



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

JOINT COMMITTEE ON PUBLIC WORKS

**Reference: Construction of a respecified immigration reception and processing
centre, Christmas Island**

FRIDAY, 31 OCTOBER 2003

CANBERRA

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JOINT COMMITTEE ON PUBLIC WORKS

Friday, 31 October 2003

Members: Mrs Moylan (*Chair*), Mr Brendan O'Connor (*Deputy Chair*), Senators Colbeck, Ferguson and Forshaw and Mr Jenkins, Mr Lindsay, Mr Lloyd and Mr Ripoll

Senators and members in attendance: Senators Ferguson and Forshaw and Mr Jenkins, Mrs Moylan and Mr Brendan O'Connor

Terms of reference for the inquiry:

To inquire into and report on:

Construction of a respecified immigration reception and processing centre, Christmas Island.

WITNESSES

CARSELDINE, Mr Lloyd Ross, Director, Phillips Smith Conwell Architects Pty Ltd 1

**DAVIS, Mr Stephen Donald, First Assistant Secretary, Unauthorised Arrivals and Detention
Division, Department of Immigration and Multicultural and Indigenous Affairs..... 1**

**SULLIVAN, Mr Michael Ernest Joseph, Project Director, Department of Finance and
Administration 1**

**WILSON, Mr Andrew Murdoch, Assistant Secretary, Territories, Department of Transport and
Regional Services..... 1**

**WISE, Mr Timothy Charles, Assistant Secretary, Major Projects Branch, Department of
Finance and Administration..... 1**

**YARRA, Mr David John, Division Manager, Shareholder and Asset Sales Division, Department
of Finance and Administration 1**

Committee met at 11.04 a.m.

CARSELDINE, Mr Lloyd Ross, Director, Phillips Smith Conwell Architects Pty Ltd

DAVIS, Mr Stephen Donald, First Assistant Secretary, Unauthorised Arrivals and Detention Division, Department of Immigration and Multicultural and Indigenous Affairs

SULLIVAN, Mr Michael Ernest Joseph, Project Director, Department of Finance and Administration

WILSON, Mr Andrew Murdoch, Assistant Secretary, Territories, Department of Transport and Regional Services

WISE, Mr Timothy Charles, Assistant Secretary, Major Projects Branch, Department of Finance and Administration

YARRA, Mr David John, Division Manager, Shareholder and Asset Sales Division, Department of Finance and Administration

CHAIR—On behalf of the committee I welcome you and declare open this public hearing into the proposed construction of an immigration reception and processing centre on Christmas Island. This project was referred to the Public Works Committee on 19 June 2003 for consideration and report to the parliament. In accordance with subsection 17(3) of the Public Works Committee Act 1969, which concerns the examination and reporting on a public work, the committee will have regard to:

- (a) the stated purpose of the work and its suitability for that purpose;
- (b) the necessity for, or the advisability of, carrying out the work;
- (c) the most effective use that can be made, in the carrying out of the work, of the moneys to be expended on the work;
- (d) where the work purports to be of a revenue-producing character, the amount of revenue that it may reasonably be expected to produce; and
- (e) the present and prospective public value of the work.

We appreciated the confidential briefing we have just had and we will now hear evidence from representatives of the department in public session. The committee has received a submission and two supplementary submissions from the department. These submissions will be made available in a volume of submissions for the inquiry. They are also available on the committee's web site. Does the department wish to make any alterations or amendment to the submissions?

Mr Yarra—Yes, we do. We have some minor amendments, which Mr Wise will present.

Mr Wise—The first amendment is to the title. It should read, ‘The proposed respecified Christmas Island reception and processing centre.’ The second amendment is to paragraph 1.1.1. It should read:

The proposal presented in this submission to the Parliamentary Standing Committee on Public Works is for the construction of a respecified Immigration Reception and Processing Centre (IRPC) on Christmas Island.

Paragraph 1.3.5 should read:

In February 2003 the responsibility for the design and construction of the Christmas Island IRPC ...

Mr Yarra—The correction there is to the year date.

Mr Wise—Fourthly, paragraph 1.8.2 should read:

On April 3 2002, the Minister for the Environment and Heritage, granted exemptions under sections 158 and 303A of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act).

Mr Yarra—We can table these as well if you wish.

CHAIR—Yes, thank you.

Mr Wise—Finally, in paragraph 2.19.1 part A on page 19 it should read:

a) \$197.7 million for finance to manage from 19 February 2003 the project to completion ...

That concludes our amendments.

CHAIR—I now invite you to make a short statement before we proceed to questions.

Mr Yarra—We have no opening statement. We are happy to go straight to questions.

CHAIR—I think we need a brief opening statement for *Hansard*.

Mr Yarra—Mr Wise can provide a high-level opening statement, off the cuff!

Mr Wise—The respecified Christmas Island Immigration Reception and Processing Centre will see the construction of an 800-resident facility on Christmas Island which will include approximately 400 permanent places and 400 contingency places. The project is currently at the concept design stage, and we anticipate going to tender with the project in August 2004. The estimated completion date will be in the first quarter of 2006. The total cost of the project is \$276.2 million and we estimate that the construction period will be approximately 14 months.

CHAIR—For the *Hansard* record, someone might like to comment on the fact that there have been few new arrivals in recent times, and that some of the other facilities are not, I think, currently being fully utilised. Could you explain for the *Hansard* record why we need to spend this money on a facility at Christmas Island?

Mr Davis—The location of a permanent immigration reception and processing centre on Christmas Island is a decision of government and is consistent with the government's policy on the management of unauthorised boat arrivals through offshore places both within Australia—on Christmas Island—and in other countries. It is essentially true that we had no boat arrivals at all in the financial year 2002-03, and early in 2003-04 we had one arrival off the west coast of Western Australia. The people from that boat are currently on Christmas Island. The facility we are talking about is essentially for the government to fulfil its objective of having a long-term detention facility on Christmas Island to support the policy of the offshore management of unauthorised boat arrivals.

CHAIR—Do you think a centre for 800 people can be justified—given the current arrivals?

Mr Davis—I guess it is a matter of the government wishing to be ready for surges in boat arrivals. It is a matter of not being complacent. It is difficult to project the exact numbers—it is an area of great volatility—and hence the government has made the decision to build a centre with 400 permanent longer-term or medium-term beds with contingency to go to 800 beds. I guess that recognises the uncertainty in the number of arrivals, as we have seen in the past. But there is no scientific way of defining an exact size to meet the need. On balance, it is a matter of judgment.

CHAIR—Will the centre hold stage 1 and stage 2 refugees, and do these two groups require different kinds of facilities?

Mr Davis—I do not understand what you mean by 'stage 1' and 'stage 2' refugees.

CHAIR—Are there not people at stage 1 and stage 2?

Mr Davis—At different stages of processing?

CHAIR—Yes.

Mr Davis—The intention would be for the centre to hold people who may have arrived in an unauthorised fashion by boat and would be at various stages of processing, as they are now in our different centres. If you mean by stage 1 processing the initial processing by the department of their initial claims, the centre would hold those sorts of people as well as people who may have subsequently gone through processing and either be in an appeal process or be available for removal. So our expectation is that this centre will cater for a different range of detainees from primary processing through to any subsequent appeal or removal processes.

CHAIR—So it will be comprehensive?

Mr Davis—Yes, in that sense. Our design discussions with the department of finance are to help fulfil a range of those functions.

CHAIR—And in your view does the proposal for this building meet the 2000 immigration detention guidelines, the UNHCR guidelines and any other guidelines?

Mr Davis—Yes, we are seeking to design a facility which meets all of those guidelines, in particular the immigration detention standards which guide the ongoing operation and management of our detention facilities, and meets both the government's expectations and the community's expectations on appropriate and meaningful management of people in this sort of situation.

CHAIR—Thank you.

Senator FERGUSON—From looking at your plans, the only danger is they might look too attractive. In light of the change to the project from the one initially proposed, has any money already been spent that is now redundant—in other words, will that not be fully utilised in the new project? Has any of the money that has been spent not going to help towards the construction of this process?

Mr Wise—All of the construction work that has been completed to the site will certainly go towards the facility. There have been some design works obviously because of moving from a 1,200 facility to a 400-plus-400 facility, but certainly we can commit that all the construction work that has been completed, which is the bulk of the expenditure, will be used in the new project.

Mr Davis—I was just going to add that, certainly from DIMIA's perspective, the design work we undertook prior to the matter being handed over has certainly helped inform the process and the design consultation, so overwhelmingly I think the answer to your question is yes, it will be utilised in the new project.

Senator FERGUSON—So is the lease you are going to get for part of the land you are resuming from Christmas Island Phosphates—which had the lease before— exactly the same area as it was before?

Mr Wise—That is correct.

Senator FERGUSON—How much less area do these buildings take up than they would have taken up had there been a 1,200-bed facility?

Mr Wise—It is certainly smaller. For probably a more exact answer, I will refer that to Mr Ross Carseldine.

Mr Carseldine—The footprint we are proposing for the new centre is almost identical to the overall footprint that was used for the 1,200 centre. That is for a couple of reasons. First of all, we are making use of the building platform that has already been constructed on the site. As well as that, fitting 1,200 detainees on the reasonable site that was available previously was fairly tight. Reducing the centre to 800 has given us the opportunity to make some of the open spaces between buildings a little more generous, and I believe we are ending up with a better centre because of that.

Senator FERGUSON—What work has been done on the building platform? Has the site been levelled? Have the pinnacles and everything been levelled out?

Mr Carseldine—That is basically the work, yes. When I first saw the site early last year it was absolutely unbuildable. You are obviously aware of what the pinnacle fields were like. The work that has been done has been the general contouring of that site to a reasonably even plane to allow us to come in. There is still a lot of detail work to be done in earthworks, but it has made that preliminary work a lot simpler.

Senator FERGUSON—I remember at the time we were there for another inquiry—I think it was to do with the airport—Christmas Island Phosphates were arguing that they wanted time to reprocess some of the site before it was handed back. Has any of that been done?

Mr Wise—I am not an expert in that area. A witness from the Department of Transport and Regional Services would need to answer that question.

Senator FERGUSON—Is that part of the ongoing negotiations, because you still have not come to an agreement with Christmas Island Phosphates, have you?

Mr Wise—As I said, a representative of the Department of Transport and Regional Services would need to answer that question as they are handling those negotiations.

Mr Wilson—In relation to the site and our negotiations in regard to resumption of that site and processing of phosphate that is contained in the site, under the mining lease we have actually resumed the site. The site is now in Commonwealth hands. Negotiations are currently under way between the Commonwealth—the Department of Transport and Regional Services—and Christmas Island Phosphates in regard to a settlement in accordance with the mining lease under which the mine held that land. The phosphate was not processed during the ground works that have been carried out to date. What has happened is—and I am not an expert on what the ground works have actually entailed—that the ground works have covered over the phosphate that was there. Christmas Island Phosphates will be compensated for the quantum and the value of that quantum contained within the site at the time that we resumed the land.

Senator FERGUSON—Who will determine the quantum?

Mr Wilson—There is a process under way. Under the mining lease there is a formal arbitration process in which we can seek a negotiated or arbitrated valuation. At the moment we are not in arbitration. Christmas Island Phosphates have sought to suspend the arbitration and have made an offer to the Commonwealth. The Commonwealth is currently going through the evaluation process which will detail the quantity of the phosphate, the quality of the phosphate and then the value of that phosphate in regard to those two factors. We are close to coming to terms with the Commonwealth's opinion of the value of that phosphate and to making our position known to the company.

Senator FERGUSON—I hope that it is the value of the phosphate less the cost of processing.

Mr Wilson—Yes.

Senator FERGUSON—One of the problems in Christmas Island is the deterioration of buildings due to the climatic conditions. We saw what happened with the deterioration of the old casino and the building there. What precautions are you taking to ensure that a building that at

this stage is not likely to have anybody in it unless and until we get further boat arrivals will be protected and remain in first-class condition?

Mr Wise—There are a number of design considerations in the detailed design process. Maintenance is a key issue. The quality and types of materials that are used to sustain the weather are also key considerations.

Senator FERGUSON—Will there be people living in it permanently as caretakers?

Mr Davis—Our contractual arrangements for service providers for detention facilities involve maintenance. The exact arrangements will be determined in the subsequent process once the service provider for this centre is identified. That could be the existing service provider at the time with a negotiated outcome or there could be a further tender process to obtain a service provider. The specifics of the maintenance regime will be determined at that time to do exactly as you say—that is, maintain a facility which is functional long term. Part of the design process is, as we have been discussing, to build a facility which needs a minimum level of maintenance. But under the terms we have with whatever service provider we arrange they will put an appropriate maintenance regime in place, and that may at the time involve an on-site presence or it could be done remotely. It depends on the requirements. I expect we will deal with that issue subsequently to assure that we maintain it for functional use.

Senator FERGUSON—What is the difference between the 400 permanent beds that are going to be there and the 400-odd contingencies? What is the difference in the construction? You are obviously not going to build 800 exactly the same, so what is the difference between those that are going to be permanently available and those that are only a contingency?

Mr Wise—In each of the 50-person pods or sections there are 50 permanent beds plus accommodation for 50 contingency. That contingency is dormitory style accommodation which, when not used, will be available for use as extra recreation facilities for the permanent residents.

Senator FERGUSON—It sounds like it has great possibilities for ecotourism until you get somebody else in there!

Mr BRENDAN O'CONNOR—In evidence that arose at the estimates hearings conducted by the Senate Finance and Public Administration Legislation Committee in May 2003, DOFA stated that the transfer of responsibility that had taken place was due to DOFA's greater expertise in the construction of major projects. In which specific areas of expertise was DOFA considered to be superior to DIMIA?

Mr Wise—Finance have a history of delivering projects in what we would call a traditional delivery method. That is how we have delivered many projects over the 10 years Finance have been delivering projects. The government changed the delivery time and the delivery strategy. Our expertise lies in those distinct phases as opposed to the fast-track method of delivery that was needed for the initial project.

Mr BRENDAN O'CONNOR—Why then wasn't it originally overseen by DOFA? If indeed DOFA is superior at managing these proposed works, why was it ever with DIMIA?

Mr Yarra—I am not sure we have an answer to that. The decision was made originally. From Finance's perspective all we can do is talk about our capabilities. On the question of what was behind the original decision to have DIMIA do it, Mr Davis might be able to help us.

Mr BRENDAN O'CONNOR—I thought Mr Davis might have a different answer, too.

Mr Davis—I guess the decision at the time was made because it was of some urgency to government. Over the last four years or so DIMIA had constructed a number of centres in Curtin, Woomera and Baxter. We had to build our capability over that period of time to respond to the circumstances in which the department and the government found themselves in housing unauthorised boat arrivals.

Mr BRENDAN O'CONNOR—You managed the other constructions?

Mr Davis—We managed the construction of those centres, but they are quite different in that they are predominantly made of transportable buildings. Certainly there are significant design issues: we took advantage of time to design the Baxter facility better than perhaps the other facilities—we had more time to do that. Essentially, we have delivered that range of centres in line with the expectations of government. I guess the original decisions around this particular project were a reflection of that time. I guess we had a bit of a track record, but the nature of the facility is quite different in that it is a permanent, long-term facility. Most of those other facilities are much shorter term types of facilities and I guess they have their own design features which are quite different to a project of this nature.

Mr BRENDAN O'CONNOR—Which facilities are short-term facilities?

Mr Davis—In terms of our Curtin facility, our Woomera facility and even the Baxter facility, the time life of the demountable buildings ranges from five to 10 years for individual buildings, depending on the level of their use and their occupancy. Essentially we are talking here about a long-term project with purpose-built facilities which are not of that nature. In terms of short-term facilities, we also have contingency facilities in Darwin, where again we have used demountable buildings to establish the Coonawarra site. Indeed, the temporary centre on Christmas Island is also demountable buildings. We have delivered that range of projects in short time frames in a number of cases. I guess the original decisions of government reflected some of the expectations over time frames, the speed at which things need to be delivered and what we have done to date.

Mr JENKINS—Darwin has never actually been used?

Mr Davis—Not to date, no.

Mr JENKINS—What is the maintenance there?

Mr Davis—We have maintenance arrangements with the Department of Defence on that particular site. We continue to monitor that from the perspective both of maintenance and of the capacity to operationalise it quickly. We maintain plans—and we are actually in the process of updating them at the moment—to be able to operate that centre quickly if we need to. That is just an ongoing process that we do, and we have maintenance arrangements with Defence.

Mr JENKINS—What is the ongoing cost at idle mode?

Mr Davis—Could I take that on notice and come back to you?

Mr JENKINS—Yes.

Mr BRENDAN O'CONNOR—Effectively, DIMIA has had a history of constructing sites. In your answer you have given what you see to be reasons to distinguish this circumstance from previous circumstances, but in the end DIMIA was effectively expected to undertake the works. Because there is more than one talking head here I am happy to get more than one answer to my next question, depending on the perspective of the departments you represent. What arose to precipitate the transfer from DIMIA to DOFA? In normal circumstances, transfers would be costly and would be something you would like to avoid. Perhaps I will ask DOFA first and allow Mr Davis a right of rebuttal.

Mr Yarra—I actually do not have views that I wish to express in that area. I have no view on DIMIA's capabilities. I do have a strong view about Finance's capabilities: we bring project management skills, and skills in construction project management in particular, in procurement processes et cetera. I have no view to offer on DIMIA and I have no view to offer on why cabinet might have made the decision it did.

Mr BRENDAN O'CONNOR—You do not know—is that what you are saying? Or you are not willing to tell the committee?

Mr Yarra—I have not got a view to express.

Mr BRENDAN O'CONNOR—Obviously colleagues in your department have already expressed on the public record that they believe you have superior skills. You do not agree with that?

Mr Yarra—I am more comfortable stating it that way. I do not wish to express a view on another department's capability. Finance have strong capabilities in this area and will manage this project well.

Mr BRENDAN O'CONNOR—Mr Davis, would you like to make any comments?

Mr Davis—The only thing I would add is that DIMIA had to undertake projects of a reasonably major nature in constructing those other facilities, we had to build that capability over the last few years and our core business in this area is the management and operation of detention facilities. We obviously still do involve ourselves in things like maintenance, minor works and other things. I guess my perspective would be that, to continue to take this project forward, there is a capability issue and there is also a core business focus. If we are required by government to manage such projects or to take them forward we will do so. If government on balance determines the department of finance is better placed to do that—

Mr Wise—There is also a benefit to having DIMIA concentrate on the operational and Finance concentrate on the procurement processes and tenders and actually run the contracts.

Mr BRENDAN O'CONNOR—So you are saying that you taking over is a better decision than the original decision to have DIMIA do all of it?

Mr Wise—No, I am not saying that.

CHAIR—I am sorry to interrupt, but this line of questioning does not go to the heart; it refers to past work. The committee's task is to actually look at the proposal in front of us.

Mr BRENDAN O'CONNOR—I understand. With all due respect, Madam Chair, given that we have heard Mr Davis already outline that DIMIA has been responsible for the construction of detention centres historically, I am really now interested in why another department would undertake the construction of this detention centre. If I can move on—and I acknowledge what the chair has indicated—Mr Yarra and Mr Wise, what comparable constructions have you overseen, given what we have heard from Mr Davis that DIMIA has historically undertaken the construction of detention centres?

Mr Wise—Comparable constructions in relation to us constructing for another agency?

Mr BRENDAN O'CONNOR—Clearly Mr Davis can outline a history of involvement for DIMIA in detention centres. Are there any comparable constructions?

Mr Wise—Yes. The Adelaide Law Courts are currently in progress. Then there are the Melbourne law courts, the refurbishment of the John Gorton Building and the Treasury building in Canberra.

Mr BRENDAN O'CONNOR—You have had no role in other detention centres to date; is that right?

Mr Wise—Not in the construction of detention centres that I am aware.

Mr Davis—We are heavily involved in the project in the sense of contributing to the design and the functionality of the facility. In my view, in the process of us being supported by the department of finance and being involved in the project, we are more than comfortable that we make core design and functionality type contributions to the project, with the department of finance delivering a product which we will use long term. So in the sense of moving forward we feel comfortable with where we are and the level of involvement and cooperation we are having with the department of finance.

CHAIR—Perhaps it might be pertinent to ask, more importantly, what experience the architects and the designers of the facility have because they are the people who are pivotal to the end outcome in consultation with the appropriate departments. You might just like to comment on the expertise of the architect.

Mr Wise—At the risk of giving them a marketing opportunity, I will pass that to Mr Ross Carseldine.

CHAIR—If you could be brief. I think it is important to have on the record what you have done and what gives you the ability to competently do the job.

Mr Carseldine—As you will understand, there have not been any purpose-built detention centres in Australia previously. Our past experience is in correctional centres and fairly major institutional projects. The correctional centre experience goes back 24 years, and that is my experience personally. That includes work in Victoria, Tasmania, predominantly Queensland and also New Zealand. Those are our qualifications for working on this project.

At the commencement of the project when DIMIA were looking for architects, they asked for expressions of interest Australia wide. We submitted an expression of interest and were short-listed to one of four architects in Australia who they considered were most appropriate for the work. Then all four architects submitted a conceptual design for the previous centre—that is, the 1,200 centre—and ours was selected as the most appropriate for carrying through.

CHAIR—And DIMIA had a key role in that selection process?

Mr Carseldine—They did, yes.

Mr Davis—I have just been advised that DIMIA actually selected the architect.

CHAIR—Thank you. That is what I wanted.

Mr BRENDAN O’CONNOR—You mentioned that you are involved in correctional centres, prisons. In your view, does a detention centre for unauthorised arrivals that may include families require a different design than a facility for people that are convicted and detained? Does the design reflect the different needs you have had to accommodate?

Mr Carseldine—It is significantly different but, at the same time, there are some common characteristics. For example, in the design of a prison, providing humane accommodation is part of it; we do not expect to lock prisoners in black holes or anything like that these days.

Mr BRENDAN O’CONNOR—Except in Cuba!

Mr Carseldine—The issue of security and safety is just as important in prisons as it is in a detention centre. Because these centres cost a lot of money to run—there is a high staffing level—being able to put together a design that is efficient to run is extremely important. Those are things in common between correctional centres and detention centres. However, what we look at in detention centres, as well as that, is giving people a much higher level of freedom of movement within the centre when we determine the structure of their day—what they will be doing at any given time. Prisons are typically very controlled in terms of a structured day. So there is quite a shift there. If I put up a design of an 800-person prison, you would definitely see some similarities, but I could point out to you some quite different features, particularly in the design of the accommodation area.

Mr BRENDAN O’CONNOR—In general terms, what are the fundamental differences between the fast-tracking option and the works that we are now looking to undertake? Obviously, there was originally a view to expedite the construction. What is the difference, in the main?

Mr Carseldine—From our point of view, the overall design of the centre was not affected at all by the fact that it had to be built in a very short time. The design of the centre was responding to the aspects of the brief. We had to recognise that it is a centre that is going to operate for 30 years, and we were not going to compromise that. With the fast-tracking process, one option was to do what DIMIA have done at places like Baxter: use demountable buildings. There was a conscious decision not to do that. Where it had its real effect is in the way the buildings are put together and constructed. We had to look at every opportunity of being able to prefabricate, being able to ship it very quickly and being able to minimise the amount of work on site. When you move to a centre that is to be constructed in 16 months—not 14 months as mentioned previously; I will just correct that—the pressure on that is relieved somewhat. However, I should say that 16 months is probably equivalent to the best program that we have ever done with a major correctional centre, so it is still a very compact building program.

Senator FORSHAW—You were given exemption under the environment act as well. I understand that that was particularly in relation to the initial earthworks and so on. Is that correct?

Mr Carseldine—I am not an expert on the exemption and the grounds for it. It was on the basis of national interest as the ground for exemption.

Senator FORSHAW—I am relying on the *Hansard* of the estimates hearing in May, which shows that the exemption was granted under the Environment Protection and Biodiversity Conservation Act.

Mr Yarra—And we have stated the details of that exemption in our submission.

Senator FORSHAW—Yes, I am looking at that as well. In the estimates hearing it was indicated that that was really no longer relevant because those works had already been completed. I will quote from Mr Jackson on 28 May:

Mr Jackson—I understand that, at the time the environmental exemption was sought, it was on the basis of getting significant earthworks completed before the monsoon season. That has actually occurred and so was successful.

Senator ROBERT RAY—So there is no further applicability of that section? We can take it off the—

Mr Jackson—That is correct.

Is that still the case? Can you comment on the environmental requirements that now may need to be considered, given the longer time frame? In your submission you said:

DEH has however, undertaken to review the EMPs—

the environmental management plans—

associated with the Christmas Island IRPC to ensure these meet the necessary environmental standards.

Mr Yarra—I too read that transcript last night, and I was sitting in the room when Mr Jackson gave his testimony. When I heard Senator Ray ask, ‘So there is no further applicability of that section?’ I took that to mean that he thought the earthworks were complete.

Senator FORSHAW—That is why I am asking the question: I did, too.

Mr Yarra—I think Mr Jackson was confirming that the earthworks were complete. Our submission, of course, is clear that the environmental exemption is for the earthworks and ongoing. That is where my expertise runs out. Our submission does say, nevertheless, that we will be closely engaged with Environment Australia, DEH, going forward, and they will be assessing all of our activities to ensure compliance.

Senator FORSHAW—When will that be done?

Mr Yarra—I assume that will be done progressively, as required, throughout the project.

CHAIR—Further to that, given the Commonwealth government’s strong policies on energy efficiency at the Commonwealth level and the establishment of the Australian Greenhouse Office in order to comply with our targets, is the department going to consult with the Australian Greenhouse Office to ensure maximum energy efficiency measures are undertaken?

Mr Sullivan—We have already commenced discussions with the Australian Greenhouse Office. At this stage, having looked at a lot of their publications, they do not have predetermined standards other than for the office accommodation. Obviously, as the design develops, we will certainly be looking at energy efficiency and other environmental controls that can be put on, and looking forward in terms of building management systems and control on the use of natural resources.

CHAIR—Thank you. I just wanted to include that at the same time.

Senator FORSHAW—The facilities, one might assume, may not be inhabited until we get a surge of boat people arrivals. Senator Ferguson was asking whether people would be living there. What usage will be made of these facilities—by the local community or by anyone—during, say, a period when there is nobody in detention? Or are they just going to be sitting there unused?

Mr Davis—The basic answer is that that is yet to be determined. But it is true to say that facilities onshore, even our contingency facilities, are not often used by other people. However, our Coonawarra facility in Darwin and the Singleton contingencies facility also—which are both on Defence sites—not surprisingly are being used by the Department of Defence from time to time. Regarding this facility, to be honest, Senator, we do not have an answer to that, because we have not yet considered the matter. There are issues around being able to operationalise it quickly—if people are occupying the centre or using any of the facilities, there is the question of whether people are able to leave within days even, to facilitate a full operationalisation of the centre. So I think I would simply just say that really we have yet to fully consider that matter. But I would add that it is a difficult issue—from the perspective that it may be needed at any time with very short notice.

Senator FORSHAW—I understand that, but I am wondering whether you have built into the design of these facilities the potential for their usage by the local community. They might want to use the recreation facilities, say, or defence personnel might visit the island. The community might want to use some of them for meeting halls. I am thinking off the top of my head here, but this is a debate that occurs with a lot of public buildings, as we know—how schools, et cetera, that may be vacant at certain times of the year might be used by the community as a resource. Have you factored that into the design of the facilities in any way, without giving a commitment and saying that they could be used that way?

Mr Davis—I guess my response is that the primary functionality is being designed for the purpose of immigration reception and processing. Beyond that, I guess we could take what you are saying into consideration, but it may prove difficult to be able to do that. The degree to which there is any demand for access to the facility, given where it is on the island, is also a question in my mind. So I do not think that I can answer it simply.

Senator FORSHAW—I appreciate that. I am not trying to trap you into giving any commitments. But, just thinking about it from a layman's perspective, if you like—and I appreciate it is on Christmas Island and not in a major city or suburb of Australia—one could imagine that a facility could be designed so that if areas within the facility were not being utilised they could be easily accessed and used by the community as a facility but then fairly quickly taken up if the need arose.

Mr Wise—There is an inherent flexibility in the design—

Senator FORSHAW—That is really what I am trying to get at. This is a permanent facility; it is not demountables. Understanding that the purpose for which it is being built means that it may well not have anybody in it—it would be good to have prisons like that, I suppose, but we do not—we do not want to see \$300 million or thereabouts just sitting there unutilised.

Mr Carseldine—Certainly the central recreational facilities, which consist of a playing oval, some hard tennis court type facilities as well as a recreational hall, as well as the educational programs facilities, are designed no differently from those you might find in a community, and they would be quite appropriate for use by people outside the centre, if there were no detainees in the centre and provided the facilities could be vacated at fairly short notice if suddenly a boatload appeared on your doorstep.

Senator FORSHAW—That is the sort of thing I was thinking about. Do they have any meeting facilities or conference type facilities? Are they part of the project?

Mr Carseldine—The educational facility contains rooms which are similar to classrooms or large meeting rooms. Most of them are designed as multipurpose rooms.

Mr JENKINS—When the project was respecified in February of this year, what discussion or investigation was carried out about sites? Did it include any thought of a site that wasn't on Christmas Island?

Mr Yarra—I think the answer is no.

Mr JENKINS—Were any other sites on Christmas Island considered?

Mr Wise—Two locations on Christmas Island were considered. At the time of the respecification, no other site was considered.

Mr JENKINS—So it was all one on the basis—and I want to get the technical term right—that the platform had been built and therefore that was the site.

Mr Wise—Yes, that is correct.

Mr JENKINS—So for the additional costs envisaged there was no investigation of whether anything else could be done?

Mr Yarra—I think it is fair to say that all of the considerations that originally went into the determination of that site remained valid for the respecification. So the site remained the appropriate site for the centre and nothing had changed in terms of that basic consideration for the respecification.

Mr JENKINS—So there was some thought and investigation to reach the conclusion that they were still valid?

Mr Wise—I do not think that it was necessary. There was no great thought given to it because it was pretty much an assumption which did not need to be re-examined in great detail. I do not know the extent of thought that was put into it, in the formal sense, but there is no doubt in our minds that the original arguments for that site at that location remained valid for this respecified project.

Mr JENKINS—Besides the reduction of the facility from 1,200 to 800 places, were there any major changes from the original proposed design to what we see before us today?

Mr Carseldine—The whole design of the accommodation has changed. It is a very different model to what it was for the 1,200-place centre. However, the design still revolves around providing a series of ‘compounds’—for want of a better word. In this case there are eight compounds which accommodate 50 permanent places with the possibility of 50 contingency places in each. That gives us accommodation for 800. The 1,200-place centre had 12 compounds. The design of those compounds has changed considerably. As I mentioned before, when we used the same site—the one that had been available for 1,200 places—for the 800 places, it gave us the opportunity to introduce more open space into those compounds. That has flowed through into other facilities as well. Certainly there has been a rethinking of the induction, the visiting, the processing and the education. They have all been rethought in the light of the new centre.

Mr JENKINS—Was it originally proposed to be double storied?

Mr Carseldine—Yes, it was. Originally there was to be a significantly larger double storey area than we have now.

Mr JENKINS—So there is significantly less now—I will take that on board. Can each of the sectors of the accommodation be locked down?

Mr Carseldine—That is right. They can be separated from each other. They are designed to be like that—to act independently, with a level of separation between adjoining sectors.

Mr JENKINS—I might return to that. There are 20 management beds. What would they be used for?

Mr Davis—We have management units in a number of our existing facilities and they are used for a range of purposes but the predominant use is for detainees who need constant surveillance because of self harm or behavioural issues. They can be separated from a population and held in a management unit. They are the only units in the facility, other than in the medical unit, where there are cameras in the rooms for observation purposes. As I said, the medical facility also has some rooms where there are cameras in the rooms for medical observation purposes.

The management unit is really there to assist with behavioural management for individual detainees when incidents occur, which they do from time to time in detention facilities. Generally speaking, our objective is that management units in facilities are empty. That is one of the key things I look for, as the contract administrator, in my current centres. Our management units are there for very short stays and, overwhelmingly, for those sorts of purposes.

Mr JENKINS—And those 20 beds are part of the 800?

Mr Davis—No, I do not believe they are.

Mr JENKINS—They are additional?

Mr Davis—They are in addition.

Mr Carseldine—They are not considered in that.

Mr Davis—That is right.

Mr JENKINS—I wanted to field that question while I have the diagrams. I just wanted to make sure. There are four family rooms in this management unit. I need that clarified.

Mr Davis—That is, I guess, to give us a bit more flexibility. It is true to say that, up to this date, fortuitously, we have had only one situation where we have had an adult female in a management unit at any of our centres, but we feel the need to specifically cater for that. The idea of having a family area within the management unit is that it gives just that bit more flexibility so that, if those circumstances arose, we could indeed house a family there.

The other thing about the management unit—and I am not sure of the degree to which it will be used on the island—is that, from time to time, detainees actually ask to be separated from the general centre population for short periods. Having a management unit that can hold a family group gives us a bit more flexibility in how we manage that. So it is certainly not an expectation

that the management unit will be full and certainly it is not ongoing accommodation, in the sense that anyone spends any extended periods of time in there. That is not what it is for.

Mr JENKINS—What about the situation where the other sectors might be locked down?

Mr Davis—We do have incidents in our centres where we need to separate our populations. Dare I say: we have had riots in the past where the capacity to lock down different parts of the detainee population in different parts of the centre is of benefit. So, again, it goes to being able to activate separation of detainees into smaller groups when that is needed. But, generally speaking, as I think was mentioned previously by one of my colleagues here, the intention is to maximise the degree to which detainees have freedom to move around the facility in general. The lock-down is, I guess, in those exceptional or unusual circumstances and is not intended to be the situation in day-to-day operations.

Mr JENKINS—Is that on a basis of a 50 bed plus 50 contingency or a 100 bed plus 100 contingency?

Mr Davis—I do not know the detail.

Mr Carseldine—Each of the eight areas—

Mr JENKINS—So there are eight areas?

Mr Carseldine—Yes, there are eight areas with 50 plus 50.

Mr JENKINS—As to the medical facilities that are provided—and you touched a little bit on at-risk measures—is there an in-patient facility?

Mr Wise—Yes.

Mr JENKINS—How many beds?

Mr Carseldine—Eight.

Mr JENKINS—How does that then impact on other medical facilities provided on the island?

Mr Davis—I am happy to answer first, but my colleagues may wish to add to this. I guess there are two issues here and it is a balanced judgment at the end of the day. We have had some expert advice on a configuration of a medical facility in view of what is already on the island—that is, a hospital. Normally speaking, our medical facilities in centres are primary response type things to immediate self-harm or more extreme situations. But, also, in a number of our existing centres—and this is what is proposed here—we have in-patient beds to just allow detainees to be still in those beds for a period rather than in the local hospital.

As soon as we put someone into a local hospital, there are issues about escorts and static guards, and operational costs emerge for our department in the way the centre operates. Also, I

guess, given the remoteness of the island, it is a question of the capacity for this centre to stand alone if it needs to and if the community is using up the local facility.

So it is a balanced judgment as to the size and mix of things within the medical facility in the centre, but we believe what we have here is that balance about what is logically provided for within the facility and that it can immediately respond, if you like, with primary care, with some inpatient beds to avoid things like escort, static guards and all those other costs that arise as soon as we access the local hospital. But our service providers have arrangements in all our other centres with local hospitals to access emergency services and other services on a needs basis, and likewise the balance would be worked out at the time.

Mr JENKINS—How would it handle an infectious disease outbreak?

Mr Davis—Part of the purpose of the way the medical facility is built here is to have a small quarantine area within the medical facilities. But, if it was a major outbreak, we would probably use the compound lockdown structures to try and best deal with that sort of situation.

Mr JENKINS—There is a brief mention of the education facility. I take it that is for all age groups?

Mr Carseldine—That is correct. It starts at child care and goes through preschool. We have got primary school and high school and then there are a range of facilities as well for adult education.

Mr JENKINS—I know I am going to operational questions, but on education is there an ability, especially for children, if there was a capacity within the island's educational facility, for them to be catered for there?

Mr Davis—Yes, and indeed we currently have children from the temporary centre attending the local schools externally. In fact, I think—I need to confirm this—that all school-age children currently are in the local school on Christmas Island. Certainly the department's preference is for school-age children in particular to access local external schooling as opposed to within the centre. However, we cannot guarantee that. We cannot guarantee the capacity of the island to cater for it nor can we guarantee from time to time—

Mr JENKINS—As a planning thing, the facility that will be provided at the centre for that age group is really if the present facilities on the island cannot cater for additional numbers.

Mr Davis—That is one aspect of it. The other aspect of it is that we have had children of school age where there have been behavioural management issues that have prevented us on a risk basis allowing those children to attend external schools. That is another group we need to make sure we have capacity in the centre to provide education for. I think that the third aspect—not that the island is not multicultural; indeed it is—is that the multicultural aspects of the children who may arrive on vessels or be housed in the centre mean that perhaps the range of services available in the local school may not meet the cultural needs of the children in the centre. Again, as a matter of course we would seek to maximise access to the external facilities, but we need to have sufficient capacity within the centre to take account of those other issues I have just mentioned.

Mr JENKINS—On the basis that the aim of the centre is the highest degree of self-sufficiency, the impact upon the present infrastructure of the island is minimised right from sewerage, water and power through to some of the things that have been raised with us by others—for instance, emergency services such as ambulance and fire brigade.

Mr Wise—The design philosophy for the local services is that we will ensure that there is no adverse effect on the local community services by the construction of the IRPC.

Mr JENKINS—Do you have a feel for what further additional cost there is on the project in having that as an aim? For instance, on other sites it may be that you just latch onto the water supply or sewerage facilities. On this occasion, because of the location, there must be a degree of additional cost.

Mr Wise—We are certainly not saying that we will not make use of the facilities that are on the island. What we are saying is that we will not use them to the extent that the Christmas Island community are adversely affected.

Mr Yarra—But to the extent that that philosophy causes the design to alter where on the mainland you might just rely on local services, have we got any sense of the marginal impact on the budget caused by us implementing that philosophy? I think the answer is probably no, we have not got a sense of that number.

Mr JENKINS—The processing aspect of the facility will require—I assume, in this day and age—great reliance on information technology. I take it that we will also rely on connection back to information technology back on the mainland. I think I read somewhere that that means there will be some form of satellite facility. Is that just internal for the centre or does that have the capacity to be something that can be shared by the Christmas Island community?

Mr Wise—We have not fully designed that at this stage. We will look at the requirements of the centre to meet the needs of the user requirement laid down by DIMIA to ensure that they can have data communications back to Australia. If we can, in a cost-effective manner, link in to the Christmas Island community system then that will be done. So the prime responsibility is to ensure that the centre has communications for its operations. However if that can be done in a cost-effective manner then we will look at linking in with the current system on the island.

CHAIR—I just noticed in one of the submissions, I think it was the one from the phosphate company, that the current analog phone system will terminate in late 2004, I think it was.

Mr Wise—That is correct. To the best of my understanding, in terms of what we have been advised, that is correct.

CHAIR—So is there any way that perhaps upgrades can be facilitated by the development of the detention centre?

Mr Wise—There is no intention at this stage to have a mobile phone system within the centre.

Mr JENKINS—Does the preliminary investigation of the capacity of any satellite connection give any hope that there is spare capacity that might be on-sold or whatever to the community?

Mr Sullivan—We just have not reached that level of analysis of the actual communications systems at this stage. At the concept stage we will be really heavily into the services; we are just not at that stage yet.

Mr JENKINS—My final question goes to fencing and security. What form of fencing and security is being used? I take it is the old onion ring fencing with different levels, but what is envisaged around the outside of the whole compound and then internally as perimeter fencing?

Mr Carseldine—It is a pretty early stage to be commenting on it. However, what the brief sets down at the moment is that the perimeter security system should not be less than what was used by DIMIA at the Baxter detention centre. That consists of two fences, one of which has an electronic detection system on it. There is also a microwave detection system. The fences—if I were to compare them to my experience in correctional centres—are at a much lower level than what we would normally put around a correction centre. There is no razor wire or that type of deterrent built into the fences.

Mr JENKINS—And do they equally keep people out as well as in?

Mr Carseldine—That is certainly a consideration in the design of those—that you are trying to stop traffic going both ways—yes.

Mr JENKINS—Not that there would be many on Christmas Island on the outside wanting to go in. At this stage you get a feel for the costings. Is there any need for technology or cameras, given the harsh environment that they are going to operate in? I suppose all those things are considered and factored into the costings at this stage. I assume that on the basis of experience in similar environments you take that into account.

Mr Carseldine—We certainly will. There will be cameras and things like that used within the centre, but there is quite a different emphasis to what we have done previously in correctional centres. We have done some analysis of the staffing level that DIMIA looks at. That staffing level is far higher than what you would have in a correctional centre because the facility would have an emphasis on more face-to-face contact with detainees, whereas in the correctional sense you have an officer sitting in a control area separated from prisoners. So there is quite a different approach.

Mr JENKINS—How much liaison have you had with behavioural scientists about the different psyche of the people that could be residents of this type of facility in the way in which you factor in design elements and the way living units are et cetera?

Mr Carseldine—I have not talked to any behavioural scientists but I have talked a lot with DIMIA and have relied on their advice.

Mr JENKINS—Has there been a lot of knowledge developed about the way in which the people who find themselves in a facility like this behave?

Mr Davis—It is true to say we are probably learning every day, but over the years we have had a lot of experience and we have tried to bring that to bear in the way we design a facility. Certainly the intention is to have as much freedom as possible for individual detainees within the

boundaries of what is acceptable in a community setting—to allow them as much freedom as possible within that context. That drives our philosophy. I cannot point to having taken direct behavioural science advice other than that learning over many years has been feeding into this sort of design and the philosophy that we are adopting.

CHAIR—I have one question in relation to the Chamber of Commerce’s submission. They strongly support the development of the centre but have said that the delays have had quite a marked impact on local tradespeople and tenderers. In fact, in their submission they said:

Some \$50million already spent on infrastructure support ... is now mothballed.

Contractors and heavy earthmoving equipment brought to the Island for this project have now been demobilised ...

Can you comment on the opportunity some of these tradespeople will have, given that they were contracted under a previous head contractor? Will opportunities be made available to them under the new arrangements?

Mr Wise—The local community were advised as soon as possible of the government’s decision on 19 February and were given as much information as possible to make their decisions. In relation to going forward on the new project, we envisage that an early works package will be carried out early in the new year. That will be of a size so that the Christmas Island contractors and organisations will be able to submit tenders for that work. In relation to the main works tender, we will be looking at having a local business involvement as one of the assessment criteria in that and also a training requirement for locals as part of the main works tender.

CHAIR—At this point I will put on the public record that one of the reasons why the Public Works Committee did not travel again to Christmas Island for these hearings is that it would have unnecessarily delayed these hearings probably till next year. We are mindful of the need to maintain continuity, not just for the work force on Christmas Island and others but also in terms of the government proceeding with its plans for this centre. So we have visited the centre, we saw the site works as they were taking place last year and we felt that we had sufficient background to be able to facilitate this hearing.

Mr BRENDAN O’CONNOR—Staying with some of the issues raised by the chamber of commerce on the island, there was also an assertion made by them that they had written to the two appropriate ministers at the time—Minister Ruddock and Minister Tuckey—in relation to the construction and received no response. Do you know anything about that correspondence at all? I am not sure if it is answered in your rebuttal, if you like, or your response to their submission, because your response was quite brief—given the time constraints that you were under, I imagine; you would have received it late.

Mr Davis—I am advised that the original information that came from the chamber of commerce did not actually request a response. It was provided for us to inform ourselves of their views on the project. As to whether or not there were subsequent responses on the issues, I will need to defer to my colleagues.

Mr Wise—Are they referring to the 20 March 2003 letter?

Mr BRENDAN O'CONNOR—It says the 30th in their submission. If it is the 20th then it is probably the same document.

Mr Wise—They wrote to us on 6 April and our minister did respond on 7 May.

Mr BRENDAN O'CONNOR—That is probably good to have for the record, given the assertion made. I am not sure if you fully answered this when the chair was speaking to you, but just for the record as much as anything could you outline the main benefits for the island that will flow as a result of this construction? Clearly it is a huge thing for the island and there will be some questions as to whether there are costs and benefits. Could you highlight the benefits that you would see possibly flowing as a result of the construction?

Mr Wise—In relation to the construction—which I will answer and then hand over to our DIMIA representative to speak about the operations—I cannot specifically say what benefits will accrue to the community. What I can say is what my response to the chair was, which is that there are measures we will take to ensure that within the government procurement guidelines the people of Christmas Island are given an adequate opportunity to compete for work and be awarded some of the subcontracts and some of the work on the island. I cannot comment further on the benefit to the community other than saying what we will commit to do.

Mr BRENDAN O'CONNOR—Clearly they would be able to tender for works, either as contractors or subcontractors—and they have done so; there are locals that have tendered for earlier works. I imagine it would be anticipated that they will do the same. Given the isolation of the location, are there any efforts to provide an advantage or discriminate in favour of the local suppliers of labour and so on?

Mr Wise—No. Under the FMA and Commonwealth procurement guidelines we are certainly not able to give them an advantage. The advantage for the Christmas Islanders is the fact that they are on Christmas Island—the remoteness of the location would make competing for small works difficult for outsiders.

Mr BRENDAN O'CONNOR—Your submission also says that the construction tender will include local training and local business content. Who then would manage the training component of the tender arrangements to ensure that quality training is provided? Has that been determined?

Mr Wise—We have engaged a project manager, who will have a superintendent full time, on the island. They will be managing all aspects of the construction contract. Any clauses that are written into the contract in relation to local training will be reviewed, as will all aspects of the management of the construction contract.

Mr BRENDAN O'CONNOR—I also noticed Mr Tuckey, the member for O'Connor, made a submission in relation to the construction and you have made some responses. In particular, he raised some concerns about the materials that might be used for the construction. I think it is fair to say that he had concerns about corrugated iron rusting as a result of the sea air. He had concerns that the construction was fireproof, given the propensity for fires breaking out in detention centres. Have you had regard to those issues either previous or subsequent to Mr Tuckey's submissions?

Mr Wise—Certainly. The fireproofing, fire retardant and fire fighting measures are all important in the design, as are the weatherproofing materials. I have read Mr Tuckey's submission, and we are already considering all the factors he raised in his letter.

CHAIR—I thought the chamber of commerce's contribution was very good in terms of the local knowledge that they have, and they made some practical suggestions about the management of water and mosquito control and so on. Is there going to be an ongoing consultation process with the chamber of commerce on Christmas Island?

Mr Wise—There certainly is. The Minister for Finance and Administration met the chamber of commerce with us in June when we visited the island, and we have kept in contact with the island through the community bulletin. As we get closer towards the early works package, we will be engaging not just the chamber of commerce but all of the business organisations on the island.

CHAIR—Obviously, you have considered some of these issues. We were talking earlier about storerooms in the context of costings. We know that the provision of fresh fruit and vegetables is difficult and the chamber of commerce has, as I said, put forward a lot of suggestions that are practical from their knowledge and experience of living on the island, which are worthy of consideration. I wanted a reassurance that there will be some ongoing discussions along these lines.

Mr Wise—I will take their submission and continue discussing with them.

Mr JENKINS—On the materials question that has been raised, Mr Carseldine indicated that the facility hopefully has a life of 30 years. What is the tolerance level in the materials that we are discussing, given the environment of Christmas Island?

Mr Carseldine—I should clarify that 30 years does not mean that you build a facility and do nothing to it for 30 years. There is an anticipated life of 30 years, but that could mean that we might replace the roof sheeting once halfway through that time. We could find roof sheeting which would last 30 years, but that is going to have a significant impact on our capital costs initially. There is certainly a value for money judgment that goes on. We will have to repaint some things within the 30-year life. Floor coverings will probably be replaced, but you look overall at the selection of all of the materials and finishes. We also have to look at how robust these materials and finishes are, because a detention centre is not like building a house. There will be times when people will possibly try and abuse their surroundings, so they need to have a level of robustness. We are building in a remote location, and that will have an effect on the way we choose our materials. They have to be suitable for us to be able to construct there. The value for money and the durability of the materials in a tropical environment are all taken into account in making the final selection.

Mr JENKINS—The energy efficiency of the materials.

Mr Carseldine—Yes, that will certainly be taken into account. Energy efficiency is written into the brief for the relevant subconsultants that we are engaging at the moment.

Mr JENKINS—Does that narrow the choice of materials?

Mr Carseldine—Every one of those criteria will narrow the choice of materials.

Mr JENKINS—On energy efficiency, I note that a reduction in the need for airconditioning is one of the things you have set out to do, so the design takes airways and things like that into account. What areas is it envisaged will end up requiring airconditioning as against other areas that you envisage will not?

Mr Carseldine—It is still under review. Some parts we are certain about at this stage, in particular the office type areas: you need to aircondition those just for people to function properly in those spaces. It is not just the comfort issue; it is to do with confidentiality—we have to be able to ensure that when DIMIA are processing their detainees what is said in those discussions is quite confidential. Office equipment—the printers, computers and those sort of things—do not particularly like working in a tropical environment, so we will have to aircondition office areas. Once we step outside of those areas, there is a requirement in the brief that we try and minimise the amount of airconditioning. We are looking very closely at the moment and going through a process of analysing the accommodation areas to decide whether or not they should be airconditioned. At the moment we believe the education facilities and recreational facilities will probably not be airconditioned.

Mr JENKINS—What type of airconditioning would you envisage would best suit?

Mr Carseldine—It is a little early to comment on that. We really need to do more investigation before we can come back and say definitely.

Mr JENKINS—In an environment like that, isn't a potential legionella problem one of the factors?

Mr Carseldine—My understanding—and I am an architect not a mechanical engineer—

Mr JENKINS—Or a behavioural scientist!

Mr Carseldine—I can't be everything! My understanding is that in warm and humid conditions, in a normal tropical environment, some of the airconditioning systems do make legionella an issue. That is well recognised, and therefore you have to take the appropriate maintenance procedures to minimise the possibility. That is all understood and will be taken into account once we get further down the line.

Mr JENKINS—Will it be air chilled or water cooled? I am not a mechanical engineer either.

Mr Sullivan—Maybe I can best help you, and I am not a mechanical engineer either. Generally, air-cooled ones are the most efficient smaller units and the water-cooled ones are the most efficient for larger units. So obviously if you were looking at airconditioning a small area you would be more inclined towards the air-cooled type; if you were looking at a larger area you would probably look more towards the water-cooled ones. Once the servicing has been more fully investigated those sorts of decisions will then be made.

Mr JENKINS—In the decision making, is the capacity of readily available maintenance a consideration?

Mr Carseldine—What we have found in correctional centres, and some of those are built not in remote locations but not necessarily right next to a capital city, is that typically there will be a core maintenance staff who are trained in the types of equipment and systems that are at the centre. That would actually be part of what the service provider would provide in their contract. That is normal for a correctional centre, and it could involve a permanent staff of three or four people in the correctional centre. I would imagine that for somewhere as remote as Christmas Island the number of such staff might be a bit higher. But they have to be trained so that if a small airconditioning unit breaks down they probably have the skills, and the spare parts there, to be able to make a replacement rather than having to sit and wait for someone to come over from the mainland.

Mr JENKINS—So any training required is outside of this project—it would be part of the service agreements?

Mr Davis—Indeed, those sorts of issues would be part of what we look at in terms of service provision. I am not saying to you that our service provider would necessarily do that—we may well have contracts or maintenance arrangements outside the service provider. As to what degree local services or local contractors could do that work, what needs to be brought from the mainland and what people must be there for longer periods, we will certainly be taking all of the information and factoring it into the way we structure our tender processes and maintenance arrangements to ensure that the facility is maintained and useable for the long term.

Mr Carseldine—There is a difficulty with using the local providers or the local community for things like that. If you could guarantee that the centre was going to be used at reasonable capacity on a long-term basis, a small business might set up on the basis of servicing. When you are not able to guarantee that, it is harder for a small business to be established in that way.

Mr JENKINS—That is what my final question is going to be about. Potentially, this facility might be idle for a long time or for long periods of time. At this stage of your work, I assume you would have to factor that in. It may be that air-cooled or water-chilled airconditioning and things like that may need to be commissioned to make the facility do what it has been planned to do. Is there any idea of the added costs of the facility because of that? Does that bring extra problems for you at this stage?

Mr Carseldine—I would not necessarily say that there is an extra cost. It is yet another of the factors that has to be considered because we are building on Christmas Island rather than a local location.

Mr JENKINS—But, in any location, it is going to be a facility that potentially is idle for long periods and then will be required to be quickly commissioned. You must have to take that in recognition. It is different to a facility, as you said, that was purring away all the time.

Mr Wise—With zero occupants there will be a requirement to have some sort of maintenance of the facility. It may be a design issue or a maintenance issue—it is likely to be a combination of both. I do not think we can give a definitive answer at the moment on that issue.

Mr Davis—But, in terms of maintenance on those issues, certainly there is maintenance while the centre is operating and maintenance while the centre is idle. DIMIA is very conscious of the

need to make sure that maintenance while the centre is idle is sufficient to address those sorts of issues—the ability to activate it quickly and having things working, and looking at legionella and all of those other things that may come into airconditioning. We are very conscious of those issues, the design issues and the location. We certainly will be putting in place contractual arrangements which take account of those things not only while the centre is operating but also while the centre is not operating, to ensure that the sorts of issues that you are raising are actually addressed and do not become issues which cause dysfunctionality in the centre later on.

ACTING CHAIR (Mr Brendan O'Connor)—More than an hour ago now, I think, Senator Ferguson asked a question about what works were done to date and whether in fact there had been any redundancy—in other words, was work undertaken and then was there a change of contract. I think the answer to that, generally speaking, was no. It provided, if you like, the beginnings of these new works.

In our confidential briefing we asked for information to be provided in confidence to us with respect to works undertaken and completed and payments made to Walters Construction. I want to ask you for the record if that is something you are able to provide to us, in confidence after today, for our consideration?

Mr Yarra—For the record, I will talk about two sorts of costs. One is the money spent on progressing the project while Walters was the head works contractor. We are able to provide information on how much was spent up to a date—we will pick a date, perhaps the date of our submission to the committee—and a break-up of that amount. Secondly, pursuant to the government's decision to terminate the Walters contract, we had to negotiate a termination payment to Walters. In previous hearings we have indicated that those termination payments were based on paying them for the work that they had done in good faith and had not been paid for and for the removal of their plant from site, but not—as previous testimony has confirmed and we will confirm again—for loss of profit. In previous testimony our minister has indicated that we do not wish to reveal publicly the payment that we negotiated with Walters because when we go to an open tender process to engage a new head works contractor, and Walters will be a bidder in that process, that may reveal to their competitors their pricing strategies, for example, or other information. So our minister's preference is not to reveal that information until that tender process is complete, and after that point we are happy to release that information.

ACTING CHAIR—So we would not be provided, even in confidence, with information relating to the Walters construction agreement or its resolution?

Mr Yarra—On the question of providing it in confidence, in the confidential hearing I acknowledged my view that the content of that hearing would remain confidential. I acknowledged that.

ACTING CHAIR—Yes.

Mr Yarra—Nevertheless, given our minister's public statement in the last hearings, on 28 May, as a courtesy to our minister our view is that we would consult the minister before answering that question and providing any information in confidence to the committee.

ACTING CHAIR—Thank you, Mr Yarra. There are no further questions. I want to indicate that I concur with Madam Chair, who had to leave just a little while ago, that it was unfortunate that we were not able to visit Christmas Island. But, as she indicated, if that had been a requirement there would have been an undue delay in these proceedings and, in our view, that would have adversely impacted on the works and therefore on the community of Christmas Island. So, on balance, we believed it was critical to have the meeting today. I want to put that on the record.

I would also like to put on the record our appreciation to the witnesses today and to the authors of submissions made to the hearing. That has provided us with sufficient information to consider the works. I therefore thank all those involved in developing and presenting the evidence to the committee.

Resolved (on motion by **Mr Jenkins**):

That, pursuant to the power conferred by section 2(2) of the Parliamentary Papers Act 1908, this committee authorises publication of the evidence given before it and the submissions presented at public hearing this day.

Committee adjourned at 12.45 p.m.