

Introduction

Referral of Work

- 1.1 On 9 February 2005 the proposal to carry out refurbishment of Department of Defence (Defence) accommodation and lightwells at Australia House in London was referred to the Public Works Committee for consideration and report to the Parliament in accordance with the provisions of the *Public Works Committee Act 1969* (the Act).¹ The proponent agency for this work is the Department of Foreign Affairs and Trade (DFAT).
- 1.2 The Hon Dr Sharman Stone MP, Parliamentary Secretary to the Minister for Finance and Administration, advised the House that the estimated cost of the proposed works was \$11.98 million. Subject to parliamentary approval, works would commence in May 2006, and be completed by mid-2007.

Background

Diplomatic Presence in the United Kingdom

- 1.3 Australia House has been Australia's High Commission in London since 1918. It is Australia's oldest overseas mission and the oldest originally occupied Chancery of any foreign mission in London. The building was

¹ Extract from the *Votes and Proceedings of the House of Representatives*, No. 17, Wednesday 16 February 2005

constructed between 1913 and 1918 using substantial amounts of Australian timbers and marble.²

Previous Works

- 1.4 According to DFAT's main submission, a major refurbishment of Australia House was undertaken in the later years of the 1990s, bringing most areas of the building up to standard with local and Australian building codes.³
- 1.5 The major refurbishment project undertaken in 1995 formed the subject of the Committee's fourth report of that year. The proposal, estimated to cost \$14.25 million at May 1994 prices, comprised the following works:
 - implementation of a staged program of internal refurbishment, including compliance with OH&S standards, replacement of obsolete equipment and provision of accommodation to meet modern data and communication requirements; and
 - the refurbishment of areas surplus to High Commission requirements for lease to State Governments and other agencies.⁴
- 1.6 The proposal was approved by the Committee, but the cost of the project subsequently escalated to \$20.3 million.⁵
- 1.7 Areas not refurbished and upgraded within the scope of the 1995 project included the Defence area, which had been subject of some limited refurbishment by the tenant in 1992 - 1993, and the three building lightwells, which were excluded on the basis of cost.⁶

The Site

- 1.8 Australia House is located at Melbourne Place in London's West End. Australia House and a smaller, contiguous building known as the Australia Centre, occupy a triangular site bounded by Aldwych to the north, the Strand to the south and Melbourne Place to the west.⁷

2 Appendix C, Submission No. 1 from the Department of Foreign Affairs and Trade, paragraphs 2.1 - 2.2

3 *ibid*, paragraph 2.3

4 See *Refurbishment of Australia House, London*, Fourth Report of 1995

5 See *House of Representatives Hansard*, 10 September, 1996

6 Appendix D, Official Transcript of Evidence, page 7

7 Appendix C, Submission No. 1, paragraph 11.1

Inquiry Process

1.9 The Committee is required by the Act to consider public works over \$6 million⁸ 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.⁹

1.10 The Committee called for submissions by advertising the inquiry in *The Canberra Times* on Saturday, 2 April 2005. 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

1.11 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 Australian and its external Territories, the Committee:

...shall consider the work on the basis of plans, models and statements placed before it and of evidence (if any) taken by it.¹⁰

1.12 On 13 May 2005 the Committee received a briefing from DFAT on the scope and environs of the proposed works to be undertaken at the Australia House. This was followed by a public hearing held at Parliament House, Canberra¹¹.

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

9 *ibid*, Section 17

10 *ibid*, Section 18B

11 See Appendix D for the official Hansard transcript of the evidence taken by the Committee at the public hearing on Friday, 13 May 2005 in Parliament House, Canberra

