

## Introduction

### Referral of Work

- 1.1 On 4 August 2004 the proposal to fit-out new leased premises for the Department of Industry, Tourism and Resources, Civic, Australian Capital Territory (ACT), 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).<sup>1</sup> This reference lapsed when the previous Committee ceased to exist with the prorogation of the 40th Parliament on 31 August 2004. The work was re-referred to the present Committee of the 41<sup>st</sup> Parliament on 6 December 2004.<sup>2</sup> The proponent agency for this work is the Department of Industry, Tourism and Resources (DITR).
- 1.2 The Hon Dr Sharman Stone MP, Parliamentary Secretary to the Minister for Finance and Administration, advised the House that the estimated cost of the proposed works was \$19.4 million. Dr Stone noted further that to meet the timetable of DITR, which is driven by the expiry of the current leases, the developer was required to commence construction of the base building in September 2004. Dr Stone added that, subject to parliamentary approval, the fit-out would be undertaken in conjunction with the latter stages of the base building construction, and all works will be completed by late September 2006.

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1 Extract from the Votes and Proceedings of the House of Representatives, No. 186, 4 August 2004.

2 Extract from the Votes and Proceedings of the House of Representatives, No. 8, Monday, 6 December 2004.

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## Background

### The Department of Industry, Tourism and Resources

- 1.3 DITR seeks to increase prosperity for all Australians through the promotion of internationally competitive and sustainable business.<sup>3</sup>
- 1.4 DITR provides analysis and policy advice, and delivers programs and assistance in respect of:
- innovation;
  - investment attraction;
  - building competitive Australian industry;
  - resources, energy and the environment;
  - tourism; and
  - small business.<sup>4</sup>
- 1.5 DITR's stakeholders include:
- business associations and individual businesses;
  - the research and innovation sector; and
  - organisations representing community interests.<sup>5</sup>

### Site of the Proposed Work

- 1.6 The site of the proposed development is located in Binara Street, in Civic East, ACT, and is owned by Caliton Pty Ltd and Capital Property Corporation Pty Ltd. The site was formerly a street-level car park and is bounded by City Walk and Akuna Street.<sup>6</sup>
- 1.7 The new DITR building will occupy some 3, 000 square metres of the 4, 380 square metre site.<sup>7</sup> The remainder of the site, which contains a stand of mature Casuarina trees, will be enhanced through landscaping.<sup>8</sup>
- 1.8 DITR has entered into a pre-commitment lease on a new purpose-built building in Binara Street. The original term of the lease is 15 years and 3 months, with one five-year option to renew upon expiry.<sup>9</sup>

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3 Appendix C, Submission No. 1, paragraph 1.1.1

4 ib id, paragraphs 1.1.2 - 1.1.3

5 ib id, paragraph 1.1.4

6 ib id, paragraphs 1.3.5 and 1.7.1

7 ib id, paragraph 2.12.1

8 ib id, paragraph 2.18.1

## Inquiry Process

- 1.9 The Committee is required by the Act to consider public works over \$6 million<sup>10</sup> 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.<sup>11</sup>
- 1.10 The Committee called for submissions by advertising the inquiry in the *Canberra Times* on Saturday, 18 December 2004. The Committee also sought submissions from relevant governmental 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

- 1.11 On Friday, 11 February 2005 the Committee travelled to the Binara Street site and inspected at first hand the scope and environs of the proposed works. Later that day, the Committee received a commercial-in-confidence briefing on project costs from DITR and its consultants, and held a public hearing at Parliament House, Canberra.<sup>12</sup>

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9 Appendix C, Submission no. 1, paragraphs 1.7.1 and 1.3.6

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

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

12 See Appendix D for the official Hansard transcript of the evidence taken by the Committee at the public hearing held on Friday, 11 February 2005 in Canberra.

