

**TREASURER'S DIRECTIONS**  
**THE INFRASTRUCTURE PROGRAM**  
**Section I 1.2: Development of the Infrastructure Program**

**STATEMENT OF INTENT**

*This Direction outlines the requirements for development of the Territory's Infrastructure Program.*

**MAIN FEATURES**

Section 38 of the *Financial Management Act* requires Accountable Officers and employees of an Agency to comply with the Treasurer's Directions.

**Infrastructure Program Development**

- Infrastructure Program development considers individual major works and capital grant proposals, total minor new works and repairs and maintenance proposals for the coming financial year.

**Major Works**

- A major works project must be approved on the Capital Works Program before any financial or legal commitment can occur.

**Infrastructure Standing Committee**

- The Infrastructure Standing Committee of the Coordination Committee reviews the draft Capital Works Program providing a whole-of-government approach to proposals and provides comment and recommendations to Cabinet accordingly.

**Design List and Forward Works**

- The design list comprises projects to which Government is sufficiently committed to authorise expenditure on design and pre-construction activities.
- Forward works represent Government major works projects that may proceed over the next three to four years.

**Revote**

- As construction of capital projects, including minor works, may span more than one financial year, the works which remain uncommitted or incomplete at the end of the financial year are 'revoted out' of that year and 'revoted in' to the following year.

**Minor New Works**

- An Agency's minor new works program bid must have the written endorsement of the relevant Minister and provide supporting documentation.

**Repairs and Maintenance**

- An Agency must have the written endorsement of the relevant Minister and ensure that its repairs and maintenance program bid is based on information from relevant asset management systems and the recommendation of the relevant construction authority.

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**AUTHORITIES**

*Financial Management Act*

**INFRASTRUCTURE PROGRAM DEVELOPMENT**

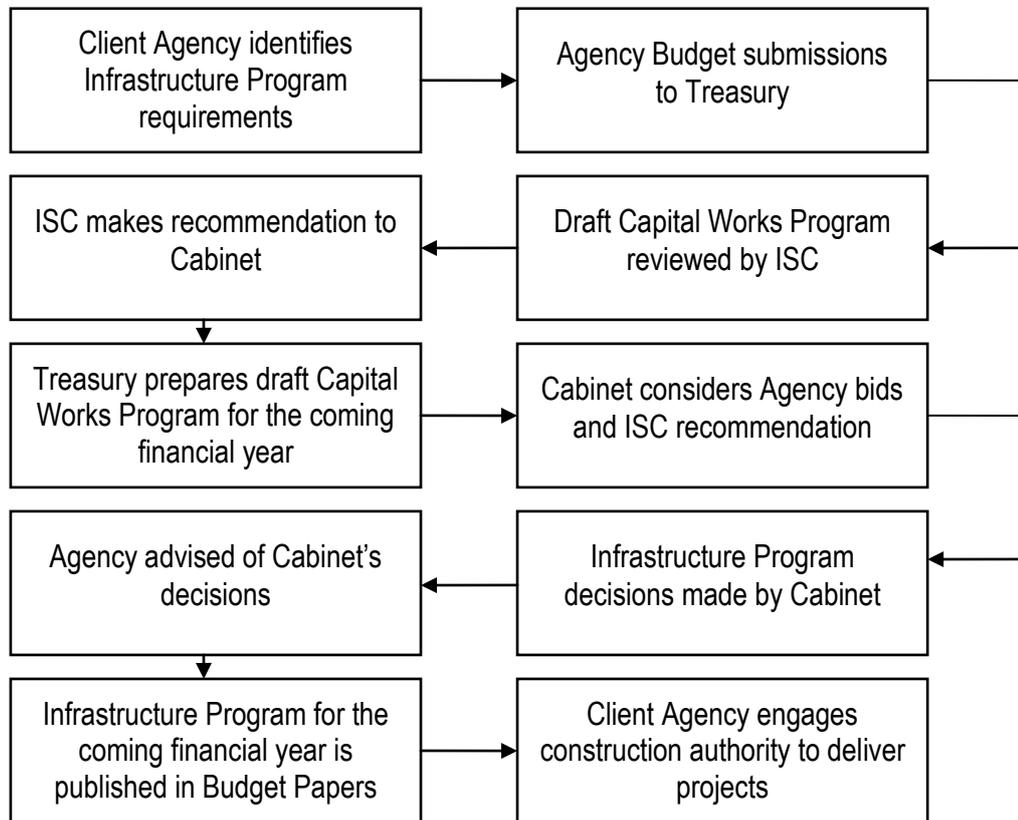
**I 1.2.1 Infrastructure Program development considers individual major works and capital grant proposals, total minor new works and repairs and maintenance proposals for the coming financial year.**

**I 1.2.2 The Infrastructure Program is developed as part of the annual Budget development process. Agency Budget submissions form the basis for the draft infrastructure program.**

- (i) A Client Agency is an Agency that has identified the need for an asset, owns an asset on behalf of the Territory and/or has funding responsibility for an asset.
- (ii) The Infrastructure Standing Committee reviews the draft Capital Works Program and makes recommendations to Cabinet.
- (iii) On advice of the Infrastructure Standing Committee, Treasury prepares the draft Capital Works Program for consideration by Budget Cabinet. The draft program advises Cabinet on the size and extent of the draft Capital Works Program, cash availability, and the impact of these proposals considering current works expected to revote and in future years.
- (iv) Treasury advises each Client Agency of its Cabinet approved Infrastructure Program for the coming financial year.
- (v) Details of the Infrastructure Program for the coming financial year, including estimated revote and new projects, are published annually in Budget Papers.
- (vi) As construction of larger projects may span more than one financial year, the works which remain uncommitted or incomplete at the end of the financial year are 'revoted' out of that year into the following year. The revote estimate is published in Budget Papers.
- (vii) A Client Agency is responsible for engaging the services of a construction authority to undertake project development and procurement on its behalf.
- (viii) Agencies that have significant technical competence and large asset holdings may be designated as construction authorities. The Treasurer, in consultation with other Ministers as appropriate, will determine construction authority status.
- (ix) The main construction authority for the Territory, which provides infrastructure-related services on behalf of most agencies, is the Department of Infrastructure.
- (x) Other construction authorities include the Department of Transport and the Department of Housing.
- (xi) An Agency not deemed to be a construction authority must procure capital works, including major works and minor works, from the Department of Infrastructure.

- (xii) While the Infrastructure Program is reviewed annually as part of the Budget development process, variations or adjustments to the program outside of the Budget development process may be necessary. For further information regarding adjustments to the Infrastructure Program, refer to Treasurer’s Direction I 1.3.

**Figure 1: Infrastructure Program development process**



Note: ISC is the Infrastructure Standing Committee.

## MAJOR WORKS

### I 1.2.3

**Prior to submitting a major works project for consideration, a Client Agency should ensure that:**

- **design and documentation is sufficiently developed to allow the project to proceed to construction in the coming financial year;**
- **the project includes an order of cost estimate; and**
- **the project submission has the written endorsement of the relevant Minister.**

- (i) Design and documentation includes resolution of any problems associated with site clearances, related infrastructure requirements and any other constraints which would inhibit a project from proceeding to construction.

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- (ii) An order of cost estimate should be developed during design list development and documentation. Client Agency estimates are not acceptable if the project has had design list status.
- (iii) An order of cost is a cost estimate provided by a construction authority based on available information and project requirements.
- (iv) Major works project submissions that do not have Ministerial endorsement will not be presented to the Infrastructure Standing Committee or to Cabinet for consideration.
- (v) Major works projects are assessed on an individual basis.

**I 1.2.4 A major works project must be approved on the Capital Works Program before any financial or legal commitment can occur.**

- (i) Subject to the Treasurer's approval, tenders for capital projects approved on the coming financial year's Capital Works Program may be called and awarded prior to the start of the financial year, although work may not commence until July.

### INFRASTRUCTURE STANDING COMMITTEE

**I 1.2.5 The Infrastructure Standing Committee reviews the draft Capital Works Program providing a whole-of-government approach to proposals and provides comment and recommendations to Cabinet accordingly.**

- (i) The Infrastructure Standing Committee, made up of Agency executives responsible for infrastructure matters and chaired by the Under Treasurer, monitors the Infrastructure Program, including cash allocation to construction agencies and expenditure, and makes recommendations to Cabinet.
- (ii) An Agency's proposal for the Capital Works Program will be considered by the Infrastructure Standing Committee from a strategic whole-of-government view point with consideration to service delivery, economic development, financial implications and Territory priorities prior to presentation to Cabinet.
- (iii) Infrastructure Standing Committee recommendations are presented to Cabinet with Agency endorsed proposals.
- (iv) Information provided to the Infrastructure Standing Committee and Cabinet is highly confidential and details of Agency proposals and any other associated material must be treated accordingly. This also applies to Cabinet decisions until details are released publicly in the Budget Papers.

### DESIGN LIST AND FORWARD WORKS

**I 1.2.6 The design list comprises projects to which Government is sufficiently committed to authorise expenditure on design and pre-construction activities.**

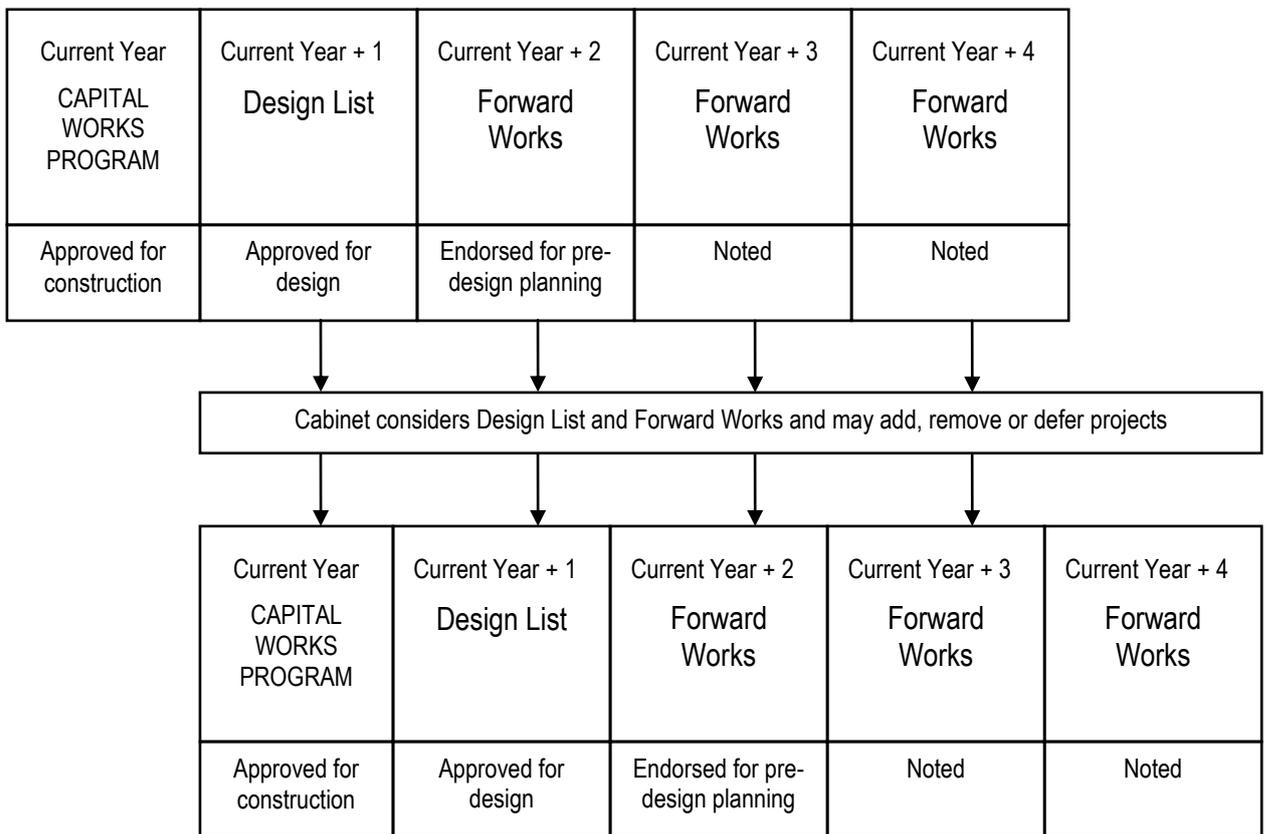
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- (i) Projects are generally on the design list for one year before being approved on the Capital Works Program. However, if the project is not ready to proceed due to site, design or other issues, the project may remain on the design list for a longer period.
- (ii) The design list year should be used to develop an order of cost estimate, resolve design issues, obtain necessary site tenure and clearances, and determine related infrastructure requirements.
- (iii) Approval of a project on the design list does not guarantee the project will be approved to progress on to the Capital Works Program.

**I 1.2.7 Forward works represent Government major works projects that may proceed over the next three to four years.**

- (i) Approval of a project on the forward works program does not guarantee that the project will progress to the design list or Capital Works Program.

**Figure 2: Design List and Forward Works**



**I 1.2.8 A major works project can be included on the design list or forward works with Ministerial endorsement and Cabinet approval.**

- (i) The Treasurer may approve the addition of a new project on the design list or forward works with Ministerial endorsement if it is externally funded or full substitution is provided.

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- (ii) In some instances, the Treasurer may wish to consult Cabinet colleagues regarding an Agency's request or may defer the request to Cabinet for approval.
- (iii) A project is not required to have had design list or forward works status to be approved on the Capital Works Program. However, it is strongly recommended given the need to develop an order of cost estimate and resolve design, site or other issues before proceeding to construction.

**I 1.2.9 If a Client Agency does not wish to retain design list or forward works status for a project, Ministerial endorsement and Treasurer's approval will need to be sought to delete the project.**

### REVOTE

**I 1.2.10 As construction of capital projects, including minor works, may span more than one financial year, the works which remain uncommitted or incomplete at the end of the financial year are 'revoted out' of that year and 'revoted in' to the following year.**

- (i) The revote value is the approved program less expenditure as advised by construction authorities.
- (ii) In annual Budget Papers, revote is estimated and published by major project and at a global level for minor works.
- (iii) At the end of each financial year, Treasury requests that all construction authorities, on behalf of client agencies, submit final expenditure reports for works programs. Timely reporting from construction authorities is necessary to assist with the smooth transition of works programs from one year into the next.
- (iv) Treasury issues a revote statement to each Agency after consideration of final expenditure reports from construction authorities. The Agency revote statement includes major works by project and minor works program at a global level.
- (v) An Agency's revoted minor new works program makes up part of an Agency's total minor new works program for the coming financial year.

### MINOR NEW WORKS

**I 1.2.11 An Agency's minor new works program bid must have the written endorsement of the relevant Minister and provide supporting documentation.**

- (i) If two or more minor works projects are functionally inter-related and the combined total exceeds \$500 000, the project is not defined as minor works and the Agency must seek approval for the project on the Capital Works Program.
- (ii) A minor new works program bid that does not have written ministerial endorsement will not be presented to the Infrastructure Standing Committee or Cabinet for consideration.

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- (iii) An Agency must include supporting information on its proposed schedule of minor new works (as detailed in the Budget Development Treasury Circular).
- (iv) Minor new works program bids are assessed at a global level for each Agency, rather than on a project by project basis.

**I 1.2.12 Where an Agency engages the services of a construction authority, the Agency is required to provide the construction authority with a detailed schedule of works to be undertaken through the minor new works program.**

- (i) A detailed schedule of works for at least 60 per cent of an Agency's minor new works projects, including briefs, must be provided to the Agency's construction authority by 1 May, 80 per cent by 1 December, and 100 per cent by 1 March.

### REPAIRS AND MAINTENANCE

**I 1.2.13 An Agency must have the written endorsement of the relevant Minister and ensure that its repairs and maintenance program bid is based on information from relevant asset management systems and the recommendation of the relevant construction authority.**

**I 1.2.14 An Agency should liaise with its construction authority as early as possible in the Budget development process to enable the timely submission of its repairs and maintenance program bid.**

- (i) A repairs and maintenance program bid that does not have ministerial endorsement will not be presented to the Infrastructure Standing Committee or Cabinet for consideration.
- (ii) The Agency liability statement and condition report, provided by the relevant construction authority, is based on asset inspections by construction authorities to identify work required to preserve or maintain assets in an appropriate condition.
- (iii) Repairs and maintenance program bids are assessed at a global level for each Agency, rather than on a project by project basis.
- (iv) Where an Agency engages the services of a construction authority, the Agency is required to provide the construction authority with a detailed schedule of works to be undertaken through the repairs and maintenance program with at least 60 per cent of the projects, including briefs, by 1 May, 80 per cent by 1 December, and 100 per cent by 1 March.