

## Issues

### Introduction

5.1 This chapter highlights significant issues considered by the Committee in 2003. They are:

- confidential proceedings;
- security measures;
- quality of evidence;
- the definition of a ‘work’;
- conduct of inquiries; and
- support.

### Confidential Proceedings

5.2 Under the terms of the Act, the Committee may direct that an inquiry take place in private and may give directions as to who may be present at the inquiry.<sup>1</sup>

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1 *Public Works Committee Act 1969*, Section 18A

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- 5.3 In addition, attendance by a stranger at a private meeting of the Committee, without the express invitation of members, contravenes Standing Order 36 of the Senate Standing Orders under which the Committee operates.
- 5.4 As public works inquiries frequently involve commercial-in-confidence and security issues, the Committee usually holds an in-camera hearing prior to the public hearing into each proposed work.
- 5.5 Confidential briefings of this type are intended to provide referring agencies with the opportunity to present information which, for reasons of commercial or national security, cannot be revealed on the public record. Attendance at these confidential briefings is, therefore, confined to the Committee and secretariat staff and the project officers of the proponent agency.
- 5.6 In 2003 the Committee was forced on two occasions to address potential breaches of its confidential proceedings. In both instances, the briefings in question contained commercial-in-confidence information related to detailed project costings and the presence of unauthorised attendees had the potential to jeopardise or cast doubt over the tendering processes and contractual arrangements conducted in relation to the project.

## Security Measures

- 5.7 In response to the increased global threat environment, enhanced security provisions were an important focus of works brought before the Committee in 2003. Indeed, two of the Committee's inquiries dealt primarily with improved security arrangements<sup>2</sup>, while most others included increased security elements.
- 5.8 In the course of its investigations the Committee sought to ensure that proposed security measures would guarantee the safety of building occupants and Commonwealth property, both within Australia and off-shore.
- 5.9 Late in 2003 the Committee was invited by the ANAO to comment upon a proposed performance audit into the protections of Australia's overseas missions and staff. In response, the Committee stated its unanimous view that, in the current global environment, agencies should place very high importance on security issues in the construction and refurbishment of premises overseas.

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2 *RAAF Base Tindal Perimeter Security Fence, Katherine, NT and New Main Entrance at Lucas Heights Science and Technology Centre, Lucas Heights, NSW*

## Quality of Evidence

- 5.10 On a number of occasions in 2003, the evidence submitted by referring agencies was such that the Committee was forced to request supplementary documentation on building plans and costings in order to complete its deliberations.
- 5.11 On one occasion, members expressed surprise that such basic information had been omitted from the agency's submission, particularly as it is specifically requested in the Committee's *Manual of Procedures for Departments and Agencies*. On another occasion, the Chair summarised the difficulties associated with such omissions, stating:
- “...we do not have the details of the project and its detailed costings, so it is not a particularly satisfactory situation. Neither the committee nor the public actually has access the detail that is important to proceeding to make a decision about the public value of this project.”<sup>3</sup>
- 5.12 Other agencies, however, presented clear and comprehensive evidence and were commended by the Committee for facilitating the inquiry process.

## Definition of a 'Work'

- 5.13 As reported in the Committee's Sixty-Sixth Annual Report, problems surrounding the disaggregation of works projects and confusion amongst agencies as to what constitutes a 'work' prompted the Committee to approach the Minister for Finance and Administration, Senator the Honourable Nick Minchin, requesting that changes be made to the Act to clarify these issues.<sup>4</sup> The Minister responded that he believed that such matters could be addressed without changing the terms of the Act.
- 5.14 In February 2003 the Committee wrote to the Minister regarding the decision by one agency to omit demountable buildings to the value of \$21.5 million from its reported project costs. The agency had presented the project to the Committee as a medium work estimated to cost \$4.955 million and therefore, under the statutory limit for Committee referral.

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3 *New Main Entrance at Lucas Heights Science and Technology Centre, Lucas Heights, NSW, Official Transcript of Evidence*, p. 21

4 *Sixty-Sixth Annual Report*, pp. 18 - 23

- 5.15 When requested to brief the Committee on the project, the agency explained that it believed the demountable buildings to be ‘moveable property’ and therefore, outside the definition of a public work under the Act.
- 5.16 In view of this, the Committee reiterated to the Minister its view that the disaggregation of works projects in this manner impedes the Committee’s fulfilment of its primary function, which is to oversee and ensure value-for-money in expenditure of public funds.
- 5.17 In April 2003 the Honourable Peter Slipper advised the Committee, that on the basis of the example described above, he believed it appropriate for large construction projects making extensive use of demountable buildings to be referred to the Committee, and proposed to make a regulation to this effect.
- 5.18 Early in 2004, a draft of the regulation was forwarded to the Committee.

## Conduct of Inquiries

- 5.19 Throughout 2003 the Committee continued its efforts to streamline its inquiry and reporting processes, in order that agencies might not be unduly delayed in the execution of capital works projects.
- 5.20 The Committee achieved this by:
- condensing reports;
  - reducing the time taken for report drafting and consideration;
  - participating in agency training on the inquiry process; and
  - forming sub-committees so that hearings might proceed when a majority of members could not be present.
- 5.21 These measures enabled the Committee to complete sixteen inquiries in 2003.

## Support

- 5.22 The Committee’s ability to fulfil its statutory obligations is in large measure attributable to the support provided by its secretariat. The Committee therefore wishes to record its appreciation for the work of its Secretary, Mrs Margaret Swieringa, and her staff.

- 5.23 As noted in Chapter 1, the secretariat supports two other parliamentary committees. The Committee observes that this presents certain challenges and commends the secretariat for continuing to provide a high level of support.
- 5.24 The Committee also wishes to record its appreciation for other staff in the Parliament, who provide services to the Committee and its secretariat, and those officers in DoFA, who play an integral role in facilitating references and expediency motions. In this regard the Committee thanks Mr Jeff Kite for his continued support throughout 2003.

**Honourable Judi Moylan, MP**

Chair

10 March 2004

