

Introduction

Referral of Work

- 1.1 On 8 December 2005, the proposal to fit-out the new leased premises for the Australian Taxation Office (ATO) was referred to the Public Works Committee for consideration and report in accordance with the *Public Works Committee Act 1969* (the Act)¹. The proponent agency for this work is the ATO.
- 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 project would be \$66.8 million. Subject to parliamentary approval, the proposed fit-out and associated installation of services will be integrated into the base-building as much as possible, and are planned for completion in May and November 2007.

Background

The Site

Options Considered

- 1.3 The ATO tested the market with open parameters to give the greatest opportunity to consider all possible options and enable the ATO to

1 Extract from the *Votes and Proceedings of the House of Representatives*, No 78, Thursday 8 December 2005

achieve maximum value for money from rental commitments. As there were no existing buildings of 60,000 square metres and very few development opportunities for a building of this size, it was envisaged that ATO would need to cluster options together to achieve the required 60,000 square meters of office space² in the Central Business District (CBD).

- 1.4 Twelve responses were submitted in reply to the ATO's advertisement for expressions of interest for the provision of office accommodation in the Canberra CBD.
- 1.5 The proposal for two new buildings providing 60,000 square metres of new office space in Canberra City rated highest after the non-financial assessment and was only marginally lower than the best offer in financial terms. This option had the considerable advantage of providing new buildings, presenting the opportunity for collocation, and clearly offered the best value-for-money solution.

Inquiry Process

- 1.6 The Committee is required by the Act to consider public works over \$6 million³ 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 work⁴.
- 1.7 The Committee called for submissions by advertising the inquiry in the *Canberra Times* on Saturday, 18 February 2006. Submissions were also sought from relevant government agencies, ACT 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.

2 Appendix C, Submission No. 1, paragraph 1.2.2

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

4 *ibid*, Section 17

Inspection and Public Hearing

- 1.8 On 17 February 2006, the Committee inspected the site and environs of the proposed works. A confidential briefing from the ATO and a public hearing were held at Parliament House, Canberra, later that day⁵.

⁵ See Appendix D for the official Hansard transcript of the evidence taken by the Committee at the public hearing on Friday, 17 February 2006 in Canberra

