

Introduction

- 1.1 Pursuant to Section 17 (1) (b) of the *Public Works Committee Act 1969* (the Act), the Parliamentary Standing Committee on Public Works is required to inquire into and report on public works referred to it through either House of Parliament.
- 1.2 All public works that have an estimated cost exceeding \$15 million must be referred to the Committee and cannot be commenced until the Committee has made its report to Parliament and the House of Representatives has resolved that it is expedient to carry out the work.¹
- 1.3 Under the Act, a public work is a work proposed to be undertaken by the Commonwealth, or on behalf of the Commonwealth concerning:
 - the construction, alteration, repair, refurbishment or fitting-out of buildings and other structures;
 - the installation, alteration or repair of plant and equipment designed to be used in, or in relation to, the provision of services for buildings and other structures;
 - the undertaking, construction, alteration or repair of landscaping and earthworks (whether or not in relation to buildings and other structures);
 - the demolition, destruction, dismantling or removal of buildings, plant and equipment, earthworks, and other structures;

¹ The Act, Part III, Section 18 (8). Exemptions from this requirement are provided for work of an urgent nature, security sensitive work, repetitive work, and work by prescribed authorities listed in the *Regulations*.

- the clearing of land and the development of land for use as urban land or otherwise; and
- any other matter declared by the regulations to be a work.²

1.4 The Act requires that the Committee consider and report 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.³

1.5 The Committee pays attention to these and any other relevant factors when considering the proposed work.

Concurrent documentation

1.6 The preparation of contract documentation, including the issuing of tender documents should not be commenced until the Committee has completed its inquiry and reported to Parliament. However, where a project must be completed by a particular time and that deadline cannot be met by other means, agencies may request approval to commence a tender by providing a written justification to the Committee.

1.7 The *PWC Manual of Procedures* provides that, where necessary, applications for concurrent documentation involving the issuing of a tender or preparation of a contract must be provided to the Committee following a public hearing into the proposal.⁴

Timing of referrals

1.8 The need for agencies to seek concurrent documentation is an indication of the level of planning that has gone into a project and suggests a lack of due consideration for parliamentary scrutiny.

2 The Act, Section 5.

3 The Act, Section 17.

4 *PWC Manual of Procedures for Departments and Agencies*, Edition 7.2, available at: <http://www.aph.gov.au/house/committee/pwc/index.htm>. Tender documentation should state that the works are subject to Parliamentary approval and contracts should not be signed prior to such approval.

- 1.9 As noted in the fifth report of 2008 tabled in June this year, Parliamentary scrutiny is an important public check on projects and should not be considered a mere bureaucratic hurdle.
- 1.10 Agencies need to factor in an appropriate amount of time for a Parliamentary inquiry, about four months, to ensure that all relevant stakeholders have a reasonable opportunity to provide their views and to enable the Committee to consider the merits of projects without the pressure of project deadlines such as the tendering timeframe of the proponent agency.

Matters addressed in this report

- 1.11 Works considered in this report were referred to the Committee in the period between March and June 2008 by the Parliamentary Secretary for Defence Support, the Hon Dr Mike Kelly MP.
- 1.12 In considering works, the Committee analysed the evidence presented by the proponent agency, public submissions and evidence received at in-camera and public hearings.
- 1.13 In consideration of the need to report expeditiously as required by Section 17 (1) of the Act, the Committee has only reported on major issues of concern. Other issues raised through the inquiry process where the Committee was able to satisfy itself that they will be addressed appropriately by the proponent agency, are not reported.
- 1.14 The Committee appreciates, and fully considers, the input of the community to its inquiries. Those interested in the proposals considered in this report are encouraged to access the full inquiry proceedings available on the Committee's website.⁵

Structure of the report

- 1.15 Chapter 2 addresses the proposed Fit-Out of New Leased Premises for the Department of Education, Employment and Workplace Relations at Block 9, Section 31, Canberra, ACT. This proposal has an estimated cost of \$66.6 million (excluding GST) and aims to co-locate office accommodation for the Department, consolidate existing leases and provide employees with a modern, efficient work environment which will meet their needs for at least the next 15 years.

5 <www.aph.gov.au/pwc>

- 1.16 Chapter 3 addresses the proposed Construction of the Australian Pavilion at the Shanghai World Expo 2010, China. With an estimated cost of \$49.38 million (excluding GST), this proposal aims to promote Australia's interest and strengthen ties with China through participation in the World Expo.
- 1.17 Chapter 4 addresses the proposed Bridging of Kings Avenue over Parkes Way at the Russell Roundabout, Canberra, ACT. This proposal has an estimated cost of \$26.6 million (excluding GST) and aims to provide improved, more reliable and more readily secured transport links between the city, Parliament House and the airport. The project would also redevelop one of Canberra's worst traffic black spots.
- 1.18 Chapter 5 addresses the proposed construction of New Warehousing Facilities at Wadsworth Barracks, East Bandiana, Victoria. At an estimated cost of \$36.369 million (excluding GST) the project aims to provide a modern purpose build facility to enhance operational capability and provide efficient logistical and warehousing support for Defence. The project also aims to reduce Occupational, Health and Safety issues and operational inefficiencies associated with the existing facilities.
- 1.19 Appendix A lists submissions for all inquiries and Appendix B contains a list of witnesses at all public hearings.