

Introduction

Referral of Work

- 1.1 On 12 December 2002 the proposal to carry out remediation and infrastructure works at the Defence site at Randwick Barracks, Sydney, 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 Defence (Defence).
- 1.2 In referring the work, the Parliamentary Secretary to the Minister for Finance and Administration, the Hon Peter Slipper MP, stated that the work, estimated to cost \$85.4 million, would commence in June 2003 with a view to completion in 2006.

¹ Extract from the Votes and Proceedings of the House of Representatives, No. 69, Thursday, 12 December 2002

Background

Consideration of Stage 1A Medium Work

- 1.3 Late in 2002 Defence wrote to the Committee requesting that remediation of Stage 1A of the proposed Randwick Barracks disposal area be approved as a separate medium work² prior to consideration of the remainder of the project. The work was estimated to cost \$4.6 million.
- 1.4 Early approval for this project element was sought so that Defence might meet Commonwealth revenue targets for the 2002-2003 financial year.
- 1.5 The Committee gave careful consideration to the department's request, including examination of comparative costings for both staged and holistic disposal of the property. On 10 December 2002 the Committee granted approval for the Stage 1A remediation to proceed as a separate medium work on the understanding that the remainder of the project would be subject to full parliamentary scrutiny.

Postponement of Public Hearing

- 1.6 A public hearing into the proposed work was scheduled to take place in Randwick on Wednesday, 16 April 2003.
- 1.7 A week prior to this date, Defence requested that the hearing be postponed indefinitely as the department wished to refine aspects of the project's scope and funding.

Consideration of 'Interim' Works

- 1.8 On 30 October 2003 Defence informed the Committee that it was
 "...currently proceeding with three separate Medium Works projects at Randwick ahead of the Randwick Disposal and Rationalisation Project".³

² that is, a stand-alone work estimated to cost between \$2 and \$6 million

³ letter to Committee from Director General Defence Infrastructure Asset Development, 30 October 2003

- 1.9 According to Defence, the work elements being progressed were:
- the Community Facility and Randwick Environmental Park, estimated to cost \$4.75 million;
 - the temporary relocation of 9th Support Battalion and associated rationalisation of the retained portion of Randwick Barracks at a cost of \$0.5 million; and
 - preparation for sale of Stage 1B and parts of stages 5 and 6, costed at \$3.5 million.
- 1.10 The Committee replied expressing serious concern at the further disaggregation of the project and pointing out that the works designated as separate medium works had in fact been referred to the Committee as components of the larger remediation project in December 2002.
- 1.11 Following a briefing from Defence personnel, the Committee again wrote to Defence expressing its
- “...unanimous disappointment and concern that contracts valued at over \$8 million have been let without undergoing parliamentary scrutiny”.⁴
- 1.12 The Committee further noted the significant level of public interest generated by the inquiry and advised Defence that it wished to conduct a public hearing into works undertaken to date as early as practicable in the 2004 sitting year.

Inquiry Process

- 1.13 The Committee is required by the Act to consider public works over \$6 million⁵ 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;

⁴ letter from Committee to Director General Defence Infrastructure Asset Development Branch

⁵ *Public Works Committee Act 1969*, Part III, Section 18 (8)

- 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.⁶
- 1.14 The Committee called for submissions by advertising the inquiry nationwide in the *Australian* on Friday 20 December 2002 and locally in the *Sydney Morning Herald* on Saturday 22 February 2003.
- 1.15 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

- 1.16 On 12 March 2004 the Committee visited Randwick Barracks and inspected at first hand the scope and environs of the proposed works. A public hearing was held at Randwick the same day.

⁶ *Public Works Committee Act 1969*, Part III, Section 17