PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

Eightieth Annual Report (2016)

Parliamentary Standing Committee on Public Works

© Commonwealth of Australia

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Foreword

2016 was a busy and productive year for the Committee.

I thank both current and past members of the Committee in the $44^{\rm th}$ & $45^{\rm th}$ Parliaments for their commitment and valuable contribution to the work of the Committee.

Mr Scott Buchholz MP Chair

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Committee Membership

44th Parliament

Chair

Senator Dean Smith

Deputy Chair

Mr Graham Perrett MP

Members

Ms Sharon Claydon MP

Senator Alex Gallacher

Mr Ian Goodenough MP

Ms Joanne Ryan MP

Ms Fiona Scott MP

Dr Andrew Southcott MP

Senator John Williams

45th Parliament

Chair

Mr Scott Buchholz MP

Deputy Chair

Mr Tony Zappia MP

Members

Mr David Coleman MP

Senator Alex Gallacher

Mr Ian Goodenough MP

Ms Justine Keay MP

Ms Joanne Ryan MP

Senator Dean Smith

Senator John Williams

Committee Secretariat

Committee Secretary

Dr Alison Clegg

A/g Committee Secretary

Ms Pauline Cullen

Inquiry Secretaries

Mr James Bunce

Ms Susan Cardell

A/g Inquiry Secretary

Dr Cathryn Ollif

Senior Researchers

Ms Melita Caulfield (Agius)

Mr Nathan Fewkes

Researchers

Ms Samantha Leahy

Ms Belynda Zolotto

Office Manager

Mrs Fiona McCann

1. Annual Report

- 1.1 Under Section 16 of the *Public Works Committee Act 1969* (the Act), the Parliamentary Standing Committee on Public Works must table in each House of the Parliament a report of its proceedings from 1 January to 31 December for the preceding year.
- 1.2 All public works that have an estimated cost exceeding \$15 million must be referred to the Committee. Public works cannot commence until the Committee has reported on the works to Parliament, and the House of Representatives resolves that it is expedient to carry out the works.¹
- 1.3 The Act states that in considering and reporting on a public work, the Committee shall have regard to:
 - the stated purpose of the work and its suitability for that purpose;
 - the necessity for, or the advisability of, carrying out the work;
 - the most effective use that can be made, in the carrying out of the work, of the monies to be expended on the work;
 - where the work purports to be of a revenue-producing character, the amount of revenue that it may reasonably be expected to produce; and
 - the present and prospective public value of the work.²

Public Works Act 1969 (the Act), Part III, Section 18(8). Exemptions from this requirement are provided for work of an urgent nature, defence work contrary to the public interest, repetitive work, and work by prescribed authorities listed in the Regulations.

² The Act, Part III, Section 17(3).

- 1.4 During 2016, the Committee reported on nine works. The combined cost of works approved was approximately \$1.3 billion. A list of the works and their individual costs is at Appendix A.
- 1.5 The Committee also requires agencies to notify it of proposed expenditure on public works with an estimated value of between \$2 million and \$15 million (medium works). This practice has arisen because, in the past, some agencies divided proposed works into several smaller components, each costing less than the referral threshold, to avoid scrutiny.
- 1.6 The Committee reviews medium work notifications to determine if it has any concerns or objections to works proceeding. Medium works must not proceed until the Committee has given its approval. In 2016, the Committee approved 66 medium works with a combined value of \$371 million. A list of medium works approved by the Committee is at Appendix B.
- 1.7 In 2016 the Committee held a total of 29 meetings comprising private meetings, inspections, public and in-camera hearings. Of these meetings 24 were in Canberra, three were interstate, with the remaining meeting being conducted by teleconference. A list of all Committee meetings and hearings held during 2016 is at Appendix C.
- 1.8 For referrals made after 2010, the Committee expects to receive postimplementation reports on completed projects. These reports indicate whether projects have been delivered within the advised scope, cost and timeframe.
- 1.9 The Committee's website provides information on all past and current projects referred to it for inquiry, a regularly updated list of medium works approved by the Committee and information on project delivery for completed projects where post-implementation reports have been received. The Act and the Public Works Committee Procedure Manual, which assists agencies to prepare projects for the Committee's review, are also available on the website.³

Parliament of Australia, viewed at www.aph.gov.au/pwc.

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Inquiries and reports

1.10 The Act requires that the Committee consider and report on each referred work 'as expeditiously as is practicable'. Therefore, the Committee endeavours to ensure that all inquiries are conducted in a timely manner, without compromising the rigour of scrutiny.

- 1.11 The standard inquiry process allows time for public comment on proposed works, and opportunities for the Committee to inspect the proposed work site(s) should it wish to, prior to holding public and in-camera hearings.
- 1.12 In 2016 the Committee dealt with seven referrals, fewer than in previous years due to the 2016 federal election. By comparison, in 2015 the Committee dealt with 22 referrals and in 2014, 13 referrals.
- 1.13 When planning inquiry timetables, the Committee and proponent agencies must consider the parliamentary sitting calendar. Generally referrals are initiated only when the House is sitting, and reports need to be tabled in both houses of the Parliament.⁵ Furthermore, 2016 was an election year.⁶
- 1.14 Referrals and inquiries in 2016 were managed with this in mind. As a result, at the end of the 44th Parliament when both the House and Senate were dissolved on 9 May 2016 prior to the 2 July 2016 double dissolution election, there was only one lapsed inquiry which had been withdrawn from Committee consideration in February 2016 by the proponent agency.⁷ The lapsed project was referred again to the Committee for inquiry at the beginning of the 45th Parliament along with 11 new referrals.

⁴ The Act, Part III, Section 17(1).

In any event, a work cannot commence until after the Committee has reported to both houses and the House of Representatives has resolved that the work can commence – the latter of which can only occur when the House is sitting.

All Committee business ceases when the House of Representatives is dissolved prior to an election, and is resumed following the election when the government has been established and Committee members have been appointed.

Department of Foreign Affairs and Trade, Australian Chancery Project, Paris – Base Building Refurbishment, International Energy Agency Tenancy Fit-out.

Security sensitive projects

- 1.15 During the 45th Parliament the Committee received a referral from a department seeking to provide a classified document as part of their submission. The department sought and received confirmation from the Committee that the Committee and secretariat would be able to comply with the requirements for the handling and distribution of classified material, during and after the inquiry.
- 1.16 The secretariat established protocols for the receipt, handling, distribution, storage and destruction of the classified material as part of the inquiry process. With the assistance of the Parliamentary Recording and Reporting Branch the secretariat established protocols to follow for the production of transcripts.
- 1.17 With these preparations, the inquiry was able to proceed and the Committee was able to undertake its scrutiny process.
- 1.18 The Committee notes that although it is possible to consider classified documents as part of submissions, it is their intent to have as much as is possible on the public record as the role of the Committee is to scrutinise proposed expenditure on 'public works'.

Procedure Manual Update

- 1.19 In 2016 the Committee undertook to update the Public Works Committee Procedure Manual.
- 1.20 The Procedure Manual is a guide to the procedures of the Committee which outlines the functions and responsibilities of the Committee and the processes that need to be undertaken to complete work. It also outlines the basic expectations of the Committee with regard to the content of submissions. The Procedure Manual is designed to be read in conjunction with the *Public Works Committee Act* 1969 and *Public Works Committee Regulations* 1969.8

Australian Government, Federal Register of Legislation: https://www.legislation.gov.au/Details/C2012C00761.

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1.21 The aim of the update was to provide additional clarity on some areas and reflect changes in Committee practices or expectations since the publication of the previous edition in 2010.

- 1.22 The secretariat held preliminary discussions with the Department of Finance and then invited review and comment from a select group of external end users including:
 - Department of Defence;
 - Department of Foreign Affairs and Trade;
 - Australian Taxation Office; and
 - a commercial project manager.
- 1.23 A discussion session was held on 25 August 2016 to capture some of the issues raised by the groups involved in the review. Once the review process was finalised a draft was provided to the Committee early in the 45th Parliament.
- 1.24 The 9th Edition of the Procedure Manual was made available on the Committee's website in November 2016.

Committee of the 45th Parliament

- 1.25 45th Parliament met on 30 August 2016 and Committee membership appointed on 12 and 14 September 2016. The Committee held its first meeting of the 45th Parliament on 13 October 2016.
- 1.26 Section 40 of the Act provides that the Governor-General may make regulations pertaining to the Act that are necessary or convenient for carrying out or giving effect to the Act.⁹ These regulations are integral to the effective operation of the Act, and prescribe the following:
 - matters included in the definition of 'work' in accordance with paragraph 5(f) of the Act;
 - authorities of the Commonwealth to which the Act does not apply;

⁹ Public Works Committee Act 1969, Section 40(1).

- the forms for oaths, affirmations, summons and warrants;
- fees and expenses of witnesses and assessors; and
- the repeal of the 1969 Regulations.¹⁰
- 1.27 In Accordance with Section 50 of the *Legislation Act* 2003, the *Public Works Committee Regulations* 1969 (the Regulations) will sunset on 1 April 2017. As a result, it has been necessary for the Minister for Finance to seek to remake the Regulations ahead of the 1 April 2017 sunset of the existing Regulations.
- 1.28 Under Section 40(2) of the Act, consultation with the Committee is required before the Governor-General may make the new Regulations. As a result, the Committee considered a draft of the *Public Works Committee Regulations* 2016 ahead of them being made by the Governor-General. The new Regulations took subsequently took effect on 26 November 2016.

Conclusion

- 1.29 The Committee recognises the work of the 44th Parliament's Public Works Committee and particularly acknowledges the significant effort made to scrutinise all referrals prior to the 2016 Federal Election.
- 1.30 The Committee thanks everyone who has assisted or participated in the Committee's inquiries in 2016. The Committee appreciates input from all interested parties including members of the public.
- 1.31 The Committee would like to particularly note the contribution made by the Property Legislation and Advice Branch of the Department of Finance.
- 1.32 The Committee also thanks the members of the review group who assisted with the update of the Procedure Manual. As the purpose of the manual is to assist departments in preparing referrals for the Committee, it was invaluable to have the assistance of both the public sector and private individuals who assisted with the update.

Public Works Committee Regulations 1969.

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Mr Scott Buchholz MP

Chair

A. Reports presented and value of works approved by the Committee in the year ending 31 December 2016

In 2016, the Committee reported on various works that were referred in 2015 and 2016. The Committee received some referrals late in 2016 that it will report on in 2017.

Table A.1

Report	Project title	Tabled	Cost (\$m)1
1/2016	LAND 121 – Unit Sustainment Facilities Project	10/02/2016	\$276.5
2/2016	AIR5431 Phases 2 and 3 Air Traffic Management and Control System Facilities and Australian Defence Force Air Traffic Control Complex Infrastructure	23/02/2016	\$409.9
N/A	Seventy-ninth Annual Report (2015)	15/03/2016	N/A

Costs do not necessarily include GST; see relevant report for full details. Figures are rounded to the nearest one hundred thousand dollars.

Total			\$1,343.5
6/2016	C-17 Maintenance Facility, Aircraft Apron and Associated Infrastructure Project, Royal Australian Air Force Base Amberley, Queensland	03/05/2016	\$219.4
5/2016	Fit-out of new leased premises for the Australian Federal Police at 45 Commercial Road, Newstead, Queensland	03/05/2016	\$25
4/2016	AIR 5428 Phase 1 - Pilot Training System Facilities Project	03/05/2016	\$329.8
4/2016	Puckapunyal Military Area High Voltage Power Supply Upgrade, Puckapunyal, Victoria	03/05/2016	\$32.7
4/2016	Australian Nuclear Science and Technology Organisation Waste Management Facilities' Extension and Upgrade	03/05/2016	\$22.3
4/2016	Fit-out of new leased premises for the Australian Taxation Office located in Gosford, New South Wales	03/05/2016	\$20.9
3/2016	Fit-out of the Australian Embassy Doha, Qatar ²	17/03/2016	\$7.0

² Originally a minor works proposal.

B. Works between \$2 million and \$15 million approved by the Committee in the year ending 31 December 2016

The table lists all medium works approved by the Committee in 2016.

Medium works notified in late 2016 which are approved by the Committee in 2017 will be listed in the next Annual Report.

Project Title	Agency Name	Date notified to Committee
Refurbishment of the Child Dispute Areas at the Commonwealth Law Court Buildings	Department of Finance	10 December 2015
Project R8120 - Base Infrastructure Works, RAAF Base Amberley, Queensland	Department of Defence	05 January 2016

A9055 Helicopter Insertion and Extraction Training (HIET) Facilities Lavarack Barracks, Townsville, Gallipoli Barracks, Brisbane, Robertson Barracks, Darwin, Horseshoe Lines, Adelaide	Department of Defence	05 January 2016
Australian Embassy Doha, Qatar ¹	Department of Foreign Affairs and Trade	11 January 2016
On-base Construction - RAAF Base Learmonth, Western Australia	Defence Housing Australia	18 January 2016
On-base Construction - Kokoda Barracks, Canungra, Queensland	Defence Housing Australia	18 January 2016
On-base Construction - RMCA Duntroon, Duntroon, Australian Capital Territory	Defence Housing Australia	18 January 2016
N2266 Navy Fuel Line Demolition - Darwin Waterfront Precinct, Darwin, Norther Territory	Department of Defence	29 January 2016
Refurbishment of the Public Bathrooms at the Commonwealth Law Court Buildings	Department of Finance	15 February 2016
Refurbishment of the Holding Cell Areas at the Commonwealth Law Court	Department of Finance	15 February 2016

The Committee also reported on this separately. See Appendix A.

Buildings		
Fit-out of 121 Henry Street Penrith, NSW	National Disability Insurance Agency	18 February 2016
Workshop Facility at Al Minhad Airbase, United Arab Emirates, to support Middle East Region Operations	Department of Defence	25 February 2016
Australian Consulate, Guangzhou, Peoples Republic of China	Department of Immigration and Border Protection	29 February 2016
ANSTO Effluent Pipeline Replacement	Australian Nuclear Science and Technology Organisation	10 March 2016
ANSTO LifeSciences Consolidation	Australian Nuclear Science and Technology Organisation	11 March 2016
134 Reed Street, Greenway, Australian Capital Territory	Department of Human Services	11 March 2016
Woomera Hangar Facility	Department of Defence	11 March 2016
Returning Equestrian Activities and upgrading the safety and amenity of the Rifle Range at the Malabar Headland	Department of Finance	15 March 2016
Proposed works for a new bulk passport printing facility for the Australian Passport Office in Epping, Victoria	Department of Foreign Affairs and Trade	23 March 2016
Admiralty and Kirribilli House Physical Security	Attorney General's	31 March 2016

Upgrade Project	Department	
District Office Project, 76a, Taylors Road, Burnt Pine, Norfolk Island	Department of Immigration and Border Protection; Department of Agriculture and Water Resources; & Department of Infrastructure and Regional Development	08 April 2016
Christmas Island Immigration Detention Centre Security Enhancement Works & Unplanned repairs following a disturbance in November 2015	Australian Border Force	12 April 2016
Fit-out of new leased premises at Sydney Airport for the Department of Agriculture and Water Resources	Department of Agriculture and Water Resources	13 April 2016
Fit-out of existing leased premises for the Department of Agriculture and Water Resources	Department of Agriculture and Water Resources	13 April 2016
Relocating the Australian High Commission, including the Department of Immigration and Border Protection	Department of Foreign Affairs and Trade	15 April 2016
Fit-out of new leased premises at 1 King William Street, Adelaide, South	Administrative Appeals Tribunal	27 April 2016

Australia		
ANSTO LifeSciences Building Decommissioning and Demolition	Australian Nuclear Science and Technology Organisation	28 April 2016
Manipulator and Handling Workshops	Australian Nuclear Science and Technology Organisation	28 April 2016

Project Title	Agency Name	Date notified to Committee
Building works at Royal Military College Duntroon	Department of Defence	04 May 2016
Project C8953 Garden Island (East) Building 130 Refurbishment	Department of Defence	04 May 2016
Proposed New Australian Embassy in Ulaanbaatar, Mongolia	Department of Foreign Affairs and Trade	01 July 2016
Proposed fit-out for the Australian Criminal Intelligence Commission, 4 National Circuit, Barton, Australian Capital Territory	Australian Taxation Office	14 July 2016
Stage 2, 570 Bourke Street Melbourne, Victoria	Department of Human Services	05 August 2016
Australian Embassy Kabul, Afghanistan - Security Personnel Accommodation and	Department of Foreign Affairs and Trade	08 August 2016

Operations Centre - Security and Base Building Upgrade		
Perth Property Consolidation - Fremantle, Perth and Perth Airport, Western Australia	Department of Immigration and Border Protection	15 September 2016
Design and construction of fit- out and relocation to 600 Bourke Street, Melbourne	Australian Government Solicitor	16 September 2016
Proposed Bradshaw Crescent & Cormack Street, Katherine, NT Medium Works	Defence Housing Australia	30 September 2016
Fit-out of Level 27, 727 Collins Street, Melbourne (New Melbourne Office Fit-out)	Australian Transaction Reports & Analysis Centre	06 October 2016
Building Refresh - Support Building Upgrade project, Geoscience Australia Building, Symonston, ACT	Geoscience Australia	06 October 2016
Partial Reconstruction of Papa Ramp at Al Minhad Airbase, United Arab Emirates, to support Middle East Region Operation	Department of Defence	07 October 2016
A9054P Tank Integration Interim Facilities	Department of Defence	07 October 2016
Fuel Installation Building Works, RAAF Curtin, Western Australia	Department of Defence	07 October 2016
AZ5885 First Principles Review Accommodation	Department of Defence	07 October 2016

Implementation Project		
A9009 - Land 136 Phase 1 Land Force Mortar Replacement	Department of Defence	07 October 2016
Majura Support Capability	Australian Federal Police	11 October 2016
Fit-out of the Diplomatic Academy Tenancy at Level 1, 44 Sydney Ave, Forrest, ACT	Department of Foreign Affairs and Trade	14 October 2016
Fit-out of new leased premises at 295 Ann Street, Brisbane, Queensland	Administrative Appeals Tribunal	20 October 2016
Fly-in Fly-out Accommodation Development, Milman St, Thursday Island	Department of Immigration and Border Protection	24 October 2016
Melbourne Accommodation Realignment 2 Lonsdale Street, Melbourne Victoria	Department of Immigration and Border Protection	25 October 2016
Joint Australian National University Defence Centre	Department of Defence	28 October 2016
Project A9033 Vehicle Wash Point Shoal Water Bay Training Area, Queensland	Department of Defence	28 October 2016
Multiple notifications - Epping Vic, Parramatta NSW, Robina Qld, Townsville Qld, Liverpool New South Wales	National Disability Insurance Agency	02 November 2016
Proposed fit-out of new leased premises for the Australian Bureau of Statistics at ABS House, 45 Benjamin Way, Belconnen, Australian Capital	Australian Bureau of Statistics	03 November 2016

Territory		
Army Aboriginal Community Assistance Programme Project for the community of Toomelah, New South Wales	Department of the Prime Minister and Cabinet	03 November 2016
Melbourne Immigration Transit Accommodation Community Housing Project	Department of Immigration and Border Protection	08 November 2016
Project QD10750 Shoalwater Bay Training Area Road Maintenance in Queensland	Department of Defence	17 November 2016
Project SN10622 Solar Power Generating Plant at Headquarters Joint Operations Command, Bungendore, New South Wales	Department of Defence	17 November 2016
Project J0092 Infrastructure in support of L3025 Phase 1 - Holsworthy Barracks, New South Wales	Department of Defence	17 November 2016
Project C8957 Helicopter Support Facility Hangar Remediation Project	Department of Defence	17 November 2016
Fit-out of new leased premises at 111 St Georges Terrace, Perth, Western Australia	Administrative Appeals Tribunal	18 November 2016
Fit-out refurbishment 130 George Street, Parramatta, New South Wales	Department of Human Services	23 November 2016
Fit-out refurbishment 355	Department of Human	23 November 2016

Scarborough Beach Road, Osborne Park, Western Australia	Services	
Fit-out refurbishment 300 Elizabeth Street, Surry Hills, New South Wales	Department of Human Services	23 November 2016
Melbourne Accommodation Project	Australian Competition Consumer Commission	24 November 2016
The Hall at the National Museum of Australia	National Museum of Australia	24 November 2016
Yongah Hill Immigration Detention Centre Replacement of Inner Perimeter Fence with Security Fence	Department of Immigration and Border Protection	29 November 2016

C. Committee meetings and hearings in the year ending 31 December 2016

Private meetings may include deliberative meetings, private briefings, site inspections and in-camera hearings. Public indicates public hearings.

Number	Date	Location	Meeting type
82	04 February 2016	Canberra, ACT	Private
83	08 February 2016	Canberra, ACT	Private
84	11 February 2016	Canberra, ACT	Private
85	25 February 2016	Canberra, ACT	Private
86	03 March 2016	Canberra, ACT	Private
87	03 March 2016	Canberra, ACT	Public/private
88	15 March 2016	Canberra, ACT	Public/private
89	17 March 2016	Canberra, ACT	Private

90	31 March 2016	Teleconference	Private
91	05 April 2016	Melbourne, VIC	Public/private
92	05 April 2016	Melbourne, VIC	Public/private
93	05 April 2016	Melbourne, VIC	Public/private
94	18 April 2016	Canberra, ACT	Private
95	19 April 2016	Canberra, ACT	Public/private
96	20 April 2016	Canberra, ACT	Public/private
97	02 May 2016	Canberra, ACT	Private
98	05 May 2016	Canberra, ACT	Private
99	18 April 2016	Canberra, ACT	Private
100	19 April 2016	Canberra, ACT	Public/private
101	20 April 2016	Canberra, ACT	Public/private
102	02 May 2016	Canberra, ACT	Private
103	05 May 2016	Canberra, ACT	Private

Number	Date	Location	Meeting type
01	13 October 2016	Canberra, ACT	Private
02	10 November 2016	Canberra, ACT	Private
03	24 November 2016	Canberra, ACT	Private
04	25 November 2016	Canberra, ACT	Public

05	25 November 2016	Canberra, ACT	Public
06	01 December 2016	Canberra, ACT	Private
07	15 December 2016	Teleconference	Private

D. Post-implementation reports received during 2016

Project title	Agency	PWC Report	PIR Received
Proposed improvement to fuel storage and supply on Christmas Isl, Indian Ocean	Department of Infrastructure and Regional Development ¹	3/2012	29/02/2016
Moorebank Units Relocation, Holsworthy, New South Wales	Department of Defence	5/2012	15/03/2016
Air Warfare Destroyer Ship sustainment facilities at Garden Isl, Randwick Barracks & HMAS Watson, Sydney, New South Wales	Department of Defence	2/2013	15/03/2016

Original proponent agency: Department of Regional Australia, Local Government, Arts and Sport.

Landing helicopter dock ship	Department of Defence	2/2013	15/03/2016
sustainment facilities at			
Garden Island and Randwick			
Barracks, Sydney, New South			
Wales			

45th Parliament

Project title	Agency name	PWC Report	PIR Received
Proposed fit-out of new leased premises for the Australian Taxation Office at the site known as Site 5 and 6, the Revitalised Central Dandenong project, Dandenong, Victoria	Australian Taxation Office	1/2014	01/07/2016
Multi User Barge Ramp Facility, East Arm, Darwin, Northern Territory	Department of Defence	4/2015	23/12/2016
Defence Science and Technology Organisation Human Protection and Performance Divisions Security Facilities Upgrade, Fisherman's Bend, Melbourne, Victoria	Department of Defence	2/2013	23/12/2016