to savings in operating costs.

Table 6.1 and Table 6.2 provide a summary of the source and application, respectively, of funds under the State Capital Program.

**Table 6.1: State Capital Program – Source of Funds**

	<b>2002-03</b>	<b>2003-04</b>
	<b>Budget</b>	<b>Budget</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Capital Investment Program</b>		
<b>Consolidated Fund Appropriation</b>		
<b>State Funding</b>	99 459	97 092
<b>Commonwealth Funding</b>		
<b>Education</b>	10 943	9 695
<b>Housing Program</b>	9 815	2 224
<b>Roads Program</b>	18 340	14 696
<b>Total Consolidated Fund Appropriation<sup>1</sup></b>	<b>138 557</b>	<b>123 707</b>
<b>Other Funding</b>		
<b>Balance brought forward</b>	14 700	42 940
<b>Proceeds from Asset Sales</b>	14 400	14 900
<b>Other</b>	1 850	1 840
<b>Total Other Funding</b>	<b>30 950</b>	<b>59 680</b>
<b>Total Capital Investment Program Funding</b>	<b>169 507</b>	<b>183 387</b>
<b>Economic and Social Infrastructure Fund</b>		
<b>Balance brought forward<sup>2</sup></b>	22 028	58 284
<b>Consolidated Fund Appropriation<sup>1</sup></b>	61 256	26 855
<b>Social Infrastructure Fund</b>		
<b>Balance brought forward</b>	14 200	5 600
<b>2001-02 Infrastructure Fund</b>		
<b>Balance brought forward</b>	15 000	7 000
<b>GBEs, SOCs and State Authorities</b>	247 881	296 270
<b>TOTAL SOURCE OF FUNDS</b>	<b>529 872</b>	<b>577 396</b>

Notes:

1. The Works and Services appropriation within the *Consolidated Fund Appropriation Bill 2003* is \$150.6 million. This sum includes the appropriation for the Capital Investment Program of \$123.7 million and an appropriation of \$26.9 million to the Economic and Social Infrastructure Fund. The 2003-04 Consolidated Fund appropriation to the Economic and Social Infrastructure Fund reflects the level of works and services, that will be funded with assets sales revenue from the Governments business divestment program of \$28.5 million.
2. The Balance brought forward for the ESIF in 2002-03 represents funds transferred from the Major Projects Fund.

**Table 6.2: State Capital Program – Application of Funds**

	2002-03 Budget \$'000	2003-04 Budget \$'000
<b>Capital Investment Program<sup>1</sup></b>		
Departments <sup>2</sup>	64 995	62 206
Roads <sup>3</sup>	69 710	71 185
Housing <sup>4</sup>	34 802	30 296
<b>Total Capital Investment Program</b>	<b>169 507</b>	<b>163 687</b>
<b>Economic and Social Infrastructure Fund<sup>5</sup></b>		
Economic Development projects	25 000	20 000
Social Infrastructure projects	....	16 300
<b>Social Infrastructure Fund<sup>6</sup></b>		
Community Renewal Program	8 000	4 000
Water Developments	4 500	....
TAFE Flexible IT	100	1 600
<b>2001-02 Infrastructure Fund<sup>7</sup></b>		
Meander Dam	7 000	7 000
Strategic Transport and Other projects	8 000	....
<b>GBEs, SOCs and State Authorities<sup>8</sup></b>	<b>247 881</b>	<b>296 270</b>
<b>Total Expenditure</b>	<b>469 988</b>	<b>508 857</b>
<b>Funds to be carried forward</b>	<b>59 884</b>	<b>68 539</b>
<b>TOTAL APPLICATION OF FUNDS</b>	<b>529 872</b>	<b>577 396</b>

Notes:

1. Table 6.3 provides details of the Capital Investment Program, including the split between Commonwealth and State funding.
2. Table 6.5 provides details of the CIP (Departments) allocation by agency.
3. Table 6.6 provides a summary of the CIP Roads Program.
4. Table 6.8 provides a summary of the CIP Housing Program.
5. Table 6.9 provides a summary of projects funded from the Economic and Social Infrastructure Fund.
6. Table 6.10 provides a summary of projects funded from the Social Infrastructure Fund.
7. Table 6.11 provides a summary of projects funded from the Infrastructure Fund.
8. Table 6.12 provides details of capital expenditure by GBEs, SOCs and State Authorities.

# GOVERNMENT DEPARTMENTS

## Source of Funds

In 2003-04, capital programs for departments will be funded from a combination of:

- Consolidated Fund appropriations;
- funds carried forward in accordance with section 8A(2) of the *Public Account Act 1986*;
- proceeds from asset sales;
- Commonwealth funding in relation to certain projects and programs. These funds are paid into the Consolidated Fund and are subsequently appropriated to the relevant departments; and
- direct financial assistance from the Commonwealth. These funds are paid into the Operating Accounts of the relevant department.

Details of the source of capital funds for departments is shown in Table 6.3.

**Table 6.3: Capital Investment Program - Summary of Source of Funds (including Housing and Roads)**

Department	2002-03 Budget			2003-04 Budget		
	Common- Wealth \$'000	State \$'000	Total \$'000	Common- Wealth \$'000	State \$'000	Total \$'000
Education	10 943	19 066	30 009	9 695	7 975	17 670
Finance-General	....	8 022	8 022	....	8 609	8 609
Health and Human Services	9 815	39 979	46 982	2 224	42 519	44 743
Infrastructure, Energy and Resources	18 340	51 370	69 710	14 696	56 489	71 185
Justice and Industrial Relations	....	4 309	4 309	....	16 766	16 766
Office of the Governor	....	8	8	....	8	8
Police and Public Safety	....	1 562	1 562	....	1 921	1 921
Primary Industries, Water and Environment	....	4 082	4 082	....	154	154
Economic Development	....	2 011	2 011	....	....	....
Tourism, Parks, Heritage and the Arts	....	....	....	....	2 631	2 631
<b>TOTAL</b>	<b>39 098</b>	<b>130 409</b>	<b>169 507</b>	<b>26 615</b>	<b>137 072</b>	<b>163 687</b>

# Application of Funds

Capital expenditure by departments provides for the development and maintenance of public facilities for the community and public infrastructure to facilitate economic and social activity.

A Project Initiation Process (PIP) is used to facilitate the evaluation of proposals for capital investment by departments. All proposed CIP projects must have a PIP completed to gauge the viability of the proposed project. The PIP includes a review of:

- service delivery;
- alternative asset solutions; and
- capital budgeting and risk.

The inherent benefits of the PIP are:

- that the Government receives the best value from its capital expenditure by requiring an analysis of needs, risk and cost of more than one development option before an investment is approved;
- the promotion of efficient and effective planning of service delivery strategies and resource allocation by departments;
- the clear definition and documentation of the criteria which are applied to determine project viability and to support project justification;
- the encouragement of innovative service delivery options; and
- the provision of an audit trail of the processes followed to arrive at the option proposed.

Before projects can be placed on the CIP, a number of criteria must be addressed by departments in the PIP. Departments must ensure that:

- non-build alternatives, which produce the same service delivery outcome, are considered;
- projects are specifically related to approved Outputs and show the extent and nature of the service that will be delivered as a result of developing the project;
- the project complements the Strategic Asset Management Plan of the relevant department;
- the relationship of the project to the Corporate Plan of the relevant department is identified;
- the relevant Local Government Council is consulted on major projects;
- the total project cost, including the life cycle costs such as maintenance and upgrade, is identified; and
- the project timetable is clearly established.

The total estimated expenditure for the CIP by departments in 2003-04, as summarised in Table 6.3, is \$163.7 million.

Table 6.4 provides a comparison of the estimated expenditure for 2002-03 and estimated expenditure for 2003-04 by department. This table does not include details in relation to capital investment in roads and housing, the Social Infrastructure Fund, the 2001-02 Infrastructure Fund, or the new Economic and Social Infrastructure Fund, which are detailed later in this chapter.

**Table 6.4: Capital Investment Program (Departments) – Summary**

Department	2002-03 Budget \$'000	2003-04 Budget \$'000
Education	30 009	17 670
Finance-General	8 022	8 609
Health and Human Services	14 992	14 447
Justice and Industrial Relations	4 309	16 766
Office of the Governor	8	8
Police and Public Safety	1 562	1 921
Primary Industries, Water and Environment	4 082	154
Economic Development	2 011	....
Tourism, Parks, Heritage and the Arts	....	2 631
<b>TOTAL</b>	<b>64 995</b>	<b>62 206</b>

Details of departmental projects that are included in the CIP are contained in Table 6.5, which lists individual projects for each department and includes information on individual projects with respect to the estimated total cost and estimated expenditure for 2003-04, 2004-05 and 2005-06.

Table 6.5 reflects details of the estimated cost of projects at the time of the 2003-04 Budget. Costs will vary as projects proceed to tender and some re-scheduling of individual projects is likely to occur during the year. This may allow some expenditure to occur against projects which are programmed to go to tender late in the financial year and for which funds are not currently provided in 2003-04.

**Table 6.5: Capital Investment Program (Departments) – Project Details**

	Estimated Total Cost	2003-04 Budget	2004-05 Budget	2005-06 Budget
	\$'000	\$'000	\$'000	\$'000
<b>DEPARTMENT OF EDUCATION</b>				
<i>Building Services Maintenance - Education</i>	ongoing	1 624	1 624	1 624
Ongoing funding is provided to meet maintenance requirements including occupational health and safety issues and heritage requirements.				
<i>Building Services Maintenance – Institute of TAFE Tasmania</i>	ongoing	492	492	492
Ongoing funding is provided to the Institute of TAFE Tasmania to meet maintenance requirements including occupational health and safety issues and heritage requirements.				
<i>Cambridge Primary School</i>	720	720	....	....
Completion Date: June 2004 Funding is provided for the redevelopment of classroom accommodation and external works.				
<i>Clarence High School</i>	1 350	750	....	....
Completion Date: October 2003 Funding is provided for the redevelopment of classroom accommodation.				
<i>Hagley Primary School</i>	2 000	1 400	....	....
Completion Date: February 2004 Funding is provided for the redevelopment of classroom accommodation.				
<i>Kings Meadows High School</i>	800	400	....	....
Completion Date: November 2003 Funding is provided for the redevelopment of administration, classrooms and speech and drama areas.				
<i>Kingston Library</i>	650	596	....	....
Completion Date: March 2004 This project provides for extensions to the existing building.				
<i>Mowbray Heights Primary School</i>	1 441	1 441	....	....
Completion Date: June 2004 Funding is provided for the provision of new infant classroom accommodation and administration.				

**Table 6.5: Capital Investment Program (Departments) – Project Details (continued)**

	Estimated Total Cost	2003-04 Budget	2004-05 Budget	2005-06 Budget
	\$'000	\$'000	\$'000	\$'000
<b>DEPARTMENT OF EDUCATION (continued)</b>				
<i>Oatlands District High School</i>	800	800	....	....
<b>Completion Date: May 2004</b>				
<b>Funding is provided for the redevelopment of the library, technology centre and classroom accommodation.</b>				
<i>Prospect High School</i>	1 400	870	....	....
<b>Completion Date: February 2004</b>				
<b>Funding is provided for the redevelopment of classroom accommodation, music, and speech and drama.</b>				
<i>Rose Bay High School</i>	1 318	1 059	259	....
<b>Completion Date: October 2004</b>				
<b>Funding is provided for the redevelopment of classroom accommodation.</b>				
<i>Rosetta High School</i>	880	230	....	....
<b>Completion Date: September 2003</b>				
<b>Funding is provided for the redevelopment of materials, design and technology plus home economics learning areas.</b>				
<i>Rosny College</i>	560	310	....	....
<b>Completion Date: January 2004</b>				
<b>Funding is provided for the refurbishment of the materials, design and technology learning areas to meet current standards and statutory requirements.</b>				
<i>Scottsdale High School</i>	694	694	....	....
<b>Completion Date: June 2004</b>				
<b>Funding is provided to upgrade the multi purpose hall to facilitate speech and drama and performing arts.</b>				
<i>Institute of TAFE Tasmania Clarence Campus</i>	8 250	2 434	1 916	....
<b>Completion Date: December 2004</b>				
<b>This project funds the redevelopment of Clarence Campus to provide a modern learning environment.</b>				

**Table 6.5: Capital Investment Program (Departments) – Project Details (continued)**

	Estimated Total Cost	2003-04 Budget	2004-05 Budget	2005-06 Budget
	\$'000	\$'000	\$'000	\$'000
<b>DEPARTMENT OF EDUCATION (continued)</b>				
<i>Institute of TAFE Tasmania Clarence Campus</i>	800	800	....	....
<b>Completion Date: June 2004</b>				
<b>This project funds the relocation of Building Trades A.</b>				
<i>Institute of TAFE Tasmania - Infrastructure Support</i>	ongoing	850	850	850
<b>Funding is provided for general infrastructure support and delivery of vocational education and training.</b>				
<i>Taroona High School</i>	2 200	1 900	....	....
<b>Completion Date: June 2004</b>				
<b>Funding is provided for the redevelopment of classroom accommodation and specialist facilities.</b>				
<i>Tasman District High School</i>	650	300	....	....
<b>Completion Date: August 2003</b>				
<b>Funding is provided for the redevelopment of early childhood and primary classroom accommodation.</b>				
<i>Bowen Road Primary School</i>	744	....	380	364
<b>Completion Date: November 2005</b>				
<b>Funding is provided for the redevelopment of classroom accommodation.</b>				
<i>Devonport Primary School</i>	429	....	220	209
<b>Completion Date: August 2005</b>				
<b>Funding is provided for the redevelopment of classroom accommodation and specialist facilities.</b>				
<i>Library – Multi-sites</i>	350	....	350	....
<b>Completion Date: June 2005</b>				
<b>Funding is provided for Library Capital Initiatives.</b>				
<i>Mountain Heights School</i>	350	....	350	....
<b>Completion Date: May 2005</b>				
<b>Funding is provided for the redevelopment of the administration area.</b>				

**Table 6.5: Capital Investment Program (Departments) – Project Details (continued)**

	<b>Estimated Total Cost</b>	<b>2003-04 Budget</b>	<b>2004-05 Budget</b>	<b>2005-06 Budget</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>DEPARTMENT OF EDUCATION (continued)</b>				
<i>New Norfolk High School</i>	655	....	330	325
<b>Completion Date: September 2005</b>				
<b>Funding is provided for the redevelopment of the administration and metalwork areas.</b>				
<i>Ogilvie High School</i>	2 669	....	1 869	800
<b>Completion Date: December 2005</b>				
<b>Funding is provided for the redevelopment of music, speech and drama facilities.</b>				
<i>Rosetta High School</i>	1 554	....	800	754
<b>Completion Date: November 2005</b>				
<b>Funding is provided for the redevelopment of classroom accommodation, canteen and specialists learning areas.</b>				
<i>Smithton High School</i>	1 943	....	1 000	943
<b>Completion Date: February 2006</b>				
<b>Funding is provided for the redevelopment of classrooms and specialist areas.</b>				
<i>Institute of TAFE Tasmania Clarence Campus</i>	900	....	900	....
<b>Completion Date: June 2005</b>				
<b>This project funds the relocation of Building Trades B.</b>				
<i>Institute of TAFE Tasmania Flexible IT Delivery</i>	900	....	450	450
<b>Completion Date: December 2005</b>				
<b>Funding is provided for the flexible delivery of Information Technology.</b>				
<i>Institute of TAFE Tasmania Infrastructure Upgrades</i>	1 130	....	685	445
<b>Completion Date: December 2006</b>				
<b>Funding is provided to undertake upgrading of essential infrastructure.</b>				

**Table 6.5: Capital Investment Program (Departments) – Project Details (continued)**

	Estimated Total Cost	2003-04 Budget	2004-05 Budget	2005-06 Budget
	\$'000	\$'000	\$'000	\$'000
<b>DEPARTMENT OF EDUCATION (continued)</b>				
<i>Ulverstone Primary School</i>	800	....	800	....
<b>Completion Date: May 2005</b>				
<b>Funding is provided for the redevelopment of classroom accommodation in the northern building.</b>				
<i>Warrane Primary School</i>	794	....	400	394
<b>Completion Date: October 2005</b>				
<b>Funding is provided for the redevelopment of classroom accommodation.</b>				
<i>Youngtown Primary School</i>	676	....	340	336
<b>Completion Date: October 2005</b>				
<b>This project funds the redevelopment of classroom accommodation and provides a multi-purpose room.</b>				
<i>Campbell Town District High School</i>	676	....	....	476
<b>Completion Date: June 2007</b>				
<b>Funding is provided for the redevelopment of specialist facilities.</b>				
<i>East Launceston Primary School</i>	1 750	....	....	1 750
<b>Completion Date: June 2006</b>				
<b>Funding is provided for the redevelopment of classroom accommodation.</b>				
<i>Illawarra Primary School</i>	1 400	....	....	1 400
<b>Completion Date: June 2006</b>				
<b>Funding is provided for the development of new classroom accommodation.</b>				
<i>Yolla District High School</i>	990	....	....	990
<b>Completion Date: June 2006</b>				
<b>This project is to provide for the refurbishment of specialised areas within the school to current standards.</b>				
<b>TOTAL</b>		<b>17 670</b>	<b>14 015</b>	<b>12 602</b>

**Table 6.5: Capital Investment Program (Departments) – Project Details (continued)**

	<b>Estimated Total Cost</b>	<b>2003-04 Budget</b>	<b>2004-05 Budget</b>	<b>2005-06 Budget</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>FINANCE-GENERAL</b>				
<i>Building Services Maintenance</i>	ongoing	816	816	816
Ongoing funding is provided to agencies to meet maintenance requirements including occupational health and safety issues and heritage requirements.				
<i>Essential Maintenance</i>	ongoing	6 655	7 320	8 052
This funding is provided to agencies to enable them to source urgent maintenance funding for projects that arise outside the annual process of applying for funding from the Capital Investment Program.				
<i>Property Services Office Works</i>	ongoing	1 138	1 138	1 138
This funding provides for building consultancies and landlord works for Government owned and leased buildings.				
<b>TOTAL</b>		<b>8 609</b>	<b>9 274</b>	<b>10 006</b>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
<i>Building Services Maintenance</i>	ongoing	128	78	78
Ongoing funding is provided to meet maintenance requirements including occupational health and safety issues and heritage requirements.				
<i>Deloraine Hospital</i>	2 450	1 600	....	....
Completion Date: December 2003				
This project replaces the existing outdated facility with a new Hospital and Community Health Centre that will provide contemporary standards in health care.				
<i>Huon Valley Community and Health Centre</i>	1 500	600	....	....
Completion Date: July 2003				
The project involves the construction of a new Community and Health Centre in Huonville.				

**Table 6.5: Capital Investment Program (Departments) – Project Details (continued)**

	<b>Estimated Total Cost</b>	<b>2003-04 Budget</b>	<b>2004-05 Budget</b>	<b>2005-06 Budget</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
<b>(continued)</b>				
<i>Linear Accelerator</i>	<b>3 500</b>	<b>1 752</b>	....	....
<b>Completion Date: July 2003</b>				
<b>This project replaces a High Energy Linear Accelerator in the Royal Hobart Hospital.</b>				
<i>New Norfolk District Hospital</i>	<b>1 850</b>	<b>950</b>	....	....
<b>Completion Date: June 2004</b>				
<b>This project involves the construction of a dedicated Health and Community Centre on the site of the existing New Norfolk District Hospital and the construction of a residential facility.</b>				
<i>Royal Hobart Hospital Redevelopment Stage 3</i>	<b>11 095</b>	<b>6 942</b>	<b>1 345</b>	<b>2 324</b>
<b>Completion Date: September 2005</b>				
<b>This project involves construction of a new facility to accommodate an expanded Department of Emergency Medicine and to enable the strategic relocation of Medical Records Services at the Royal Hobart Hospital.</b>				
<i>Sorell Community Health Centre</i>	<b>1 221</b>	<b>650</b>	....	....
<b>Completion Date: September 2003</b>				
<b>This project is for a new Community and Health Centre to provide services to the Sorell Municipality.</b>				
<i>Tasman Multi-Purpose Centre</i>	<b>829</b>	<b>825</b>	....	....
<b>Completion Date: June 2004</b>				
<b>This project will involve building new offices and treatment rooms for community and health services provided on the Tasman Peninsula.</b>				
<i>West Coast Multi-Purpose Service Development</i>	<b>3 900</b>	<b>1 000</b>	<b>1 870</b>	<b>780</b>
<b>Completion Date: December 2005</b>				
<b>This project is for the construction of a Community Health Centre in Queenstown, including residential aged and in-patient care services.</b>				

**Table 6.5: Capital Investment Program (Departments) – Project Details (continued)**

	Estimated Total Cost	2003-04 Budget	2004-05 Budget	2005-06 Budget
	\$'000	\$'000	\$'000	\$'000
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
<b>(continued)</b>				
<i>George Town District Hospital</i>	2 300	....	200	800
<b>Completion Date: June 2007</b>				
<b>This redevelopment project includes the provision of 15 single room in-patient facilities, the development of a general use treatment room and office accommodation for community nurses.</b>				
<i>Hospital Information System</i>	6 500	....	1 500	800
<b>Completion Date: December 2008</b>				
<b>A project to replace the existing computer systems in the Royal Hobart Hospital, Launceston General Hospital and North West Regional Hospital with a new single, statewide patient information system.</b>				
<i>Scottsdale District Hospital</i>	2 100	....	1 300	800
<b>Completion Date: June 2006</b>				
<b>This project involves the redevelopment of the Hospital to provide a combined hospital/community health services site for the North-East District.</b>				
<i>Smithton District Hospital</i>	3 800	....	500	1 800
<b>Completion Date: June 2007</b>				
<b>This redevelopment will respond to the need to upgrade the Smithton District Hospital to contemporary standards and allow community health services to be co-located.</b>				
<b>TOTAL</b>		<b>14 447</b>	<b>6 793</b>	<b>7 382</b>
<b>DEPARTMENT OF INFRASTRUCTURE, ENERGY AND RESOURCES</b>				
<i>Elwick Racecourse Redevelopment</i>	6 000	....	2 000	4 000
<b>Completion Date: June 2006</b>				
<b>This project will provide for the redevelopment of Elwick Racecourse.</b>				
<b>TOTAL</b>		<b>....</b>	<b>2 000</b>	<b>4 000</b>

**Table 6.5: Capital Investment Program (Departments) – Project Details (continued)**

	Estimated Total Cost	2003-04 Budget	2004-05 Budget	2005-06 Budget
	\$'000	\$'000	\$'000	\$'000
<b>DEPARTMENT OF JUSTICE AND INDUSTRIAL RELATIONS</b>				
<i>Building Services Maintenance</i>	ongoing	94	94	94
Ongoing funding is provided to meet maintenance requirements including occupational health and safety issues and heritage requirements.				
<i>Prisons Infrastructure Redevelopment Program</i>	68 600	16 672	13 271	11 096
Completion Date: 2008 This project provides for construction of new correctional facilities.				
<b>TOTAL</b>		<b>16 766</b>	<b>13 365</b>	<b>11 190</b>
<b>OFFICE OF THE GOVERNOR</b>				
<i>Building Services Maintenance</i>	ongoing	8	8	8
Ongoing funding is provided to meet maintenance requirements including occupational health and safety issues and heritage requirements.				
<b>TOTAL</b>		<b>8</b>	<b>8</b>	<b>8</b>
<b>DEPARTMENT OF POLICE AND PUBLIC SAFETY</b>				
<i>Breathalyser Replacement Program</i>	750	150	150	....
Completion Date: June 2005 This funding provides for the replacement of breathalyser units.				
<i>Building Services Maintenance</i>	ongoing	376	376	376
Ongoing funding is provided to meet maintenance requirements including occupational health and safety issues and heritage requirements.				
<i>Rokeby Police Academy</i>	4 362	1 395	....	....
Completion Date: December 2003 This funding is to be provided for the refurbishment and upgrade of accommodation and classrooms at the Rokeby Police Academy facility.				

**Table 6.5: Capital Investment Program (Departments) – Project Details (continued)**

	<b>Estimated Total Cost</b>	<b>2003-04 Budget</b>	<b>2004-05 Budget</b>	<b>2005-06 Budget</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>DEPARTMENT OF POLICE AND PUBLIC SAFETY (continued)</b>				
<i>Launceston Police Station</i>	<b>2 200</b>	<b>....</b>	<b>....</b>	<b>1 000</b>
<b>Completion Date: June 2007</b>				
<b>Refurbishment of Launceston Police Headquarters.</b>				
<b>TOTAL</b>		<b>1 921</b>	<b>526</b>	<b>1 376</b>
<b>DEPARTMENT OF PRIMARY INDUSTRIES, WATER AND ENVIRONMENT</b>				
<i>Building Services Maintenance</i>	<b>ongoing</b>	<b>154</b>	<b>154</b>	<b>154</b>
<b>Ongoing funding is provided to meet maintenance requirements including occupational health and safety issues and heritage requirements.</b>				
<i>Theatre Royal Extension</i>	<b>1 600</b>	<b>....</b>	<b>800</b>	<b>800</b>
<b>Completion Date: June 2006</b>				
<b>This project provides for Theatre Royal extensions.</b>				
<b>TOTAL</b>		<b>154</b>	<b>954</b>	<b>954</b>
<b>DEPARTMENT OF TOURISM, PARKS, HERITAGE AND THE ARTS</b>				
<i>Building Services Maintenance</i>	<b>ongoing</b>	<b>101</b>	<b>101</b>	<b>101</b>
<b>Ongoing funding is provided to meet maintenance requirements including occupational health and safety issues and heritage requirements.</b>				
<i>Cradle Mountain Infrastructure</i>	<b>2 100</b>	<b>500</b>	<b>....</b>	<b>....</b>
<b>Completion Date: July 2003</b>				
<b>This project provides for the construction of a major new walking track, doubling as a services corridor, from the Cradle Mountain Visitor Centre to Waldheim Junction as part of an overall upgrade of Cradle Mountain Tourism Infrastructure.</b>				

**Table 6.5: Capital Investment Program (Departments) – Project Details (continued)**

	<b>Estimated Total Cost</b>	<b>2003-04 Budget</b>	<b>2004-05 Budget</b>	<b>2005-06 Budget</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>DEPARTMENT OF TOURISM, PARKS, HERITAGE AND THE ARTS (continued)</b>				
<i>Port Arthur Historic Site - Conservation Program</i>	<b>10 000</b>	<b>2 000</b>	<b>2 000</b>	<b>....</b>
<b>Completion Date: June 2005</b>				
<b>This project provides for essential conservation works at the Port Arthur Historic Site.</b>				
<i>Wellington Park Pinnacle Zone Development</i>	<b>373</b>	<b>30</b>	<b>....</b>	<b>....</b>
<b>Completion Date: September 2003</b>				
<b>This project provides for the implementation of landscape planning actions as recommended in the Pinnacle Zone Site Development Plan (Wellington Park Management Trust).</b>				
<b>TOTAL</b>		<b>2 631</b>	<b>2 101</b>	<b>101</b>
<b>TOTAL CAPITAL INVESTMENT PROGRAM (DEPARTMENTS)</b>		<b>62 206</b>	<b>49 036</b>	<b>47 619</b>

# ROADS PROGRAM

The Roads Program consists of new works projects and the upgrade and maintenance of already established roads. It is funded by both the Commonwealth and State Governments. The Roads Program forms part of the CIP.

A summary of allocated funds is shown in Table 6.6, and a detailed allocation is presented in Table 6.7.

**Table 6.6: Roads Program – Summary**

Category of Project	2002-03 Budget	2003-04 Budget
	\$'000	\$'000
<b>Commonwealth Funds</b>		
Infrastructure Development	8 675	8 440
Infrastructure Maintenance	5 445	4 890
Road Safety and Traffic Management	1 440	2 436
Environmental Management	30	150
Program Management	1 400	1 430
Asset Management	1 150	850
Strategic Planning and Policy	200	200
<b>State Funds</b>		
Infrastructure Development	6 725	13 039
Infrastructure Maintenance	22 529	26 539
Road Safety and Traffic Management	2 355	1 724
Environmental Management	800	1 359
Program Management	3 120	3 008
Asset Management	4 800	4 477
Strategic Planning and Policy	2 390	2 643
Sorell Causeway Upgrade	8 651	....
<b>TOTAL</b>	<b>69 710</b>	<b>71 185</b>

**Table 6.7 Roads Program – Project Details**

Project	Estimated Total Cost	2003-04 Budget
	\$'000	\$'000
<b>NATIONAL HIGHWAY SYSTEM</b>		
<b>INFRASTRUCTURE DEVELOPMENT</b>		
<b>Road Upgrading</b>		
Bass Highway-Penguin to Ulverstone	24 000	1 380
Various	....	3 150
<b>Bridge Upgrading</b>		
Bass Highway- Bridgwater Bridge Replacement	140 000	600
<b>Roads of National Importance</b>		
Arthur Highway	7 200	1 600
North East Tasmania Access (NETAS)	20 000	1 710
<b>INFRASTRUCTURE MAINTENANCE</b>		
Road Routine Maintenance	2 475	2 475
Road Specific Maintenance	800	800
Miscellaneous Fees and Charges	135	135
Road Reinstatement	580	580
Bridge Maintenance	900	900
<b>ROAD SAFETY AND TRAFFIC MANAGEMENT</b>		
Safety Works	500	500
Traffic Management Works	700	700
Minor Improvements	120	120
Blackspot Contribution	1 116	1 116
<b>ENVIRONMENTAL MANAGEMENT</b>		
Roadside and Quarry Rehabilitation	150	150
<b>PROGRAM MANAGEMENT</b>		
Corporate Management	1 100	1 100
Management Systems	330	330
<b>ASSET MANAGEMENT</b>		
	850	850
<b>STRATEGIC POLICY AND PLANNING</b>		
	200	200

**Table 6.7: Roads Program - Project Details (continued)**

Project	Estimated Total Cost	2003-04 Budget
	\$'000	\$'000
<b>STATE FUNDED PROJECTS</b>		
<b>INFRASTRUCTURE DEVELOPMENT</b>		
<b>Road Upgrading</b>		
West Tamar Highway Cormiston Creek to Legana Park Drive	7 000	1 050
Kingston Interchange	1 800	1 670
Southwood Roads	3 000	3 000
Strahan Township	850	850
Glen Huon Main Road	4 000	2 649
<b>Bridge Upgrading</b>	795	795
<b>Roads of National Importance</b>		
North East Tasmania Access (NETAS)	20 000	2 400
Arthur Highway	7 200	400
<b>Rail Infrastructure</b>	175	175
<b>Public Transport Facilities</b>	50	50
<b>INFRASTRUCTURE MAINTENANCE</b>		
<b>Emergency and Flood Repairs</b>	691	691
<b>Road Routine Maintenance</b>	17 226	17 226
<b>Road Specific Maintenance</b>	3 728	3 728
<b>Miscellaneous Fees and Charges</b>	485	485
<b>Road Reinstatement</b>	384	384
<b>Bridge Maintenance</b>	3 295	3295
<b>Bridge Reinstatement</b>	300	300
<b>Assistance to Local Government</b>	300	300
<b>Maintenance of Other Infrastructure</b>	80	80
<b>Vehicle Mass and Dimension Management</b>	50	50
<b>ROAD SAFETY AND TRAFFIC MANAGEMENT</b>		
<b>Safer Roads</b>	964	964
<b>Traffic Management Works</b>	240	240
<b>Tourism Infrastructure</b>	425	425
<b>State Contribution to Blackspots</b>	25	25
<b>Bicycle and Pedestrian Facilities</b>	70	70

**Table 6.7: Roads Program - Project Details (continued)**

Project	Estimated Total Cost	2003-04 Budget
	\$'000	\$'000
<b>ENVIRONMENTAL MANAGEMENT</b>		
Roadside Rehabilitation	60	60
Highland Lakes Road-Burbury Hill to Shannons Lagoon	1 000	979
Quarry Rehabilitation, Environmental Hazard Management	320	320
<b>PROGRAM MANAGEMENT</b>		
Corporate Management	2 210	2 210
Provision for Third Party Claims	140	140
Management Systems	658	658
<b>ASSET MANAGEMENT</b>	4 477	4 477
<b>STRATEGIC POLICY AND PLANNING</b>	2 643	2 643
<b>TOTAL ROADS PROGRAM</b>		71 185

# HOUSING PROGRAM

The Housing Program aims to ensure that disadvantaged Tasmanians have access to sustainable, affordable, appropriate and secure housing options and to deliver a range of housing options that meet peoples' needs and offer a range of opportunities that contribute to their capacity to participate in society and improve their quality of life. The 2003-04 Housing Program is jointly funded by the Commonwealth and State Governments under the terms of the Commonwealth-State Housing Agreement (CSHA).

Total funding for the Housing Program in 2003-04 is \$50.0 million, significantly higher than 2002-03 as a result of the level of sales to occupants in 2002-03 and the carry forward of the proceeds into 2003-04. \$30.3 million will be spent on housing capital works in 2003-04, and \$19.7 million will be carried forward into 2004-05. The size of this carry forward is a result of several factors, in particular the physical limits on new construction activity that the building industry can accommodate, given the current level of private construction activity. The carry forward also reflects, to a smaller extent, the normal works in progress at the end of any year. In addition, it is anticipated that capital funding will need to be carried forward to 2004-05 to cover the gap created by the reduction in Commonwealth grants under the Commonwealth-State Housing Agreement, thus maintaining a base level of public housing building activity.

The Program has been developed within the framework of the strategic plans and priorities of the Department of Health and Human Services and Housing Tasmania. It continues to target strategies which support Housing Tasmania's portfolio re-alignment and sustainability through strategic purchases, construction and upgrading projects with a specific focus on the provision of properties for clients with complex and/or special needs. This focus provides greater integration of housing services with other services delivered by the Department and local communities and improves the capacity of individuals and communities, which in turn facilitates better-quality health and well being outcomes.

The major initiatives to be undertaken as part of the 2003-04 Housing Program are focussed on improving both client and portfolio viability outcomes and are also aimed at ensuring that key priorities identified in the development of the Government's Affordable Housing Strategy are able to be implemented. These initiatives include:

- \$3.0 million from the Economic and Social Infrastructure Fund will be combined with \$5 million from Housing Tasmania's \$30 million Capital Investment Program, providing a total of \$8 million to be used to buy homes over the next six months for Tasmanians with the most urgent housing needs. Over this period, this funding will deliver homes to around 150 Tasmanians in acute housing need;
- a capital program that supports Housing Tasmania's key priorities and Strategic Asset Management Plan (SAMP) through plans developed at local levels with significant emphasis on building safe, healthy, supportive and resilient communities;
- continuation of a construction and redevelopment program which provides for a range of general purpose, multi-purpose, elderly and disability units in high demand suburbs and accessible to essential services;
- the purchase of up to 70 appropriate dwellings in high demand areas throughout the state;
- the construction of 53 units at the former Windsor Court site in Hobart which will be completed and ready for allocation early in the 2004-05 financial year;

- continuation of the strong commitment to people with disabilities, through acquisition of at least six dwellings specifically for people with severe or profound disabilities;
- the provision of a number of locally developed community housing solutions for clients with a diverse range of needs including those with mental health issues and those requiring supported housing options; and
- the provision of crisis accommodation for a range of client groups including youth, families in crisis and families and individuals escaping domestic violence.

Details of the source and allocation of funds for the Housing Program are shown in Table 6.8.

**Table 6.8: Housing Program - Source and Application of Funds**

	2002-03	2003-04
	Budget	Budget
	\$'000	\$'000
<b>Source of Funds</b>		
Balance brought forward <sup>1</sup>	6 529	28 000
Commonwealth-State Housing Agreement Commonwealth Grant <sup>2</sup>	12 192	2 224
Commonwealth-State Housing Agreement State Matching Grant	1 681	4 172
Sale of Assets and Other Capital Receipts	14 400	14 900
Operating Revenue	....	700
<b>TOTAL SOURCE OF FUNDS</b>	<b>34 802</b>	<b>49 996</b>
<b>Application of Funds</b>		
<b>Strategic Asset Management</b>		
General Upgrading	8 111	4 908
Windsor Court Redevelopment	2 500	7 200
Targeted Purchases	6 826	4 953
Construction/Redevelopment	12 510	8 070
<b>Sundry Capital</b>		
CSHA Loan Repayments	4 855	5 065
Computer Capital Costs	....	100
<b>Total Expenditure</b>	<b>34 802</b>	<b>30 296</b>
<b>Funds to be carried forward<sup>3</sup></b>	<b>....</b>	<b>19 700</b>
<b>TOTAL APPLICATION OF FUNDS</b>	<b>34 802</b>	<b>49 996</b>

Notes:

1. The increase in brought forward funds from \$6.5 million to \$28 million reflects higher than anticipated proceeds derived from capital sales during 2002-03. Brought forward funds are committed to projects that have commenced, or will commence late in the 2002-03 financial year, and projects due to commence during 2003-04.
2. The decrease in CSHA funding allocated to the Housing Tasmania Capital Program is primarily due to a reclassification of minor capital works expenditure (previously presented as part of the Housing Tasmania Capital Program) to recurrent expenditure and a reduction in Commonwealth GST compensation funding provided under the Housing Agreement.
3. While every endeavour will be made to construct and provide as many new homes as possible, it is anticipated that \$19.7 million will be carried forward to 2004-05. The size of this carry forward is a result of several factors. It is largely a function of the physical limits on new construction activity that the building industry can accommodate at the present time, given the current level of private construction activity. The carry forward also reflects, to a smaller extent, the normal works in progress at the end of any year. In addition, it is anticipated that capital funding will

need to be carried forward to cover the gap created by the reduction in Commonwealth grants under the Commonwealth-State Housing Agreement, in order to maintain a base level of public housing building activity.

## ECONOMIC AND SOCIAL INFRASTRUCTURE FUND

One of the Government's key initiatives for 2003-04 is the establishment of a new Economic and Social Infrastructure Fund (ESIF) of \$107 million, including \$25.4 million transferred from the Major Projects Fund established in 2002-03. Of the total ESIF available, \$85.1 million has been allocated to capital expenditure. In 2002-03, up to \$25.0 million of additional funding will be expended for purchasing the optic fibre cable that was installed with the natural gas pipeline. The capital projects funded from the ESIF are additional to projects funded from the Capital Investment Program.

The major thrust of the ESIF is projects assisting economic development and social infrastructure. Social infrastructure projects involve education, tourism, parks, heritage, health and housing throughout the State. Economic development projects relate to a range of infrastructure and developments including the distribution of natural gas and the Government's strategic objective of enhancing the availability of broadband services in Tasmania through the collocation of optic fibre cables with the gas pipeline.

A summary of ESIF funding and expenditure for capital projects in 2003-04 is provided in Table 6.9. It should be noted that estimated capital expenditure from the ESIF in 2003-04 is \$36.3 million and that \$48.8 million of capital funding will be carried forward to 2004-05.

**Table 6.9: Economic and Social Infrastructure Fund**

	<b>2003-04</b>
	<b>Budget</b>
	<b>\$'000</b>
<b>Source of funds</b>	
Balance brought forward	58 284
2003-04 Consolidated Fund Appropriation <sup>1</sup>	26 855
<b>TOTAL SOURCE OF FUNDS</b>	<b>85 139</b>
<b>Less Estimated Expenditure</b>	
Economic Development Projects	20 000
Social Infrastructure Projects	16 300
<b>TOTAL ESTIMATED EXPENDITURE</b>	<b>36 300</b>
<b>Balance carried forward</b>	<b>48 839</b>

Note:

1. This appropriation reflects the level of works and services which will be funded with asset sales revenue from the Government's Business Divestment Program.

# Economic and Social Infrastructure Fund Projects

## *Social Infrastructure Projects*

\$16.3 million is allocated for expenditure on Social Infrastructure projects in 2003-04. Social projects include \$2.0 million to increase the provision of child care in schools and \$500 000 to acquire library books for schools. A further \$3.0 million will be provided to increase the availability of low cost housing and \$1.8 million will be allocated for health-related capital works, including the provision of a lift for Launceston General Hospital and capital works for the intensive care section the North-West Regional Hospital.

Tourism, parks and heritage projects will be funded with \$5.0 million allocated to infrastructure improvement in National Parks to enhance visitor services, \$500 000 provided for tourism works and services, and a roof will be constructed over all the outer terraced seating areas at York Park through the provision of \$2.5 million. Water infrastructure developments also will be funded with an allocation of \$1.0 million.

## *Economic Development Projects*

\$20.0 million of the ESIF has been allocated towards the distribution of natural gas and the rollout of optic fibre cables throughout the State to stimulate economic development. Of this, \$8.0 million has been committed to meet the Government's obligations under the Natural Gas Distribution Project Stage One Development Agreement. This agreement facilitates the construction and operation by Powerco Ltd of a backbone pipeline system to distribute natural gas to some 23 large industrial and commercial customers and provide the capacity to ultimately distribute gas past more than 100 000 smaller industrial and commercial customers and households. The balance of this ESIF component is anticipated to be spent in 2003-04. Allocations to specific projects will be determined during the year. For details on all expenditures from the ESIF, refer to Chapter 4 of Budget Paper No 2 *Operations of Government Departments 2003-04*.

# SOCIAL INFRASTRUCTURE FUND

The Social Infrastructure Fund (SIF) was established in 2002-03 to improve services to the community and address social infrastructure needs. The portion of the SIF allocated for capital works was announced in the 2002-03 Budget as \$14.2 million, but was increased by \$2.0 million through an additional allocation. Of the capital works funding, \$5.6 million will be carried forward into 2003-04.

The major thrust of the SIF is on technical and further education and community renewal projects. A summary of SIF capital projects in 2003-04 is provided in Table 6.10.

**Table 6.10: Social Infrastructure Fund**

	<b>2003-04 Budget</b>
	<b>\$'000</b>
<b>Source of funds</b>	
Balance brought forward	5 600
<b>TOTAL SOURCE OF FUNDS</b>	<u>5 600</u>
<b>Less Estimated Expenditure</b>	
Community Renewal	4 000
TAFE IT Flexible Delivery and Wellington Square Training Facility Development	1 600
<b>TOTAL ESTIMATED EXPENDITURE</b>	<u>5 600</u>

## Social Infrastructure Fund Projects

### *Community Renewal*

\$10.0 million of the Social Infrastructure Fund was allocated for community renewal projects to improve rural infrastructure. The remaining funding of \$4 million will be spent in 2003-04.

### *TAFE IT Flexible Delivery and Wellington Square Training Facility Development*

\$1.7 million of the Social Infrastructure Fund was allocated to TAFE institutions for flexible information technology learning centres and Adult and Community Education facilities. The remaining funding for this project of \$1.6 million is anticipated to be spent in 2003-04.

# 2001-02 INFRASTRUCTURE FUND

The Infrastructure Fund (IF) was introduced in the 2001-02 Budget as a major Government initiative to provide one-off funding for Tasmanian economic and social infrastructure. Of the funding allocated for economic infrastructure in 2001-02, \$7.0 million remains to be carried forward into the 2003-04 Budget.

The community has derived, and will continue to derive, significant benefits from the application of additional funding to infrastructure projects. The projects completed since 2001-02 have:

- provided infrastructure that supports private sector investment in development opportunities;
- addressed the rundown of infrastructure assets that are needed to support future expansion of existing service delivery;
- assisted in managing the backlog of maintenance of public infrastructure assets; and
- stimulated economic activity in the State.

The funding for the project to be completed in 2003-04 is summarised in Table 6.11.

**Table 6.11: 2001-02 Infrastructure Fund**

	<b>2003-04 Budget</b>
	<b>\$'000</b>
<b>Source of funds</b>	
Balance brought forward	7 000
<b>TOTAL SOURCE OF FUNDS</b>	<b>7 000</b>
<b>Less Estimated Expenditure</b>	
Meander Dam	7 000
<b>TOTAL ESTIMATED EXPENDITURE</b>	<b>7 000</b>

## 2001-02 Infrastructure Fund Projects

### *Meander Dam*

\$7.0 million has been brought forward from the 2001-02 Infrastructure Fund for the Meander Dam project. This project will benefit the Tasmanian community by providing water to stimulate further agricultural development in the Meander Valley region.

The environmental, engineering and economic feasibility studies for the project have been completed and released publicly. Relevant approvals for construction of the dam have been issued by the Assessment Committee for Dam Construction and the Environmental Management and Pollution Control Board. The Parliamentary Standing Committee for Public Works also approved the project. These approvals were overturned by the Resource Management and Planning Appeal Tribunal but, subsequent to this decision, the *Meander Dam Approvals Act 2003* was passed by both Houses of Parliament to effectively reinstate the approvals previously given to the project.

The tender process for financing, design, construction and operation of the dam is currently on hold pending Commonwealth Government approval of the project. If approval is received, tenders for dam construction will be let in late 2003. It is a matter for negotiation between the Government and the successful contractor as to when the funds from the Infrastructure Fund will be expended.

## GBEs, STATE-OWNED COMPANIES AND STATE AUTHORITIES

### Expenditure of Capital Funds

Budgeted total capital expenditure by Government Business Enterprises (GBEs), State-owned Companies (SOCs) and State Authorities in 2002-03 was \$247.9 million. The Budget estimates for 2003-04 of \$296.3 million, \$295.3 million in 2004-05 and \$264.1 million in 2005-06 reflect a strong ongoing capital expenditure program for the ensuing years.

Details of the total expenditure of capital funds by GBEs, SOCs and State Authorities are shown in Table 6.12.

**Table 6.12: Expenditure of Capital Funds by GBEs, State-owned Companies and State Authorities**

	2002-03	2003-04	2004-05	2005-06
	Budget	Budget	Budget	Budget
	\$'000	\$'000	\$'000	\$'000
Aurora Energy Pty Ltd	56 702	58 789	57 626	60 180
Burnie Port Corporation Pty Ltd	2 090	2 010	1 434	845
Civil Construction Corporation <sup>1</sup>	700	....	....	....
Forestry Tasmania <sup>2</sup>	24 570	24 627	19 000	17 000
Hobart Ports Corporation Pty Ltd <sup>2</sup>	6 436	12 089	8 909	4 501
Hydro Tasmania	77 500	89 400	84 700	82 900
Marine and Safety Tasmania	30	570	163	300
Metro Tasmania Pty Ltd	4 475	5 840	4 280	3 880
Motor Accidents Insurance Board	550	300	250	250
Port Arthur Historic Site Management Authority	617	605	603	650
Port of Devonport Corporation Pty Ltd	5 666	830	5 720	5 719
Port of Launceston Pty Ltd	1 550	1 405	700	500
Printing Authority of Tasmania	150	300	2 150	180
Private Forests Tasmania	30	20	35	30
The Public Trustee	120	50	20	20
Retirement Benefits Fund Board	2 090	2 105	1 780	1 732
Rivers and Water Supply Commission	....	....	....	30
Southern Regional Cemetery Trust	381	1 033	519	149
State Fire Commission	5 500	7 400	7 500	7 200
Stanley Cool Stores Board <sup>1</sup>	....	....	....	....
Tasmanian Grain Elevators Board <sup>1</sup>	145	....	....	....
Tasmanian International Velodrome Management Authority	492	292	570	721
Tasmanian Public Finance Corporation	149	193	271	165
TOTE Tasmania Pty Ltd	6 988	4 641	8 171	1 191
Transend Networks Pty Ltd	50 000	76 771	88 366	74 994
TT-Line Company Pty Ltd	950	7 000	2 500	1 000
<b>TOTAL</b>	<b>247 881</b>	<b>296 270</b>	<b>295 267</b>	<b>264 137</b>

Notes:

1. Capital expenditure is not included for these entities, as it is expected that each business will be sold during 2003-04.
2. The Government is currently undertaking an investigation into the possible sale of significant non-core assets for these entities. The outcome of this investigation may impact capital expenditure projections reported in this Table.

# Major Capital Projects of GBEs, State-owned Companies and State Authorities - Summary

The information on estimated capital expenditure for GBEs, SOCs and State Authorities has been provided by each entity. Some of the major projects for 2003-04 are detailed below.

## *Aurora Energy Pty Ltd*

2003-04 estimated capital expenditure: \$58.8 million.

During 2003-04, Aurora's capital expenditure program includes expenditure on:

- development and enhancement of Aurora's electricity distribution network (\$32.1 million);
- metering technologies (\$8.8 million);
- Sandy Bay Substation upgrade (\$3.6 million);
- fleet upgrades and replacement (\$3.5 million);
- information technology (\$3.4 million);
- operational requirements (\$2.7 million);
- National Electricity Market systems (\$2.4 million); and
- new customer installations (\$2.2 million).

## *Burnie Port Corporation Pty Ltd*

2003-04 estimated capital expenditure: \$2.0 million.

During 2003-04, the Corporation's capital expenditure program includes expenditure on:

- reclamation – Southern Port (\$750 000);
- maintenance – dredging program (\$750 000);
- cold store plant upgrade (\$115 000);
- demolition and embankment works – ex Old Jones Pier (\$190 000); and
- mobile plant replacement (\$60 000).

## *Forestry Tasmania*

2003-04 estimated capital expenditure: \$24.6 million.

During 2003-04, Forestry Tasmania's capital expenditure program includes expenditure on:

- plantation establishment and other forest management activities (\$9.8 million);
- road construction (\$9.8 million); and
- the acquisition of property, plant and equipment (\$5.0 million).

### *Hobart Ports Corporation Pty Ltd*

2003-04 estimated capital expenditure: \$12.1 million.

The increase of \$5.7 million in budgeted expenditure in 2003-04 from 2002-03 is primarily a result of the proposed redevelopment of Princes Wharf No 2.

During 2003-04, the Corporation's capital expenditure program includes expenditure on:

- redevelopment of Princes Wharf No 2 (\$7.5 million);
- façade upgrade of 1 Franklin Wharf (\$1.0 million);
- new forklift trucks (\$810 000); and
- Macquarie Point beam replacement (\$300 000).

### *Hydro Tasmania*

2003-04 estimated capital expenditure: \$89.4 million.

During 2003-04, Hydro Tasmania's capital expenditure program includes expenditure on:

- refurbishment, replacement and upgrade of generating assets (\$34 million);
- switchyards (\$5.0 million);
- renewable energy developments:
  - Tasmania Mini Hydros (\$2.3 million);
  - windfarm developments (\$2.8 million); and
  - integrated renewable energy developments – Bass Strait Islands (\$2.5 million);
- information system/technology (\$18.7 million);
- corporate and minor assets (includes fleet vehicles) (\$7.1 million);
- land and buildings (\$6.7 million);
- communication (\$4.6 million); and
- wind monitoring towers (\$900 000).

### *Metro Tasmania Pty Ltd*

2003-04 estimated capital expenditure: \$5.8 million.

During 2003-04, Metro Tasmania's capital expenditure program includes expenditure on:

- bus replacement strategy (\$4.7 million); and
- communications equipment, auxiliary vehicles, information technology and ticketing system (\$900 000).

### *Port of Launceston Pty Ltd*

2003-04 estimated capital expenditure: \$1.4 million.

During 2003-04, the Port of Launceston's capital expenditure program includes expenditure on:

- No 7 Berth container stacking area (\$700 000); and

- upgrade of Port security (\$250 000).

### *Retirement Benefits Fund Board*

2003-04 estimated capital expenditure: \$2.1 million.

During 2003-04, the Board will continue to develop its infrastructure to electronically provide members and staff with easier and more efficient access to information that will support member education and decision making. The major projects will be :

- the extension of the RBF's interactive web site to provide for the transfer of electronic member and payroll data between agencies and the RBF;
- the updating and enhancement of backup facilities for computer systems; and
- further enhancements to RBF's superannuation administration system to enable compliance with new superannuation legislation.

### *Southern Regional Cemetery Trust*

2003-04 estimated capital expenditure: \$1.0 million.

During 2003-04, the Southern Regional Cemetery Trust's capital expenditure program will include:

- Cornelian Bay office development (\$420 000);
- Wellington Chapel upgrade and expansion (\$190 000);
- gardens development for memorialisation (\$145 000); and
- Kingston Chapel development (\$130 000).

### *State Fire Commission*

2003-04 estimated capital expenditure: \$7.4 million.

The capital expenditure for the Commission during 2003-04 includes:

- fire appliance program (\$3.9 million); and
- redevelopment of training centres in Hobart and Launceston (\$1.6 million).

### *TOTE Tasmania Pty Ltd*

2003-04 estimated capital expenditure: \$4.6 million.

During 2003-04, TOTE Tasmania's capital expenditure program will include:

- relocation of Launceston greyhound racing to Mowbray (\$2.0 million);
- computer hardware, computer software and development (\$1.1 million);
- civil remedial works to racecourses (\$830 000); and
- Mowbray lights (\$500 000).

### *Transend Networks Pty Ltd*

2003-04 estimated capital expenditure: \$76.8 million.

During 2003-04, Transend's capital expenditure program includes expenditure on:

- substation upgrades and replacements (\$16.4 million);
- Norwood, Scottsdale and Derby substation upgrades and replacements (\$11.4 million);
- transmission line compliance program (\$8.8 million);
- construction of the new Mowbray substation and transmission line (\$7.0 million);
- Risdon upgrade, including connection point and switchgear (\$6.7 million);
- Smithton substation redevelopment, second circuit transmission line installation, OPGW installation and steel strengthening (\$4.7 million);
- new office accommodation (\$4.0 million);
- statewide transmission line replacements and refurbishments (\$3.2 million);
- Waddamana substation replacement upgrade (\$2.2 million); and
- development of information management systems, strategic policies, procedures and standards (\$3.7 million).

### *TT-Line Company Pty Ltd*

2003-04 estimated capital expenditure: \$7.0 million.

The increase of \$6.0 million in budgeted expenditure in 2003-04 from 2002-03 is primarily a result of port and terminal improvements and staff accommodation facilities.

During 2003-04, TT-Line's capital expenditure program includes expenditure on:

- port and terminal improvements and building of staff accommodation facilities (\$4.5 million); and
- ship improvements (\$2.5 million).