

Introduction

Referral of Work

- 1.1 On 11 May 2005 the proposed construction of a business resumption site (BRS) for the Reserve Bank of Australia (RBA) at Baulkham Hills, New South Wales, 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 was the RBA.
- 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 \$38 million. Dr Stone noted further that, subject to parliamentary approval, the works would commence mid-2005 with a view to completion by mid-2007.

Background

- 1.3 The RBA is Australia's central bank, with responsibility for monetary policy and the maintenance of financial system stability. The RBA also provides banking services for the Australian Government and manages

¹ Extract from the *Votes and Proceedings of the House of Representatives*, No. 28, Wednesday, 11 May 2005

the printing and issuing of currency notes.² A number of the RBA's functions are critical to the stable operation of the financial system and to the implementation of fiscal policy. These systems include:

- Australia's real-time interbank settlements system;
- banking operations carried out on behalf of the Australian Government such as pension and benefit payments;
- domestic liquidity operations; and
- foreign exchange operations.³

1.4 The RBA's current business continuity arrangements comprise:

- business continuity capability at the Coombs Centre, Kirribilli;
- information technology and communications (ITC) disaster recovery capability at a leased data centre in West Pennant Hills; and
- banking operations at the Canberra branch.⁴

Location

1.5 The proposed new business resumption facility will be located at Lot 6008, Elizabeth Macarthur Drive, Baulkham Hills. The RBA purchased the 1.48 hectare site in the Norbrik Precinct of the Norwest Business Part, some 25 kilometres from the Sydney central business district (CBD). The site is close to amenities and a range of transport corridors, and has views to the Bella Vista Heritage Farm Park.⁵

Inquiry Process

1.6 The Committee is required by the Act to consider public works over \$6 million⁶ 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;

2 *ibid*, paragraphs 7 - 9

3 Appendix C, Submission No. 1, paragraph 1

4 Appendix C, Submission No. 1, paragraph 2

5 Appendix C, Submission No. 1 from the Reserve Bank of Australia, paragraphs 48 - 49 and 53

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

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- 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.⁷
- 1.7 The Committee 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 Hearings

- 1.8 On 3 June 2005 the Committee inspected the site and environs of the proposed works, and received a commercial-in-confidence briefing on project costs. A public hearing was held at Baulkham Hills later that day.⁸

⁷ *Public Works Committee Act 1969*, Part III, Section 17

⁸ See Appendix D for the official Hansard transcript of the evidence taken by the Committee at the public hearing on Friday, 3 June 2005 at Baulkham Hills

