



Australian Government

Australian Government response to the
Parliamentary Standing Committee on Public
Works Report 1/2021 - Dissenting Report

MAY 2023

1. Background

1.1 Public Works Committee Act 1969

Under the *Public Works Committee Act 1969* (the Act), the Parliamentary Standing Committee on Public Works (the Committee) is required to inquire into and report on public works referred to it through either house of Parliament. Referrals are made pursuant to Section 18 of the Act, and by practice are made by the Minister for Finance or their delegate in the House of Representatives or the Senate.

Section 17 of the Act requires that the Committee consider and report 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.

1.2 Australian War Memorial

The Australian War Memorial (the Memorial) forms the core of the nation's tribute to all those Australians who served in conflict and operations including honouring the sacrifice of the more than 103,000 Australian men and women who died serving their country.

Operating as a shrine, archive and museum its mission is to help Australians to remember, interpret and understand the Australian experience of conflict and operations and its enduring impact on Australian society.

1.3 Australian War Memorial Development Project

In 2018, following approval of a 'Two Stage Capital Works Approval', the Australian Government funded the Australian War Memorial to implement a \$498.7m Development Project (the Project).

The Project involves the construction of new works, the refurbishment of the Main Memorial Building (Main Building) and the Bean Building, new and upgraded galleries, and improvements to the public realm.

The works will enable the Memorial to meet its obligations to Government and the Australian people as detailed in the Australian War Memorial Act 1980 (the Act). The new build and refurbishment works will provide additional and improved space for galleries, visitor circulation and amenity, address accessibility constraints, increase storage of National Collection objects including archives, and improve support services.

2. Project Approvals

As with any major project a series of approvals were required to examine the suitability of the Project prior to delivery. In the case of these works the following major approvals are required:

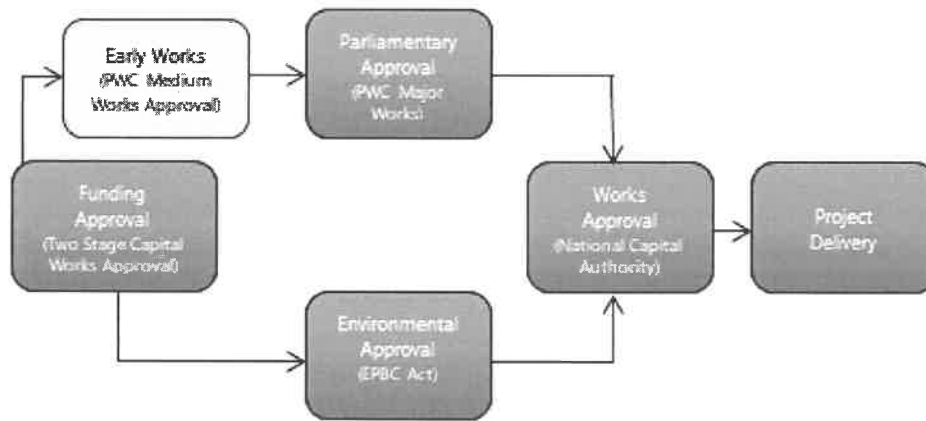


Figure 1: AWM Development Project Approvals Process

2.1 Medium Works Approval

Following funding approval by the Australian Government the Memorial submitted a 'Medium Works Approval' request to the Committee in March 2019 relating to an 'Early Works Package' for the Project.

The submission sought approval to commence procurement activities for design and management consultants and to develop submissions for early Government approvals such as the Environmental Protection and Biodiversity Conservation Act 1999 and a future Major Works Submission to the Committee.

This Medium Works referral was approved in May 2019.

2.2 Major Works Approval

On Thursday, 30 April 2020 pursuant to subsection 18(4) of the Public Works Committee Act 1969, General the Honorable David Hurley AC DSC (Retd), Governor-General of the Commonwealth of Australia, referred the Australian War Memorial Project to the Committee for consideration and report.

Following referral, public comment on the inquiry was sought, this involved publicising the inquiry on the Committee's website and via media release.

The Committee received 77 submissions, one confidential submission, and one confidential supplementary submission. On 14 July 2020, the Committee conducted a project briefing, public and in camera hearings.

In February 2021 the Committee released its report on the inquiry and recommended that:

Recommendation 1

The Committee recommends that the House of Representatives resolve, pursuant to Section 18(7) of the Public Works Committee Act 1969, that it is expedient to carry out the following proposed works: Australian War Memorial Development Project.

3. Dissenting Report

Whilst the Committee recommended implementation of the Project a Dissenting Report was submitted by two members, Mr Tony Zappia MP and Mr David Smith MP, Australian Labor Party.

The Australian Government notes the Dissenting Report contained within the Standing Committee on Public Works Report 1/2021 regarding the Australian War Memorial Development Project.

3.1 Dissenting Report Recommendation 1

<i>Dissenting Report - Recommendation 1</i>	
<i>Labor members support in principle the intent behind the AWM development project.</i>	

The Australian Government **notes** the Dissenting Report – Recommendation 1.

3.2 Dissenting Report Recommendation 2

<i>Dissenting Report - Recommendation 2</i>	
<i>Labor members believe that the Government should consult further on this issue and consider alternative approaches that do not involve the complete demolition of the existing Anzac Hall.</i>	

The Australian Government **does not support** Recommendation 2.

This recommendation is irreconcilable with the full Committee’s recommendation to implement the submitted scope of works including the replacement of Anzac Hall.

3.2.1 Project Consultation

The Australian Government notes that the Project has been subject to extensive consultation through the Environmental Protection Biodiversity and Conservation (EPBC) Act 1999, the National Capital Authority (NCA) and, of course, the Committee itself.

These processes included a cumulative period of more than 6 months during which the public has been able to formally comment on the project between December 2019 and September 2021. These consultations, which appropriately for a place of the Memorial’s significance greatly exceeded minimum requirements, have been conducted online and in person around the country by the Memorial, the NCA and the Department of Agriculture, Water and the Environment (now the Department of Climate Change, Energy, the Environment and Water).

Over this near two year period of consultation a total of 7,204 responses to consultation and public comment activities relating to the Project were received. Public comment across these responses demonstrated 71% of those who responded were supportive, 8% neutral and 21% not supportive.

The Australian Government notes, as did the Committee and the Memorial, that there are a range of views in relation to replacement of Anzac Hall. It is evident from public submissions received through the broader approvals process that there is a vocal minority of Australians who strongly objected to the demolition of Anzac Hall.

Their concerns have been widely publicised and carefully listened to at all stages of Project consultation including having had the opportunity to provide public testimony to the Committee. Ultimately however the broader needs of the Memorial to be able to fully honour those who have served takes precedence over the preservation of this 20 year old extension on the Memorial grounds.

The Australian Government is satisfied that consultation on the Project, and specifically the demolition of Anzac Hall, was more than sufficient.

3.2.2 Need for Replacement of Anzac Hall

The Australian Government notes that the need to replace the previous Anzac Hall has been endorsed on financial, heritage, environmental and process grounds through the EPBC Act approval, Committee approval and NCA approval of Project early works including demolition of Anzac Hall.

The Memorial has articulated the reasoning behind this decision through each of these processes, a summary of this reasoning is provided below.

The previous Anzac Hall was opened in 2001. Built according to the needs of the time and with the resources available, it was not designed to be modified to provide additional floor space.

Over time, it has become clear that more space is needed to recognise contemporary service and to accommodate the Memorial's growing collection, through which these stories can be told.

The design by Cox Architecture – which includes a new Anzac Hall and Glazed Link – was chosen as the most viable, least complex, and best value-for-money solution to meet the Memorial's needs for the next 50 years and to allow for expansion, if needed, in the future. The proposed design will strengthen and improve connections between the main building and new Anzac Hall galleries, improve the visitor experience and circulation, and create approximately 4,000 square metres of additional exhibition space, while preserving the heritage of the main Memorial building.

While the previous building has been a valuable part of the Memorial over the past 20 years, the intrinsic value of Anzac Hall is its capacity to tell stories. Replacing Anzac Hall increases the space available to honour Australian servicemen and servicewomen involved in modern conflicts and operations, which is the best outcome for the Memorial's future¹.

The Australian Government is satisfied that the replacement of Anzac Hall was necessary to achieve the objectives established by the Australian Government for the funding.

It should also be noted that in the intervening time between the production of the Report by the Committee and the preparation of this response there was a change in Government in May 2022 and, further, that ANZAC Hall itself was demolished in July 2021 as per the Development Project approvals.

3.3 Dissenting Report Recommendation 3

Dissenting Report - Recommendation 3

Labor members believe that the Government should consider a range of lower cost options that would still meet the stated purpose of the proposed works, while achieving better cost-effectiveness and value for money for the taxpayer.

The Australian Government **does not support** Recommendation 3.

This recommendation is irreconcilable with the full Committee's recommendation to implement the agreed purpose and scope of works.

The Australian Government undertook careful and detailed assessment of the Memorial's needs in relation to telling stories of recent Australian Defence Force history as well as those of the past, circulation, access and other issues and the best way to meet them through regular decision making processes.

This included a 'Two Stage Capital Works Approval' process where the Memorial was able to demonstrate the need for the Project and the reasoning behind the delivery methodology submitted to, and approved by, the Committee.

¹ Australian War Memorial *Response to Public Submissions, NCA Main Works Approval*, October 2021

As described by the Department of Finance,

The Two Stage Capital Works Approval Process provides a methodical approach to developing the scope and cost estimate associated with a project, reducing risk and increasing cost certainty. This approach ensures that:

- i. the Government achieves maximum value for money in the investment being made, including that funds are utilised in the most effective, economical, ethical and efficient manner; and*
- ii. the scope and budget approved is adhered to by entities.²*

Most importantly in regard to the *Dissenting Report - Recommendation 3* is the process undertaken as the first of the two stages - the 2017 Initial Business Case (IBC).

The IBC, a strategic assessment of the need for works, examined options from 'do nothing', to the use of satellite sites for exhibitions (including the Memorial's Treloar Technology Centre at Mitchell), adaptive re-use of existing buildings, and new construction solutions.

The nineteen scenarios examined ranged from those requiring no additional funding to those requiring significant capital and future operating expenditure to implement.

The outcome of the IBC was that Government approved development of a Detailed Business Case (DBC) based on the creation of the additional space on the Memorial's Campbell site through new construction as the only viable solution to the Memorial's needs and long term relevance to the nation.

The second part of the two stage process, the Detailed Business Case, developed this business need into a detailed scope and clear assessment of the required cost estimate, management approach, risks and key deliverables. The resulting DBC was closely examined by the Department of Veterans' Affairs, Department of Finance and Cabinet before being approved for funding in November 2018.

The Australian Government is satisfied that this process, together with close scrutiny by the Committee and ongoing oversight of the Project by the Australian Government and Parliament through annual reports, Senate Estimates etc., ensures that the proposal approved by the wider Committee for implementation is the most cost-effective and best value for money approach.

² Commonwealth Property Management Framework, Capital works