

Introduction

Referral of Work

- 1.1 On 12 October 2005 the proposal to construct a new chancery building for the Australian Embassy in Phnom Penh, Cambodia, 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 Department of Foreign Affairs and Trade (DFAT).
- 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 works was \$19.93 million. Subject to parliamentary approval construction would begin in September 2006 with practical completion and occupation scheduled for March or April 2008.

1 Extract from the *Votes and Proceedings of the House of Representatives*, No. 61, 12 October 2005

Background

Current Site

- 1.3 The existing chancery is located at Villa 11, R V Senai Vannavaut Oum, Daun Penh District, a residential area of Phnom Penh. The three-storey villa was built in 1972 and purchased by the Australian Government in 1992. In 2000, additional space requirements led the Government to purchase a two-storey villa on an adjoining block to accommodate some Australian Embassy staff and the collocated Canadian Embassy.²

Site for New Chancery

- 1.4 The location of the proposed work is a 9,000 square metre flat rectangular site, about 2.5 kilometres from the centre of Phnom Penh. It is located on Samdech Kompreakh Norodom Ranarinth Street, approximately 360 metres from the intersection with Sihanouk Boulevard and approximately 400 metres west of the Bassac River.
- 1.5 The Cambodian Parliament, which is currently under construction, and the Ministry for Foreign Affairs are located directly to the north, and a number of foreign missions are established nearby.³

Inquiry Process

- 1.6 The Committee is required by the Act to consider public works over \$6 million⁴ 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.⁵

2 Appendix C, Submission No. 1, paragraph 2.1

3 Appendix C, Submission No. 1, paragraph 13.1

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

- 1.7 The Committee called for submissions by advertising the inquiry in *The Canberra Times* on Saturday, 22 October 2005. 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.

Public Hearing

- 1.8 Under the terms of the Act, the Committee may not convene at any place outside Australia and its external Territories. Where a public work is to be carried out outside Australian and its external Territories, the Committee:
- ...shall consider the work on the basis of plans, models and statements placed before it and of evidence (if any) taken by it.⁶
- 1.9 On 5 December 2005, the Committee received a briefing from DFAT officers on the confidential costs of the proposed works to be undertaken in Phnom Penh, Cambodia. This was followed by a public hearing held at Parliament House, Canberra⁷.

5 *ibid*, Section 17

6 *Public Works Committee Act 1969*, Part III, Section 18B

7 See Appendix D for the official Hansard transcript of the evidence taken by the Committee at the public hearing on Monday, 5 December 2005 in Parliament House, Canberra