

Year in Review

Overview of Activities

- 2.1 Committee activities during 2002 comprised:
- 13 private meetings;
 - two public hearings; and
 - two inspections.
- 2.2 Members of the Committee also attended a building and construction industry liaison visit in Melbourne and the National Conference of Public Works and Environment Committees in Adelaide. These activities are discussed in detail in Chapter 3 of this report.

Summary of Reports and Government Responses

- 2.3 The year 2002 was a relatively quiet one for the Committee, with three reports being tabled comprising works to the value of \$200.3 million. A detailed list of the reports tabled in 2002 is provided at Appendix A.
- 2.4 This section provides brief summaries of the reports tabled during 2002, together with the Government response to each report.

Sixty-Fifth General Report

- 2.5 In accordance with Section 16 of the Act, on 13 May 2002 the Committee tabled its sixty-fifth Annual Report, detailing its activities during 2001. During 2001, the Committee presented 14 reports on projects with an estimated cost of \$559.365 million.

Common Use Infrastructure on Christmas Island (First Report of 2002)

- 2.6 The First Report of 2002 presented findings and recommendations in relation to the proposed construction of common use infrastructure on Christmas Island.
- 2.7 The proposed works comprised an upgrade of existing airport facilities on Christmas Island intended to improve services for the local community and to support the operation of the proposed Asia Pacific Space Centre commercial space launch facility.
- 2.8 The proposed works included:
- extension and strengthening of the existing runway to accommodate wide-bodied and heavy lift aircraft;
 - extension of apron and taxiways; and
 - relocation of existing roads to allow for runway extensions.
- 2.9 The work was initially referred to the Committee by the Department of Transport and Regional Services (DoTaRS) on 9 August 2001; however the reference lapsed at the prorogation of Parliament on 8 October 2001. Prior to prorogation, in September 2001, DoTaRS was granted approval for concurrent documentation due to the urgent nature of the proposed works. This allowed DoTaRS to commence preliminary planning.
- 2.10 The project considered in the First Report of 2002 was referred to the Committee on 21 March 2002. This proposal did not include the additional port facilities and new link road included in the earlier referral, as these

projects were incorporated into works associated with the construction of the Christmas Island Immigration Reception and Processing Centre. These works were the subject of an expediency motion moved in the House of Representatives on 21 March 2002 by the Hon Peter Slipper MP, Parliamentary Secretary to the Minister for Finance and Administration, and were therefore exempted from Committee scrutiny.

2.11 The cost of the proposed works was estimated at \$51.3 million.

2.12 The following issues were raised during the course of the Committee's inquiry into the proposed work:

- Emergency services at the airport. These were deemed unnecessary by the Civil Aviation Safety Authority, due to low utilisation of the airport. However, concerns were raised that the absence of such facilities would deter international aircraft.
- Consultation by DoTaRS with relevant organisations and stakeholders. Both the Shire of Christmas Island and Christmas Island Phosphates expressed the view that consultation with them had not been sufficient and that their concerns had not been adequately addressed.
- Heritage and Environmental issues. The Australian Heritage Commission expressed concerns that the proposed works would impact adversely upon the Phosphate Hill Historic Area and Christmas Island Natural Area.
- Impact upon community and infrastructure. Community members expressed concerns as to the potential impact of a large influx of workers upon the services and infrastructure existing on the island.

2.13 In its report recommending that the work proceed, the Committee made the following recommendations:

- that DoTaRS, as a matter of urgency, approach the Civil Aviation Safety Authority to remove its exemption on the provision of emergency services to the airport, in order to encourage international aircraft to use Christmas Island;
- that DoTaRS consult further with the Shire of Christmas Island in order to address any concerns raised by the Shire to the mutual satisfaction of the Shire and the Commonwealth;
- that DoTaRS enter into discussions with Christmas Island Phosphates in order to reach a compromise with regard to the removal of phosphate deposits from areas affected by the airport upgrades, without the company's activities impacting upon the cost or time frame of the project;

- that the Minister for Regional Services, Territories and Local Government consider a social impact study and, if necessary, institute action to upgrade services and infrastructure on Christmas Island to ensure that the local community is not disadvantaged by the anticipated increase of workers assigned to the proposed public works projects; and
- that the project proceed pending the approval of the Environmental Impact Statement and fulfilment of the recommendations made in the report.

2.14 The report was tabled in both houses on 27 August 2002.

Government Response

2.15 The Government responded to the Committee's report by way of a motion moved in the House of Representatives on 29 August 2002 by the Hon Peter Slipper MP, Parliamentary Secretary to the Minister for Finance and Administration, that the works proceed at a cost of \$51.3.

2.16 Mr Slipper noted that the proposed works were designed to balance the commercial and social benefits for all Christmas Islanders. Further, the Parliamentary Secretary observed that the works would not only improve air services to the Indian Ocean Territories, but would support the development on Christmas Island of the world's first commercially constructed satellite launch facility, thus increasing local employment opportunities and generally assisting the development of Australia's space industry.

2.17 The Parliamentary Secretary noted the Committee's recommendation regarding the provision of airport emergency services, but stated that DoTaRS did not intend to delay works pending the resolution of that issue.

RAAF Base Williamtown Redevelopment Stage 1 and Facilities for the Airborne Early Warning and Control Aircraft (Second Report of 2002)

2.18 The Committee's Second Report of 2002, tabled in both Houses of Parliament on 17 September 2002, presented findings and recommendations in relation to Stage 1 of the proposed redevelopment of RAAF Base Williamtown, comprising a range of new and redeveloped facilities and infrastructure intended to support the introduction into service of the Airborne Early Warning and Control (AEW & C) aircraft.

- 2.19 The work was referred to the House of Representatives by the Hon Peter Slipper MP, Parliamentary Secretary to the Minister for Finance and Administration, on 26 June 2002.
- 2.20 In April 1999, the Government announced that the new AEW & C aircraft fleet would be based at RAAF Base Williamtown, NSW. The AEW & C system represents a new capability for the Australian Defence Force. It is anticipated to bring an additional 350 personnel to RAAF Base Williamtown, including No. 2 Squadron, which was formed in January 2000 specifically to operate the new capability and which will be transferring to Williamtown in January 2004.
- 2.21 The works forming the subject of the Committee's second inquiry for 2002 were intended to provide facilities in support of the new AEW & C capability and to establish a basis for future redevelopment. The proposal included:
- headquarters for No. 2 Squadron;
 - hangar, apron and associated facilities for the new Boeing 737 AEW & C aircraft;
 - AEW & C Support Centre;
 - new and upgraded fuel storage facilities;
 - upgrades to runways, taxiways and airfield lighting;
 - construction of a designated Ordnance Loading Complex;
 - construction of new residential accommodation for up to 50 students and transit personnel;
 - replacement and reconfiguration of existing sewage treatment works;
 - upgrading of Base power reticulation; and
 - upgrading of other engineering services, including water supply, stormwater drainage and communications infrastructure.
- 2.22 The cost of the proposed works was estimated at \$149 million, some \$19 million of which would be paid to the Boeing Company for delivery of the AEW & C Support Centre as a turn-key project.
- 2.23 Issues raised during the course of the inquiry included:
- local and long-term employment, with witnesses placing particular emphasis on opportunities for trainees and apprentices on the proposed construction works;

- airfield user arrangements, especially charges applied to commercial use of Defence airfields;
- the proposed project delivery mechanism;
- the cost-effect provision of essential services; and
- consultation with local government and community stakeholders.

2.24 The Committee recommended that the proposed works proceed at a cost of \$149 million, on the understanding that Defence observe the following recommendations:

- that in view of the high unemployment levels in the Hunter region, Defence undertake to investigate options and costs for increasing opportunities for trainees and apprentices on the approved works;
- that Defence examine costing arrangements relating to the commercial use of Defence airfields, and the impact of these on civilian operators, with a view to developing a nationally consistent policy to govern such arrangements; and
- that the works proceed pending ongoing consultation with stakeholders, community groups and local service authorities to ensure a holistic and cost-effective approach.

Government Response

2.25 On 26 September 2002, the Government responded to the Committee's report by way of a motion moved in the House of Representatives. The Hon Peter Slipper MP, Parliamentary Secretary to the Minister for Finance and Administration, moved that the works proceed at a cost of \$149 million. Mr Slipper noted that the proposed works would enhance the effectiveness of a key Defence asset.

Works Exempted from Committee Scrutiny

2.26 The Public Works Committee Act 1969 provides that certain works and organisations may be exempted 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.
- 2.27 In 2002, a single work, the construction of a purpose-built immigration reception and processing centre on Christmas Island, was exempted from scrutiny by the Public Works Committee, on the grounds of urgency.
- 2.28 The work was the subject of an expediency motion moved in the House of Representatives by the Hon Peter Slipper MP, Parliamentary Secretary to the Minister for Finance and Administration, on 21 March 2002. The Parliamentary Secretary stated the case for the urgency of the work and the motion was passed on those grounds.
- 2.29 As this was the first purpose-built facility of its kind, there was no precedent for estimating the cost of the works at the time the motion was made.

Concurrent Documentation

- 2.30 Concurrent documentation is the preparation of contract documentation before the Committee has completed its inquiry and reported to Parliament. Agencies that have referred a work to the Committee may seek approval for concurrent documentation if the project has a strict deadline that cannot be met by any other means.
- 2.31 In August 2002, the Department of Defence wrote to the Committee requesting concurrent documentation for the RAAF Williamtown Redevelopment Stage 1 and Airborne Early Warning and Control Facility project.
- 2.32 In particular, Defence sought approval for concurrent documentation for the works associated with the construction of the headquarters for No. 2 Squadron and engineering services for the new AEW & C precinct; an element of the works estimated to cost \$17 million. The request was motivated by project timing constraints. Defence wished to begin construction as soon as practicable, as the No. 2 Squadron will relocate from Canberra to Williamtown in January 2004.
- 2.33 Approval for concurrent documentation for the No. 2 Squadron Headquarters and engineering services associated with the AEW & C precinct was granted on 23 August 2002.

