

Introduction

- 1.1 Section 16 of the *Public Works Act 1969* (the Act) requires that the Parliamentary Standing Committee on Public Works report to the Parliament annually on its proceedings during the preceding calendar year. This is the Sixty-eighth Annual Report and covers the work of the Thirty-fourth and Thirty-fifth Committees for the period 1 January 2004 to 31 December 2004.
- 1.2 This report has four chapters, the contents of which are as follows:
- an overview of the Committee's role and functions;
 - a summary of reports tabled by the Committee in the year ended 31 December 2004, and the Government responses to each report;
 - details of Committee activities other than inquiries; and
 - noteworthy issues raised in Committee reports and meetings during 2004.

Role

- 1.3 The role and operation of the Public Works Committee are defined in the Act. The Committee's primary duty is to consider each public work referred to it in accordance with the terms of the Act and to report its recommendations and conclusions to both Houses of the Parliament.
- 1.4 Under the Act, the Committee is required to consider all public works estimated to cost over six million dollars¹ and to 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.²
- 1.5 In reporting upon a work, the Committee may make any recommendations that it believes will deliver better value for the Commonwealth's dollar.

Establishment

- 1.6 In accordance with Section 7 of the Act, the Committee comprises nine members, including a Chair and Deputy Chair. In 2004 the Chair was the Hon Judi Moylan MP and the Deputy Chair was Mr Brendan O'Connor MP.
- 1.7 The Thirty-fourth Committee was appointed by the Parliament on 14 February 2002 and served until the prorogation of the Fortieth Parliament on 31 August 2004. The Thirty-fifth Committee was appointed on 6 December 2004.
- 1.8 The Committee is supported by a secretariat with staff employed by the Department of the House of Representatives. Throughout 2004 the

¹ *Public Works Committee Act 1969*, Part III, Section 18 (8)

² *Public Works Committee Act 1969*, Part III, Section 17

secretariat also supported the Parliamentary Standing Committee on ASIO, ASIS and DSD, and the Parliamentary Standing Committee on the National Capital and External Territories. Staff who supported the Public Works Committee were:

- Secretary - Mrs Margaret Swieringa;
- Inquiry Secretaries – Ms Vivienne Courto and Ms Sara Edson;
- Administrative Staff – Mrs Tiana Di Iulio; Ms Emily Davies and Mr Peter Ratas.

References to the Committee

- 1.9 Public works are referred to the Committee by means of a motion moved in either House of Parliament³. Works may also be referred by order of the Governor-General, at any time when the Parliament is not in session or when the House of Representatives is adjourned for a period exceeding one month.⁴
- 1.10 In 2004 all works examined by the Committee were referred in the House of Representatives on a motion moved by the Parliamentary Secretary to the Minister for Finance and Administration.
- 1.11 A public work referred to the Committee under Section 18 of the Act cannot be commenced before the Committee has investigated the proposal and made its report to both Houses of Parliament.⁵ Commencement, as interpreted under the Act, includes entering into a contract for the execution of the work or part of the work.⁶

The Committee's Operations

Conduct of Inquiries

- 1.12 Upon referral of a public work, the proponent Commonwealth agency provides the Committee with a statement of evidence (submission),

3 *Public Works Committee Act 1969*, Section 18 (1).

4 *Public Works Committee Act 1969*, Section 18 (4).

5 *Public Works Committee Act 1969*, Section 18 (5).

6 *Public Works Committee Act 1969*, Section 5

which contains comprehensive details of the works proposal. Referring agencies are required to describe in full all elements substantially affecting the cost of the project.

- 1.13 The works inquiry is then advertised by the Committee, usually by newspaper, and submissions are sought from organisations and individuals who may have an interest in the proposed work. In order to assist members of the public in making a submission, the complete evidence supplied by the referring agency, any other submissions received, and general information on the Committee's function and procedures are made available on the Internet.
- 1.14 Following the receipt of submissions, the Committee conducts a public hearing into the proposed work. The public hearing provides an opportunity for the proponent agency to elaborate on points made in its submission and to respond to any concerns raised by other stakeholders. Other parties who have made written submissions may also be invited to give oral evidence at the hearing. In order to facilitate the participation of local stakeholders, the public hearing is usually held at or near the site of the proposed works. This also gives Committee members the chance to inspect the works site at first-hand.
- 1.15 Having completed an inquiry, the Committee presents its findings in a report to Parliament, in which it makes recommendations on the works proposal. As a scrutineer of public expenditure, the Committee may make any recommendations it deems necessary to ensure that the proposed works deliver the best possible value for money. This may include recommending that a work does not proceed, or recommending that it proceed pending the fulfilment of certain conditions. The Committee's reports are available through:
- legal deposit libraries;
 - the Committee's secretariat; and
 - the Committee's webpage: www.aph.gov.au/house/committee/pwc
- 1.16 While the Government will normally consider recommendations made by the Committee as soon as reports are tabled, the Committee has adopted the practice of forwarding reports to those Ministers whose portfolios are responsible for the implementation of the Committee's recommendations. Reports are also forwarded to relevant Commonwealth agency heads for information and, when appropriate, for response to recommendations.

- 1.17 Each report is forwarded to the Minister for Finance and Administration as the relevant portfolio Minister for public works.

Government Responses

- 1.18 The Government usually responds to each report by way of a motion in the House of Representatives, to the effect that it is expedient for the work to proceed. Current practice is for the Parliamentary Secretary to the Minister for Finance and Administration to move the expediency motion and in doing so, to detail the Government's response to the Committee's recommendations. When the expediency motion has been passed by the House, a public work may proceed.

