

Introduction

Referral of Work

- 1.1 On 27 May 2005 the proposal to construct a new Chancery at the Australian High Commission, Vientiane, 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 Foreign Affairs and Trade (DFAT).
- 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 \$11 million. Subject to parliamentary approval, works are to commence in March 2006, with practical completion and occupation scheduled for May 2007.

Background

Australian Diplomatic Presence in Laos

- 1.3 In 2002 Australia and Laos celebrated the 50th anniversary of the establishment of diplomatic relations. Australia has a positive reputation in Laos as a result of long, unbroken relations and high-profile development assistance.

¹ Extract from the *Votes and Proceedings of the House of Representatives*, No. 24, 15 March 2005

- 1.4 The present Chancery building was purchased in 1961. It was refurbished for its current use but, for some time, the premises have not provided appropriate accommodation for tenant agencies. While modifications have been made, security, access, services, layout, facilities and space are deficient.
- 1.5 It is expected that Australia's relationship with Laos will continue to develop, placing additional demands on the embassy.²

The Site

- 1.6 The site of the new Chancery building was acquired in 1997 as part of a reciprocal arrangement that provided land for the embassy of Laos in Canberra. The site is located at KM3, Thadua Road, Ban Thaphalaxay, Sisattanak District, Vientiane. The Japanese ambassador's residence is located on Thadua Road, while several other foreign mission residences are located within close proximity.

Inquiry Process

- 1.7 The Committee is required by the Act to consider public works over \$6 million³ 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.⁴
- 1.8 The Committee called for submissions by advertising the inquiry in *The Canberra Times* on Saturday, 2 April 2005. 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

2 Appendix C, Submission No.1, paragraph 3.6

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

4 *ib id*, Section 17

submissions and other information relating to the inquiry on its web site in order to encourage further public participation.

Public Hearing

1.9 Under the terms of the Act, the Committee may not convene at any place outside Australia and its external Territories. Where a public work is to be carried out outside Australian and its external Territories, the Committee:

...shall consider the work on the basis of plans, models and statements placed before it and of evidence (if any) taken by it.⁵

1.10 On 27 May 2005, the Committee received a briefing from DFAT officers on the confidential costs of the proposed works to be undertaken at the Vientiane Chancery. This was followed by a public hearing held at Parliament House, Canberra⁶.

5 *Public Works Committee Act 1969*, Part III, Section 18B

6 See Appendix D for the official Hansard transcript of the evidence taken by the Committee at the public hearing on Friday, 27 May 2005 in Parliament House, Canberra

