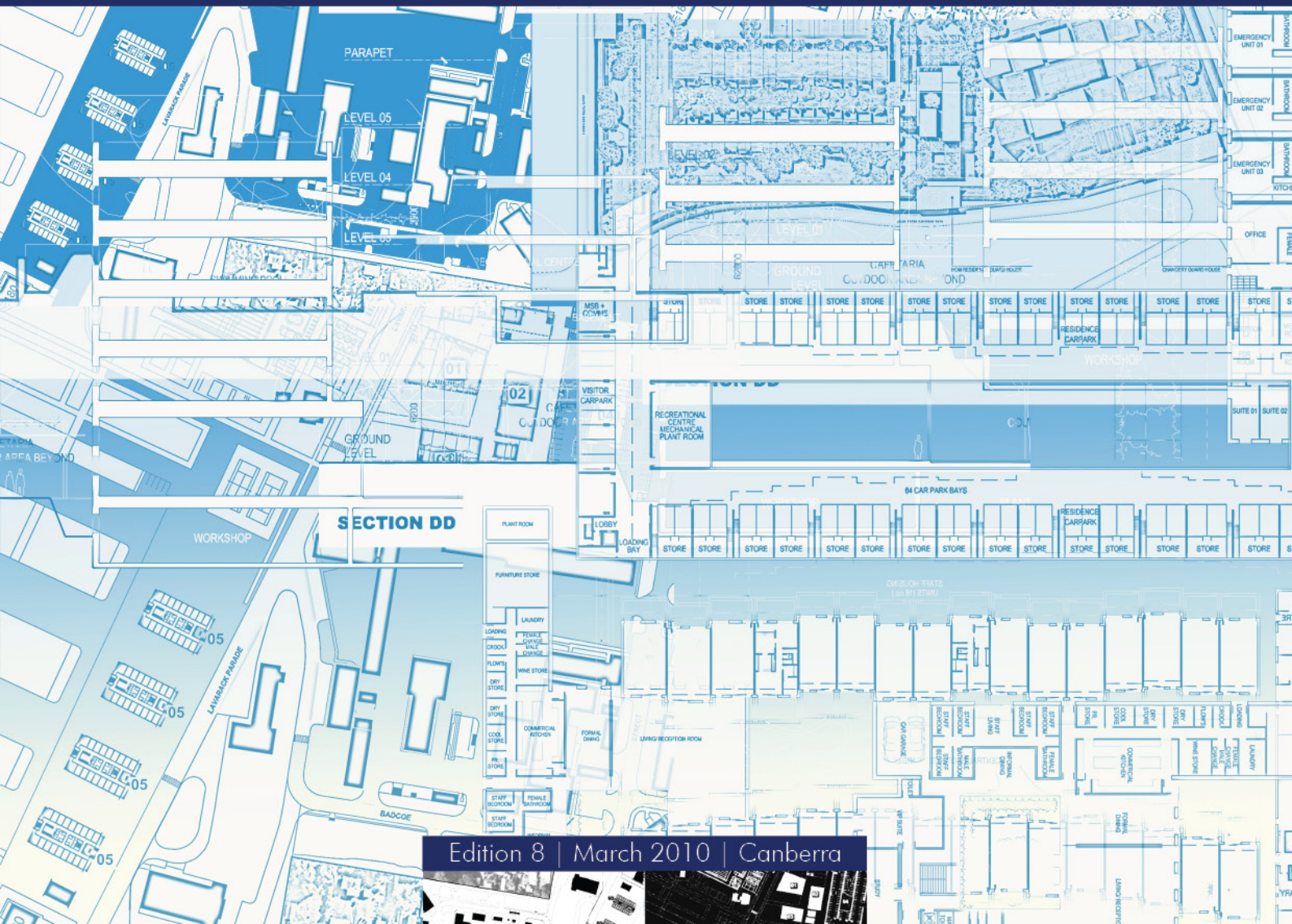


THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

# PARLIAMENTARY STANDING COMMITTEE ON PUBLIC WORKS PROCEDURE MANUAL





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The Parliament of the Commonwealth of Australia

# **Procedure Manual**

**Parliamentary Standing Committee on Public Works**

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Canberra

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## **Preface**

All major capital works projects delivered by the Commonwealth require Parliamentary approval. The focal point of Parliamentary approval is the Parliamentary Standing Committee on Public Works (the Public Works Committee).

The Public Works Committee is established under the *Public Works Committee Act 1969* (the Act) and is one of the oldest committees of the Australian Parliament. Its membership includes six Members of the House of Representatives and three Senators.

The Public Works Committee is a gateway in the approval process for capital works. Its processes allow the Parliament and the community a measure of confidence that public monies are being spent on infrastructure that meets the needs of the community.

Under the Act, the Committee is required to consider the need, scope, cost, purpose and value-for money of proposed works and report to the Parliament whether or not it is advisable that the works proceed.

This manual is a guide to the procedures of the Public Works Committee. It outlines the functions and responsibilities of the Public Works Committee and the processes that need to be undertaken to refer works. It also outlines the basic expectations of the Committee in regards to the content of submissions.

The manual is issued by the Public Works Committee and should be read as an official Parliamentary document in conjunction with the Act. Procedures outlined are mandatory, as are requirements for the content of submissions. Agencies are advised to familiarise themselves with the contents of this manual at an early stage and well prior to referral as some submission requirements need to be considered when developing project plans.







## Contact details

### Committee

All correspondence to the Public Works Committee should be addressed to the Committee Chair. Contact details are:

Committee Chair  
Parliamentary Standing Committee on Public Works  
PO Box 6021  
Parliament House  
Canberra ACT 2600  
Email: [pwc@aph.gov.au](mailto:pwc@aph.gov.au)

Details of the membership of the Committee are kept current at:

[www.aph.gov.au/pwc](http://www.aph.gov.au/pwc)

### Committee Secretariat

The Committee is supported by a secretariat, staffed by the Department of the House of Representatives. The secretariat is responsible for all liaison and coordination of committee activities. The secretariat is the first point of contact for all inquiries related to the Committee. Contact details are:

The Secretary  
Parliamentary Standing Committee on Public Works  
PO Box 6021  
Parliament House  
Canberra ACT 2600  
Tel: 02 6277 4636  
Email: [pwc@aph.gov.au](mailto:pwc@aph.gov.au)

## **Department of Finance and Deregulation**

The Department of Finance and Deregulation (Finance) is responsible for administering the Act on behalf of the Minister for Finance and Deregulation. Finance is responsible for referring works, preparing expediency motions and exemptions. Questions regarding these processes should be referred to Finance. Contact details are:

Assistant Director  
Land Operations and Public Works  
Department of Finance and Deregulation  
John Gorton Building  
PARKES ACT 2600  
Tel: 02 6215 3634

## The Public Works Committee

- 1.1 The Parliamentary Standing Committee on Public Works was established in 1913 and is one of the oldest investigative committees of the Parliament. The Committee calls to account the planning decisions and capital expenditure of the Executive through Commonwealth departments and agencies.
- 1.2 The Committee is constituted by the *Public Works Committee Act 1969* (the Act).<sup>1</sup> It operates under the provisions of the Act as well as the *Standing Orders and other orders of the Senate*. Regulations made under the Act are set out in the *Public Works Committee Regulations 1969*.
- 1.3 The Act provides that proposed capital works of Commonwealth departments and statutory authorities directly funded from the federal budget, and for the works of non-competitive statutory authorities, are to be subject to examination by the Committee.
- 1.4 The Committee is required to report to both the House of Representatives and the Senate on public works referred to it about whether or not it is 'expedient' that proposed works proceed.

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<sup>1</sup> All references to legislation in this manual are to the *Public Works Committee Act 1969* unless otherwise specified. Likewise, all references to the Regulations refer to the *Public Works Committee Regulations 1969*.

## Committee membership

- 1.5 The Committee is a joint committee. It consists of six members of the House of Representatives and three Senators. Membership details are kept current on the committee website: [www.aph.gov.au/pwc](http://www.aph.gov.au/pwc).
- 1.6 The Act sets out the procedures for appointing members and the election of the Chair and Deputy Chair. By convention, the Chair is a Government member of the House of Representatives and the Deputy Chair is a non-Government Senator.

## Functions and responsibilities

- 1.7 The Committee is required to consider and report on any works referred to it under the Act.
- 1.8 In considering works, the Committee must have regard for:
- the stated purpose of the proposed work and its suitability for that purpose;
  - the need for, and advisability of, the work;
  - the cost-effectiveness of the proposal;
  - if revenue-producing, the amount of revenue the work will produce if that is its purpose; and
  - the current and prospective public value of the work.<sup>2</sup>
- 1.9 The above is considered to be the Committee's 'terms of reference' and are addressed in more detail in Chapter 2.
- 1.10 Once a referral is received, the Committee will conduct an inquiry into the proposal. In order to satisfy itself that the work meets the 'terms of reference' prescribed by the Act, the Committee will:
- seek public comment on the proposal;<sup>3</sup>
  - hold a public hearing with the proponent agency and any other relevant bodies (individuals and/or organisations who have made comment on the proposal);
  - hold an in-camera hearing with the proponent agency on the project costs; and
  - may undertake a site inspection.<sup>4</sup>
- 

2 The Act, section 17(3).

3 In some instances, for example where there are national security considerations, it may not be appropriate for an inquiry to be conducted in public. In these circumstances the Committee will receive in-camera evidence as allowed by section 18(A) of the Act.

- 1.11 Following these activities, the Committee reports to both Houses of Parliament on whether it is expedient that the proposed work proceed.
- 1.12 The Act gives the Committee wide powers to recommend any alterations to the proposed work that it sees fit which also means that the Committee can inquire into any matter it sees relevant in order to make such recommendations.

## Parliamentary approval

- 1.13 Before a work can commence, the Committee must report to both Houses of Parliament and the House of Representatives must resolve that 'it is expedient to carry out the works' - known as an 'expediency motion.'<sup>5</sup>
- 1.14 While the Committee can make any recommendations it sees fit for implementation by the agency, the final recommendation of any report will be:
- if the Committee is satisfied that the project has merit:
    - ⇒ that the House of Representatives resolve that it is expedient that the works be carried out; or
  - if the Committee is not satisfied that the project has merit:
    - ⇒ that the work does not proceed.
- 1.15 If the Committee has recommended that the work not proceed the Committee will give justification for this recommendation.
- 1.16 At any stage after the Committee has reported, works can be again referred to it for further consideration and the Committee also has the power to review its reports. If there are considerable scope or cost changes to a project, the Committee must be advised and it may choose to make a further report to the Parliament on the work.
- 1.17 Agencies should note that, under the Act, Parliamentary approval is given when the House of Representatives passes an expediency motion, not when the Committee tables its report. There can sometimes be a delay of up to several weeks after a report is tabled and before an expediency motion is passed and works must not commence in this period.

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4 The Committee does not undertake site inspections for overseas works, and in some instances works in extremely remote locations.

5 The Act, section 18(7)

## Commencement of works

- 1.18 Works must not commence until Parliamentary approval has been given. Works are defined below, but agencies must be aware that this includes earthworks, demolition, landscaping and the purchase and installation of demountables or other temporary structures.

## Definition of a public work

- 1.19 The definition of a public work is prescribed under Section 5 of the Act. A work can be architectural or engineering work and includes:
- the construction, alteration, repair, refurbishment or fitting-out of buildings and other structures (including demountable buildings);
  - the installation, alteration or repair of plant and equipment designed to be used in, or in relation to, the provision of services for buildings and other structures;
  - the undertaking, construction, alteration or repair of landscaping and earthworks (whether or not in relation to buildings and other structures);
  - the demolition, destruction, dismantling or removal of:
    - ⇒ buildings and other structures;
    - ⇒ plant and equipment; and
    - ⇒ earthworks;
  - the clearing of land and the development of land for use as urban land or otherwise; and
  - any other matter declared by the regulations to be a work.
- 1.20 A public work can be located either in Australia or its external territories, or outside Australia, as in the case of a diplomatic mission.
- 1.21 The Act does not extend to works funded by the Norfolk Island Administration, or works undertaken by authorities declared by the Governor-General to be exempt (as listed in Schedule 3 of the Regulations).

## What does not constitute a public work?

- 1.22 A work is not a 'public work' if it is not being undertaken *for the Commonwealth*. This is considered a 'private' work, i.e. a work undertaken by and for the private or non-government sector. However, works undertaken for the Commonwealth and undertaken

by Public Private Partnership are considered to be works for the purposes of applying the Act (see below).

1.23 Specifically, a 'work' does not include:

- the production of, or anything done in relation to, intangible things;
- the production of, or anything done in relation to, movable property unless the work is, under the regulations, a movable work to which the Act applies;
- the installation, alteration or repair of plant or equipment where the plant or equipment:
  - ⇒ is not designed to be used in, or in relation to, the provision of services for a building or other structures; and
  - ⇒ is not necessary or desirable to make a building or structure a complete building; or
- any other matter declared by the Regulations not to be a work.<sup>6</sup>

1.24 If an agency has any doubt as to whether a proposal is considered a work under the Act, it should seek the advice of the committee secretariat and Finance, and if necessary, seek legal advice.

## Financing of public works

1.25 The definition of a public work also includes works financed through lease incentives, leasing or similar repayments where there is a clear intention for the Commonwealth or one of its agencies to become the user or owner of those facilities. This most commonly concerns the fit-out of leased accommodation.

1.26 Where a work would have been deemed a public work if directly funded, the work should be referred regardless of the funding arrangements.

1.27 The definition of a public work also extends to Public Private Partnership (PPP) arrangements, regardless of whether the Commonwealth intends to take ownership of the work.

## Referring a work

1.28 The Act specifies that all public works proposed to be undertaken by, or on behalf of the Commonwealth, estimated to cost in excess of a

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6 The Act, Section 5

threshold amount must not commence until the work has been referred to the Committee.

- 1.29 The current threshold amount is \$15 million as set by Section 18(9)(a) of the Act.
- 1.30 No work must be commenced until it has been referred to the Committee or exempted from Committee scrutiny (see below). This means that no tenders can be issued or contracts awarded for any part of the works until after the Committee has reported to Parliament and an expediency motion has been passed by the House of Representatives.
- 1.31 Any work below \$15 million may also be referred to the Committee for inquiry by either House of Parliament. The Committee must be advised of all works with an estimated cost between \$2 million and \$15 million, known as medium works (see Chapter 3).

### **Who refers a work to the Committee?**

- 1.32 Referrals can be made through either House of Parliament or through the Executive Council. Referrals are coordinated by Finance and agencies are advised to notify Finance as soon as they identify that a project requires referral.
- 1.33 Agencies are also advised to contact the committee secretariat before a project is referred. The committee secretariat is able to provide advice as to the Committee's workload and how long the inquiry process can be expected to take.

### **Through either House of Parliament**

- 1.34 Under the Administrative Arrangements Order, the Act is administered by the Minister for Finance and Deregulation. While any Member or Senator can move a motion for a work to be referred to the Committee, by practice referrals are made by the Minister for Finance and Deregulation or her/his delegate, generally a relevant Parliamentary Secretary.
- 1.35 All Executive action, including the preparation of ministerial briefs and supporting documentation, is coordinated by Finance. Finance can advise on the scheduling for referral motions and the processes that need to take place in the Parliament.

### **Through the Executive Council**

- 1.36 Works may also be referred to the Committee by order of the Governor-General, when both Houses are adjourned for a period



exceeding one month. This method of referral can be used during the winter or summer adjournments.

- 1.37 Should it be necessary for proposals to be referred to the Committee through the Executive Council, agencies should consult with Finance, which will coordinate the preparation of the necessary papers and obtain Executive approvals.
- 1.38 In practice, it is rare for works to be referred through the Executive Council and, on the whole, referrals are expected to be made through the Parliament.

### **Public private partnerships**

- 1.39 The Committee requires a two-stage process for consideration of public works proposals to be undertaken by public private partnership (PPP):

#### ***First stage***

- Referrals are to be made after the expression of interest (EOI) stage, but prior to issuing the request for tender.
- The Committee will conduct its inquiry and report to Parliament.

#### ***Second stage***

- Once Parliamentary approval has been received, the proponent agency may issue the request for tender. A report is to be issued to the Committee once the preferred tenderer has been selected, but prior to entering into contracts.
  - ⇒ This report should confirm that the scope of works have not materially changed from that which the Committee considered and on which it based its report to Parliament. Where there is significant change, the Committee may require further review of the project.

- 1.40 The Committee will respond to the proponent agency confirming whether further review is required or if the project may proceed.
- 1.41 Information regarding the content of PPP submissions is in Chapter 3.

### **Exemptions under the Act**

- 1.42 The intent of the Public Works Committee Act is that all Commonwealth expenditure on public works should be scrutinised by Parliament.

- 1.43 However, Sections 18(8) and 18(8A) of the Act provide that, under certain circumstances, a work or an organisation may be exempted from committee scrutiny. Exemption may occur on the grounds that:
- urgency;
  - defence purposes and that scrutiny could be contrary to the public interest; or
  - the work is of a repetitive nature.
- 1.44 In general, if an exemption is being sought, the Committee may seek a briefing from the proponent agency, either in writing or through attendance at a Committee meeting. Proponent agencies should write to the Committee at an early stage to inform it of the intention to seek an exemption.
- 1.45 As action by the Minister for Finance and Deregulation is necessary for all exemptions, Finance is responsible for coordinating necessary actions and must be informed at an early stage if an exemption to the Act is being sought.

### **Urgent works or works not suitable for public scrutiny**

- 1.46 Agencies should consider with caution any request for exemption because the proposed work is considered urgent or not suitable for public scrutiny.
- 1.47 If the work is of an urgent nature, such exemptions require a resolution by the House of Representatives and are bound by the Parliamentary sitting calendar, thus consideration by the Committee may not offer any practical delays.
- 1.48 If an agency is considering a request for exemption on the grounds of urgency, it should in the first instance contact the committee secretariat to discuss options for urgent consideration of the works rather than an exemption being sought.
- 1.49 Exemptions on the grounds of urgency will not be considered simply because an agency has failed to plan for Parliamentary approval.
- 1.50 Likewise, agencies must consider the true merits of a request for exemption on the grounds that scrutiny could be considered contrary to the public interest. There have been circumstances where exemptions on the public interest grounds have been granted only for the media to later publish details of works as they are occurring, often raising issues of serious public concern that would have been best addressed by the Committee.
- 1.51 The Committee accepts that there are circumstances where public scrutiny is not appropriate. However, it does have the capacity to

consider works in private and Parliamentary scrutiny should always be considered preferable to exemption.

- 1.52 Exemptions on this basis require the agreement of the Governor-General.

### **Repetitive works**

- 1.53 Works are considered to be repetitive if they are substantially similar to other works previously approved by the Committee or are likely to be carried out from 'time-to-time'.
- 1.54 An exemption on the grounds of repetitive works must be agreed to by the Committee before being so declared by the Minister. Therefore, a written briefing must be provided to the Committee on the nature of the works, with sufficient information so that the Committee can decide whether the work is indeed repetitive prior to the Minister making a declaration.
- 1.55 If the Committee is not satisfied with the information provided, it may ask for a briefing at a private meeting.
- 1.56 In considering repetitive works, the Committee seeks to satisfy itself on the need, scope and cost of the works. Even if the Committee has previously considered similar works and found the need, scope and cost to be appropriate, it is still necessary to provide these details so the Committee is able to make judgement on the individual works.
- 1.57 In some cases it may be appropriate to seek legal advice prior to seeking repetitive works exemption. It is helpful if this advice is provided to the Committee.
- 1.58 If the Committee agrees to an exemption being granted on the grounds of repetitive works, it will advise the proponent agency in writing and the Minister's concurrence may then be sought.
- 1.59 It should be noted that the Committee has approved repetitive works applications for refurbishments only where it had previously considered the original or substantially similar works.

### **Medium works**

- 1.60 The Committee must be notified of proposed projects with an estimated cost between \$2 million and \$15 million, referred to as 'medium works'. Each medium work proposal is examined by the Committee to determine if it has any objections to the works

proceeding. A work must not proceed until the Committee has had an opportunity to examine it.

- 1.61 This has been a long standing practice supported by successive committees and finance ministers. It has arisen because, in the past, some agencies have divided a proposed work into several components each costing less than the referral threshold in order to avoid Parliamentary scrutiny through the Public Works Committee. Avoidance of scrutiny in this manner is unacceptable.
- 1.62 If an agency has any doubt as to whether a project needs to be notified as a medium work or referred, it should contact Finance or the committee secretariat as early as possible.
- 1.63 It should also be noted that the Committee has the power to seek a referral of a medium work should it believe the matter requires greater scrutiny. Therefore, agencies must inform the Committee of planned works well before tenders are called for the work.
- 1.64 The detailed information provided about medium works to the Committee is kept confidential, however, the Committee does publish the following information about proposed works notified to it:
- project title;
  - agency name;
  - date on which the Committee was notified of the proposed works.
- 1.65 Further information about the detail expected in a medium works notification is outlined in Chapter 2.

## **Timing of approval process**

- 1.66 It is advisable that agencies take into account the Parliamentary approval process as part of the overall project work plan. In planning for the approval process, agencies must take the following into account:
- the Parliamentary sitting calendar. By practice, referrals are only made when the House of Representatives is sitting. Reports can be tabled, and expediency motions moved, only when Parliament is sitting.<sup>7</sup>

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7 Agencies should note that the Committee generally only meets when both Houses of Parliament are sitting (i.e. it may not meet in those weeks when estimates hearings are being held and the Senate itself is not sitting).

- submissions (discussed in Chapter 3) are to be provided to the committee secretariat on the day of referral<sup>8</sup>.
  - allow a lead time of at least six weeks between the referral and the public hearing, depending on the Committee's workload.
  - allow a period of two months between the public hearing and the tabling of the Committee's report. This may vary according to the Parliamentary sitting pattern and the urgency of a particular project.
- 1.67 Agencies should discuss their project with the committee secretariat at the earliest possible stage. The secretariat will be able to provide advice about the Committee's workload and how long a referral will take to be considered by the Committee.

### **Concurrent documentation**

- 1.68 Concurrent documentation refers to the preparation of contract documentation before the committee has completed its inquiry and reported to Parliament. All contract documentation must make clear that the project is dependent on Parliamentary approval.
- 1.69 Concurrent documentation should only be sought when it can be justified by the necessity for a project to be completed by a particular time and when the deadline cannot be met by other means. It should not be relied upon to compensate for failing to consider the PWC approval process in project planning.
- 1.70 Proponent agencies must seek, in writing, the Committee's approval for concurrent documentation. Approval can only be sought following the Committee's public hearing into the proposal. It is advisable to notify the secretariat as soon as possible if concurrent documentation will be necessary.

### **Dissolution of the Parliament**

- 1.71 When an election is announced, the House of Representatives is dissolved and the Committee ceases to operate. Caretaker conventions are observed and no new major expenditure is approved until after the election. Because the Committee does not operate, no referrals can be made.

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8 The Act requires the Minister to table these documents, however it has long been the practice for these documents to be presented directly to the Committee to avoid any additional burden on the Chamber. Nonetheless, agencies should give presenting documents to the Committee the same importance as they would tabling documents in the Chamber. If submissions are not ready to be presented to the Committee on the day of referral then the referral should not be made.

- 1.72 At the start of each Parliament, the Committee is reappointed and referrals can once again be made.
- 1.73 Public works that have been referred prior to the dissolution of the House of Representatives on which the Committee had not reported, will need to be referred to the newly convened committee following the election. If a public hearing has been already held, the new committee may choose to report without the need for a new public hearing.
- 1.74 When developing project timeframes, agencies should take into account the Parliamentary cycle. The House of Representatives is required to be re-elected at least every three years. If a referral is made in the third year of a Parliamentary cycle, agencies are advised to have a contingency plan in place should an election be called and Parliamentary consideration of a project be delayed.

## **Following approval and project completion**

- 1.75 Following Parliamentary approval, the proponent agency can then commence works. Any additional recommendations agreed to by the Government must be addressed appropriately and the Committee informed about the progress of implementation.
- 1.76 Should any significant scope or budget changes occur, Public Works Committee approval must be sought as soon as practicable. If there is any doubt as to whether scope changes require approval, agencies should seek the advice of the Committee.
- 1.77 When the project has been completed, agencies must advise the Committee as to whether the project remained within the scope, cost and timetable presented to the Committee.

## **This manual**

- 1.78 This manual provides guidance for agencies involved in delivering public works. Agencies should note that all public works with an estimated cost above \$2 million need to come to the attention of the Committee.
- 1.79 Chapter 2 outlines the expectations of the Committee for the content of submissions – both the evidence to be placed on the public record and the confidential submission addressing costs. There are new requirements for inclusions in the confidential submission and these

are provided with some explanatory detail in order to assist agencies in developing submissions.

- 1.80 Chapter 2 also outlines the requirements for notifying the Committee of 'medium works' – that is, works with an estimated cost between \$2 million and \$15 million as well as requirements for works delivered by Public Private Partnerships (PPPs).
- 1.81 Chapter 3 outlines the basic processes that are followed by the Committee in its consideration of works.
- 1.82 Appendix A contains a checklist and a general timeframe for the Public Works Committee process.

### **Other resources**

- 1.83 There are numerous best practice manuals for construction projects specific to delivery by the public sector. In addition, in 2008 the Australian National Audit Office (ANAO) released *Report 20: Approval of Funding for Public Works* which addresses some aspects of the planning and delivery of public works and compliance with the Committee's Act and procedures.
- 1.84 Agencies developing public works projects of any size are strongly encouraged to draw on best practice manuals relevant to the project and to incorporate the findings of relevant ANAO audits prior to developing submissions for the Committee.





## **Content of submissions**

- 2.1 In any public works inquiry, the submissions received from the proponent agency constitute the major components of evidence received by the Committee.
- 2.2 The Committee requires two submissions from agencies on the day of referral, being 'submission 1' – which is to be in the public domain, and 'submission 1.1' – containing the confidential cost estimates.
- 2.3 This chapter outlines the basic information required by the Committee for both submissions. There are new requirements for inclusions in 'submission 1.1' and these are provided with some explanatory detail in order to assist agencies in understanding the Committee's requirements.
- 2.4 The chapter also outlines the particular information required to be provided for public-private partnerships and for notification of 'medium works'.
- 2.5 Agencies should note that government funding approval must be obtained prior to seeking parliamentary approval for major capital works.

### **'Submission 1'**

- 2.6 The statement of evidence, referred to by the Committee as 'submission 1', is the primary evidence to the inquiry. It must contain sufficient detail to allow the Committee to make an informed judgement on the proposed project.

- 2.7 This submission is made available to the public so must not contain confidential information such as estimated costs and details that would compromise any part of the works, for example security arrangements. These details must be included in the confidential submission, discussed below.
- 2.8 In considering works, the Committee must have regard for the requirements of the Act, being: the need, purpose, cost, revenue and current and prospective public value of the works. Therefore, information provided to it should be structured in such a way that allows the Committee to make judgements against these factors.
- 2.9 The following sections outline the basic information required for inclusion in 'submission 1' as is required by the Act for the Committee to consider. Submissions are not limited to this information and proponent agencies should include any other relevant information.
- 2.10 If the proposal comprises more than one project, this should be made clear throughout the submission. Similarly if the proposal has multiple components, each component should be clearly and separately described.
- 2.11 The Committee has no preference for the format of submissions. However, the headings below may provide a useful format for the presentation of information. All submissions should be in clear language, incorporating page and paragraph numbering and include a table of contents.

## **Need for works**

- 2.1 This section should identify the need for, and advisability of, the proposed works. It should include, but is not limited to:
- identified need for work including, if relevant:
    - ⇒ an outline of the policy leading to the need for works and/or a description of the agency's operations leading to the need for works; and
    - ⇒ deficiencies in current facilities if existing;
  - options considered to fulfil the identified need;
  - reasons for adopting the proposed course of action;
  - historical background;
  - heritage considerations;
  - environmental impact assessments;
  - key legislation;

- impact on the local community and measure taken to mitigate negative impact (i.e. employment, traffic flow, community resources); and
- details of consultations with relevant stakeholders and key issues of concern raised.

## Purpose of works

2.2 This section should identify the purpose of the proposed works and its suitability for that purpose. It should provide details of the scope of the proposed works, and how will it fulfil the need identified in the previous section.

2.3 This section should include but is not limited to:

- project objectives;
- details and reasons behind site selection;
- detailed description of the proposed scope of works, including:
  - ⇒ project location, including:
    - ⇒ relevant local facilities;
    - ⇒ public transport;
    - ⇒ local road and traffic concerns;
    - ⇒ information on zoning and local approvals, including if relevant land acquisition;
  - ⇒ planning and design concepts including:
    - ⇒ structure;
    - ⇒ materials and furnishings;
    - ⇒ mechanical services;
    - ⇒ hydraulic services;
    - ⇒ electrical services;
    - ⇒ acoustics;
    - ⇒ landscaping; and
    - ⇒ any other civil works.
  - ⇒ environmental sustainability of the project as a whole, including:
    - ⇒ energy targets;
    - ⇒ measures to reduce energy and water use, including recycling measures in place;
    - ⇒ re-use of existing structures;
    - ⇒ demolition and disposal of existing structures; and

- ⇒ details of compliance with local, state/territory and Commonwealth water and energy policies.
- ⇒ master and site planning, including details of future developments;
- ⇒ provisions for people with disabilities;
- ⇒ childcare provisions;
- ⇒ security measures, except where it is not appropriate that this information be in the public domain, in which case it must be addressed in 'submission 1.1';
- ⇒ fire protection including bushfire protection measures where relevant; and
- ⇒ occupational health and safety measures;
- any associated plans and drawings.

## **Cost-effectiveness and public value**

### **Cost effectiveness**

- 2.4 This section should identify the cost and delivery methodology of the project so that the Committee can assess whether it is being undertaken in an efficient and cost-effective manner.
- 2.5 This section should include, but is not limited to:
- overall project budget;
  - details of the project delivery system;
  - construction programs and/or project schedule.
- 2.6 The project budget represented in this section should total all allocated funding being utilised to fund the project. As outlined in Chapter 1, this includes financing through lease incentives, leasing or similar repayments and through works funded through the agency's annual appropriation rather than the specific project appropriation.
- 2.7 Although the overall budgeted project cost is noted in this section, any details that are of a commercial-in-confidence nature should be included in the confidential submission as outlined below.

### **Public value**

- 2.8 This section should articulate the current and prospective public value of the proposed works. 'Public value' refers to two concepts, firstly a notion that a work has some importance or brings benefits to the community. Secondly, it is a technical term that recognises works as assets that have a defined and recognisable depreciation value.

- 2.9 Submissions should address both these concepts. In the first instance, the benefit the public will gain both now and in the future by having these works undertaken should already be articulated through identification of the need for works. However, it should also be clearly identified in this section as a summary statement.
- 2.10 In the second instance, submissions should identify the projected final value of the works and the depreciation period that will be applied.
- 2.11 In addition, if operational savings are to be expected as a result of the proposed works they should also be identified. It may be appropriate that these details are included in the confidential submission where there is a requirement for whole-of -life costs to be addressed.

## Revenue

- 2.12 If the works are expected to be revenue producing, the Committee must be advised about the amount of revenue the work is expected to produce and how the revenue will be utilised. It may be appropriate that details are included in the confidential submission.

## ‘Submission 1.1’

- 2.13 As well as the main submission to the inquiry, the Committee requires information that may not be in the public interest to release. This includes information regarding the project costs, confidence ratings, risk assessments and any other information that may compromise the project if released such as security arrangements.
- 2.14 Although as a general rule, the Committee prefers as much information regarding a proposal to be in the public domain, it relies on the judgement of the proponent agency regarding the information that should remain confidential. If a proponent agency requires that information generally included in the public submission be kept confidential, it should provide reasons as to why this is the case.
- 2.15 The Committee has processes in place for this information to remain confidential, but in order to do so receives it as a confidential supplementary submission, referred to as ‘submission 1.1’.
- 2.16 In this submission the Committee requires information regarding:
- cost estimates, including:
    - ⇒ cost escalation allowances;
  - risks;
  - confidence levels; and

- 'whole-of-life' costs.
- 2.17 These areas are outlined in more detail below. The Department of Finance and Deregulation can provide detailed guidance on the preparation of this information.<sup>1</sup>
- 2.18 It can be useful to include external statements, such as quantity surveyors reports, with this submission.
- 2.19 The cost estimate of a work means 'an estimate of cost made when all particulars of the work substantially affecting its cost have been determined.'<sup>2</sup> Therefore, some preliminary planning work will need to occur in order to develop robust plans and cost estimates. These costs, while necessary, still form a part of the overall cost of works and should be notified to the Committee.

## Cost estimates

- 2.20 The estimated cost breakdown is distinct from the project budget, which is a single figure included in the public submission. The project budget relates to a funding allocation<sup>3</sup> to deliver the proposed works, whereas the cost breakdown is the expected final costs of the delivered work.
- 2.21 This section should make clear what areas funding is being applied if multiple funding sources are being utilised – that is, what will be financed by a project-specific appropriation, lease incentives, leasing or similar repayments and through works funded through the agency's annual appropriation.
- 2.22 This section should also make clear what level of project scope and design development underpins the estimates.
- 2.23 If a cost plan has been commissioned as part of the project planning, this may inform the majority of the information required by the Committee.

## Table of cost estimates

- 2.24 The table of cost estimates required by the Committee is not dissimilar to the detailed business case required for Government approval.

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1 Detailed guidance notes are expected to be published by the Department of Finance and Deregulation by December 2010.

2 The Act, Section 18A (9)

3 Including funds from agencies savings, revenue or general operating budget.

- 2.25 The table of cost estimates should include, but is not limited to:
- cost of the building(s);
  - land costs;
  - cost of any external works and services, such as civil, electrical and mechanical works;
  - demolition, remediation, decontamination;
  - relocation costs;
  - cost provisions for phasing of construction;
  - fees for project management, consultancies or other professional services related to the work;
  - the agency's internal planning, management and oversight costs;
  - GST where a net payable amount is applicable or where input tax credits are available but cash flow at any stage of the project is significantly impacted;
  - for works undertaken overseas, specific costs related to local market conditions;
  - escalation allowance;
  - risk estimation; and
  - total estimated cost at current prices.

#### **Land costs**

- 2.26 Where land has been purchased for a project, these costs should be notified to the Committee, regardless of when the land was purchased.

#### **Currency assumptions**

- 2.27 Where works are being undertaken overseas, this section must include assumptions underpinning the estimated costs including:
- exchange rates; and
  - allowances for movement in exchange rates.

#### **Escalation allowance**

- 2.28 Agencies are required to identify an estimated escalation allowance. Escalation allowances should not be simply added to contingency allowances, discussed below.
- 2.29 Escalation allowances are designed to offset the expected rise in the cost of trade and works over the construction period occurring as a result of market forces, and reflect increases in the cost of labour and materials and higher levels of construction activity. Escalation

calculations should allow for price increases that are likely to be incurred by the head contractor, sub-contractors and suppliers.<sup>4</sup>

- 2.30 At a minimum, the Committee requires submissions to include:
- estimated escalation allowance expressed as a dollar figure and percentage of the cost estimate over the time period escalation is expected; and
  - explanation of how the allowance for cost escalation has been calculated. This should include the date of preparation of the cost estimate, the expected tender date, the expected construction period, and the expected rate of escalation.

### **Risk estimation**

- 2.31 Separate to the escalation allowance, agencies are also required to provide evidence of risk estimation and management. The risk estimation should be expressed as a dollar figure and percentage of the cost estimate, and should take account of:
- *Inherent risk* – risks contained within the components of the base estimate, that are very likely to occur, in some form; and
  - *Contingent risk* – risks attached to items outside the base estimate, that have less than 100% likelihood of occurrence.
- 2.32 Alongside the risk estimation, the Committee also requires evidence that the agency has performed rigorous risk identification and management. Agencies should have already developed comprehensive risk management plans, and may submit to the Committee a risk register.

### **Risk register**

- 2.33 Regardless of whether the Commonwealth retains project risks, or these risks are assumed by the contractor and therefore priced into project delivery, submissions must include a risk register listing the key temporal, financial, physical and legal risks attached to the project.
- 2.34 For those projects subject to the Gateway Review Process, a risk management plan is required for the 'Gate 1 – Business Case' review and a summary of this is adequate for submission to the Committee.

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4 Various methods are available for estimating escalation allowances: estimating the forecast end cost using either the relevant Building Price Index or the Consumer Price Index at an 'industry standard' level; or engaging the services of a professional Quantity Surveyor. The Committee has no preference as to which method is used.



- 2.35 Risk registers should be in a form that allows the Committee to easily identify key risks and who is broadly responsible for their mitigation (i.e. the agency, the contractor). Some key issues include, but are not limited to:
- ⇒ design complexity;
  - ⇒ time pressures;
  - ⇒ buildability;
  - ⇒ contracting environment and tendering strategy;
  - ⇒ environmental considerations (accessibility of site location, flora, fauna and heritage)
  - ⇒ geotechnical and geographic considerations;
  - ⇒ social and political environment; and
  - ⇒ market forces.
- 2.36 The risk register must demonstrate that the agency has completed risk identification and management. There must be evidence of:
- identification of each risk;
  - analysis of each risk, specifically:
    - ⇒ likelihood of the risk occurring; and
    - ⇒ consequences of the risk occurring;
  - evaluation of each risk, including a ranking of all risks in order of priority; and
  - treatment of each risk, including avoidance of the risk, reducing likelihood or consequences of the risk, sharing or transfer of the risk, or acceptance/retention of the risk.
- 2.37 In summary, at a minimum, the Committee requires submissions to include:
- a risk estimation expressed as a dollar figure and percentage of the cost estimate; and
  - a risk register listing the key temporal, financial, physical and legal risks attached to the project and appropriate management strategies.<sup>5</sup>

## Confidence levels

- 2.38 The Committee acknowledges that projects are brought to it at varying stages of development and that at best the cost estimates
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5 For more guidance on risk estimation see guidance from the Department of Finance and Deregulation.

provided to it are within a range of accuracy relating to the design stage. While the Committee expects a single point estimate of delivered project costs, it also expects information pertaining to the accuracy and confidence level attaching to the cost estimate.<sup>6</sup>

- 2.39 At a minimum, the Committee requires submissions to include:
- the cost estimate range and the confidence level attaching to the estimate;
  - key milestones when the budget will be reviewed and the projected confidence level at that stage.
- 2.40 Finance has tools available as part of the Gateway process to assist agencies in calculating confidence levels.

### **Whole-of-life costs**

- 2.41 As a part of its responsibility under the Act to consider the public value of works, the Committee requests the provision of whole-of-life (or life-cycle) cost estimates. The Committee has an expectation that whole-of-life costing analysis is part of any decision to pursue public works and is utilised in any comparative study regarding options considered in relation to the works (i.e. whether to build new or renovate existing facilities).
- 2.42 This section should provide a summary of the analysis used. In considering whole-of-life costing, the Committee has an expectation that at a minimum the following are considered:
- capital cost;
  - life-time operating costs;
  - life-time maintenance costs;
  - life-time asset losses;
  - asset disposal cost;
  - summary of the assumptions that underpin the analysis model.
- 2.43 Because lease incentives utilised to finance projects can lead to hidden ongoing costs to proponent agencies, for fit-out projects utilising lease incentives should provide:
- an analysis of the benefits gained by financing the works through lease incentives rather than full financing of the works by the proponent agency.

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6 For example, at the preliminary design stage, the level of accuracy of cost estimates should be +/- 30 per cent, at the detailed design stage +/- 15 per cent. The confidence level may vary according to the construction experience of the proponent agency.

- 2.44 Where lease incentives have been utilised to finance projects, the Committee expects to be provided with the ongoing lease costs.
- 2.45 In assessing whole-of-life costs, the Committee will take into consideration the design stage as well as the confidence level attached to the project.<sup>7</sup>

## Public Private Partnerships

- 2.46 The submission requirements for works to be undertaken by public-private partnership (PPP) submissions are broadly the same as the general information requirements outlined in this chapter. Allowances will be made for PPP submissions where information is unavailable due to the nature of the PPP process.
- 2.47 Examples of allowances that will be made include, but are not limited to:
- inclusion of output requirements of the work, rather than detailed design and input specifications.
  - inclusion of a detailed costing of a direct procurement option (Public Sector Comparator<sup>8</sup>) rather than final costs.
- 2.48 Submissions should include a Risk Register, including identification of key risks and their allocation between the public and private sector under traditional and PPP approaches and provide an indication of which risks are likely to result in a value for money outcome when transferred under a PPP approach.

## Medium works

- 2.49 As outlined in Chapter 1, all works with an estimated cost between \$2 million and the threshold limit, currently \$15 million, are required to be notified to the Committee before tenders are called for the works.<sup>9</sup> The Committee may seek to have the project referred for full

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7 Detailed guidance notes are expected to be published by the Department of Finance and Deregulation by December 2010.

8 Details on the Public Sector Comparator can be found in the PPP Business Case Development guidance at <[www.finance.gov.au](http://www.finance.gov.au)>

9 Whilst projects under \$2 million are not brought to the Committee's attention, care should be taken to ensure that individual components of bigger projects are considered and included in the public works process.

inquiry if it considers this is warranted therefore it is essential that Public Works Committee approval is factored into project timeframes.

- 2.50 Notification of medium works should include sufficient detail in order to enable the Committee to make an informed decision. While the same level of detail as required for a full referral is not required, the above requirements should be used as a general guide.
- 2.51 At a minimum, the following information must be provided:
- project title;
  - need for proposed works;
  - purpose of the proposed work, including:
    - ⇒ scope/description of the proposed work;
    - ⇒ location;
    - ⇒ environmental impact;
    - ⇒ heritage implications;
    - ⇒ any existing facilities;
  - related works, both current and prospective;
  - consultation undertaken in relation to the work;
  - any likely community impacts of the proposed work;
  - relevant maps and/or plans;
  - project program/schedule; and
  - breakdown of project cost estimates, including details of any escalation and contingency allowances.
- 2.52 The information provided in a medium works notification remains confidential to the Committee, except for the following, which will be published on the Committee's website:
- project title;
  - agency name;
  - date on which the Committee was notified of the proposed works.
- 2.53 The Committee may request additional information or a briefing if it is not satisfied with the information provided. The Committee does not take attempts to 'split' a work into several packages in order to avoid scrutiny lightly.

## Follow-up activities

- 2.54 The Committee must be informed on project completion whether the project remained within the advised scope, cost and timetable.
- 2.55 In addition, if the Committee has made any recommendations concerning the project, processes must be put in place to provide regular reports to the Committee on the implementation of agreed recommendations.
- 2.56 There is a Finance requirement for proponent agencies to conduct post-implementation reviews of public works. A summary of review findings should be provided to the Committee. At a minimum, the Committee expects information regarding:
- the extent to which the expected business benefits, including environmental benefits, have been or are expected to be achieved;
  - user satisfaction with the delivered works; and
  - lessons learned.
- 2.57 Agencies are reminded that any significant scope or budget changes that occur during project delivery require Committee approval.
- 2.58 Under section 19 of the Act, the Committee has the authority to review projects and has done so in the past where it has been clear that proponent agencies have attempted to avoid scrutiny.



## **Committee processes**

- 3.1 The committee follows the same basic process for each referral made to it. This chapter outlines the process of an inquiry, including receipt of submissions and the conduct of the site inspection and public and in-camera hearings.
- 3.2 The Department of Finance and Deregulation organises the referral of works to the Public Works Committee. All Committee processes are managed by the committee secretariat, employed by the Department of the House of Representatives.
- 3.3 All agencies should contact the committee secretariat when their referral is imminent. The secretariat can provide advice on the Act, on all aspects of this manual and on the committee's work program.

## **Process for parliamentary approval of public works**

- 3.4 Stages of the parliamentary approval process for public works are described throughout this manual. The following section describes in detail what steps the committee follows once a work is referred.
- 3.5 There are six basic steps in the parliamentary approval process for public works. These are:
  - referral of a proposal to the committee;
  - public consultation;
  - site inspection (except where the works are located outside Australia in which case a detailed presentation should be made);
  - a public hearing and in-camera hearing on the cost estimates;

- preparation and tabling of the committee's report on the proposal; and
- parliamentary approval by the House of Representatives for work to commence (expediency motion).

## Referral of work

- 3.6 The process for referring a work to the committee is outlined in Chapter 1.
- 3.7 On the day the referral is made, agencies are expected to e-mail a statement of evidence, known as 'Submission 1' and a confidential cost plan, known as 'Submission 1.1' to the secretariat. The submissions are to be e-mailed as separate documents to [pwc@aph.gov.au](mailto:pwc@aph.gov.au).
- 3.8 Submission 1 will be made public.<sup>1</sup> Agencies are responsible for ensuring all information contained within this document is suitable to be in the public domain. Submission 1.1 is kept confidential.
- 3.9 Although Submission 1.1 generally consists only of the cost plan, other information that is not suitable for the public domain can also be included if necessary (i.e. security arrangements). However, it is the committee's preference that wherever possible information regarding public works be in the public domain.
- 3.10 If submissions are not ready to be presented to the committee on the day of referral then the referral should not be made.
- 3.11 Agencies are also asked to identify a primary contact officer who will be the key contact for the secretariat throughout the inquiry. The contact officer should be a reasonably senior person who is both able to answer detailed questions on the proposed works and who is authorised to make decisions on behalf of the agency regarding committee processes.

## Public consultation

- 3.12 Following referral, the proposed works are open for public comment. The committee will advertise through whichever means it considers appropriate for the nature of the work. Any media releases issued by the Chair are available on the committee's website.

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<sup>1</sup> In some, limited, circumstances an inquiry may be conducted in private. Agencies should be in contact with the secretariat well before the referral is made if this is to be the case.



- 3.13 As part of Submission 1, agencies are requested to provide a list of those consulted on the project and any issues arising from public consultation.
- 3.14 During this time, if agencies are conducting any public consultation sessions, they must also make it clear in advertising and to participants that the Public Works Committee is conducting an inquiry and accepting public submissions. The secretariat can assist with wording for advertisements and provide information about the committee for distribution if necessary.
- 3.15 Unless confidential, submissions are published by the committee on its website. Some submissions will require a response from the proponent agency although generally, the committee will raise issues at the public hearing if warranted. It is the responsibility of the proponent agency to check the committee website for additional submissions and prepare a response if necessary.
- 3.16 Submissions are authorised for publication by the committee prior to loading on the website. There may be some delay between the closing date for submissions and publication, depending on the committee's meeting schedule. The secretariat can provide advice as to when submissions are likely to be authorised.<sup>2</sup>

### **Site inspection and hearings**

- 3.17 Soon after a referral is made, the secretariat will contact the referring agency to confirm a date for the site inspection and hearings. The date is set by the committee and will be a minimum of four to six weeks after referral. This is to allow sufficient time for other interested parties to provide comment on the proposal.
- 3.18 On the day, the committee will inspect the site of the proposed works and hold a public hearing and in-camera hearing on the project costs at a nearby location that is accessible to the public.
- 3.19 Once an inspection/hearing date has been set, the secretariat will liaise closely with the proponent agency to work out the times for the inspection and hearing. The secretariat will seek the advice of the proponent agency as to suitable venues and, if necessary, nearby hotels for accommodation.

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2 See <http://www.aph.gov.au/house/committee/documnts/howsub.htm> for more information about the treatment of submissions to parliamentary inquiries.

### **Site inspection**

- 3.20 Site inspections enable the committee to familiarise itself with the setting of a proposed work, the condition or extent of any existing facilities, any unusual site features, characteristics or matters concerning local geography that may have been raised in submissions.

### **Transport**

- 3.21 Road transport required for the committee during the inspection is usually provided by the sponsoring agency. The committee and secretariat staff travel as a group during inspections generally accompanied by agency officers involved in the project. The secretariat will discuss appropriate arrangements with the proponent agency.
- 3.22 As time for site inspections may be limited, agencies should ensure that arrangements have been made to seamlessly authorise access to the site for committee members and staff. Lengthy delays and unavoidable during inspections can reflect poorly on a proponent agency.

### **Number of officers attending inspections**

- 3.23 The number of agency officials and consultants attending the inspection should be kept to the minimum needed to give the committee a comprehensive briefing on the site being inspected. However, agencies should have officers available who are able to explain the facilities being inspected.

### **Scope of inspections**

- 3.24 Inspections usually include an on-site briefing intended to provide site orientation and background. It can be useful if maps and charts provided with the submission are used to help provide orientation.
- 3.25 In addition to providing the committee with a physical and visual experience of proposed works, inspections should include any existing facilities or features of the site identified in the proponent agency's main submission. Where a proposal is for new works, it can be useful for the committee to view similar works or the facilities that are being replaced.
- 3.26 For example, for a new office fit-out the committee may visit the site of the new building for an understanding of the location and nearby amenities as well as a tour of existing facilities identifying the deficiencies and the need for the works.

- 3.27 It is useful to provide the committee with a program for the inspection, indicating each facility to be viewed. This helps to orient the committee to the site and assists in presenting the proposal in a logical manner.
- 3.28 In the week prior to the inspection, ensure that:
- the secretariat is advised of the names of those officers who will be accompanying the committee on the site inspection and if there are any requirements for safety dress (i.e. enclosed shoes);
  - there is the facility for the committee and secretariat to be seamlessly authorised to access the site to avoid delays; and
  - appropriate safety equipment such as hard hats, vest and glasses are available.

### **Duration of inspections**

- 3.29 The duration of the site inspection will vary according to the location, complexity and scope of the proposed works.
- 3.30 Inspections are very important and a poorly organised inspection can reflect badly on the agency concerned. It is suggested that agencies conduct a 'run through' of the planned route prior to the actual inspection. This not only assists with planning timeframes on the day, it is a useful exercise for the agency to help identify areas of interest.

### **Site inspections for works outside Australia or in very remote locations**

- 3.31 In the case of those works outside Australia, the committee does not conduct a site inspection. In lieu, the proponent agency briefs the committee with the aid of diagrams, charts and photographs. These briefings generally take place in Canberra and immediately precede the public and in-camera hearings.
- 3.32 Likewise, if a proposed work is in a very remote location<sup>3</sup>, the committee may request a briefing in lieu of a site inspection. If this is the case, the briefing and hearings will generally be held in the nearest town to ensure that the local public is able to attend.

### **Public hearing**

- 3.33 Following the site inspection, the committee will hold a public hearing to question agency representatives on the details of the proposal. This hearing is open to any member of the public to attend. If the media attends, the committee will seek the agreement of

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3 For example, the CSIRO proposed a project in a remote area north of Geraldton, WA. Given the location and the fact that there were no existing facilities, the committee received a briefing and held hearings in Geraldton.

witnesses for filming to occur but as a general rule the media is permitted to take footage on the principle an open and transparent process.

- 3.34 The committee may also hear from other witnesses in relation to the proposal, either in response to submissions made or significant public interest. It is the committee's prerogative to hear from witnesses as it sees fit and the proponent agency has no influence over this decision.

### **Venue**

- 3.35 The public hearing venue is organised by the secretariat. However, the secretariat will seek advice on an appropriate venue which is close to the site.
- 3.36 The size of the venue will depend on the number of witnesses and public interest. The minimum requirements for a venue are: a room large enough to accommodate the committee, parliamentary officers, witnesses and up to 30 members of the public in a location that is easily accessible by the general public.

### **Venue set-up**

- 3.37 The secretariat will liaise with the venue to ensure that it is set up appropriately. On the day, parliamentary broadcasting officers will set up the necessary equipment. The rooms should not be reconfigured in any way without first speaking to the secretariat or Hansard/broadcasting staff.
- 3.38 The secretariat should be told well in advance of the hearing should there be a need for space to display models, plans or other visual material.

### **Witness details**

- 3.39 A week prior to the hearing, the secretariat will request:
- a list of names of those officers who will be accompanying the committee on the site inspection;
  - a list of names of those officers who will be appearing before the committee at the public hearing and a completed Hansard witness form<sup>4</sup> for each individual appearing; and
  - a list of names of those officers who will appearing before the committee at the in-camera hearing and a completed Hansard witness form for each individual appearing if not also appearing at the public hearing.

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4 The current form will be e-mailed to the agency contact officer for distribution to witnesses.

- 3.40 This information, including completed Hansard forms, should be centrally coordinated by the agency and forwarded in one e-mail to the secretariat.

### **Conduct of the public hearing**

- 3.41 The committee's proceedings are lawful proceedings of the Parliament and therefore warrant the same respect as the Parliament itself. It is parliamentary convention that witnesses address the committee through the Chair.<sup>5</sup>
- 3.42 At the commencement of the public hearing, the Chair makes an opening statement setting out the matter under consideration and issuing a general warning to witnesses as follows:
- Although the committee does not require you to give evidence under oath, I should advise you that these hearings are formal proceedings of the Parliament. Consequently they warrant the same respect as proceedings of the Parliament itself. I remind witnesses that giving false or misleading evidence is a serious matter and may be regarded as contempt of Parliament.
- 3.43 While the committee has the power to take evidence under oath, this is generally not done. Nonetheless, witnesses are obliged to provide truthful information to the committee.
- 3.44 The Chair will also ask witnesses to state their full name<sup>6</sup> and the capacity in which they appear before the committee. If a consultant is appearing as a witness because of their role in advising the proponent agency, they should identify themselves by their employing firm, not from the agency.

### **Opening statement**

- 3.45 After the above formalities are complete, the Chair will ask the lead witness to make an opening statement. This should be of five to ten minutes duration and summarise the key points of the proposal, being the need for and scope of the proposed works.
- 3.46 If there are any amendments to the evidence, it should also be outlined in the opening statement. Additional material should be provided to the secretariat at least a week prior to the hearing if possible.

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5 Information about appearing before a committee is available on the Parliament website at < [www.aph.gov.au/house/committee/documnts/witadv.htm](http://www.aph.gov.au/house/committee/documnts/witadv.htm)>.

6 First and last name only is appropriate.

**General questions**

- 3.47 The committee then proceeds to question agency officials. The committee has wide scope to follow any line of inquiry it sees fit to satisfy itself under its terms of reference. Therefore, agencies should be prepared to answer questions beyond the scope of the proposed works. In particular, the committee will be looking to satisfy itself that the works are necessary.
- 3.48 Questions may be taken on notice and answers must be provided to the secretariat within five business days.

**Other witnesses**

- 3.49 When the committee has finished questioning the proponent agency, any other witnesses are called according to a program published by the secretariat. Other witnesses may or may not have made a written submission to the committee.
- 3.50 All witnesses are given the opportunity to make a short opening statement no longer than five minutes in length and are questioned by the committee.
- 3.51 The committee may also choose to hear evidence from witnesses as part of a 'community statement session' whereby individuals have an opportunity to make short statements about the proposal but are not questioned by the committee.
- 3.52 If the committee feels it is warranted, it may re-call agency witnesses to address any concerns raised by other witnesses. This is not an opportunity to reiterate why a work should be approved, as the proponent agency has already this opportunity through its initial evidence. An agency will only be re-called to answer specific questions the committee may have. If a proponent agency wishes to respond to other evidence given, it may do so in writing.

**Adjournment**

- 3.53 At the conclusion of the public hearing, the committee will authorise publication of the evidence, including any additional submissions received. The public hearing adjourns and all people not authorised by the committee and the proponent agency to attend the in-camera hearing are asked to leave the room.

**In-camera hearing**

- 3.54 The in-camera hearing is an opportunity for the committee to question the proponent agency on the estimated cost plan and other commercial-in-confidence or security related matters that form part of the proposed works.

- 3.55 Procedurally, the in-camera hearing is conducted in a similar manner to the public hearing, except that the public, including media, is excluded from the room. Proponent agencies are responsible for ensuring that no unauthorised individuals are in the room.<sup>7</sup>

### **Preparation and tabling of the committee's report**

- 3.56 Following the inspection and hearings, the secretariat will send the agency key contact officer a copy of the public and in-camera hearing transcripts for correction. The contact officer should distribute the transcripts to agency witnesses as appropriate. Witnesses may correct only actual errors in the transcripts to ensure accuracy of records. Corrections must be returned to the secretariat.
- 3.57 The committee may also seek clarification or additional information. This information must be provided as soon as practicable as it is often required for the completion of the committee's report.
- 3.58 Once the committee has agreed to its report, it authorises the secretariat to release its recommendations under embargo to a relevant officer in Finance and the proponent agency for the purposes of preparing the government response. It is important that the recommendations are kept confidential as release beyond the scope of the committee's authorisation could be considered to be contempt of Parliament.
- 3.59 The committee will then table its report in both the House of Representatives and the Senate for Parliament's consideration.
- 3.60 Finance, in consultation with the proponent agency, is responsible for coordinating the government response to the committee's recommendations and preparing an expediency motion for the House if so recommended by the committee.

### **Parliamentary approval**

- 3.61 Parliamentary approval for the works to proceed can only be given after both Houses have had an opportunity to consider the committee's report. In practice, the Minister for Finance or her/his delegate generally moves the expediency motion in the same week as the committee's report is tabled.

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7 The secretariat, Hansard and broadcasting staff are authorised by the committee to be present at the in-camera hearing.

- 3.62 The statement introducing the expediency motion also indicates the government's response to the committee's recommendations. Other Members may speak to the motion before the House votes.
- 3.63 The secretariat is able to provide advice at any stage prior to and during the inquiry process and agencies are encouraged to contact the secretariat as soon as it becomes apparent that a work may be subject to the requirements of the Act.





## **Appendix A – Checklist and general timeline**

- 4.1 The following checklist and timeline are provided to assist proponent agencies preparing for referral to the Committee or a medium works notification.
- 4.2 The timeline should be read in conjunction with the Parliamentary sitting calendar, available from the Parliament's website<sup>1</sup> or the Department of Prime Minister and Cabinet's website<sup>2</sup>.
- 4.3 It should be noted that some activities can only occur in a Parliamentary sitting week. As a joint committee, the Public Works Committee generally only meets in a week when both Houses sit. The secretariat can provide advice as to the Committee's meeting schedule.

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1 <[aph.gov.au](http://aph.gov.au)>

2 <[pmc.gov.au](http://pmc.gov.au)>

## **Checklist for Public Works Committee process**

### **Pre-referral**

- All Finance procedures have been complied with.
- The PWC secretariat has been advised of the referral and the agency contact officer.
- 'Submission 1' and 'Submission 1.1' have been completed and approved by all relevant internal agency processes.
- A contact officer identified who is both able to answer detailed questions on the proposed works and who is authorised to make decisions on behalf of the agency.
- Possible hearing venues have been identified.

### **Day of referral**

- Submission 1 and Submission 1.1 have been e-mailed to the PWC secretariat.

### **Post-referral**

- Contact made with PWC secretariat regarding inspection and hearing, possible hearing venues advised.
- Site inspection planned and accurate timings advised to PWC secretariat.
- Transport has been organised for site inspection.
- PWC secretariat advised of the names of those officers who will be accompanying the Committee on the site inspection and if there are any requirements for safety dress.
- Appropriate safety equipment such as hard hats, vest and glasses are available.
- Facility for the Committee and secretariat to be seamlessly authorised to access the site arranged.
- Hansard forms returned to the secretariat.

### **Post-hearings**

- Any requests made at the inspections and/or hearings have been responded to.

**PWC report**

- ❑ Embargoed recommendations responded to for expediency motion.
- ❑ All Finance procedures have been complied with.

**Post-PWC process and project implementation**

- ❑ Process put in place to ensure PWC is informed about:
  - ❑ the implementation of recommendations;
  - ❑ project completion and review.
- ❑ Process put in place to ensure PWC approval is sought for any scope or budget changes.

## General timeline for Public Works Committee process

