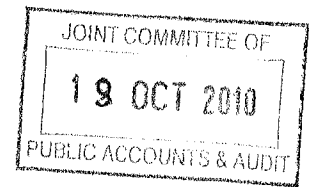




Australian Government
Department of Finance and Deregulation



David Tune PSM
Secretary

Our Ref: Sec0003643

The Committee Secretary
Joint Committee of Public Accounts and Audit
Suite R1.108
Parliament House
CANBERRA ACT 2600

Dear Secretary

Upon consideration of 30 Audit Reports presented to Parliament by the Auditor-General between February 2009 and September 2009, the Joint Committee of Public Accounts and Audit (JCPAA) selected eight reports for further scrutiny at public hearings, one of which was the construction of the Christmas Island Immigration Detention Centre (CIIDC). The delivery of this project was managed by the Department of Finance and Deregulation (Finance) on behalf of the Department of Immigration and Citizenship.

Finance appeared at a public hearing of the JCPAA on 18 November 2009. The JCPAA tabled its review of the Auditor-General's reports on 22 June 2010. One recommendation was made in respect of the construction of the CIIDC, and Finance has provided a response to this recommendation in the attached Executive Minute.

Yours sincerely

David Tune
2 August 2010

EXECUTIVE MINUTE

on

JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT REPORT No. 417

Review of Auditor-General's Reports tabled between February 2009 and September 2009

General comments

The Christmas Island Immigration Detention Centre (CIIDC) was a unique project in that following completion of construction and handover of the centre to the Department of Immigration and Citizenship (DIAC) on 7 April 2008, it remained unused for a significant period of time. At the time of the ANAO audit, some 12 months later in early 2009, the centre was still only being used on a very limited basis. For a post project review to be successful and provide meaningful outcomes, the facility must be occupied, and be used for its intended purpose. Considering the unusual situation following handover of the centre to DIAC, the conduct of a post-project review was not considered a feasible exercise. By the time the centre commenced proper use in the middle of 2009, so much time had passed since completion of the centre that it was not possible to assemble relevant stakeholders to participate in such a review.

Response to the recommendation(s)

Recommendation No. 13 page 97

The Committee recommends that the Department of Finance and Deregulation (Finance) provide to the Joint Committee of Public Accounts (JCPAA) the results to date of the implementation of the Post Occupancy Evaluation process and the Lessons Learned workshops as soon as such information is available.

Post Occupancy Evaluation

For a Post Occupancy Evaluation (POE) to be successful the facility must be complete, commissioned and occupied by the users. The CIIDC was unusual in that when the centre was handed over to DIAC on 7 April 2008, it remained unused for a significant period of time. This situation remained at the completion of the Defects Liability Period in October 2008 and even to the time of the ANAO audit in early 2009.

Finance advised the ANAO that it was unlikely that a POE would be conducted owing to:

- at the time of the ANAO audit, the centre still had not been used on more than a limited basis;
- the period of time that has passed since completion of the project was significant whereas POEs are best done soon after handover when stakeholders still have a link to the project; and
- the consultant's and contractor's contracts did not contain a provision for such a service, and there would be limited interest in participation given the time that had passed since handover of the centre to DIAC.

Lessons Learned Workshop

Finance attempted to organise a Lessons Learned Workshop (LLW) in late 2008, however some key staff were unavailable and the Principal Design Consultant was not interested in participating in the activity. At the time of the ANAO audit, Finance advised the ANAO that it would be difficult to assemble the relevant stakeholders for a LLW considering the time that had passed since completion of the project, noting key project staff had moved on to other projects some time ago. Due to such difficulties, a formal LLW was not held. However, while there was no formal workshop, Finance considers that the ANAO audit report fills this gap to some extent as it identified a number of key lessons and made several recommendations, which are being adopted by Finance for future projects.

Since the undertaking of the CIIDC Project, Finance has developed a Better Practice Guide (BPG) for Delivery of Major Capital Projects. This BPG outlines the importance of, and the process for implementing both POEs and LLWs. These requirements are now built into the contracts of the consultants and contractors engaged for projects that Finance delivers. For example, Finance is about to commence delivery of the Villawood Immigration Detention Facility. The Contracts signed on 9 July 2010 require the key consultants and contractors to facilitate and/or participate in both a POE and LLW on completion of the project.

Finance is unable to support this recommendation as it has not conducted a formal POE or LLW in respect of the CIIDC Project.

David Tune
2 August 2010