3.1 FOUR YEAR BASE & NEW CAPITAL WORKS PROGRAMS
(CORP 50:MR:MK)

Responsible Director: Marilyn Kearney

RECOMMENDATION

That Council adopts for the purpose of the Strategic Resource Plan the 2012/2013 to 2015/2016 Base & 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 Programs. These Programs have been developed in line with the four year Strategic Resource Plan for 2012/2013 to 2015/2016.

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 Program 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 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 the 2012/2013 Base Capital Works Program is $22.8M of which $20.4M 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 2012/2013 reflects the increased cost of projects within the program in line with the financial plan forward projections.

In summary the 2012/2013 Base Capital Program proposes:

- $4.4M for Council buildings – halls, sports pavilions, libraries, aged accommodation centres, major civic buildings, WAC, preschools, etc;
- $2.2M for Drainage works – local improvements and strategic upgrades in catchments;
$1.7M for works on Reserves – tree planting, golf courses, active and passive areas, playgrounds and creek improvements;

$7.0M for Roads, Bike paths, Footpaths and Traffic Management Works;

$666K for Retail Strips and District Centres;

$1.0M for Other Projects (environmental sustainability, engineering and architectural design costs & retaining walls; and

$5.8M for Asset Additions - plant & light fleet, furniture, computer & other equipment, art acquisitions and library materials.

**New Capital Works Program**

The New Capital Works Program includes a number of new projects, which sit outside of the regular Base Capital Works Program.

The elements committed to the Program for 2012/2013 are:

- $200K to progress actions from the Oakleigh Village Master Plan;
- $350K to undertake a review of the future medium and long term needs, use and location of the various Council services and potential development of Council land within Glen Waverley; and
- $56.6K for the design of Waverley Hub, a new purpose built facility at 155 Coleman Parade Glen Waverley for use and co-location of community support groups.

Carry Forward funds are included in the budget largely for completion of the Central Reserve Northern Pavilion due for completion in September 2012 and for the Oakleigh Village Public Open Space renewal project to be commenced prior to the end of the 2011/12 financial year.

**FINANCIAL**

Funding levels proposed within the draft 2012/2013 to 2015/2016 Base and New Capital Works Programs can be accommodated within Council’s forward Financial Plan in keeping with Council’s existing agreed rating and funding strategy. The 4-year Program is also indexed to make provision for expected cost increases of 3% per annum as per the Financial Plan.

All 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 Capital Works Programs is required to commence 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 form an integral part of Council’s 4-year financial strategy and fund the renewal and upgrade of existing assets and infrastructure in a manner intended to maintain current service levels and new facilities for use by the community.