

Introduction

Referral of Work

- 1.1 On 12 October 2005 the proposed construction of a new chancery for the Australian Embassy at Rangoon, Burma, was referred to the Public Works Committee for consideration and report 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 Foreign Affairs and Trade (DFAT).
- 1.2 The Hon Dr Sharman Stone MP, Parliamentary Secretary to the Minister for Finance and Administration, advised the House that the estimated cost of the proposed works was \$12.87 million. Subject to parliamentary approval, the proposed works would commence in September 2006, with practical completion and occupation scheduled for March 2008.

¹ Extract from the *Votes and Proceedings of the House of Representatives*, No. 57, Wednesday 12 October 2005

Background

The Site

- 1.3 The proposed new chancery building will be located in the Bahan township of Rangoon; some five kilometres from the city centre and 12 kilometres from the airport.² The Australian Government acquired the site from the Anglo-Burma Rice Company Limited in June 1995 for diplomatic residential purposes, and it is currently occupied by the Head of Mission (HOM) residence, staff recreation facilities and maintenance workshops.³ The site is in the same general vicinity as the current chancery, other foreign missions and ambassadorial residences.⁴
- 1.4 The chancery site measures 27,500 square metres and is accessed from the west via Golden Valley Way. It is bounded to the south by the Petronis Oil Company and private residences, to the north by residential properties and the Ministry of Construction staff quarters, to the northeast by an old people's home and to the west by an international school.⁵
- 1.5 The Australian Government currently holds the site of the proposed new chancery on freehold interest.

Options Considered

- 1.6 Two options were considered in planning for a new chancery:
- lease of alternative premises on the open market; and
 - construction of a new, purpose-designed chancery on the Australian-owned site currently occupied by the HOM residence.⁶
- 1.7 In 2004 DFAT undertook preliminary design and feasibility studies taking account of operational requirements, the availability for lease of alternative properties and relative costs. The first option was rejected as no suitable alternative leased accommodation is available in Rangoon.⁷
- 1.8 DFAT believes that the second option will offer the following advantages:

2 Appendix C, Submission No. 1, Department of Foreign Affairs and Trade, paragraph 5.1

3 *ibid*, paragraphs 5.1 and 15.1

4 *ibid*, paragraphs 5.1, 7.1 and 13.1

5 *ibid*, paragraph 7.5 and 13.2

6 *ibid*, paragraph 4.1

7 Appendix C, Submission No. 1, paragraphs 4.2 and 4.4

- provision of purpose-designed premises meeting all agency requirements in respect of space, functionality and technology;
- provision of appropriate security;
- minimal disruption to operations; and
- efficiencies gained through the consolidation of all embassy functions at a single site.⁸

Inquiry Process

1.9 The Committee is required by the Act to consider public works over \$6 million⁹ 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;
- 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.¹⁰

1.10 The Committee called for submissions by advertising the inquiry in the *Canberra Times* on Saturday, 22 October 2005. 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 Public Hearing

1.11 Under the terms of the Act, the Committee may not convene at any place outside Australia and its external Territories. Where a public work is to be carried out outside Australian and its external Territories, the Committee:

8 *ibid*, paragraph 4.3

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

10 *ibid*, Section 17

...shall consider the work on the basis of plans, models and statements placed before it and of evidence (if any) taken by it.¹¹

- 1.12 On Monday, 5 December 2005 the Committee received a briefing from DFAT officers on the scope and environs of the proposed works to be undertaken in Rangoon. This was followed by a public hearing held at Parliament House, Canberra.¹²

11 *Public Works Committee Act 1969*, Part III, Section 18B

12 See Appendix D for the official Hansard transcript of the evidence taken by the Committee at the public hearing on Monday, 5 December 2005 in Parliament House, Canberra