

Introduction

Referral of Work

- 1.1 On 25 March 2003 the proposal to fit-out new leased premises for the Australian Customs Service at Sydney International Airport, Sydney, 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 is the Australian Customs Service (Customs).
- 1.2 The Hon Peter Slipper MP, Parliamentary Secretary to the Minister for Finance and Administration, advised the House that the estimated cost of the proposed works was \$13.409 million. Mr Slipper noted further that construction of the premises to be leased by Customs would begin in April 2003, with completion expected by June 2004. He added that, subject to Parliamentary approval, the fit-out would commence in July 2004 and that Customs would move into the building in December 2004.

¹ Extract from the Votes and Proceedings of the House of Representatives, No. 85, Tuesday, 25 March 2003

Background

The Australian Customs Service

- 1.3 The Australian Customs Service administers customs services for the Australian community, business and industry. Its vision is to be a world leader in customs administration².
- 1.4 Customs serves the community, industry and commerce. Its three principle functions are to:
- facilitate the movement of goods and people across Australia's borders whilst protecting the community and ensuring compliance with Australian law;
 - collect customs revenue; and
 - administer specific industry and trade schemes.³

Site of the Proposed Work

- 1.5 On 22 November 2002, Customs signed a modified Commonwealth Agreement to Design, Construct and Lease with Airport Nova Developments Pty Ltd, a wholly owned subsidiary of Sydney Airports Corporation Ltd (SACL). The lease, effective from 30 June 2004, is for a period of 10 years with two five-year options.⁴
- 1.6 The building, currently under construction, will occupy a 1.3 ha site on Cooks River Drive, International Terminal Precinct, Sydney Airport, some 300m north-west of the existing Sydney International Terminal building.
- 1.7 The completed building will be 10 storeys high, with 8.5 floors of office space measuring approximately 15,000m² and 1.5 floors of car-parking.
- 1.8 Of the total building space, Customs will occupy 7.5 floors of office space totalling 13,127m²; 280m² of storage space; and 70 car parking spaces. A further 15 parking spaces for visitors, including provision for disabled parking, will be available outside the building.

2 Appendix C, Submission No. 1, paragraph 1.1.1

3 op cit, paragraph 1.1.2

4 op cit, paragraphs 1.2.6 – 1.2.10

Inquiry Process

- 1.9 The Committee is required by the Act to consider public works over \$6 million⁵ 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 work.⁶
- 1.10 The Committee called for submissions by advertising the inquiry in *The Australian* on Wednesday 2 April 2003 and the *Sydney Morning Herald* on Saturday 5 April 2003. The Committee also 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.

Inspections and Public Hearing

- 1.11 The Committee travelled to the Sydney Airport site and inspected at first hand the scope and environs of the proposed works. A public hearing was held in Sydney on 16 May 2003.⁷

⁵ *Public Works Committee Act 1969*, Part III, Section 18 (8).

⁶ *Public Works Committee Act 1969*, Part III, Section 17.

⁷ See Appendix D for the official Hansard transcript of the evidence taken by the Committee at the public hearing on Friday, 16 May 2003 in Sydney.

