

Introduction

Referral of Work

- 1.1 On 7 December 2006 the proposal for the National Towers Program Stage 1 – Adelaide, Canberra, Melbourne, Rockhampton, was referred to the Public Works Committee for consideration and report to the Parliament in accordance with the provisions of the *Public Works Committee Act 1969* (the Act).¹ The proponent agency for this work is the Department of Defence (Defence).
- 1.2 The Hon Teresa Gambaro MP, the then Parliamentary Secretary to the Minister for Foreign Affairs, currently Assistant Minister for Immigration and Citizenship, advised the House that the estimated cost of the proposal is \$94.5 million. Subject to parliamentary approval, it is anticipated that a design and construct contractor will be appointed by the end of 2007 with construction completed some 20 months later. This timeframe will also be subject to the responses received when the market is approached.

1 Extract from the *Votes and Proceedings of the House of Representatives*, No. 27, 7 December 2006

Background

Airservices Australia

1.3 Airservices Australia (Airservices) was established by the Commonwealth parliament on 6 July 1995 to provide a range of cost effective operational services to the Australian aviation industry. These include air traffic control, aeronautical information services, airport rescue and fire fighting and navigation and communication services. Airservices is required under Section 9 of the *Airservices Act 1995* to act in the following manner: “Airservices Australia must regard the safety of air navigation as the most important consideration”. It is also required to ensure, as far as practicable, that the environment is protected from the effects of aircraft problems.²

Funding and Revenue

1.4 Airservices charges airlines and aircraft operators for the use of its services and this revenue funds its capital expenditure requirements. Both the capital expenditure and prices are subject to extensive consultation with these customers and with other affected stakeholders, such as airport owners.³ Airservices states that this pricing process is undertaken to assure its customers that capital and technology expenditure is kept at optimal levels.

Inquiry Process

1.5 The Committee is required by the Act to consider public works over \$15 million⁴ and report to Parliament on:

- the purpose of the work and its suitability for that purpose;
- the need for, or the advisability of, carrying out the work;
- whether the money to be expended on the work is being spent in the most cost effective manner;

2 Appendix C, Submission No. 1, paragraph 1

3 *ibid*, paragraph 28

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

- 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.⁵
- 1.6 The Committee called for submissions by advertising the inquiry in the *Weekend Australian*, *the Melbourne Age*, *the Adelaide Advertiser*, *the Rockhampton Morning Bulletin* and the *Canberra Times* on Saturday, 16 December 2006. The Committee also sought submissions from relevant government agencies, local government, private organisations and individuals, who may be materially affected by or have an interest in the proposed work. The Committee subsequently placed submissions and other information relating to the inquiry on its web site in order to encourage further public participation.

Inspection and Hearing

- 1.7 On 23 March 2007 the Committee visited Canberra Airport and inspected the site and environs of the proposed works. A confidential costs briefing from Airservices Australia and a public hearing were held at Parliament House, Canberra, later that day.⁶

5 *Public Works Committee Act 1969*, Part III, Section 17

6 See Appendix D for the official Hansard transcript of the evidence taken by the Committee at the public hearing on Friday, 23 March 2007 in Canberra.