

Introduction

Referral of Work

- 1.1 On 19 June 2003 the proposal to construct a respecified, purpose-built Immigration Reception and Processing Centre (IRPC) on Christmas Island was referred to the Public Works Committee for consideration and report to the Parliament in accordance with the provisions of the *Public Works Committee Act 1969* (the Act).¹ The proponent agency for this work is the Department of Finance and Administration (DoFA).
- 1.2 While the initial Christmas Island IRPC proposal had been exempt from Public Works Committee scrutiny on the grounds of urgency, The Hon Peter Slipper MP, Parliamentary Secretary to the Minister for Finance and Administration, advised the House that, in the light of a significant reduction in the number of unauthorised boat arrivals since 2001, the government intended to commence a new, respecified IRPC project, entailing a less urgent time frame, a different delivery strategy and revised scope.
- 1.3 Mr Slipper noted that, subject to parliamentary and regulatory approvals, construction would commence in the third quarter of 2004 with a view to completion by the first quarter of 2006.

¹ Extract from the Votes and Proceedings of the House of Representatives, No. 102, Tuesday, 19 June 2003

Background

Initial Christmas Island IRPC Proposal

- 1.4 In late 2001, temporary facilities for unauthorised arrivals were established at Phosphate Hill, Christmas Island. This facility has since proved inadequate for its purpose.
- 1.5 In March 2002, the Government announced the construction on Christmas Island of a purpose-built IRPC facility to house 1,200 people.²
- 1.6 On 21 March 2002, the Hon Peter Slipper MP, Parliamentary Secretary to the Minister for Finance and Administration, moved a motion in the House of Representatives to the effect that, given the urgent nature of the work, it was expedient to carry out the construction of the purpose-built immigration reception and processing centre on Christmas Island without the project being referred to the Committee.
- 1.7 In June 2002 a contractor was appointed to design and construct the new IRPC on a fast-track basis. The contractor completed a 350-person construction camp at Phosphate Hill, and civil works at the site of the new facility, including general contouring and earthworks.³
- 1.8 Other works executed under the direction of the Department of Transport and Regional Services (DoTaRS) included laying of essential service pipes and cables, and the construction of crab crossings.⁴

Respecified Christmas Island IRPC Proposal

- 1.9 In February 2003, the Government announced that as no unauthorised boat arrivals had reached Australia since mid-2001, the proposed IRPC would be respecified to accommodate 800 people. The time frame for construction was extended to 36 months commencing February 2003. In view of these changes, a traditional delivery method was selected instead of the fast-track solution and the original contract was terminated.⁵

2 Appendix C, Submission No. 1, paragraph 1.3.1

3 *ib id*, paragraph 1.3.2

4 *ib id*, paragraph 1.3.3

5 *ib id*, paragraph 1.3.4

- 1.10 Responsibility for the design and construction of the new IRPC was transferred from the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) to DoFA in February 2002.⁶

Inquiry Process

- 1.11 The Committee is required by the Act to consider public works over \$6 million⁷ and report to Parliament on:
- the purpose of the work and its suitability for that purpose;
 - the need for, or the advisability of, carrying out the work;
 - whether the money to be expended on the work is being spent in the most cost effective manner;
 - the amount of revenue the work will generate for the Commonwealth, if that is its purpose; and
 - the present and prospective public value of the work.⁸
- 1.12 The Committee called for submissions by advertising the inquiry nationwide in the *Australian* on Wednesday 3 September and Wednesday, 17 September and in the *Weekend Australian* on Saturday, 13 September 2003. In order to encourage comment from Christmas Island residents, an advertisement was also placed in *The Islander* on Friday, 12 September 2003.
- 1.13 The Committee also sought submissions from relevant government agencies, local government, private organisations and individuals, who may be materially affected by or have an interest in the proposed work. The Committee subsequently placed submissions and other information relating to the inquiry on its web site in order to encourage further public participation.

Inspections and Public Hearing

- 1.14 A public hearing into the proposed work was held at Parliament House, Canberra, on Friday, 31 October 2003.⁹

6 Appendix C, Submission No. 1, paragraph 1.3.5

7 *Public Works Committee Act 1969*, Part III, Section 18 (8)

8 *Public Works Committee Act 1969*, Part III, Section 17

9 See Appendix D for the official Hansard transcript of evidence taken by the Committee at the public hearing on Friday, 31 October 2003 at Parliament House.

- 1.15 In June 2002, while conducting an inquiry into proposed common use infrastructure on Christmas Island, the Committee had the opportunity to inspect both the temporary IRPC and the site of the proposed new IRPC. The Committee also received a briefing on the proposed permanent IRPC project at this time. For this reason, and in order to occasion no further delay to a project so important to local commerce, the Committee elected to hold its hearing into the respecified IRPC project in Canberra. Statements to this effect were made by both the Chair and Deputy Chair during the course of the public hearing.¹⁰

10 Appendix D, Official Transcript of Evidence, pp. 20 and 26