

Introduction

- 1.1 Pursuant to Section 17 (1) (b) of the *Public Works Committee Act 1969* (the Act), the Parliamentary Standing Committee on Public Works is required to inquire into and report on public works referred to it through either House of Parliament.
- 1.2 All public works that have an estimated cost exceeding \$15 million must be referred to the Committee and cannot be commenced until the Committee has made its report to Parliament and the House of Representatives resolves that it is expedient to carry out the work.¹
- 1.3 Under the Act, a public work is a work proposed to be undertaken by the Commonwealth, or on behalf of the Commonwealth concerning:
 - the construction, alteration, repair, refurbishment or fitting-out of buildings and other structures;
 - 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, plant and equipment, earthworks, and other structures;
 - the clearing of land and the development of land for use as urban land or otherwise; and

¹ The Act, Part III, Section 18 (8). Exemptions from this requirement are provided for work of an urgent nature, defence work contrary to the public interest, repetitive work, and work by prescribed authorities listed in the *Regulations*.

- any other matter declared by the regulations to be a work.²
- 1.4 The Act requires that the Committee consider and report 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.³
- 1.5 The Committee pays attention to these and any other relevant factors when considering the proposed work.

Timing of referrals

- 1.6 When appointed in March 2008, the Committee inherited a number of inquiries that had been referred shortly prior to the dissolution of the 41st Parliament. The Committee was conscious of the delays incurred due to the election period and has made every effort to complete these inquiries in a timely manner.
- 1.7 However, on a number of occasions during public hearings for the works addressed in this report, the proponent agency noted the need to amend evidence, either project costs or construction timeframes, submitted in the original evidence due to this delay.
- 1.8 Although there is no fixed date for federal elections, there is a fixed term in which an election can be called. Any referrals made in this period may be subject to lengthy delay and proponent agencies should be cognisant of this if considering referrals in the latter part of the parliamentary cycle.
- 1.9 In addition, while the Committee is conscious of its responsibility to consider works expeditiously, in practical terms, it has an extremely heavy workload which on occasion results in a lengthy inquiry process. This, in combination with constraints imposed by the parliamentary sitting calendar, means that proponent agencies should factor four to six months into project work plans from the earliest stage for the parliamentary approval process to occur.
-

2 The Act, Section 5.

3 The Act, Section 17.

- 1.10 Parliamentary scrutiny is not a bureaucratic hurdle. It is an essential part of any major capital work proposed by the Commonwealth. The Committee will not accept the failure to consider the approval process as an excuse for unexpected cost or timeframe escalation.

Matters addressed in this report

- 1.11 Works considered in this report were referred to the Committee in March 2008 by the Parliamentary Secretary for Defence Support, the Hon Dr Mike Kelly MP.
- 1.12 In considering works, the Committee analysed the evidence presented by the proponent agency, public submissions and evidence received at in-camera and public hearings.
- 1.13 In consideration of the need to report expeditiously as required by Section 17 (1) of the Act, the Committee has only reported on major issues of concern. Other issues raised through the inquiry process where the Committee was able to satisfy itself will be addressed appropriately by the proponent agency are not reported.
- 1.14 The Committee appreciates, and fully considers, the input of the input of the community to its inquiries. Those interested in the proposals considered in this report are encouraged to access the full inquiry proceedings available on the Committee's website.⁴

Structure of the report

- 1.15 Chapter 2 addresses the proposed Hardened and Networked Army Facility development, Edinburgh Defence Precinct, South Australia. This proposal has an estimated expenditure of \$623.68 million (excluding GST) for the co-location of Army facilities on the RAAF Base Edinburgh. The proposal also provides for facilities at Murray Bridge and Cultana Range, South Australia.
- 1.16 Chapter 3 addresses the proposed developments at RAAF Base Darwin, Northern Territory. This proposal has an estimated expenditure of \$49.832 million (excluding GST) for the provision of upgraded facilities aimed at improving the operational capacity of the base.

4 <www.aph.gov.au/pwc>

- 1.17 Chapter 4 addresses the proposed developments at Robertson Barracks, Darwin, Northern Territory. With an estimated expenditure of \$72.126 million (excluding GST), this proposal comprises three parts, namely the Robertson Barracks Redevelopment (\$30.198m), Robertson Replacement Tank Facilities, including minor works at Mount Bunday Training Area (\$6.715m) and Hardened and Networked Army Projects (\$35.213m.)
- 1.18 Chapter 5 addresses the proposed RAAF Tindal Redevelopment Stage 5, Northern Territory. At an estimated cost of \$58.7 million (excluding GST), this proposal aims to improve the facilities which support the overall capability of the base.
- 1.19 Chapter 6 addresses the proposed Airborne Early Warning and Control (AEW&C) Facilities at RAAF Base Tindal, Northern Territory at an estimated cost of \$64.2 million (excluding GST.) The proposal aims to provide facilities to support the operation of the AEW&C aircraft.
- 1.20 Chapter 7 addresses the proposed Multi Role Helicopter Facilities at Nowra, Townsville, Oakey, Enoggera and Sydney at an estimated cost of \$168.7 million (excluding GST.) The purpose of the proposed facilities is to support the introduction and operation of 34 new Multi Role Helicopters (MRH90) due to be delivered after 2010.
- 1.21 Chapter 8 addresses the proposed Enoggera Redevelopment Stage 1 Project, Gallipoli Barracks, Brisbane, Queensland at an estimated cost of \$80.2 million (excluding GST.) The aim of the Enoggera redevelopment is to rationalise and upgrade the current messing arrangements.
- 1.22 Appendix A lists submissions for all inquiries and Appendix B contains a list of witnesses at all public hearings.