

### 3.4 **FOUR YEAR BASE & NEW CAPITAL WORKS PROGRAM** (CORP 50:MT:MK)

Responsible Director: Marilyn Kearney

#### ***RECOMMENDATION***

*That Council adopts, the 2008/2009 to 2011/2012 Base and New Capital Works Programs as shown in the attachments to this report.*

#### ***INTRODUCTION***

The purpose of this report is to seek Council's adoption of the four year rolling Base and New Capital Works Program. These programs have been developed in line with the four year Strategic Resource Plan for 2008/09 – 2011/12

#### ***BACKGROUND***

The Four Year Strategic Resource Plan identifies the financial and resource requirements including provision for funding of capital works programs as part of Council's financial planning considerations. A major element of the Strategic Resource Plan is the 4 year Base and New Capital Works Programs.

#### ***DISCUSSION***

##### ***Base Capital Works Program***

Attachment A shows the summary of the Base Capital Works Programs which provides annual funding for a broad range of renewal and improvement works necessary to preserve and maintain the functionality and serviceability of Council's growing and ageing asset base. The Base Capital Program consumes in excess of 60% of annual capital funding (excluding New and Special capital projects) and is reviewed and updated annually to reflect revised priorities, refurbishment need, compliance obligations, changes in external funding and updated cost estimates.

Proposed total funding for 2008/09 is \$19.0M of which \$15.8M is Council's contribution while the difference in funding is expected to become available in government grants and other external funding sources. Council's funding contribution in 2008/09 reflects the increased cost of projects within the program in line with the financial plan forward projections.

In summary the 2008/09 Base Capital program proposes:

- \$3.27M for Council buildings – halls, sports pavilions, libraries, aged accommodation centres, major civic buildings, WAC preschools, etc;
- \$2.16M for Drainage works – local improvements and strategic upgrades in catchments;
- \$1.89M for works on Reserves – tree planting, golf courses, active and passive areas, playgrounds and creek improvements;

- ❑ \$5.69M for Roads, Footpaths and Traffic Management Works;
- ❑ \$645K for Retail Strips;
- ❑ \$437K for Other Projects (bus shelters, engineering and architectural design costs, leisure and aquatic centres & retaining walls; and
- ❑ \$4.92M for Asset Additions - plant & light fleet, furniture, computer & other equipment, art acquisitions and library materials.

### ***New Capital Works Program***

The New Capital Works program (Attachment B) includes a number of new projects, which sit outside of the regular base capital works program. The 4-Year Program is based on \$1M annually indexed for inflation, however the 2008/09 Program includes a number of projects that have commenced and will be funded over a number of years.

The key elements committed to the program for 2008/09 include:

- ❑ Public Art Works in strategic locations. \$50K pa to fund public art pieces located in strategic locations across the City.
- ❑ \$375k for the completion of the upgrade Glen Waverley Netball Centre to accommodate equitable access, the \$375k is the contribution from the Waverley Night Netball Association, giving a total project value of \$750K.
- ❑ \$150K for Gateway Plantation Project that is to form a landscape boulevard entry treatment at key entry points to Monash. Priorities are Springvale Road and Princess Highway.
- ❑ \$25Kpa over three years for the Batesford Reserve Masterplan Development Project; and
- ❑ \$320K in 2008/09 for continued implementation of the Monash Information Technology Strategy.

### ***FINANCIAL***

Funding levels proposed within the draft 2008/09 to 2011/12 Base and New Capital Works Program can be accommodated within Council's forward Financial Plan in keeping Council's existing agreed rating and funding strategy. The 4-year Program is also indexed to make provision for expected increases of 4% per annum as per the Financial Plan.

Both plans have been reviewed as part of the Council's budget development process to confirm relative priorities and ensure alignment with future financial plans.

### ***IMPLEMENTATION***

Adoption of the base and new capital works programs is required to commence early project planning and design works to ensure the Capital works program targets can be delivered within the period of the plan.

***CONCLUSION***

The four-year rolling Base and New Capital Works Programs forms an integral part of Council's 4-year financial strategy and funds the renewal and upgrade of existing assets and infrastructure in a manner intended to maintain current service levels.