

Western Australian Auditor General's Report



2022 Transparency Report: Major Projects



Report 17: 2021-22

17 June 2022

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Western Australia**

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The Office of the Auditor General acknowledges the traditional custodians throughout Western Australia and their continuing connection to the land, waters and community. We pay our respects to all members of the Aboriginal communities and their cultures, and to Elders both past and present.

WESTERN AUSTRALIAN AUDITOR GENERAL'S REPORT

2022 Transparency Report: Major Projects

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**THE PRESIDENT
LEGISLATIVE COUNCIL**

**THE SPEAKER
LEGISLATIVE ASSEMBLY**

2022 TRANSPARENCY REPORT: MAJOR PROJECTS

This report has been prepared for submission to Parliament under the provisions of section 25 of the *Auditor General Act 2006*.

The objective of this review is to provide transparency to Parliament and the community around the cost and time performance of 17 major State government projects.

I wish to acknowledge the entities' staff for their cooperation with this review.

A handwritten signature in black ink, appearing to read 'C Spencer'.

CAROLINE SPENCER
AUDITOR GENERAL
17 June 2022

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Auditor General's overview

Funding for major projects is listed in the annual State Budget papers for each State government entity under their Asset Investment Program. The combined value of the State's Asset Investment Program totals \$7 billion in 2021-22. This includes funding for roads, hospitals, schools, prisons and other government infrastructure for the people and economy of Western Australia (WA). However, Parliament and the public cannot easily access detailed or consolidated information on the cost and time performance of these projects.



This second report by my Office provides a snapshot look at 17 selected major projects, including impacts on project costs and delivery timeframes from ongoing material and labour supply shortages due in part to the COVID-19 pandemic responses. We found there has been an 11% budget increase across the 17 projects since their original approval, from \$5.11 billion to \$5.67 billion. Of the 14 active projects, 7 have had their completion dates extended by a year or more, with 1 project's completion date extended by 2.5 years. Twelve of the 14 active projects have had their cost and/or time budgets increased since original approval.

Many projects are now competing with a boom in WA's building and construction sector, driven by stimulus measures, supply chain disruption and a tight labour market. We note the Government has responded to these market pressures by smoothing its pipeline of works through delayed commencement of some projects, particularly in the Transport portfolio. It is important the State Government considers predictable events, such as stimulus measures and the impact of closed borders on labour supply, when planning the delivery of its Asset Investment Program to avoid overstimulating industry.

In 2020, my Office published our first [Transparency Report: Major Projects](#)¹ to help address the lack of transparency in major project reporting. In that report I said it would be a simple matter for Government to regularly report publicly on the status of projects to improve transparency to both Parliament and the public. This reporting would satisfy parliamentary and public interest, promote accountability, and build community trust and confidence around the management of the State's significant investment of public money in major public assets. I note that the Department of Finance regularly reports to Government on the status of major projects and I have recommended this form the basis of regular public reporting. It is my intention to continue to periodically report and track a selection of major projects until Government fills the gap.

This year, my team reviewed the high-level financial and governance controls for all selected projects and performed a detailed controls review for 5 of the projects. Sound governance and financial oversight help support project delivery to achieve planned outcomes on time and on budget.

I thank the staff at each of the entities for their cooperation and assistance in completing this work and strongly encourage entities to publicly report on the cost and time progress of major projects on a regular basis.

¹ Western Australian Auditor General's Report, [Transparency Report: Major Projects](#), Report 6: 2020-21, 29 October 2020.

Executive summary

Introduction

The objective of this review is to provide transparency to Parliament and the community around the cost and time performance of 17 major State government projects in various stages of planning, procurement and delivery. We also included a high-level review of the financial and governance controls for all selected projects and a detailed review of control implementation for 5 projects.

For the purposes of our review, we have defined major projects as either a single project or program of works that costs \$10 million or more.

Project summary sheets provide a summary, overall status and our assessment for each selected project. Interactive versions of the project summary sheets are available on our website.

Background

Despite the significant investment in Western Australia (WA) of public money in major projects, Parliament and the public cannot easily access information on their progress. Our previous *Transparency Report: Major Projects in 2020* highlighted the need for greater transparency in this area of significant public and parliamentary interest.

Similarly, the incoming WA Government's 2018 *Special Inquiry into Government Programs and Projects* commented that Government had 'defaulted to confidentiality around major projects rather than transparency' and recommended Government 'provide information about major projects in an accessible and transparent way to the public'.

The Major Projects Expenditure Review Sub-Committee was established following a Cabinet decision in June 2021. Its responsibilities include monitoring the delivery of the State's Asset Investment Program through the review of regular reports on major projects and programs. The sub-committee meets about every 6 weeks.

The Infrastructure Delivery Unit (IDU), within the Department of Finance, has been asked by the sub-committee to submit progress reports on the status of 21 significant building and infrastructure projects, and the State's entire Asset Investment Program.

Our 2020 report covered 15 major projects managed by 8 State government entities. This report covers 17 projects managed by 10 State government entities. Ten projects are still underway from our first report, 2 have been completed, 1 is no longer funded and 4 new projects have been added.

Conclusion

In compiling this transparency report, nothing has come to our attention to indicate that, in all material respects, information provided in the project summary sheets within this report is not accurate and reliable.

Nine of the 14 active projects are on-track against their current approved cost and time budgets. Two other projects are at risk of exceeding their approved cost budgets and 3 are at risk of not being delivered on time.

Over-stimulated markets and the COVID-19 pandemic responses have caused materials and labour supply shortages, contributing to increased cost and time budgets for many projects. Across all 17 projects there has been an 11% increase in project budgets since original approval, from \$5.11 billion to \$5.67 billion.

Twelve of the 14 active projects have had their cost and/or time budgets increased since original approval. Cost and time risks, if realised, have a flow on impact requiring reprioritisation of projects across the State's future Asset Investment Program.

Of the 2 completed projects, both were delivered within approved cost and time budgets, albeit 1 was delivered about a year later than originally planned (Project 2 - Greenough Regional Prison).

All projects had adequate high-level financial and governance controls, including monitoring and internal reporting processes. We did not identify any significant issues for the 5 projects included in our detailed controls review. All entities were able to provide reasonable and substantiated explanations of cost and time variations when requested.

Findings

Table 1 provides a summary of the 17 selected projects and our assessment of their status against their current approved cost budgets (inclusive of operating and capital expenditure) and completion dates. Current approved budgets are those approved by Cabinet, completion dates are those approved by the project steering committees and reported to Cabinet.

Table 1 also shows those projects that have had an increase to their original approved cost budgets and completion dates approved.

Project name		Project phase				Status at mid-June 2022		
		Planning	Procurement	Delivery	Complete	Cost	Time	OAG assessment
1*	Casuarina Prison Expansion - Stage 2			●			⌚	
2*	Greenough Regional Prison - Female Unit Upgrade				●		⌚	
3*	Geraldton Health Campus Redevelopment		●			\$		
4	Joondalup Health Campus Development - Stage 2			●		\$	⌚	
5*	John Forrest Secondary College Redevelopment			●				
6*^	Bob Hawke College - Stage 2			●			⌚	
7	Metronet - Forrestfield-Airport Link			●			⌚	
8^	Metronet - Morley Ellenbrook Line			●				
9	Queen Victoria Street - Swan River Crossing			●		\$	⌚	
10	Tonkin Highway Gap - Collier Road to Stanton Road			●		\$		
11	Tonkin Highway Grade Separation - Hale, Welshpool, Kelvin Roads	●					⌚	
12	Tonkin Highway Stage 3 Extension - Thomas Road to South Western Highway	●				\$	⌚	
13	Fuel Jetty Rottnest Island				●	\$		
14	Main Jetty Rottnest Island			●		\$	⌚	
15	South Thomson Bay Development Rottnest Island (Barge Landing and Cargo Facilities)					Did not proceed		
16^	Common Ground - East Perth		●			\$	⌚	
17^	Common Ground - Mandurah	●				\$		

Source: OAG

* managed by the Department of Finance

^ new project selected for this report

\$ funding increase approved

⌚ extension to completion date approved

Table 1: OAG status assessment of selected major projects at mid-June 2022

Table 2 is the risk matrix we used to assess cost and time status of projects and to form our overall assessment. In some cases, potential risks have been identified by entities or the OAG in the cost or time commentaries of our Project Summary Sheets that have yet to impact on cost or time status.

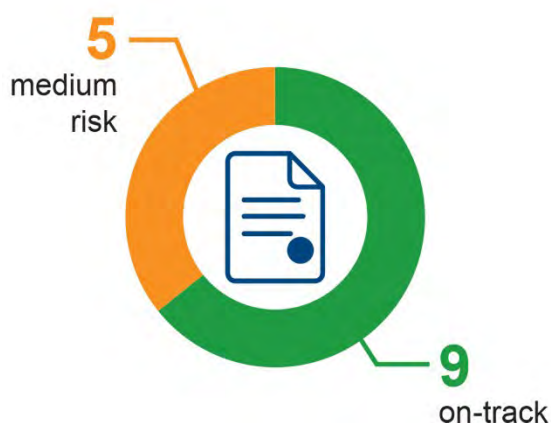
	Significant	Medium	On-track	Not applicable
Cost	Actual or forecast cost more than 10% over current approved budget	Actual or forecast cost between 5 to 10% over current approved budget	Actual or forecast cost less than 5% over current approved budget	
Time	Actual or forecast delivery more than 6 months over current approved time	Actual or forecast delivery between 3 to 6 months over current approved time	Actual or forecast delivery less than 3 months over current approved time	
OAG assessment	Both cost and time at significant risk	Either cost or time at significant or medium risk	No cost or time risk evident at report date	

Source: OAG

Table 2: Risk matrix used to assess project status

Overall assessment

We assessed 9 of the 14 active projects as being on-track to meet their current approved cost and time budgets (Figure 1). We note however that 12 of these projects have had their cost and/or time budgets increased to accommodate scope changes, material and labour shortages, price increases and scheduling challenges (Figure 2). Five have had both their cost and time budgets increased. A further 3 projects have received more funding and 4 have had their completion dates extended. Only 2 of the 14 active projects have not had their cost or time budgets increased since original approval.



Source: OAG using entity information

Figure 1: OAG overall assessment of project status at mid-June 2022



Source: OAG using entity information

Figure 2: Projects with approved increases to original approved cost and/or time budgets

We found there has been an 11% increase across all project budgets since their original approval, from \$5.11 billion to \$5.67 billion. Seven of the 14 active projects have had their completion dates extended by a year or more, with 1 project's completion date extended by 2.5 years.

The 5 projects we assessed as being at medium risk have identified cost and time risks that have either already been realised, as with the delay to completion of the **Metronet – Forrestfield-Airport Link**, or are yet to have changes to their cost and time budget approved. Two of these projects are at significant risk of exceeding their approved cost budgets, and 3 are at significant risk of not being delivered on time.

We note that the cost and time risks identified in our 2020 report were realised for 4 projects:

- **Greenough Regional Prison – Female Unit Upgrade** – finished about a year later than originally approved, albeit within the revised approved timeframe
- **Geraldton Health Campus Redevelopment** – the project budget has increased and the delivery schedule is to be determined based on the outcome of the procurement process. It will not meet its target completion date of August 2024.
- **Main Jetty Rottnest Island** – the budget has increased by over \$6 million and the current completion date has been extended by a year from the original approved date
- **South Thomson Bay Development Rottnest Island** – with an original budget allocation of \$10 million, the project did not proceed once a business case was developed and assessed.

Casuarina Prison Expansion – Stage 2 and **Metronet – Forrestfield-Airport Link** were both previously reported as being within their approved cost and time. **Metronet – Forrestfield-Airport Link** has not been able to meet revised deadlines, and the **Casuarina** project is now facing cost risks due to construction industry pressures.

Three projects are in the planning phase

Three projects are at various stages of planning.

The Common Ground - Mandurah project is providing accommodation and support services for people suffering from chronic homelessness. The project plans to submit a Project Definition Plan (PDP) to Cabinet before 30 June 2022. The current budget is \$28.1 million, which has increased by around \$18 million from the original approved budget of \$10 million. The estimated completion date is October 2024. The project team is expecting to submit a request for further funding to accommodate expected cost pressures. The PDP will inform future project cost and delivery schedules.

Two **Tonkin Highway projects** (Grade Separation and Stage 3 Extension) have had their start and completion dates deferred to smooth the State's pipeline of works and ease construction industry pressures:

- **Tonkin Highway Grade Separation** has an approved budget of \$366 million. Estimated expenditure to 30 June 2022 is \$17.05 million, which exceeds the budgeted expenditure of \$9.84 million by around \$7 million.
- **Tonkin Highway Stage 3 Extension** has an approved budget of \$755 million which has increased by \$250 million from the original budget of \$505 million. The budget increase is due in part to scope changes and construction industry pressures.

Two projects are in the procurement phase

Two projects in the procurement phase have had their original budgets increased and both expect further cost increases due to construction industry pressures:

- **Common Ground – East Perth** has an approved budget of \$45.4 million, which has increased by around \$20 million from the original budget of \$25 million. The increased budget was due mainly to scope changes, but with some recognition of construction industry cost pressures. The expected completion date is September 2024. The tender for construction closed in May 2022 with assessment to be completed by end of June 2022.
- **Geraldton Health Campus Redevelopment** went to tender in September 2021. However, bids came in well above the original approved \$73 million budget as a result of materials and labour supply shortages and associated cost increase. As a result, the procurement process was put on hold while approval was sought for additional funds. A revised budget of \$122.66 million was approved by the Expenditure Review Committee of Cabinet and revised options for procurement approaches are being assessed. The outcomes of the revised procurement will determine future timeframes for the project.

Nine projects are in the delivery phase

Five projects in delivery are on-track to be completed on time and within approved cost budgets:

- **Bob Hawke College – Stage 2** is expected to be completed on time and within its \$52.9 million approved budget. The project was originally scheduled for completion by October 2022 but had its approved completion date extended to January 2023 due to construction industry pressures.
- **John Forrest Secondary College Redevelopment** is at mid-stage of delivery. The project is expected to be completed in September 2023 and within its \$50 million approved budget. Estimated expenditure to 30 June 2022 is about \$9 million above the \$23.36 million budgeted.
- **Main Jetty Rottnest Island** is at mid-stage of delivery. It is within its revised approved budget of \$12.9 million. The budget increased from the original \$5.65 million due to expanded scope requirements identified during planning. However, the project team is aware the upcoming procurement for the final packages of work may identify further cost risks. The project is due for completion in December 2023.
- **Metronet – Morley Ellenbrook Line** is still in the early stages of delivery with a budget of \$1.1 billion and completion due by December 2024.
- **Joondalup Health Campus Development** is at mid-stage of delivery. It is within its approved budget of \$256.7 million and on schedule with expected practical completion date in early 2025.

One project in delivery is on time but faces a cost risk:

- **Tonkin Highway Gap – Collier Road to Stanton Road** is at mid-stage of delivery. The project faces cost risks with estimated expenditure to 30 June 2022 of \$314.36 million, about \$138.5 million above the \$175.85 million budgeted. The project's revised approved budget of \$520 million, increased from the original \$290 million. The budget increase was for Main Roads to deliver the Morley Ellenbrook rail enabling works along the Tonkin Gap corridor. Cost escalation is also expected due to construction industry pressures. The project is due for completion by June 2023.

Two projects in delivery are within their cost budgets but face time risks:

- **Metronet – Forrestfield-Airport Link** is due for completion in mid-2022, about 6 months later than the current approved completion date and nearly 2 years later than originally planned. COVID-19 has impacted recent supply of specialist equipment and resources required for commissioning. At the time of reporting, completion is imminent. The project is within its approved budget of \$1.86 billion.
- **Queen Victoria Street – Swan River Crossing** is in the early stages of delivery. Extra time on stakeholder consultation during planning delayed the start date with construction now expected to commence in late 2022, about a year later than originally planned. Completion is now expected in late 2025 or early 2026, about 2 years later than originally planned. The project is within its revised approved budget of \$280 million, which has increased by \$50 million from \$230 million. The budget increase relates to scope changes following stakeholder consultation. Budgeted and actual/estimated expenditure to 30 June 2022 are on-track at \$35.58 million and \$35.38 million respectively.

One project is facing a cost risk. **Casuarina Prison Expansion – Stage 2** is at mid-stage of delivery. It is expected to require a budget increase due to construction industry pressures. The completion date has been deferred by about 6 months from the end of 2023 to mid-2024.

Two projects are complete, and one did not proceed

Since our last report in October 2020, 2 projects have been completed (**Greenough Regional Prison – Female Unit Upgrade** and **Fuel Jetty Rottnest Island**). Both were completed within revised and approved budgets, albeit Greenough Regional Prison was delivered about a year later than originally planned. A further project did not proceed past the Business Case (**South Thomson Bay Development Rottnest Island** (Barge and Cargo Landing Redevelopment)) with funds approved to be transferred to the **Main Jetty Rottnest Island project**.

Cost increases and resource shortages have impacted many projects

Twelve of the 14 active projects have had their cost and/or time budgets increased since original approval. Five projects have had both their time and cost impacted, and 7 have had either their cost or time impacted.

It is difficult to accurately assess the impacts that COVID-19 has had on project budgets and time schedules. We reported in 2020 that the Government had fast-tracked a number of the projects we selected for review to help off-set the expected negative economic impacts of COVID-19. This resulted in increased demand for labour and materials at the same time as border restrictions and world-wide supply issues reduced supply. COVID-19 infection and isolation requirements have also significantly impacted labour supply for projects. However, a number of projects have also been impacted by scope changes as they progressed from planning into procurement and delivery phases.

Project financial and governance controls were adequate

Our high-level review of the financial and governance controls, including regular monitoring and internal reporting of project status, confirmed they were generally adequate for all projects. We reviewed the adequacy of control design in the following areas:

- documented and functioning governance frameworks including relevant project management and steering committees and project reporting and approvals processes
- management of conflicts of interest including gifts registers

- records management processes and systems for key project documentation
- project and financial management systems appropriate to the risk and complexity of the projects being managed
- authorisation of payments and segregation of duties in accordance with *Treasurer's Instruction 304 Authorisation of Payments*
- independent processes to confirm quality, quantity and cost reports for projects prior to authorisation of payments.

Our more detailed review for 5 projects² involved testing a small number of transactions or activities to confirm the above controls had been implemented as required. The testing did not identify any significant issues in control implementation.

² Casuarina Prison Expansion – Stage 2; Geraldton Health Campus Redevelopment; Queen Victoria Street – Swan River Crossing; Common Ground – East Perth and Common Ground – Mandurah.

Recommendation

Similar to the recommendation in our 2020 report, the Department of Finance should work to improve transparency through regular reporting to Parliament and the public on the cost, time and status of major projects.

Response from the Department of Finance

The Department of Finance (Finance) welcomes the Auditor General's transparency report on major projects and is pleased the performance [review] acknowledges the improved governance arrangements that have been implemented across the public sector to guide the planning and delivery of the State's Asset Investment Program, including the recent establishment of the Major Projects Expenditure Review Sub-Committee.

Given the ongoing impacts of COVID-19 on the Western Australian economy and the current challenges within the building and construction industry, the Government's priority continues to be the delivery of critical infrastructure projects. A suite of industry support measures were announced as part of the 2022-23 State Budget in recognition of these issues and to support a vibrant and sustainable industry.

Furthermore, there are a number of existing mechanisms that provide a level of transparency over the Government's major projects, which the Auditor General's major projects report complements. In particular, the Budget papers, Standing Committee on Estimates and Financial Operations, Public Accounts Committee, agencies' annual reports and proposed updates to information published on the Pipeline of Work, all work together to provide a level of transparent reporting on the Government's major projects.

Accordingly, while Finance supports the intent of the recommendation, it is not well placed to progress the matter, noting many of the issues cited in Finance's previous response are yet to be resolved and will take considerable time and effort to work through, in close consultation with key stakeholders. Finance's current focus remains on project delivery and industry support measures, which have consequential impacts on small and local business, as well as the broader community.

Response from the Department of Treasury

Treasury supports transparent reporting on the status of the State's major projects. To this effect, Treasury welcomes the Auditor General's report and is pleased that it acknowledges improvements that have been implemented across the public sector, such as establishment of the Major Projects Expenditure Review Sub-committee (MPERSC) and Infrastructure Delivery Unit (IDU) in the Department of Finance.

Whilst supportive of the intent of the performance [review's] recommendation, Treasury believes existing major project reporting governance has been strengthened by the recently established MPERSC and the ongoing reporting function of the IDU.

In addition, scrutiny of major projects is achieved through:

- the annual Budget papers
- the Standing Committee on Estimates and Financial Operations
- the Public Accounts Committee
- agencies' annual reports and other public communications on major projects.

Further major project reporting is likely to result in duplication of these existing functions, and would require considerable resourcing if a \$10 million project cost threshold was to be applied (major projects are generally defined as those with an estimated total cost of \$100 million and above).

Treasury values the independent assurance provided by the Auditor General in relation to the cost, time and status of major projects, and would welcome the continuation of its existing program of transparency audits which are reported directly to Parliament.

Focus and scope

The objective of this transparency review was to provide information to Parliament and the public around the cost and time performance of a selection of major projects. The key questions we asked were:

- What is the current status of costs and timing (at mid-June 2022) for each project against approved funding?
- Can entities provide a reasonable and substantiated explanation where there are significant variations in costs and timing?

We reviewed 17 projects at 10 State government entities. For the 5 projects managed on behalf of entities by the Department of Finance, we obtained and compared financial data from both entities.

We conducted a high-level review of the design of financial and governance controls for all projects and a detailed review of the implementation of those controls for 5 projects. Our detailed review involved testing a small number of transactions or activities to confirm controls had been implemented as required.

During the review we:

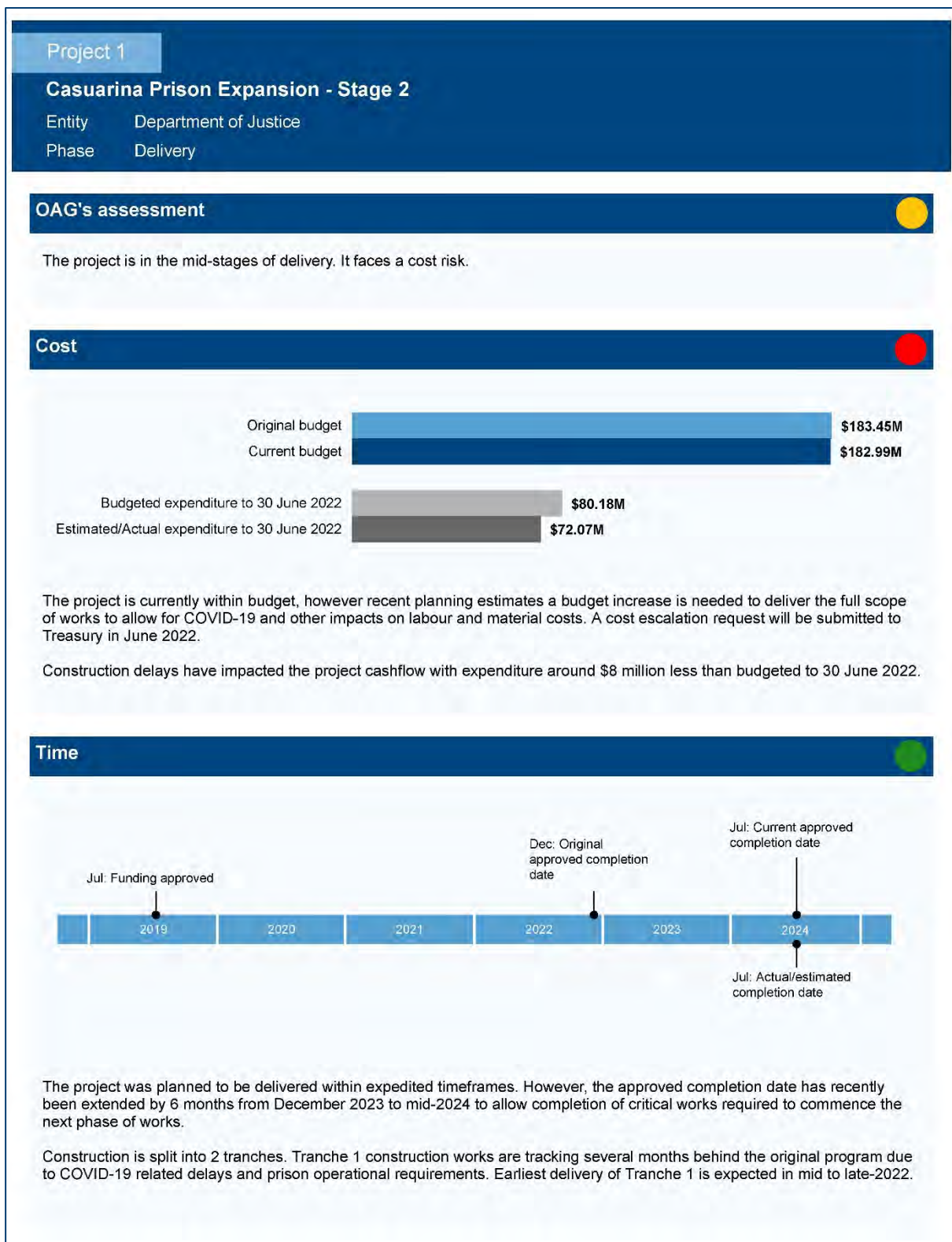
- interviewed staff at the 10 entities
- reviewed relevant project documents and reports
- reviewed financial and governance controls for each project
- assessed the reliability of information provided
- confirmed the validity of reasons for project variances.

This was a limited assurance direct engagement, conducted under section 18 of the *Auditor General Act 2006*, in accordance with the Standard on Assurance Engagements ASAE 3500 *Performance Engagements* issued by the Australian Auditing and Assurance Standards Board. We complied with the independence and other ethical requirements relating to assurance engagements. This review varies in nature, timing, and extent from an audit. As such, the level of assurance provided in this report is substantially lower than for an audit.

The approximate cost of undertaking this review and reporting was \$182,000.

Project summary sheets

The project summary sheets are available for interactive viewing on our website.



Project summary

In April 2019, the WA State Government announced plans for a further expansion of 344 beds at Casuarina Prison. Following submission of the business case, in July 2019 the Expenditure Review Committee of Cabinet approved the project with a capital budget of \$183.45 million.

The project includes upgrades to the prison's existing infrastructure and facilities including the provision of beds and specialist 'precincts' for high needs prisoners such as those who are disabled, infirm or elderly; who are currently not well catered for across the custodial estate. The expansion will also include assisted care, mental health and high security facilities. With a focus on design flexibility and future proofing, the aim is for the asset to remain suitable for managing changing cohorts over the next 50 plus years and to reduce lifecycle and maintenance costs. When complete, the prison's capacity will be up to 1,790 general purpose beds and 141 special purpose beds, making it one of the largest prisons in WA.

The project will see building taking place at the Prison continuously through to at least 2023.

Project status

The project is running behind on key milestones. A builder is contracted to deliver the Tranche 1 New Buildings. The tender for the Tranche 1 Refurbishment has been advertised and the Tranche 2 design documents are being developed by the lead consultant.

Response from the entity

We confirm the cost and time information and associated commentary present an accurate reflection of the status of the project as at June 2022. We agree with the OAG's assessment of the project status.

Project 2

Greenough Regional Prison - Female Unit Upgrade

Entity Department of Justice

Phase Complete

OAG's assessment

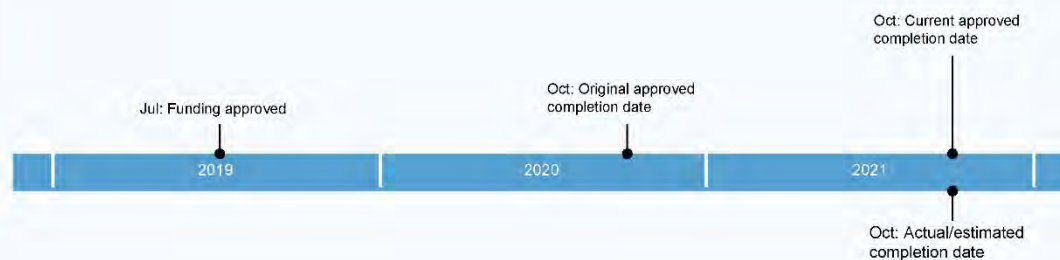
The project was completed within the original approved budget and the revised approved timeframe, albeit about a year later than originally planned. Delays occurred in the planning phase and also during final construction.

Cost



The project was completed within the original approved budget.

Time



The project was completed about a year later than originally planned but within the revised approved timeframe. Delays occurred in planning due to extended consultation with stakeholders to agree the project scope. Further delays occurred during the final stages of construction due to COVID-19 and other impacts on material supply chains and contractor availability.

Project summary

In July 2018, a riot at Greenough Regional Prison resulted in significant damage to the facility, particularly the women's precinct. In July 2019, the State Government approved \$12.3 million to address safety, security and separation concerns for the women's precinct, specifically:

- improved precinct perimeter fencing with visual separation on all prison facing sides and an energised fence
- improved CCTV quality and coverage including a conversion from analogue to digital and additional coverage including internal wing cameras
- additional support infrastructure to limit the need for women to leave the precinct including access to employment/constructive activity, medical consulting space and delivery of education and programs
- re-orientation of recreational facilities to provide better separation from other units and the oval
- improved access and egress with the installation of a secure egress point into the management fence to facilitate planned evacuations.

Project status

Complete.

Response from the entity

We confirm the cost and time information and associated commentary present an accurate reflection of the status of the project as at June 2022. We agree with the OAG's assessment of the project status.

Project 3

Geraldton Health Campus Redevelopment

Entity WA Country Health Service

Phase Procurement

OAG's assessment

The project is in the procurement phase. The project has had to manage both cost and time risks. The project will not meet its completion date of August 2024 and revised timeframes will not be known until the procurement process is complete.

Cost



The May 2022 State Budget provided additional funds of around \$50 million to the original budget of \$73.34 million, to cover cost increases and enable the project to proceed. This resulted in a current budget of \$122.66 million.

Time



Before going back to market to procure a contractor to deliver the approved scope the project had been waiting for additional funding to cover increased costs. Revised delivery timeframes will not be known until the subsequent procurement strategy and process are finalised.

Project summary

The Government approved \$73.34 million for the Geraldton Health Campus redevelopment project in the 2018 Budget.

The redevelopment is intended to strengthen quality health care in the mid-west and improve access to mental health services.

The scope of works includes:

- a new emergency department (ED) including a 12-bed short-stay unit, inclusive of 3 mental health short-stay beds
- integrated mental health services, including a 12-bed (4 high dependency/8 low dependency) inpatient unit with co-located mental health community treatment team
- a new 8-bed critical care unit comprising 4-bed intensive care unit (ICU)/4-bed high dependency unit to be built in the old ED space
- essential engineering service upgrades.

The new ED and integrated mental health service was initially due for completion by late 2022 and the refurbishment of the old ED into a new critical care unit was to be completed in late 2023.

Project status

Delays to the original approved completion date have arisen due to an unfavourable tender result, changing market conditions and pending confirmation of additional funding from Government. Following consideration of these issues, and further market research and advice from the Department of Finance, additional funding was approved by Government and announced by the Minister for Health on 4 May 2022.

Response from the entity

We confirm the cost and time information and associated commentary present an accurate reflection of the status of the project as at June 2022. We agree with the OAG's assessment of the project status.

Project 4

Joondalup Health Campus Development - Stage 2 (JHCD2)

Entity Department of Health - North Metropolitan Health Service

Phase Delivery

OAG's assessment

The project is in the mid-stages of delivery. It is within budget and expected to be completed on schedule in early 2025, although with an increased budget and a year later than originally intended due to scope changes approved as part of Project Definition Planning.

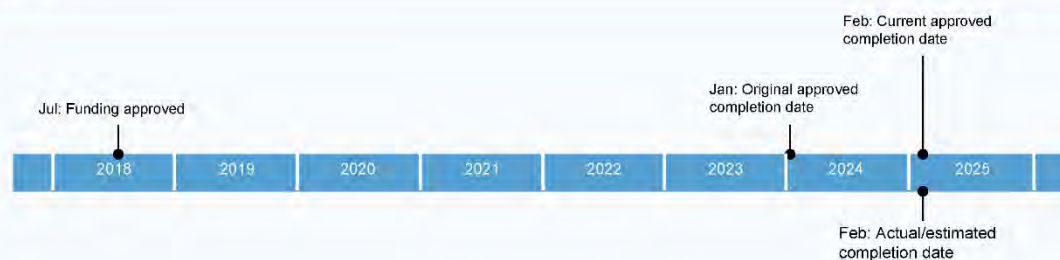
Cost



The Commonwealth Government and the State executed the Project Agreement for the Western Australian Hospital Infrastructure Package in 2018-19, providing \$158 million for this project. The Project Definition Plan submitted as part of the 2019-20 Mid-Year Review included additional project scope to meet service demand. An additional investment of \$98.7 million was approved by the State Government, resulting in a total project budget of \$256.7 million.

Estimated expenditure to 30 June 2022 is about \$1.5m more than budgeted. The increased expenditure reflects the progress of works on site which are ahead of schedule.

Time



The project is progressing and expected to be completed on schedule in early 2025.

- Emergency Department and Staff Car Park expansion works were completed in November 2021.
- Partial demolition of the Joondalup Health Campus Community Health Building was completed on 16 November 2021.
- Construction of the new 102 bed Mental Health Unit commenced on 17 November 2021.
- Public Car Park construction works commenced on 26 November 2021.
- Phase 1 works for the Central Energy Plant Upgrades commenced on 2 November 2021.
- The planned construction completion date was revised to February 2025 following acceptance of the Early Contractor Involvement (ECI) proposal which included a contracted works completion date of 13 February 2025.

Project summary

The JHCD2 project is a major redevelopment of the existing Joondalup Health Campus with the construction of:

- a new 102 bed Mental Health Unit (consisting of 30 additional beds, 25 shelled bed spaces to meet future demand with life safety and main service provision for future fit out and 47 replacement beds)
- 12 new emergency department (ED) beds (comprising 10 bays and 2 isolation rooms)
- 1 specialised Behavioural Assessment Urgent Care Clinic (BAUCC) located within the expanded ED
- refurbishments to the Emergency Assessment Unit (EAU) located within the expanded ED
- a new 112-bed Public Ward block (30-bed medical/surgical inpatient ward, 16-bed Cardiac Care Unit (6 additional and 10 relocated), 66 shelled beds to meet future demand, physiotherapy, administration and shelled space)
- 1 new Theatre
- 1 new Cardiac Catheterisation Laboratory (Cath Lab) and relocation of the existing Cath Lab
- refurbished Discharge Lounge
- increased parking bays for staff and public
- upgraded staff facilities (staff rooms, change rooms and training areas)
- upgrades to associated services (including Central Energy Plant, Sterilising Department, Biomedical Engineering and Stores).

Project status

The project is progressing on schedule and within the approved budget.

Response from the entity

We confirm the cost and time information and associated commentary present an accurate reflection of the status of the project as at June 2022. We agree with the OAG's assessment of the project status.

Project 5

John Forrest Secondary College Redevelopment

Entity Department of Education

Phase Delivery

OAG's assessment

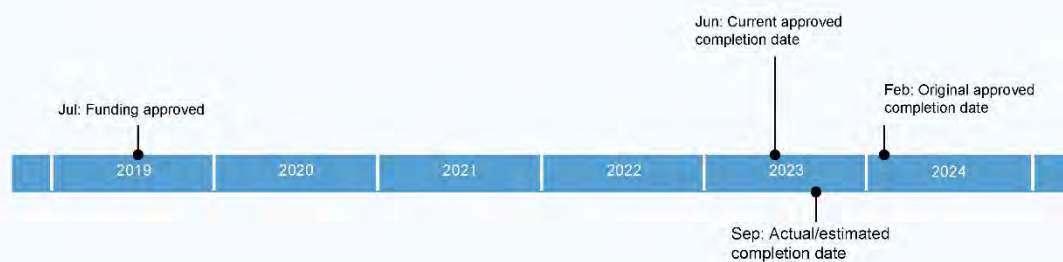
The project is in the mid-stages of delivery. It is slightly behind schedule due to materials and labour shortages but on track for completion within approved cost and time budgets.

Cost



The project is within its approved budget of \$50 million. Estimated expenditure to 30 June 2022 is about \$9m more than budgeted. This increased expenditure reflects progress of significant new works on site, refurbishment and demolition on the existing school site, and increased material and labour costs. However, completion is still expected within the \$50m approved budget.

Time



The project is currently 8-12 weeks behind schedule, but early project handover is still expected in September 2023, within the original timeframe of January 2024.

Project summary

On 13 September 2017, the State Government announced funding for a \$50 million major rebuild at John Forrest Secondary College which forms part of a commitment to upgrade secondary schools across the State. Funds were made available in the 2019-20 State Budget. The redevelopment will see the college modernise and expand its permanent student accommodation.

The design will deliver high quality, highly functional and sustainable educational facilities including new technology and arts learning areas along with administration, sports hall and science labs. Some refurbishments to existing classrooms may also be included.

The project will increase the permanent student accommodation on the site to 1,300 students to meet current demand and increase the quality of the school's infrastructure.

Project status

The project has experienced challenges and slight delays due to material and labour supply shortage and working on an occupied site.

Response from the entity

We confirm the cost and time information and associated commentary present an accurate reflection of the status of the project as at June 2022. We agree with the OAG's assessment of the project status.

Project 6

Bob Hawke College - Stage 2

Entity Department of Education

Phase Delivery

OAG's assessment

The project is in the mid-stages of delivery, it has experienced some delays but is on time for completion in January 2023 and within budget.

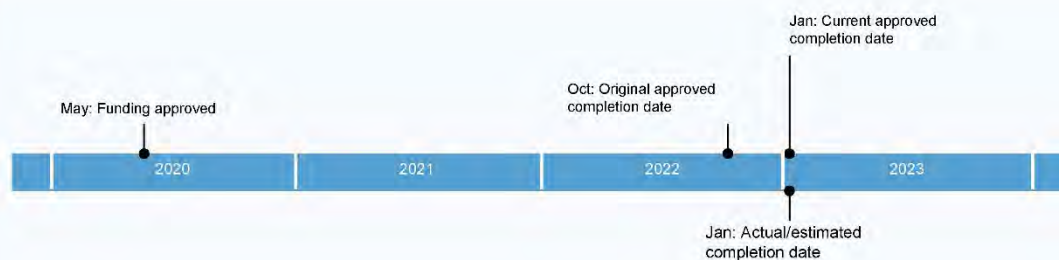
Cost



The project is within its approved budget.

Expenditure to 30 June 2022 is about \$4m less than budgeted as a result of delayed progress.

Time



The handover date has been extended slightly to January 2023 to account for delays caused by materials and labour shortages.

Project summary

The project is for the second stage of Bob Hawke College and is due to open in 2023. Stage 1 of the college opened in January 2020, catering for 1,000 students. Stage 2 will accommodate a further 1,000 students and include additional general classrooms, a performing arts centre, visual arts, music and media studios. The Stage 2 site addresses Subiaco Road and is adjacent to the Stage 1 development on the former Kitchener Park, Subiaco.

Project status

The project is on time and budget but experiencing some challenges.

Response from the entity

We confirm the cost and time information and associated commentary present an accurate reflection of the status of the project as at June 2022. We agree with the OAG's assessment of the project status.

Project 7

Metronet - Forrestfield-Airport Link

Entity Public Transport Authority

Phase Delivery

OAG's assessment

The project is in the final stages of delivery. The project will be completed within the approved budget but around 6 months later than the approved completion date and nearly 2 years after the original planned completion.

Cost

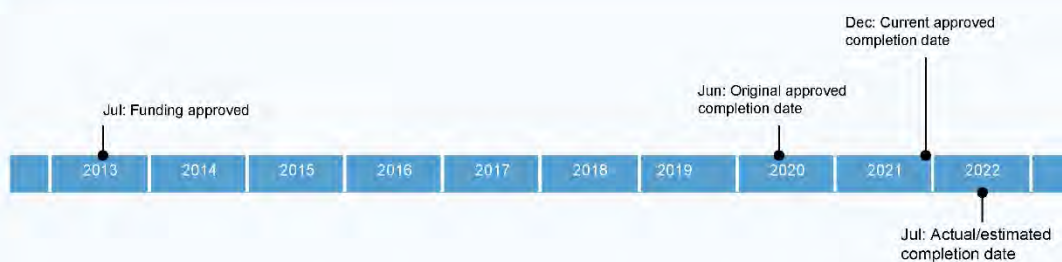


Funding of \$2,015 million was originally approved for the Airport Rail project in the 2013-14 Budget under the Department of Transport. The project was transferred to the Public Transport Authority in the 2014-15 Budget and funding increased to \$2,021 million. This was reduced to \$1,861 million in the 2017-18 Budget with \$60 million for rail cars transferred to the Future Urban Railcar Procurement Program and a further \$100 million returned to Treasury.

At 30 June 2022 expenditure was lower than expected due to:

- ongoing delays in construction / commissioning works of the new Airport Line
- deferral of funding to manage defect liability period and project closeout activities which will commence after entry into service, practical completion and revenue services commence.

Time



The project completion date is about 2 years later than originally expected. Recently there has been delays to the supply of some specialist equipment and resources, and track laying progress was slower than expected which had a direct impact on the tunnel fit out activities.

Project summary

Forrestfield-Airport Link is a \$1.861 billion State Government project to extend Perth's rail service, with 3 new train stations – Redcliffe, Airport Central and High Wycombe. The rail link will connect with the existing Midland Line near Bayswater Station and will run to High Wycombe through underground tunnels ensuring minimal impact on the existing land and road network. The design, construct and maintenance contract was awarded in April 2016. The first operational trains are expected to run before the end of July 2022.

Project status

At the time of reporting, the physical infrastructure had been completed including the 3 stations, 12 cross passages, 3 egress shafts and the tunnel fully fitted out with the required rail systems (track, overheads, signalling and communications).

Final commissioning, operational readiness checks and driver training are ongoing in anticipation that services will commence shortly.

Response from the entity

We confirm the cost and time information and associated commentary present an accurate reflection of the status of the project as at June 2022. We agree with the OAG's assessment of the project status.

Project 8

Metronet - Morley Ellenbrook Line

Entity Metronet

Phase Delivery

OAG's assessment

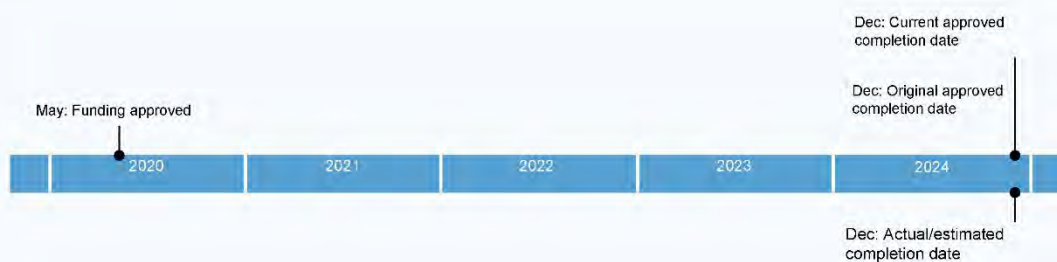
The project is in the early stages of delivery, on time and within budget.

Cost

Original budget		\$1,123.00M
Current budget		\$1,123.00M
Budgeted expenditure to 30 June 2022		\$204.60M
Estimated/Actual expenditure to 30 June 2022		\$207.04M

The current budget remains unchanged from the original budget. The estimated/actual expenditure to 30 June 2022 is about \$2.44 million more than the budgeted expenditure for the same period.

Time



Practical completion is still expected in July 2024 with entry into passenger service in December 2024. These dates are unchanged from the original approved completion dates.

Project summary

The Morley-Ellenbrook Line starts at Bayswater Station on the Midland Line, travels in the median of the Tonkin Highway exiting shortly after Marshall Road and travelling through Bennett Springs until it reaches Drumpellier Drive. The alignment then continues along the western side of Drumpellier Drive and ends in Ellenbrook, south of The Parkway.

The project includes:

- constructing 21.3km of new dual-track passenger railway from the Midland Line near Bayswater to Ellenbrook
- building 5 new stations at Morley, Noranda, Malaga, Whiteman Park and Ellenbrook complete with station infrastructure including parking, bus interchanges (excluding Noranda which will have on-street bus connections), cycling facilities, passenger amenities and standard station systems to cater for an estimated total of 18,070 daily boardings in 2031
- constructing 2 elevated rail structures, road bridges, one rail waterway bridge and one rail underpass
- constructing 3 new intersections and 3 new roads for station access
- constructing 2 rail pedestrian underpasses at Ellenbrook Christian College and Whiteman Park Station and 1 road pedestrian underpass at Benara Road, Morley
- constructing shared path connections in proximity to the stations to connect to existing pedestrian and cyclist networks.

Project status

Following contract award in October 2020, the project primarily focused on design throughout 2021 and into early 2022. Contractor mobilisation to site commenced in January 2022, with completion of site compounds at Ellenbrook, Whiteman Park, Bennett Springs and Malaga. Development approvals have been obtained for the majority of stations, with clearing, earthworks and other site preparation activities ongoing since early 2022, focusing on the 3 northern-most stations at Ellenbrook, Whiteman Park and Malaga.

Response from the entity

We confirm the cost and time information and associated commentary present an accurate reflection of the status of the project as at June 2022. We agree with the OAG's assessment of the project status.

Project 9

Queen Victoria Street - Swan River Crossing

Entity Main Roads WA

Phase Delivery

OAG's assessment

The project is in the delivery phase. The project is on time and budget, albeit due for completion 2 years later than originally approved and costing \$50 million more.

Cost



An additional \$50 million of funding was approved in the 2022-23 Federal and State Budgets for the impacts of cost escalation in the construction industry as well as approved changes to the alignment of the Bridge following stakeholder engagement.

Time



An alliance contract was awarded in January 2021. In response to a request from key stakeholders, additional planning and development work was undertaken to consider the feasibility of alternative configurations for the southern intersection at Queen Victoria Street / Canning Highway. This combined with efforts to find a more cost-effective solution delayed the commencement of construction and culminated in support of a new intersection design.

Construction is expected to start in late 2022 with completion due by late 2025 or early 2026.

Project summary

This project is fundamentally about replacing the aging Fremantle Traffic Bridge which will need to be closed due to its age, condition and continued deterioration. Replacing this bridge will continue to provide 2 road connections across the Swan River at Fremantle: the Stirling Bridge, which is the freight route for heavy vehicles servicing the Port; and the replacement road bridge, which will be used by light vehicles only and as a diversion route for freight when an incident occurs on the Stirling Bridge which requires lane closures.

The project is also about addressing the significant capacity constraints on the Fremantle Rail Bridge, which limit rail freight to access the Port to very limited times, which in turn places a 'cap' on the number of trains which can operate and the amount of freight which can be moved by rail.

The key outcomes to be provided by the project are:

- supporting the productivity of the Port by enabling the continued growth in container trade without adverse congestion impacts
- providing effective connectivity for rail freight, other traffic and pedestrians and cyclists across the Swan River
- addressing the navigational safety risks associated with the Fremantle Traffic Bridge
- providing river crossings which are achievable and sustainable, by aligning with stakeholders' requirements and minimising whole of life costs
- providing network resilience when disruptions to the flow of freight occur from incidents which close lanes on the Stirling Bridge.

Project status

Concept design development is underway for the changed intersection design.

Response from the entity

We confirm the cost and time information and associated commentary present an accurate reflection of the status of the project as at June 2022. We agree with the OAG's assessment of the project status.

Project 10

Tonkin Highway Gap - Collier Road to Stanton Road

Entity Main Roads WA

Phase Delivery

OAG's assessment

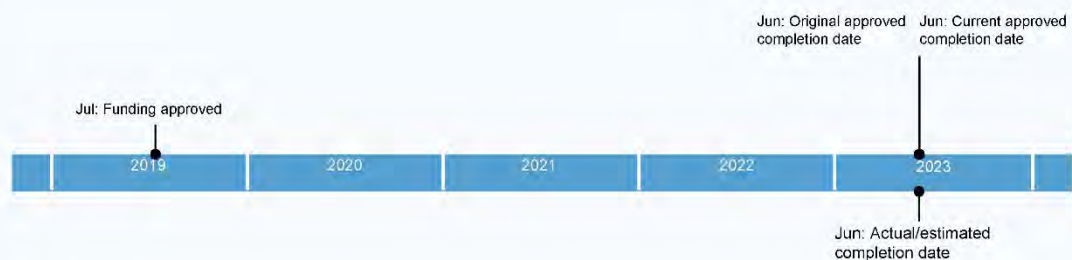
The project is in the mid-stages of delivery. The project faces some cost risks due to price increases.

Cost



The current budget is \$230m higher than the original budget as the Expenditure Review Committee of Cabinet agreed in 2020-21 for the project to also deliver the Morley Ellenbrook rail enabling works along the Tonkin Gap corridor. In 2021-22, expenditure of \$138.5m above the \$175.85m budgeted, was advanced in accordance with the delivery timeline opportunity, however the overall estimated expenditure for the project remains within the total project budget. Cost escalation mitigation measures have also been put in place to address any potential cost risks.

Time



Project is on-track for completion by 30 June 2023.

Project summary

The Tonkin Highway 'Gap' is approximately 8 kilometres east of Perth, between Great Eastern Highway and Collier Road. This section of Tonkin Highway forms part of a vital freight and commuter access route.

Traffic often exceeds design capacity at this location resulting in congestion and safety issues, limiting traffic flow benefits from recent and planned investments in other sections of the Tonkin Highway.

The project comprises:

- construction of collector - distributor roads between Guildford Road and Great Eastern Highway
- duplication (and/or widening) of existing bridges over Railway Parade, Guildford Road and Dunstone Road
- modifications to Great Eastern Highway interchange (including tie-ins to Stanton Road), reconfiguration or widening of existing Redcliffe Bridge and construction of new Redcliffe Bridge south / west of the existing bridge
- construction of new footbridge over Railway Parade and Guildford Road
- Principal Shared Path connectivity to and along Tonkin Highway
- safety barriers, noise walls, full street lighting and Intelligent Transportation Systems to ramps and mainline construction of an additional bridge north of the existing structure to enable future 4 all-lane-running capacity
- rail-enabling works for the METRONET Morley-Ellenbrook Line along Tonkin Highway, including underpasses and dive structures, to enable trains to enter and travel along the median of Tonkin Highway then exit in Malaga. Road and bus bridges will be built at Broun Avenue to provide access to the future Morley Station.

Project status

The project is just over 50% complete and has been tracking against agreed milestones.

Response from the entity

We confirm the cost and time information and associated commentary present an accurate reflection of the status of the project as at June 2022. We agree with the OAG's assessment of the project status.

Project 11

Tonkin Highway Grade Separation - Hale, Welshpool, Kelvin Roads

Entity Main Roads WA

Phase Planning

OAG's assessment

The project is in the planning phase. Its start date has been deferred and the completion date extended by 2.5 years to smooth the State's pipeline of work and ease industry pressures.

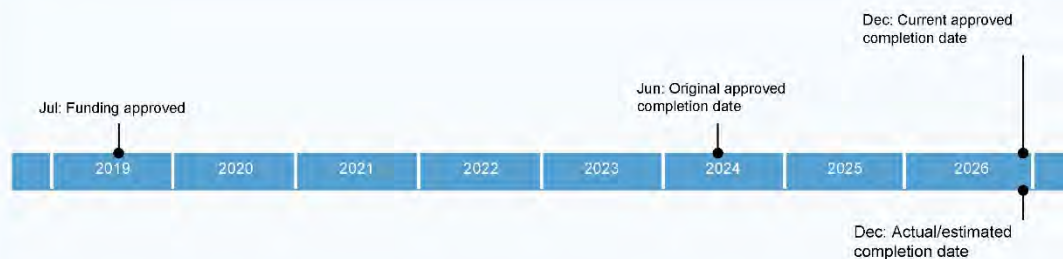
Cost

Original budget	\$366.00M
Current budget	\$366.00M

Budgeted expenditure to 30 June 2022	\$9.84M
Estimated/Actual expenditure to 30 June 2022	\$17.05M

Estimated expenditure to 30 June 2022 exceeds what was budgeted by \$7.21 million as a result of advanced project development activities, including land acquisition, geotechnical investigations and environmental compliance requirements budgeted in 2022-23 across the Tonkin Grade Separations Project. The project remains within its approved budget.

Time



Main Roads was originally working towards a start date of January 2022 and a finish date of June 2024. Following detailed consultation with industry, the State Government's infrastructure program was reviewed with a view to smoothing the pipeline of work to ease workforce pressures across the economy and create a long-term sustainable pipeline. As a result, project procurement has been delayed until June 2023 and the completion date extended to late 2026.

Project summary

The Tonkin Highway (South of Roe Highway) Project seeks to reduce congestion, improve safety and cater to growing demand in Perth's eastern suburbs. Three grade separations on Tonkin Highway at the intersections of Hale Road, Welshpool Road and Tonkin Highway will provide significant benefits to north-south commuters and freight traffic around the Perth Airport Industrial Hub.

The project scope includes:

- Tonkin Highway grade separated (elevated) at Hale Road ('Half Diamond' interchange with north-facing ramps), Welshpool Road ('Diamond' interchange) and Kelvin Road ('Diamond' interchange)
- widening Tonkin Highway to a 6 lane dual carriageway over a 6.2km section from south of Roe Highway to 1.1km south of Kelvin Road
- Principal Shared Path on eastern side of the Tonkin Highway for the full length with lighting, grade separation at interchanges and connections to side roads
- Intelligent Transport Systems, lighting of Tonkin Highway and road safety barriers where required.

Project status

All project development activities have been completed for the Hale Road and Welshpool Road interchanges and associated highway widening ready for procurement. Land acquisition, and environmental approvals are progressing and due for completion by December 2022.

Project development is being finalised for Kelvin Road and due for completion in June 2022. Environmental submissions are being finalised with approvals scheduled for early 2023.

Response from the entity

We confirm the cost and time information and associated commentary present an accurate reflection of the status of the project as at June 2022. We agree with the OAG's assessment of the project status.

Project 12

Tonkin Highway Stage 3 Extension - Thomas Road to South Western Highway

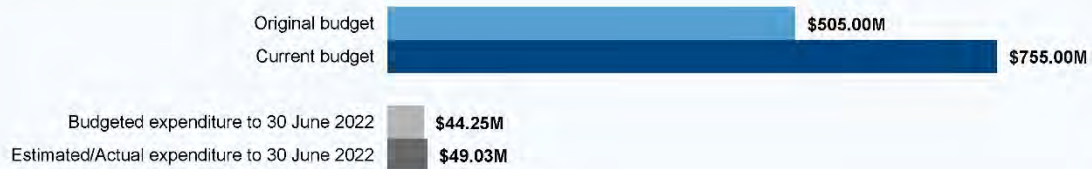
Entity Main Roads WA

Phase Planning

OAG's assessment

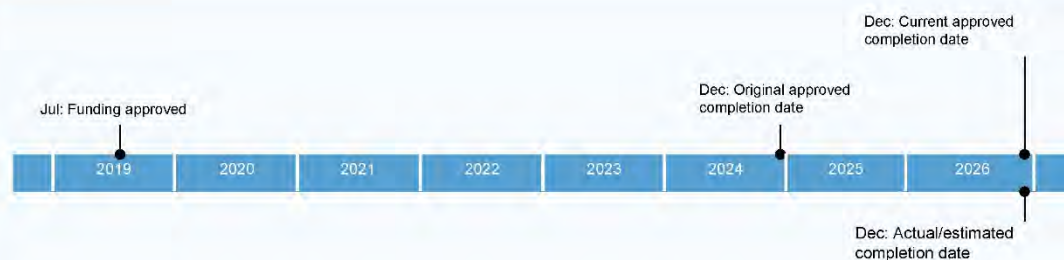
The project is in the planning phase. Its start date has been deferred and the completion extended by 2 years to smooth the State's pipeline of work and ease industry pressures.

Cost



The original funding of \$505 million was announced by the Commonwealth Government in April 2019 and included in the 2019-20 Budget Papers. In March 2022, the Australian Government announced an additional \$200 million for the project which has an 80%/20% funding share with the State Government funding \$50 million. Funding was increased to include a grade-separated interchange at Bishop Road and cover cost increases from projects competing for limited labour, equipment and material supplies.

Time



Main Roads was originally working towards a start date of late 2022 and a finish date of June 2024. However, as a result of the State Government's consultation with the WA civil construction industry the WA transport infrastructure delivery program has been smoothed to develop a sustainable pipeline of work for coming years. As a result, project procurement has been delayed until mid-2023 and the finish date extended to late 2026.

Project summary

The Tonkin Highway Extension Stage 3 – Thomas Road to South Western Highway is expected to relieve traffic in the quickly expanding Byford and Armadale townsites in Perth's south eastern suburbs. The Project is imperative to support growth of nationally significant industry in the region and the expected residential growth fuelled in part by new employment opportunities in the region.

The project is planned to construct the 14km 4 lane extension of Tonkin Highway from Thomas Road to South Western Highway south of Mundijong Road. The scope includes:

- 4 lanes road extension (2 lanes each direction) from Thomas Rd to South Western Highway with provision to widen to 6 lanes in the future
- upgraded intersection at Thomas Road
- new intersections at Orton Road, Mundijong Road and South Western Highway
- new grade separated interchange over the freight railway and Bishop Road
- bridges over the existing freight rail line, Perth to Bunbury passenger rail line, Wright Road and Shanley Road
- shared path along the eastern side of Tonkin Highway, with planned connections to local path networks
- equine, pedestrian and cyclist underpasses under Tonkin Highway at Abernethy Road and near Gossage Road.

Project status

Project development activities are progressing with community consultation for the equine underpasses and network connectivity strategy taking place. Environmental approvals have been obtained, with heritage approvals and geotechnical investigations progressing. The land acquisition process has started. The freight railway realignment planning activities will continue as a separate project and will not be delivered by this contract.

Response from the entity

We confirm the cost and time information and associated commentary present an accurate reflection of the status of the project as at June 2022. We agree with the OAG's assessment of the project status.

Project 13

Fuel Jetty Rottnest Island

Entity Department of Biodiversity, Conservation and Attractions - Rottnest Island Authority (RIA)

Phase Complete

OAG's assessment

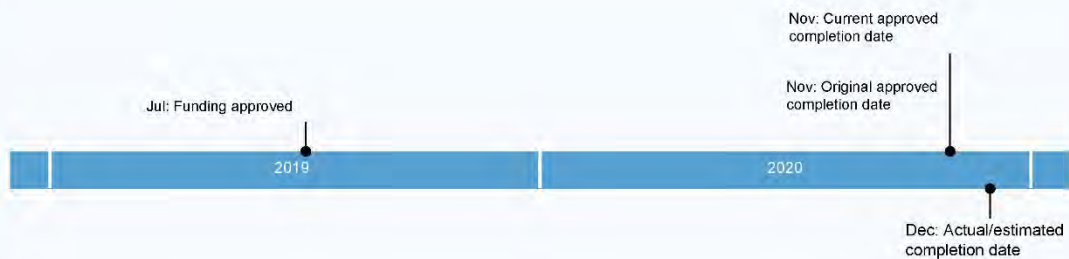
The project was completed on time and on budget.

Cost



The original budget was \$0.5 million. This was increased to \$3 million following a condition and structural assessment which changed the scope of the project from minor works to complete replacement. The project was completed within the approved \$3 million budget.

Time



The project was completed on 4 December 2020, within 4 days of the approved practical completion date.

Project summary

The Fuel Jetty in Thomson Bay on Rottnest Island is a critical piece of infrastructure for small recreational and commercial vessels on the island. The jetty was approaching the end of its design life. The project involved demolishing the existing jetty and rebuilding it with upgrades.

Project status

Complete.

Response from the entity

We confirm the cost and time information and associated commentary present an accurate reflection of the status of the project as at June 2022. We agree with the OAG's assessment of the project status.

Project 14

Main Jetty Rottnest Island

Entity Department of Biodiversity, Conservation and Attractions - Rottnest Island Authority (RIA)

Phase Delivery

OAG's assessment

The project is in the mid-stages of delivery and is on track to meet the revised cost and time budgets, however some cost risks remain. It is due for completion by December 2023.

Cost

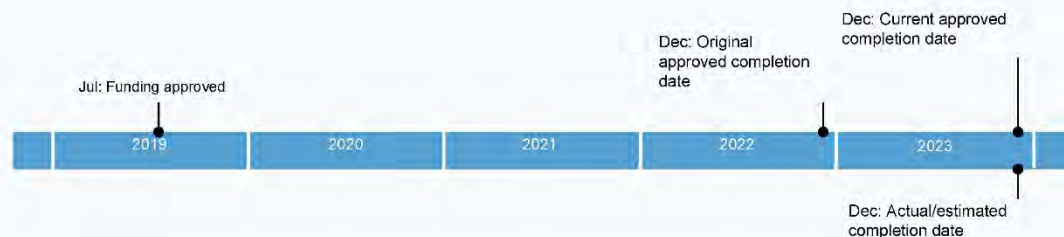


The budget has increased by over \$6 million from \$5.65 million to \$12.90 million to cover significant cost escalations for the reconstruction of the Berth 4 and 5 concrete deck area since the original budget allocation.

The approved budget was also increased in the recent May 2022 Budget as a result of \$800,000 for the South Thomson Bay Development (Barge and Cargo Landings) project being reallocated to this project. The estimated expenditure of \$2.4 million is lower than the \$4 million budgeted. This reflects a revised cashflow following award of the main construction tender.

Cost risks remain with tenders still required to complete fire hydrants and sheet and fender pile works.

Time



The project is on track for completion by December 2023.

The T-jetty upgrade and anode replacement on the sheet pile wall (Berths 1,2 and 3) were completed this financial year. The tender for the reconstruction of the Berth 4 and 5 concrete deck area has been awarded and will be completed in November 2022. The completion of the fire main and hydrants depends on the tender prices received for the sheet pile refurbishment (Berths 1,2 and 3) and the anchor pile upgrade (Berths 1 and 2).

Project summary

The Main Jetty and associated barge and cargo landing facilities are situated in Thomson Bay on Rottnest Island. The jetty provides primary access to and from the Island by ferry for people, luggage and bikes. The barge and cargo landing facilities provide access for a range of commercial supplies and larger cargo.

The Main Jetty has 5 ferry berths. Berths 1, 2 and 3 extend out from the shore on the south side and are protected by a rock wall on the north side of the jetty. Berths 4 (south side) and 5 (north side) were built in the 1970s as an extension of the original jetty and are near the end of their serviceable life. A T-jetty on the north side about halfway along the jetty is available for recreational vessels.

A study commissioned by the Rottnest Island Authority found the concrete deck and piles for berths 4 and 5 need replacing and a wave screen needs to be built to protect berth 4 during northerly winds. The sheet and fender piles for berths 1-3 also need refurbishment and fire hydrants need to be installed along the jetty. The barge landing and cargo facilities need reconstruction.

Project status

The project is on track for completion by December 2023.

Response from the entity

We confirm the cost and time information and associated commentary present an accurate reflection of the status of the project as at June 2022. We agree with the OAG's assessment of the project status.

Project 15

South Thomson Bay Development Rottnest Island (Barge Landing and Cargo Facilities)

Entity Department of Biodiversity, Conservation and Attractions - Rottnest Island Authority (RIA)

Phase Did not proceed

OAG's assessment

The project is no longer supported and funding for upgrade of the barge and cargo facilities has been transferred to the Main Jetty project.

Cost



N/A

Time



N/A

Project summary

The business case was not supported. Funding of \$800,000 has been reallocated to the Main Jetty project so the upgrades can proceed.

Project status

The project is no longer funded.

Response from the entity

We confirm the cost and time information and associated commentary present an accurate reflection of the status of the project as at June 2022. We agree with the OAG's assessment of the project status.

Project 16

Common Ground - East Perth

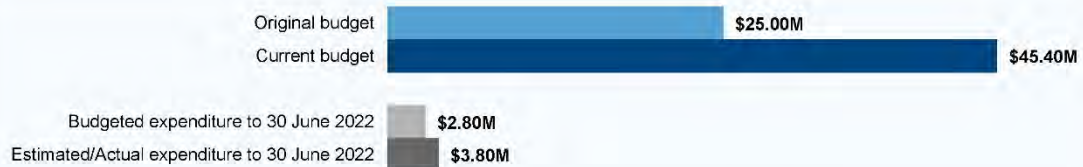
Entity Department of Communities

Phase Procurement

OAG's assessment

The project is in the procurement phase. It faces cost risks due to construction industry pressures. However, \$8.5 million, not included in the approved budget, has been provisionally approved to cover cost escalations.

Cost

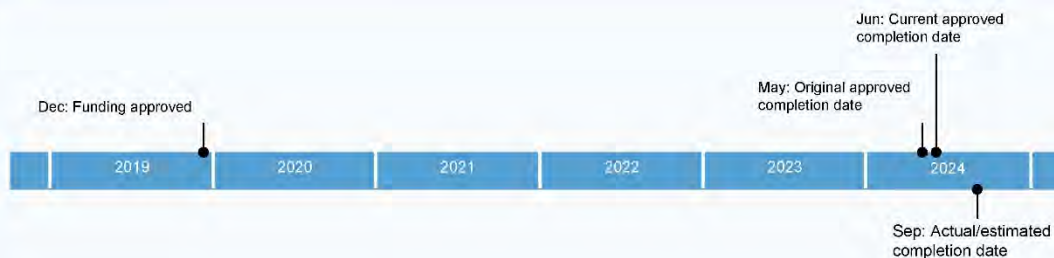


The original project budget has been increased by around \$20 million from \$25 million to \$45 million.

The budget increase from the original announcement in 2019 was due to the State Government's approval of the Business Case, which increased the capacity of Common Ground East Perth to 112 units in response to the growing number of people sleeping rough in Perth.

Due to the ongoing impact of the COVID-19 pandemic on the construction industry, and as part of the 2022-23 State Budget process, \$8.5 million is provisionally approved to cover cost escalations.

Time



The practical completion date was revised to June 2024 based on the Project Definition Plan, which refined the project schedule and procurement method.

Due to impacts from COVID-19 on the current construction market, the current estimated practical completion date is September 2024. Common Ground East Perth will become operational by December 2024.

Project summary

Common Ground is a model of homelessness services and housing provision, providing permanent accommodation to people who have experienced chronic homelessness, affordable housing to low-income earners, and on-site, wrap around services to individuals who need them.

The purpose-built East Perth Common Ground facility will be located on the corner of Hill and Wellington Streets and will comprise 112 self-contained apartments along with communal areas, on-site support services and commercial space.

Project status

In October 2021, an Expression of Interest for the construction head contractor was advertised and shortlisted respondents were notified in January 2022.

In January 2022, the project architect achieved 100% design development.

In March 2022, the restricted Request for Tender for the head construction contractor was published. The tender closed in May with the evaluation of responses underway and anticipated for finalisation in June 2022.

Response from the entity

We confirm the cost and time information and associated commentary present an accurate reflection of the status of the project as at June 2022. We agree with the OAG's assessment of the project status.

Project 17

Common Ground - Mandurah

Entity Department of Communities

Phase Planning

OAG's assessment

The project is in the planning phase. It is within its approved cost budget but has identified potential cost risks due to increased prices for materials and labour. The project definition plan (PDP) estimates a practical completion date of October 2024, 5 months later than the practical completion date outlined in the Business Case.

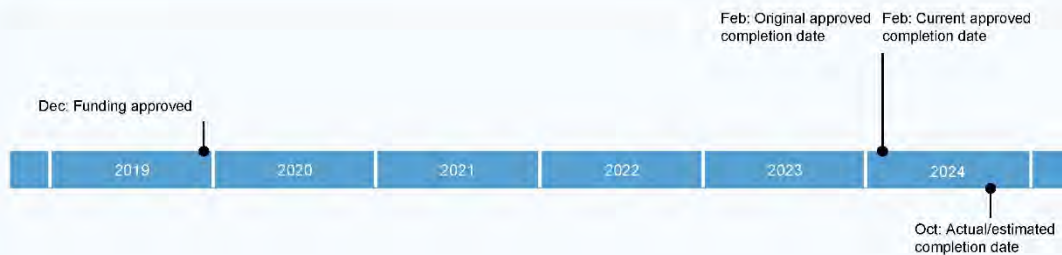
Cost



The original project budget has been increased by around \$18 million from \$10 million to \$28.1 million. The budget increase was due to the State Government's approval of the Business Case, which increased the capacity of Common Ground Mandurah to 50 units in response to the growing number of people sleeping rough in Mandurah.

Based on finalised concept designs and cost escalations due to labour and material shortages from COVID-19, costs may be higher than previously approved. A revised budget will be finalised upon approval of the PDP.

Time



The PDP has refined the project schedule and procurement method and outlines a practical completion of October 2024. The revised practical completion date is also due to additional time required for Mandurah site negotiations and acquisition.

Project summary

Common Ground is a model of homelessness services and housing provision, providing permanent accommodation to people who have experienced chronic homelessness, affordable housing to low-income earners, and on-site, wrap around services to individuals who need them.

Mandurah Common Ground will be located at 81-87A Allnutt Street, Mandurah. The purpose-built facility will deliver up to 50 self-contained apartments with communal areas, on-site support services and commercial space.

Project status

The project is currently at the preliminary design and PDP approval phase. As part of the PDP process the project budget is being refined through independent cost estimates, and finalisation of the concept design. The PDP will be reported back to the Expenditure Review Committee to seek approval and release of the final capital budget in June 2022.

Response from the entity

We confirm the cost and time information and associated commentary present an accurate reflection of the status of the project as at June 2022. We agree with the OAG's assessment of the project status.

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Auditor General's 2021-22 reports

Number	Title	Date tabled
16	Staff Rostering in Corrective Services	18 May 2022
15	COVID-19 Contact Tracing System – Application Audit	18 May 2022
14	Audit Results Report – Annual 2020-21 Financial Audits of State Government Entities Part 2: COVID-19 Impact	9 May 2022
13	Information Systems Audit Report 2022 – State Government Entities	31 March 2022
12	Viable Cycling in the Perth Area	9 December 2021
11	Forensic Audit Report – Establishment Phase	8 December 2021
10	Audit Results Report – Annual 2020-21 Financial Audits of State Government Entities	24 November 2021
9	Cyber Security in Local Government	24 November 2021
8	WA's COVID-19 Vaccine Roll-out	18 November 2021
7	Water Corporation: Management of Water Pipes – Follow-Up	17 November 2021
6	Roll-out of State COVID-19 Stimulus Initiatives: July 2020 – March 2021	20 October 2021
5	Local Government COVID-19 Financial Hardship Support	15 October 2021
4	Public Building Maintenance	24 August 2021
3	Staff Exit Controls	5 August 2021
2	SafeWA – Application Audit	2 August 2021
1	Opinion on Ministerial Notification – FPC Arbitration Outcome	29 July 2021

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