

## Issues and Conclusions

### Project Costs

#### Cost of Existing Facilities

- 3.1 DIMIA reported that works to establish the existing contingency detention facility at DEB commenced in August 2001 and were completed by March 2002.<sup>1</sup> The cost of this project was \$7.4 million.<sup>2</sup>
- 3.2 At the public hearing of 18 July the Chair drew DIMIA's attention to the statutory requirement for Commonwealth agencies to refer all works estimated to cost in excess of \$6 million to the Committee for consideration and report. Upon this basis, the Committee asked the Department why the initial contingency facility works had not been referred. DIMIA explained that it had received advice to the effect that
- ...the vast majority of the cost was associated with the purchase of second-hand demountable buildings and that demountable buildings did not meet the definition of permanent structures for the purpose of referral to the Public Works Committee.<sup>3</sup>
- 3.3 The Chair observed that the exclusion of demountable buildings from works project budgets had presented problems for the Committee on a number of occasions. As a consequence, on 1 July 2004, a regulation to the Act was gazetted stating that temporary buildings and structures, and demountable buildings and structures, are now specifically included in

---

1 Appendix C, Submission No. 1, paragraph 20

2 Appendix D, Official Transcript of Evidence, page 3

3 *ibid*, page 4

the definition of a public work.<sup>4</sup> Whilst acknowledging that the regulation to the Act was made after the completion of initial works to the then *Coonawarra* Detention Facility, the Deputy Chair stated for the record that, in general, the Committee would prefer

... that the assumption was that when money is spent it goes before a parliamentary committee and it is not assumed that it does not have to.<sup>5</sup>

## Undetermined Costs

3.4 Based on preliminary design work, it is estimated that the proposed operational upgrade of the DDF will cost some \$8.215 million.<sup>6</sup> According to Section 18(9) of the Public Works Committee Act 1969:

*estimated cost*, in relation to a public work, means an estimate of cost made when all particulars of the work substantially affecting its cost have been determined.

3.5 The Committee noted that DIMIA's main submission contained a significant number of undetermined matters, which may be expected to impact upon the overall project cost. These factors, which remained unresolved at the time of the public hearing, included

- the exact nature of enhancements to the existing security systems and fences;<sup>7</sup>
- the possible establishment of the Dining and Recreation Facility (Building 8) as an emergency cyclone shelter;<sup>8</sup>
- the provision of either a new or second-hand demountable kitchen building;<sup>9</sup>
- the amount of new furniture and equipment that will be required, and how much existing furniture and equipment will be able to be re-used;<sup>10</sup>
- the energy management measures to be incorporated into the design.<sup>11</sup>

---

4 Appendix D, Official Transcript of Evidence

5 *ibid*, page 4

6 Appendix C, Submission No. 1, paragraph 132

7 *ibid*, paragraphs 46 and 103 - 107

8 *ibid*, paragraphs 42 and 72

9 *ibid*, paragraph 73

10 *ibid*, paragraph 109

11 *ibid*, paragraphs 128 - 130

- 3.6 Whilst cognisant of the difficulties associated with estimating project budgets under modern procurement arrangements, the Chair emphasised the need for agencies to supply the most robust and comprehensive costs available in order for the Committee to carry out its statutory role as a scrutineer of public expenditure.<sup>12</sup> To this end, the Committee requested that DIMIA supply a final revised budget estimate when all matters relating to projects costs have been determined, and to supply updates on an ongoing basis as the project progresses.
- 3.7 Subsequent to the hearing, DIMIA supplied its most recent cost estimate material.

### **Recommendation 1**

**In order to ensure appropriate scrutiny of expenditure, the Committee recommends that the Department of Immigration and Multicultural and Indigenous Affairs supply the Committee with regular updates on project costs throughout the operational upgrade of the detention facility.**

## **The Need for the Work**

### **Use of Existing Facilities**

- 3.8 DIMIA's main submission reported that the current arrangement, under which IFFs are detained on their vessels until investigation and charging, has become increasingly difficult to manage and has been criticised by the Indonesian Consulate in Darwin, public scrutiny bodies and a Northern Territory coronial inquiry.<sup>13</sup>
- 3.9 According to DIMIA, the existing detention facility at DEB was established in 2001 expressly to provide "contingency" accommodation. On Wednesday 29 May 2002 DIMIA informed the Senate Legal and Constitutional Committee that the then *Coonawarra* facility

---

12 Appendix D, Official Transcript of Evidence, page 15

13 Appendix C, Submission No.1, paragraphs 2 - 5 and 12 - 13

...has been ready to use for some time. We have had processes in place to use it.<sup>14</sup>

DIMIA noted at that time that the only outstanding works required included perimeter lighting, which was complicated by the proximity of the facility to Darwin airport, and some voice and data communications work. Further, DIMIA's submission to the current inquiry confirmed that the existing 650-bed facility

...is currently available for use by the Department of Defence, on the understanding that immigration detention requirements take precedence. Defence and other Government agencies have used the facility on a number of occasions since its establishment.<sup>15</sup>

3.10 The Committee was also informed that the *Coonawarra* facility incurred average annual operating costs of some \$118,000, despite the fact that it had never been used to house detainees.

3.11 In view of this evidence, and the urgent requirement to end boat-based detention following the deaths of two detainees, the Committee sought to understand why DIMIA had not hitherto used the *Coonawarra* contingency facility for detention purposes.

3.12 DIMIA replied that the *Coonawarra* facility had only ever been intended to serve as a transit centre where detainees could be held temporarily, prior to transfer to an established detention centre elsewhere in Australia. DIMIA added that:

The other important element of the current facility in Darwin is that it does not meet immigration detention standards.<sup>16</sup>

3.13 In order to clarify this point, the Committee sought further information on the nature of the IDS and how the Darwin facility fails to satisfy these. DIMIA explained that the IDS are a set of conditions included in the Detention Services Contract which relate to the care of detainees, rather than to the infrastructure specifications of detention centres. DIMIA added that it was currently investigating the establishment of infrastructure standards in response to recommendations made by the Committee following its inquiry into the Maribyrnong Immigration Detention Centre. The existing Darwin facility fails to meet requirements

---

14 Senate Legal and Constitutional Committee, Official Hansard Transcript of Evidence, Wednesday 29 May 2002, page 495

15 Appendix C, Submission No.1, paragraph 22

16 Appendix D, Official Transcript of Evidence, page 6

as it does not have catering or medical facilities and does not provide adequate security.<sup>17</sup>

- 3.14 Considering the \$7.4 million establishment cost, the Committee wished to know why the centre had not been fully equipped to accommodate detainees from the outset. DIMIA responded that in 2001 the Department and Government had been faced with an influx of unauthorised boat arrivals and a shortage of accommodation and had needed rapidly to provide basic facilities.<sup>18</sup> The original facilities had been constructed to Building Code of Australia (BCA) standards and meet a basic level of safety, but the current proposal would provide improved accommodation, recreational, catering and medical facilities, and culturally appropriate ablutions.<sup>19</sup> At the Committee's request, DIMIA subsequently provided a copy of the Detention Services Contract containing the IDS.

## Detainee Numbers

- 3.15 It is proposed that the upgraded Darwin Detention Facility will serve as the central facility for northern Australia.<sup>20</sup> It is anticipated that, in addition to accommodating IFFs, the facility will also house compliance cases and unauthorised air arrivals, of which there are approximately 50 cases per year in Darwin.<sup>21</sup>

- 3.16 DIMIA's submission referred to an increase in the number of IFFs apprehended, from 925 in 2002 - 2003 to 1,350 in 2004 - 2005 and stated that

...there is a significant risk that the level of illegal fishing will escalate.<sup>22</sup>

- 3.17 At the public hearing, the Committee wished to determine the appropriateness of the proposed provision of 250 beds at the DDF, and sought further information regarding the number of IFFs detained in Australia. DIMIA responded that on 15 July 2005, there had been 70 IFFs held in various centres. From 1 January to 15 July 2005 DIMIA apprehended 109 vessels carrying a total of 844 fishers, 121 of whom had been charged. An AFMA representative added that:

---

17 Appendix D, Official Transcript of Evidence, page 11

18 *ibid*, page 6

19 *ibid*, page 11

20 Appendix C, Submission No.1, paragraph 16

21 *ibid*, paragraph 18

22 *ibid*, paragraphs 6 and 8

The highest peak we have had is just over 250 people when we ran an operation in Gove, so the numbers have fluctuated between, say, a minimum of a dozen people and up to 250 people being investigated at any one time.<sup>23</sup>

- 3.18 In respect of compliance cases and unauthorised air arrivals, DIMIA reported that the figure of 50 per year was generally indicative of the load, which fluctuated from year to year depending upon operations.<sup>24</sup>
- 3.19 In order to satisfy itself as to the need for the provision of a 250-bed facility, the Committee requested that DIMIA supply it with statistics on the number of, and current detention arrangements for, IFFs and other detainees apprehended in the Northern Territory. At the time of report drafting, this information was yet to be supplied.

## Scope of Works

### Provision for Families and Women with Children

- 3.20 DIMIA's main submission stated that, whilst the majority of detainees held at DDF would be IFFs, it would also house compliance cases and unauthorised air arrivals apprehended in the Northern Territory, some of whom may be women and children. DIMIA therefore proposes that Area D, comprising an accommodation block, a laundry and a shaded outdoor recreation space, should serve as the 'Female/Juvenile Detainee Zone if required.'<sup>25</sup>
- 3.21 During an in-camera briefing on cost and security matters, DIMIA confirmed that there may be some requirement to hold families with children at the centre for processing purposes, but added that this would be for a very short time. The facilities to be provided for such cases would be located within a fenced compound, comprising separate sleeping accommodation and two small recreation rooms.
- 3.22 During its inspection of the site, the Committee noted that the area earmarked for families was very small, despite the size of the DDF site, and does not provide access to the DDF's largest, grassed recreation area, which contains children's play equipment surrounded by soft-fall

---

23 Appendix D, Official Transcript of Evidence, page 8

24 *ibid*, pages 9 - 10

25 Appendix C, Submission No.1, paragraph 18 and Annexure 4

material. When questioned about the possibility of moving the play equipment to the family area, DIMIA expressed doubt that it would be economically viable, given the low numbers of families expected.

- 3.23 The Committee was also made aware of concerns expressed by residents at DEB regarding the potential security risks associated with the proximity of the detention facility to on-base accommodation. In view of this, the Committee wished to ensure the safety of any women and children detained within the facility itself; noting that appropriate separation of detainee categories had been a driving force behind the proposed extension and reconfiguration of the Maribyrnong Immigration Detention Centre, which was subject of a report tabled by the Committee in May 2005.<sup>26</sup>
- 3.24 The Committee is of the view that the proposed arrangements for families with children are inadequate and remains concerned to ensure that any families, women and children detained at the DDF will be guaranteed an appropriate level of security, amenity and space, including access to separate indoor/outdoor recreation and dining facilities.

## **Recommendation 2**

**In view of the inadequacy and inappropriateness of the plans for the proposed family zone at the detention facility, the Committee strongly recommends that families including women and children are not detained at the facility.**

---

26 See *Report into Provision of Facilities for Maribyrnong Immigration Detention Centre Additional Accommodation and Related Works, Maribyrnong, Victoria, 25 May 2005*

### Recommendation 3

**In the event that there is a demonstrated need for the short-term detention of families at the detention facility, the Committee recommends that, in order to ensure appropriate provision of security, amenity and space for families, women and children, the Department of Immigration and Multicultural and Indigenous Affairs better utilise available space to enlarge the proposed family zone, which should include appropriate separation of all facilities, adequate indoor recreation space and a secure outdoor area of a suitable size to accommodate the relocated play equipment from the existing large, grassed recreation area.**

## Use of Demountable Buildings

- 3.25 It is DIMIA's intention to relocate second-hand demountable buildings from the decommissioned Immigration Reception and Processing Centre (IRPC) at Curtin, WA for use in the DDF upgrade project<sup>27</sup>. DIMIA's submission proposed that relocated, second-hand demountables would be used for the Visits Centre (Building 10), Interview Building (Building 11), DSP Offices (Building 12), Officer Station (Building 2), Dry Goods Store (Building 6), Medical Centre (Building 4), and possibly the Kitchen (Building 7).<sup>28</sup> DIMIA intends that new demountable buildings would be used for the Visitor Reception, Processing and Screening Building (Building 9), Staff Toilets (Building 5) and possibly the Kitchen (Building 7), while existing on-site demountables would be utilised for the Dining and Recreation Facility (Building 8), the Detainee Induction/Processing and Property Store (Building 3) and accommodation (Buildings 15 and 16).<sup>29</sup>
- 3.26 The Committee wished to know why the use of demountable buildings was preferred and whether the decision represented the best value-for-money on a whole-of-life cost basis. DIMIA explained that the decision had been driven chiefly by the urgency of the project and would also ensure that the new and second-hand demountables would age at approximately the same rate as the existing buildings on-site, which are around six years old, but have rarely been used. It is anticipated that the

---

27 Appendix C, Submission No.1, paragraph 34

28 *ibid*, 61 - 80

29 *ibid*, paragraphs 61, 70, 73, 77, 84 and 87

demountables at the upgraded facility will provide some eight to ten years of use.<sup>30</sup>

- 3.27 Subsequent to the public hearing, the Department supplied the Committee with a comprehensive life cycle cost model of DIMIA's detention centres, completed in November 2002 by Quantity Surveyors and Cost Consultants, Milliken Berson Madden. The analysis showed temporary construction to be cheaper over the first five years of facility life, the cost differential to be marginal between five and ten years and permanent construction to be substantially cheaper from year ten onwards.<sup>31</sup>

## Parking Facilities

- 3.28 In respect of car-parking for the upgraded DDF, DIMIA submitted that:

Car parking is currently available in the Defence car park and continued use of this area has been agreed with Defence.<sup>32</sup>

- 3.29 The Committee asked how DIMIA had determined the requirement for car-parking spaces at the facility and sought assurance that the proposed arrangements would be adequate. DIMIA stated that, based on a brief analysis, it did not anticipate a large number of visitors to the centre and believed that the existing car-park would cater adequately both for staff, and for Defence needs if required. DIMIA added that the car-park at the front of the facility would be included in the land transfer offered by Defence, and that Defence would establish a new car-park for its own use.<sup>33</sup>

## Project Delivery

- 3.30 In respect of the methodology to be employed for the delivery of the proposed upgrade works, DIMIA submitted that it proposes to procure the buildings and infrastructure in accordance with the Commonwealth Procurement Guidelines, but supplied no further detail as to how this would be achieved.<sup>34</sup>
- 3.31 The Committee sought assurance that DIMIA would be able to manage the proposed works given that, in February 2003, responsibility for the

---

30 Appendix D, Official Transcript of Evidence, page 18

31 Letter and supplementary information from Mr Michael Robinson, Director, Detention Infrastructure Development Section, DIMIA, 29 July 2005

32 Appendix C, Submission No.1, paragraph 100

33 Appendix D, Official Transcript of Evidence, pages 20 - 21

34 Appendix C, Submission No.1, paragraph 135

construction of the re-specified Christmas Island IRPC was transferred from DIMIA to the Department of Finance and Administration (DoFA), due to DoFA's greater expertise in the construction of major projects.<sup>35</sup> DIMIA responded that the decision to transfer management of the Christmas Island work to DoFA had been part of a whole-of-government policy of consolidating expertise in very large infrastructure projects in a single agency. DIMIA added that this did not apply to small projects, such as the proposed DDF upgrade.<sup>36</sup>

- 3.32 The Committee asked DIMIA to elaborate on how, and by whom, the proposed upgrade project would be managed, and the specific delivery methodology that would be employed. DIMIA replied that its first step would be to engage a project manager, who would develop delivery options for consideration. Given the urgency of the project, DIMIA anticipates that the works could be tendered as a number of separate, industry-specific packages, to be executed concurrently.
- 3.33 The Committee requested that DIMIA provide an update on how it intends to apply the Commonwealth Procurement Guidelines to the delivery of the works once the details have been determined.

---

35 Senate Finance and Public Administration Committee, Official Hansard Transcript of Evidence, Wednesday, 28 May 2003, pages 360 - 371

36 Appendix D, Official Transcript of Evidence, page 5

## Recommendation 4

**In order to ensure appropriate scrutiny of the proposed works, the Committee recommends that the Department of Immigration and Multicultural and Indigenous Affairs supply the Committee with an update on the proposed delivery methodology and the application of Commonwealth Procurement Guidelines to this process, when this information becomes available.**

## Present and Prospective Public Value of Works

### Public Consultation

- 3.34 Given the nature of the proposed development, the Committee was surprised to receive no submissions from members of the public,<sup>37</sup> and noted further that DIMIA's main submission did not mention any public consultation undertaken in respect of the work. The Committee asked the Department to elaborate on any opportunities that had been provided to enable public comment. The Department responded that it had undertaken consultation with a range of Commonwealth and Territory government agencies, and intended to conduct meetings with Defence personnel residing at DEB. A meeting with the Darwin City Council was also planned.<sup>38</sup>
- 3.35 In respect of the original detention facility works undertaken in 2001, DIMIA explained that it had consulted with Territory and local government bodies, the Department of Defence and Defence families, but had not conducted any public meetings.
- 3.36 The Committee expressed the view that:
- ...it would be suitable for the Department to consider, beyond the dialogue required with Defence and the intergovernmental consultation required...allowing for people to express concerns if there are any.<sup>39</sup>

---

37 Appendix D, Official Transcript of Evidence, page 24

38 *ibid*, pages 16 - 17

39 *ibid*, page 17

**Recommendation 5**

**The Committee recommends that the Department of Immigration and Multicultural and Indigenous Affairs conduct a public meeting in respect of the proposed works to provide the local community members with the opportunity to learn about, and comment upon, the proposal.**

**Consultation with Territory and Local Government**

- 3.37 The Committee was concerned by statements from representatives of both the Northern Territory Government and the Darwin City Council to the effect that DIMIA had engaged in very little consultation with those bodies. The Northern Territory Government attested that it had never been consulted regarding the conversion of the temporary *Coonawarra* facility to a permanent detention centre, adding that there was community concern regarding the social impact of the DDF, and that there was potential for the facility to place an additional burden on government services. Specifically, the Northern Territory Government reported that issues had been raised by the Territory police force and the Department of Health and Community Services, both of which were concerned that the proposed development may impact upon their resources. The Northern Territory Government stressed the requirement for the relevant Commonwealth agencies to consult closely with it regarding these matters from the commencement of the project.<sup>40</sup>
- 3.38 DIMIA assured the Committee of its intention to develop memoranda of understanding with a number of Northern Territory agencies, including the police and the Department of Health and Community Services.<sup>41</sup>

---

40 Appendix D, Official Transcript of Evidence, page 23

41 *ibid*, page 35

## Recommendation 6

**In recognition of the importance of appropriate local consultation on Commonwealth developments, the Committee recommends that the Department of Immigration and Multicultural and Indigenous Affairs undertake consultation with the relevant Northern Territory Government agencies throughout the execution of the proposed works to ensure an acceptable outcome for all parties.**

- 3.39 The Darwin City Council also informed the Committee that it had not been consulted by DIMIA about the development, despite the location of the works within the Darwin City municipality.<sup>42</sup> The Council was, however, satisfied with DIMIA's commitment to meet with Council representatives in the near future.<sup>43</sup>

## Proposed Name Change

- 3.40 The Committee received a submission from the Northern Territory Chief Minister expressing concern that the name of the detention facility had been changed from *Coonawarra* to Darwin Detention Facility. The Chief Minister stated that the proposed change did not assist her Government's efforts to promote Darwin as an attractive destination for visitors.<sup>44</sup> Representatives of the Northern Territory Government reiterated this concern at the public hearing, stating that the name change seemed unnecessary and that it

...might in the future attract negative publicity and generate unhelpful images.<sup>45</sup>

- 3.41 The Committee observed that, while detention centres in Sydney and Melbourne are named after the suburbs in which they are located, the detention centre in Perth is known as the Perth Detention Centre.<sup>46</sup>
- 3.42 A representative of the Department of Defence explained that the name HMAS *Coonawarra* had recently been transferred to the Darwin Naval Base, and could no longer be used at DEB.<sup>47</sup>

---

42 *Volume of Submissions*, Submission No. 3, Darwin City Council

43 Appendix D, Official Transcript of Evidence, page 23

44 See *Volume of Submissions*, Submission No. 2, Northern Territory Government, Office of the Chief Minister

45 Appendix D, Official Transcript of Evidence, page 23

46 *ibid*, page 25

- 3.43 DIMIA confirmed that it could no longer use the name *Coonawarra*, but stated that it would undertake further consultation to find an appropriate alternative name.<sup>48</sup>

## **Recommendation 7**

**The Committee recommends that the Department of Immigration and Multicultural and Indigenous Affairs continue to consult with the office of the Northern Territory Chief Minister to find an appropriate alternative name for the upgraded detention facility.**

## **Visual Impact**

- 3.44 Despite DIMIA's assertion that that the proposed DDF site is generally not visible from public roads,<sup>49</sup> both the Northern Territory Chief Minister and the Darwin City Council raised concerns relating to the visual impact of the site on the Stuart Highway.<sup>50</sup> The Darwin City Council suggested that further landscaping may help to mitigate the visual impact of the facility. At the public hearing, the Northern Territory Government also stated that it would be appreciative if greater effort could be put into landscaping the site perimeter, as the Stuart Highway forms the primary road access route into Darwin.<sup>51</sup>
- 3.45 DIMIA stated that it had made plans for further landscaping along the Stuart Highway perimeter of the facility prior to receiving the submissions from the Northern Territory Government and the Darwin City Council. The Department undertook to consult with both bodies to ensure that the landscaping satisfies their requirements.<sup>52</sup>

## **Shared Use of Defence Land**

- 3.46 Noting that the DDF will be located on Defence-owned land at DEB, the Committee was concerned to ensure that this arrangement would not prove to be problematic in terms of safety, access or shared use of services.

---

47 Appendix D, Official Transcript of Evidence, page 31

48 *ibid*, page 34

49 Appendix C, Submission No. 1, paragraph 55

50 See *Volume of Submissions*, Submission No. 2, Northern Territory Government, Office of the Chief Minister and Submission No. 3, Darwin City Council

51 Appendix D, Official Transcript of Evidence, pages 23 and 25

52 *ibid*, page 34

- 3.47 DIMIA explained that it currently leased the land free-of-charge from Defence, and added that it was currently engaged in discussions with Defence regarding the purchase of the DDF site and the subsequent establishment of a new, discrete access point. This arrangement would, however, require negotiation with the Northern Territory Government and the execution of traffic studies, so DIMIA did not anticipate that it would occur before the upgraded DDF becomes operational.<sup>53</sup>
- 3.48 At the public hearing, a representative for the Department of Defence stated that DIMIA had consulted closely with Defence in respect of both the original contingency detention facility and the current proposal, and anticipated that the land transfer deal would be concluded in the 2005-06 financial year.
- 3.49 In respect of site services, Defence explained that, while electricity, water and sewerage were currently supplied by DEB, a study had been commissioned to investigate the separate supply of these utilities to the DIMIA site. Negotiations between DIMIA and Defence regarding this matter are ongoing.<sup>54</sup>

## Opportunities for Local Business and Industry

- 3.50 Subject to the capacity of local industry, DIMIA anticipates that the majority of the construction workforce will be engaged locally. At the public hearing, the Northern Territory Government encouraged the involvement of local businesses and workers in the construction and operation of the upgraded facility.<sup>55</sup>
- 3.51 When questioned on this matter by the Committee, DIMIA replied that its  
...experience in other parts of Australia has been that our  
detention service provider generally draws employees and goods  
and services from the local community.<sup>56</sup>
- 3.52 In respect of the construction phase of the project, DIMIA stated that it would have to abide by the Commonwealth procurement guidelines, but would advertise tenders for the works in the local newspaper as well as in the *Australian* and, on the Internet, through AusTender. DIMIA expressed the belief that local companies would benefit from the splitting of the

---

53 Appendix D, Official Transcript of Evidence, pages 19 - 20

54 *ibid*, page 33

55 *ibid*, pages 23 - 24

56 *ibid*, page 36

project into a number of smaller work packages, and from the proximity to the site of labour and materials.<sup>57</sup>

---

**Recommendation 8**

**The Committee recommends that the proposed operational upgrade of the detention facility at Berrimah, NT, proceed at the estimated cost of \$8.125 million.**

**Hon Judi Moylan MP**  
Chair  
17 August 2005