

Construction of Projects Two and Three of the Christmas Island Housing Program for the Department of Regional Australia, Local Government, Arts and Sport now the Department of Infrastructure and Regional Development at Drumsite Village, Christmas Island

Public Works Committee - Post-implementation report - Public Component

The Auditor-General's Report 20/2009 on the approval of funding for public works, found a need for agencies to undertake post-implementation reviews of project. The Public Works Committee Manual also requires agencies to provide a post-implementation review report to it.

The Committee resolved that this table be completed and made publicly available. The term 'original' refers to information provided during the inquiry (for example, in submissions or hearings). This is usually also replicated in the Committee's report.

PROJECT NAME													
Proponent agency	Department of Infrastructure and Regional Development formerly Regional Australia, Local Government, Arts and Sport												
Date referred to the Committee	November 2011												
Committee report/s (eg. 1/2013)	2/2012												
Date of expediency (House of Representatives)	19 March 2012												
COSTS													
Original Program Estimate	Project One – \$8.979 m Project Two– \$8.200m Project Three – \$1.721m												
Final cost of project	\$26.541m Project One - \$12.265m Project Two - \$10.129m Consultancy Costs (across both projects) - \$1.697 Purchased Dwellings - \$0.950m Departmental Costs (across both projects)- \$1.500m												
Reasons for Cost Changes	Asbestos remediation and mitigating rock-fall risk												
TIME													
Original estimate of commencement and completion of works	<table border="1"> <thead> <tr> <th>Project</th> <th>Medium Works Notification Dec 2010</th> <th>PWC Referral Nov 2011</th> </tr> </thead> <tbody> <tr> <td>One</td> <td>Dec 2011</td> <td>June 2012</td> </tr> <tr> <td>Two</td> <td>Dec 2012</td> <td>April 2013</td> </tr> <tr> <td>Three</td> <td>Dec 2013</td> <td>June 2013</td> </tr> </tbody> </table>	Project	Medium Works Notification Dec 2010	PWC Referral Nov 2011	One	Dec 2011	June 2012	Two	Dec 2012	April 2013	Three	Dec 2013	June 2013
Project	Medium Works Notification Dec 2010	PWC Referral Nov 2011											
One	Dec 2011	June 2012											
Two	Dec 2012	April 2013											
Three	Dec 2013	June 2013											
Actual date of commencement and	Project One –March 2013 Project Two – June 2014												

completion of works	Project Three – Not progressed												
Reasons for time changes	<p>Project One</p> <ol style="list-style-type: none"> 1. Construction start was anticipated for March 2011. Project Manager and Contract Administrator were engaged January 2011, options assessment and concept design development proceeded and the Design and Construct Contractor was engaged September 2011. Construction commenced November 2011. 2. The MV Tycoon sunk in Flying Fish Cove on 9 January 2012 and this event had a severe impact on delivery of materials to Christmas Island. This resulted in a 136 day delay. 3. Inclement weather resulted in an additional 107 lost days. <p>Project Two</p> <ol style="list-style-type: none"> 1. A longer than anticipated negotiation with the Contractor was required to agree a contract for Project Two. The agreed Contract, following execution, included the Practical Completion Date of 13 April 2014. 2. A mechanical failure with the vessel providing freight services to Christmas Island caused an additional 78 days lost. <p>Project Three</p> <ol style="list-style-type: none"> 1. Project Three relied on contingency funding being available following the completion of Project Two. In April 2012, significant deposits of bonded asbestos sheets were uncovered at Drumsite and a variation of \$938,000 was approved from the \$1.7 million contingency for the clean-up. The balance of the contingency was used to upgrade water pressure pumps at Drumsite and install window furnishing in the Drumsite units as well as external works at the Phosphate Hill construction camp. 												
SCOPE													
Did the project deliver the original scope? Y/N	<p>No. The scope of Project Two was reduced by two units:</p> <table border="1"> <thead> <tr> <th>Project</th> <th>PWC Referral Nov 2011</th> <th>Final</th> </tr> </thead> <tbody> <tr> <td>One</td> <td>16</td> <td>16</td> </tr> <tr> <td>Two</td> <td>14</td> <td>12</td> </tr> <tr> <td>Three</td> <td>2</td> <td>Nil</td> </tr> </tbody> </table>	Project	PWC Referral Nov 2011	Final	One	16	16	Two	14	12	Three	2	Nil
Project	PWC Referral Nov 2011	Final											
One	16	16											
Two	14	12											
Three	2	Nil											
If no, was the scope increased or decreased?	Decreased												
Details of scope changes	<p>The scope changed as follows:</p> <p>Decrease - The reduction in dwellings from 30 to 28.</p>												

	<p>Additional scope included:</p> <ol style="list-style-type: none"> 1. Asbestos remediation of the Drumsite. 2. Two existing dwellings were purchased. 3. 24 person construction camp / short stay accommodation facilities were delivered.
Reasons for scope changes	<p>The primary reason for the decrease in scope was the additional cost to remediate the Drumsite following the discovery of a large quantity of bonded asbestos which had not been discovered during the site contamination assessment. Further, the contractor was more aware of the costs of building on Christmas Island leading to a higher contract price for Project Two.</p>