

Annual Report

- 1.1 Under Section 16 of the *Public Works Committee Act 1969* (the Act), the Parliamentary Standing Committee on Public Works must table in each House of the Parliament a report of its proceedings during the calendar year just ended.
- 1.2 All public works that have an estimated cost exceeding \$15 million must be referred to the Committee and cannot be commenced until the Committee has made its report to Parliament and the House of Representatives receives that report and resolves that it is expedient to carry out the work.¹
- 1.3 During 2010 the Committee conducted inquiries into nine works which had a combined cost of \$491.5 million. A list of the works and their individual costs is at Appendix A. A list of 'medium works' (those valued between \$2 million and \$15 million) notified to the Committee can be found at Appendix B.
- 1.4 The Committee's inquiries into three works referred during the 42nd Parliament lapsed when the House of Representatives was dissolved on 19 July 2010. These works were re-referred in the 43rd Parliament, and the Committee completed its inquiries and tabled reports regarding each work.
- 1.5 The Committee's reports, submissions to each inquiry and transcripts of associated public hearings are available on the Committee's website.² The Committee's website also provides previously tabled reports and the procedure manual, which assists agencies to prepare projects for

1 The Act, Part III, Section 18 (8). Exemptions from this requirement are provided for work of an urgent nature, defence work contrary to the public interest, repetitive work, and work by prescribed authorities listed in the *Regulations*.

2 <www.aph.gov.au/pwc>.

Committee review. A list of all the Committee's meetings and hearings held during 2010 is at Appendix C.

Inquiries and Reports

- 1.6 The Act requires the Committee to consider and report on each referred work 'as expeditiously as is practicable'.³ The Committee ensures that all inquiries are completed as quickly as possible. In 2010, the average time from referral of works to report tabling was nine weeks.
- 1.7 The inquiry process allows time for public comment on proposed works, allows the Committee to inspect the proposed work site(s) and to hold public and private hearings to take evidence about the works. The Committee also considers the parliamentary calendar when planning its inquiry timetable to ensure that reports can be finalised and tabled promptly when both Houses of Parliament are sitting.⁴
- 1.8 As noted above, federal elections can also delay projects: it is essential that agencies consider such possible delays in their project planning, and include appropriate contingencies. Agencies should note that provisions of the Act should be adhered to irrespective of circumstances.

New procedure manual

- 1.9 In March 2010, the Committee adopted a new edition of its Procedure Manual. The most important changes to the previous edition are additional details to be submitted confidentially with the project costings, such as whole-of-life costings, confidence levels and a risk register. Whilst the Committee had previously sought this information in individual inquiries, the requirement for all proposals to include this information gives the Committee a greater capacity to scrutinise projects that come before it.
- 1.10 When agencies do not provide all necessary information in the first instance, supplementary submissions must be made to the inquiry. This can cause delays in the inquiry timetable, and the Committee reiterates the importance of all agencies providing full information at the time of referral.

3 The Act, Section 17(1)

4 In any event, a work cannot commence until after the Committee has reported to both Houses and the House of Representatives has resolved that the work can commence – the latter of which can only occur when the House is sitting.

Medium Works

- 1.11 Over the course of 2010, the Committee considered 51 medium works proposals, with a combined value of \$416.8 million. A list of these works is available at Appendix B. The Committee has continued to publish the details of these works on its website: the current list includes all works approved since the beginning of the 43rd Parliament.
- 1.12 The Committee has become aware that some ‘portfolio agencies’ are not aware of their obligations under the Medium Works process. Whilst this process is not particularly onerous for agencies, it forms an important part of the Parliamentary scrutiny of Commonwealth public works expenditure.
- 1.13 Given the structure of the Australian Government, it is incumbent upon Commonwealth Departments to ensure that all agencies within the portfolio are aware of the Committee’s role and processes. Further, Departments must provide all necessary assistance so that smaller agencies may fulfil their obligations to the Committee and Parliament.
- 1.14 The Committee’s manual gives very simple instructions about the medium works process, and the Secretariat is always available to give additional information about the process to agencies. Agencies should contact the Secretariat well ahead of time, as the Parliamentary calendar has a significant impact on the Committee’s capacity to consider medium works proposals.

Works exempted from Committee consideration

- 1.15 Numerous works have recently been exempted from Committee consideration, on the basis of urgency. Exemption on this ground is provided for under the Committee’s Act: the House of Representatives must resolve that ‘by reason of the urgent nature of the work, it is expedient that it be carried out without having been referred to the Committee’⁵. The Committee reminds readers that it is not involved in the making of this decision: it is a matter for the House of Representatives only.
- 1.16 The Committee is well aware of the importance of this provision, as it allows for real urgency to be accounted for, and for such projects to

5 *Public Works Committee Act 1969*, Section 18A(8)(b).

proceed without breaching the Act. In the past such an exemption was rarely sought by proponent agencies, and was reserved for instances of real urgency – for cases where projects are developed at short notice, to meet an urgent need. In addition, the Committee can make special scheduling arrangements for projects that have particular urgency, without resorting to complete exemption.

- 1.17 Two projects have already been exempted from Committee scrutiny in the 43rd Parliament, and the Committee is concerned that these are not cases of real urgency, but rather cases where agencies have not properly planned their projects. The Committee's inquiry process is swift and efficient, and as noted above, the average total inquiry time is nine weeks. Agencies must take this relatively short process into consideration in planning, and failure to do so is not a reasonable ground on which to seek exemption.
- 1.18 Poor agency planning should not be remediated by the abuse of the urgency provisions in the *Public Works Committee Act 1969*.

Defence Housing Australia and accessible housing

- 1.19 As noted in Report 4/2010 (the Committee's final report of the year), Defence Housing Australia (DHA) agreed to construct its housing to meet the Silver level of the new *Livable Housing Design Guidelines*.⁶ The voluntary guidelines were developed to assist industry and government in making homes safer and more responsive to the changing needs of home occupants.
- 1.20 In particular, the Silver level provides some basic features (both visible and hidden) that provide safer access, and make modifications cheaper and easier in future. Houses built to this standard are more 'liveable' for people with disability, for parents with young children, for those with temporary injuries, for elderly or less mobile individuals: and these homes are likely to be so across more of an individual's life-span.
- 1.21 The Committee is very pleased with DHA's decision, particularly as it follows the Committee's own recommendations in this direction. Commonwealth agencies are rightly expected to adhere to the highest standards, and DHA's provision of accessible housing is a positive contribution to greater accessibility generally.

6 The guidelines are available online at
<www.fahcsia.gov.au/sa/housing/pubs/housing/Pages/LivableHousingDesignGuidelines.aspx>

Conclusion

- 1.22 The Committee thanks everyone who has assisted or participated in the Committee's inquiries in 2010. The Committee makes particular acknowledgement of the contribution made by the Special Claims and Land Policy Branch of the Department of Finance and Deregulation. This branch assists agencies with their preparation of proposals for consideration by the Committee, and assists the Minister in his management of the *Public Works Committee Act 1969*.
- 1.23 The Committee also thanks those members of the previous Committee who are no longer members, in particular the Committee's Chair at the end of 42nd Parliament, Senator the Hon Jan McLucas.

Ms Janelle Saffin MP

Chair

3 March 2011