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## The Year in Review

### Overview of Activities

- 2.1 Committee activities during 2004 comprised:
- 15 private meetings;
  - nine public hearings; and
  - seven inspections.
- 2.2 Members of the Committee also attended an Information Day for the Department of Defence Infrastructure Asset Development Branch in Canberra and the National Conference of Public Works and Environment Committees in Melbourne and Lorne, Vic. These activities are discussed in Chapter 4 of this report.

## Committee Inquiries

2.3 During 2004 the Committee conducted inquiries into nine public works to the value of \$540 million. Summaries of the issues raised and conclusions reached during the Committee's investigations are provided in Chapter 3.

## Works Exempt from Committee Scrutiny

2.4 The Act provides that certain works and organisations may be exempt from scrutiny by the Committee. Such exemption may be granted because:

- the work is urgent;
- the work is being undertaken for defence purposes and scrutiny of the work would be contrary to the public interest;
- the Governor-General is satisfied that the proponent agency is engaged in trading or competition with another body; or
- the work is repetitive; that is, substantially similar to other works that have been, or are being, carried out.

2.5 In 2004 three works were exempt from Committee scrutiny. The circumstances of each exemption are briefly outlined below.

### Special Forces Training Facilities for the Tactical Assault Group (East) Holsworthy, NSW

2.6 On 6 May 2004 the Department of Defence (Defence) notified the Committee of its intention to obtain an Order from the Governor-General to seek an exemption under Section 18 8(c) of the *Public Works Committee Act 1969* for the construction of Special Forces Training Facilities at Holsworthy, NSW.

2.7 The works, estimated to cost \$80 million, comprised counter-terrorist training facilities, indoor and outdoor ranges, and simulators. Both the Minister for Defence, Senator the Hon Robert Hill, and the Parliamentary Secretary to the Minister for Finance and Administration, Mr Peter Slipper, concurred that the works had national security implications and were therefore not suitable for scrutiny by the Committee.

2.8 On 27 May 2004 the Governor-General ordered that, as the proposed works were for defence purposes, the reference of the works to the Committee would be contrary to the public interest.

## Extension to the Joint Electronic Warfare Operational Support Unit Facilities, Edinburgh, SA

- 2.9 On 18 May 2004 Defence again wrote to the Committee stating its intention to seek an exemption on national security grounds for the extension of facilities for the Joint Electronic Operational Support Unit at Edinburgh, SA.
- 2.10 The scope of the proposed works included the provision of working accommodation, specialist analysis and laboratory areas and training facilities, and was estimated to cost \$19.9 million. Defence stated that disclosure of the nature and scale of the project would be contrary to national security and may impede the operational capability of the unit.
- 2.11 On 10 June 2004 the Governor-General ordered that, as the proposed works were for defence purposes, the reference of the works to the Committee would be contrary to the public interest.

## Refurbishment of ANZAC Park East and ANZAC Park West Buildings, Parkes, ACT

- 2.12 The proposed refurbishment of ANZAC Park East and ANZAC Park West buildings was referred to the Committee for consideration and report on Wednesday, 26 May 2004. The works comprised refurbishment of the two buildings, estimated to cost \$83.7 million, and fit-out of ANZAC Park West for the Australian Federal Police (AFP) at an estimated cost of \$22 million. The proponent agency for the works was the Department of Finance and Administration (DoFA). A public hearing into the proposed works was scheduled for 2 August 2004.
- 2.13 On 15 June 2004 DoFA wrote to the Committee expressing concern that the anticipated federal election may cause a considerable delay in the Committee's consideration and reporting of the work. DoFA stated that the AFP had received advice from its landlord to the effect that no extension of the lease on its current premises in Civic, ACT, would be available. DoFA explained that, should such a delay occur, the ensuing accommodation crisis would have serious financial and operational implications for the AFP.
- 2.14 In a letter to Mr Slipper of 17 June 2004 the Committee expressed itself satisfied that the ANZAC Park refurbishment project was sufficiently urgent to warrant an exemption from scrutiny under Section 18 (8) b of the Act. The Committee advised that the referral be withdrawn and that the work be made subject of an expediency motion.
- 2.15 On 24 June 2004 the motion was rescinded and the House of Representatives agreed, by reason of the urgent nature of the work, it was expedient that it

should be carried out without referral to the Committee. The following day, the Committee received a comprehensive briefing on the project from DoFA.

## **Concurrent Documentation**

- 2.16 Concurrent documentation is the preparation of contract documentation before the Committee has completed its inquiry and reported to Parliament.
- 2.17 In 2004, requests for concurrent documentation were made in respect of six of the nine works referred to the Committee. Details of the works subject to concurrent documentation in 2004 are provided below. Information on the Committee's concerns in respect of concurrent documentation can be found in Chapter 4.

### **Proposed Fit-out of New Leased Premises for the Department of Health and Ageing at Scarborough House, Woden Town Centre, ACT**

- 2.18 Upon conclusion of the public hearing on 22 March 2004 the Department of Health and Ageing (Health) requested the Committee's approval to proceed with design contract documentation concurrent with parliamentary consideration of the fit-out project. Health stated that concurrent design was required in order to maximise integration of its required fit-out with base-building works, thus minimising costs.
- 2.19 The Committee considered the Department's request and granted approval for concurrent documentation on 25 March 2004.

### **Provision of Facilities for Headquarters Joint Operations Command, NSW**

- 2.20 On 21 June 2004 Defence requested the Committee's approval to progress its private financing procurement strategy for the Headquarters Joint Operations Command project, prior to the tabling of the Committee's report on the work. Defence explained that this would enable it to request proposals from short-listed consortia, but would not commit the Commonwealth to a private financing delivery option.
- 2.21 The Committee agreed to Defence's request on 24 June 2004.

## **Mid-life Upgrade of Existing Chancery at the Australian High Commission, Wellington, New Zealand**

- 2.22 In a letter to the Committee dated 24 June 2004 the Department of Foreign Affairs and Trade (DFAT) sought permission to commence preparation of contract documentation and short-listing activities concurrent with the Committee's consideration of the proposed Wellington Chancery upgrade works. The reason for the request was to ensure that the project would be completed according to plan in March 2006.
- 2.23 The Committee gave approval for documentation to proceed.

## **New Collection Storage Facility for the National Library of Australia at Hume, ACT**

- 2.24 Immediately following the public hearing conducted on 13 August 2004, the National Library of Australia (NLA) sought approval to progress design development in parallel with the Committee's consideration of the proposed new collection storage facility. The NLA stated that collection growth would create a demand for new storage by early 2006 and that this timeline could only be achieved if a design consultant were engaged by November 2004.
- 2.25 The Committee considered and agreed to the request later the same day.

## **New East Building for the Australian War Memorial, Canberra, ACT**

- 2.26 In a letter dated 12 August 2004 the Australian War Memorial sought the Committee's approval to proceed with design and tender documentation in respect of the New East Building. The chief point of concern for the War Memorial was that an election may be called prior to the tabling of the Committee's report and that this would result in significant delays in the project schedule. The War Memorial added that no contracts would be signed prior to parliamentary approval of the work.
- 2.27 The Committee agreed to the request on 13 August 2004.

## **Proposed Fit-out of New Leased Premises for the Department of Prime Minister and Cabinet at 1 National Circuit, Barton, ACT**

- 2.28 On 30 August 2004 the Department of Prime Minister and Cabinet wrote to the Committee requesting permission to sign an Agreement to Lease prior to the completion of the Committee's inquiry into the proposed fit-out works. The Department explained that this would permit integration of fit-out works during construction, thereby obviating the need to undertake design

alteration work after the awarding of the construction tender contract, and resulting in cost benefits.

- 2.29 The Committee considered the Department's request and granted approval for the commencement of documentation activities on 31 August 2004.