

## Introduction

### Referral of Work

- 1.1 On 12 May 2004 the proposal to refurbish the existing Chancery building for the Australian High Commission, Wellington, New Zealand, was referred to the Public Works Committee for consideration and report to the Parliament in accordance with the provisions of the Public Works Act 1969 (the Act).<sup>1</sup> The proponent agency for this work is the Department of Foreign Affairs and Trade (DFAT).
- 1.2 The Hon Peter Slipper MP, Parliamentary Secretary to the Minister for Finance and Administration, advised the House that the estimated cost of the proposed works was \$9.309 million, including \$2.809 million for a new tenant fit-out. Mr Slipper added that, subject to Parliamentary approval, refurbishment of the Chancery building would commence in March 2005, with practical completion and occupation expected in the first half of 2006.

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<sup>1</sup> Extract from the Votes and Proceedings of the House of Representatives, No. 168, Tuesday, 12 May 2004

## Background

### Australian Diplomatic Presence in New Zealand

- 1.3 Australia has been represented in New Zealand since 1943 when Australia and New Zealand first exchanged diplomatic representatives.<sup>2</sup> In 1974 the Commonwealth signed a 99-year lease for the current site of the Australian High Commission in Wellington. In 1978 the Commonwealth moved into the completed Chancery building.<sup>3</sup>
- 1.4 The Chancery building comprises:
- the basement, including a diesel generator, main switchboard, staff recreational area, workshop and storage facilities, and 19 car spaces;
  - the ground floor, including the main entrance foyer, theatrette, secure offices, library, large kitchen and storeroom;
  - the first floor, including partitioned office accommodation and amenities, staffroom and boardroom;
  - the second floor, including offices, kitchen and amenities, dining room, safe room and secure area; and
  - the third floor, including the plant, lift motor rooms, and stair access to the roof.<sup>4</sup>
- 1.5 The High Commission was originally tenanted by a range of Commonwealth departments and agencies. Over the years, several have relocated their operations to Auckland, and the building is currently under-utilised.<sup>5</sup> The Chancery building is currently occupied by DFAT and the Department of Defence (Defence) who have long-term lease arrangements in place.<sup>6</sup>

### The Site

- 1.6 The Chancery site is situated approximately 1 km north of Wellington's central business district (CBD) in Thorndon.
- 1.7 The suburb of Thorndon is a prestigious residential area which houses a number of diplomatic missions and educational

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2 Appendix C, Submission No. 1, paragraph 2.1

3 *ibid*, paragraph 2.2

4 *ibid*, paragraphs 2.4 and 2.5

5 *ibid*, paragraph 2.6

6 *ibid*

establishments. The High Commission is located in a mixed zone with commercial and office developments to the east and government and major institutions to the south. The Chancery building is on an elevated site at 72-78 Hobson Street. There are panoramic views of Wellington Harbour to the east and views to Thorndon Quay, the rail yards, CBD and hills in other directions.<sup>7</sup>

## Inquiry Process

- 1.8 The Committee is required by the Act to consider public works over \$6 million<sup>8</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>9</sup>
- 1.9 The Committee called for submissions by advertising the inquiry in *The Canberra Times* on Monday 17 May 2004. 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.

## Public Hearing

- 1.10 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 Australia and its external Territories, the Committee:
- ...shall consider the work on the basis of plans, models and statements placed before it and of the evidence (if any) taken by it.<sup>10</sup>

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7 Appendix C, Submission No. 1, paragraph 2.3 and paragraphs 11.1 - 11.2

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

9 *ibid*, Part III, Section 17

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

- 1.11 On Thursday 24 June 2004, the Committee received a briefing from DFAT officers on the scope and environs of the proposed works to be undertaken at the Wellington Chancery. This was followed by a public hearing held at Parliament House, Canberra.<sup>11</sup>

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<sup>11</sup> See Appendix D for the official transcript of the evidence taken by the Committee at the public hearing on Thursday 24 June 2004, in Canberra.