

Issues

Introduction

5.1 This chapter highlights the following significant issues considered by the Committee in 2006:

- changes to the Act;
- new Manual of Procedures for Departments and Agencies
- workload;
- timeliness of referrals;
- quality of evidence; and
- support.

Changes to the Act

5.2 The Public Works Committee Amendment Bill 2006 was introduced into the Senate on 21 June 2006 and passed the Senate without amendment on 9 October. After referral to the Main Committee for further consideration on the 17 October 2006, the Bill passed the House of Representatives

without amendment on 30 October 2006 and received Royal Assent on 7 November 2006.

5.3 The major changes to the of the Act are:

- the threshold value for works which must be referred to the Committee will be raised from \$6 million to \$15 million. This value will now be updated by regulation rather than contained within the Act itself. This \$6 million figure has been a source of considerable frustration for the Committee, which under previous legislation would conduct a full inquiry into every work, whether the value is \$6.5 million or \$650 million.
- the definition of a 'public work' will be changed to clarify that works funded through Public Private Partnerships (PPPs) or similar arrangements must be referred to the Committee. This change helps the Committee stay current with the changing nature of government property procurement practices, and ensures value for money for the Commonwealth through the continued independent parliamentary scrutiny of Government infrastructure expenditure. Works funded through leasing or similar arrangements will also be included in the definition of a public work. This will capture works such as fit-outs funded through leasing incentives. Therefore the value of a work would be assessed on the actual value of the fit-out, regardless of how it is financed.

5.4 The amendments to the Act, however, do not provide for the scrutiny of large Commonwealth leases, including pre-commitment leases on purpose-built premises.

New Manual of Procedure for Departments and Agencies

5.5 Shortly after the amendments to the *Public Works Committee Act 1969*, the Committee adopted a revised *Manual of Procedures for Departments and Agencies*. The new manual clarifies issues including:

- amendments to legislation
- the Public Works Committee process and timeline;
- medium works; and
- Public Private Partnerships.

- 5.6 The Committee believes that the Manual value-adds to the quality of documentation coming forward from agencies and departments in support of the works that are referred to the Committee for scrutiny. The Committee encourages all departments and agencies to familiarise themselves with the new Manual as a vehicle for ensuring the consistency of material provided to the Committee in support of a project.
- 5.7 Notwithstanding, the guidance provided by the Manual should be read in conjunction with relevant sections of the Act.

Workload

- 5.8 Whilst the Committee welcomed changes to the *Public Works Committee Act 1969* late in the year, the Committee experienced another busy year. In 2006 the Committee conducted twenty public hearings and tabled nineteen reports which roughly equates to a report per parliamentary sitting week. The Committee anticipates a small decrease in referrals due to rise in threshold value.

Timeliness of Referrals

- 5.9 The Committee has from time to time been the recipient of criticism that goes to the question of bringing closure to projects that have been referred to it. In many instances where this has occurred, the agency itself has experienced internal difficulties in bringing the proposal forward for the Committee's scrutiny; either as a result of departmental related issues or other delays, perhaps outside the control of the department.
- 5.10 In one instance the Committee was criticised for delaying the progress of a project, prior to the project being referred to the Committee for scrutiny. The criticism of the Committee is often misplaced and stems from an unfamiliarity of its role and responsibilities, particularly Committee legislative responsibilities. Against this background, the Committee urges departments and agencies to familiarise themselves with both the legislation and the Manual of Procedures.

- 5.11 The Committee is very conscious of its legislative obligations to agencies and departments to ensure that referrals are dealt with expeditiously, particularly in the context of the parliamentary timetable.¹

Quality of Evidence

- 5.12 In the Committee's sixty-ninth annual report, it highlighted the variance in the quality of evidence submitted by referring agencies throughout 2005.²
- 5.13 In 2006 the Committee noted some improvement in the overall quality of evidence presented in Statements of Evidence as well as at hearings. In particular, site inspections provided by departments have been better organised resulting in the Committee being better informed of proposed projects.
- 5.14 In several Inquiries, the absence of transparency in both oral and written evidence was of concern to the Committee. This contributed to consequential delays in the consideration of the project and final tabling of the Committee's Report.
- 5.15 The Committee remains concerned with what it perceived as a lack of transparency in oral evidence presented to the Committee at hearings. The Committee reminds agencies that clear and concise evidence helps eliminate any unnecessary clarification and questioning subsequent to the hearing.

Support

- 5.16 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.
- 5.17 The Committee also wishes to record its appreciation for the other staff of the Parliament, who provide services to the Committee and its Secretariat, and those officers in the Department of Finance and Administration, who play an integral role in facilitating references and expediency motions. In

1 *Public Works Committee Act 1969, Part III, Section 17 (1)*

2 *Parliamentary Standing Committee on Public Works, Sixty-Ninth Annual Report, paragraph 5.18*

this regard the Committee thanks Mr Jeff Kite for his continued support throughout 2006.

Hon Judi Moylan MP

Chair

21 March 2007