



## Annual Report

- 1.1 Under Section 16 of the *Public Works Committee Act 1969* (the Act) the Parliamentary Standing Committee on Public Works (PWC) is required to provide a report of proceedings ending 31 December of each year.
- 1.2 Thirteen reports were completed during 2008, addressing 20 works, valued at a total of \$1.84 billion.
- 1.3 Reports presented and value of works are listed at Appendix A. Committee meetings and hearings are listed at Appendix B. Full reports, submissions and transcripts of proceedings are available on the Committee's website.<sup>1</sup>

## Inquiries and reports

- 1.4 The PWC of the 42<sup>nd</sup> Parliament held its first meeting on 13 March 2008. Ten referrals were outstanding from the 41<sup>st</sup> Parliament, including three inquiries that were completed to reporting stage. The Committee was conscious of delays to these works and therefore made every effort to consider and report on these in a timely manner.
- 1.5 While the Committee is conscious of its responsibility to consider works expeditiously, in practical terms, it has an extremely heavy workload which can result in a lengthy inquiry process.

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1 <[www.aph.gov.au/pwc](http://www.aph.gov.au/pwc)>

- 1.6 The Committee's workload, in combination with constraints imposed by the parliamentary sitting calendar, means that proponent agencies should factor four to six months into project work plans from the earliest stage for the parliamentary approval process to occur.
- 1.7 In order to streamline the inquiry and reporting process, the Committee now reports only on key issues. This Committee has ceased the practice of publishing evidence with reports, recognising that the internet facilitates wide access to evidence.
- 1.8 It is therefore more important than ever for agencies to provide comprehensive submissions on the proposed works detailing not only the proposal itself, but where the works fit in to a wider policy framework. Quality submissions are not only essential for the Committee's consideration of works, they also form a valuable part of the history of public infrastructure in Australia.
- 1.9 During the year, the Committee addressed issues with agencies regarding tendering and contracting before final Parliamentary approval, including one breach of the Act. All agencies are reminded to seek the advice of the Committee secretariat and the Department of Finance and Deregulation early in planning stages to ensure that they fully comply with the Act.

## **Project updates**

- 1.10 On occasion, the Committee requests, through its reports, updates on projects where it has particular concerns. Agencies are also required to inform the Committee of any significant changes to the original scope, function, design or cost of projects.
- 1.11 The Committee received several briefings on projects where significant changes had taken place. On the whole, the Committee was satisfied that changes were unavoidable or desirable and had been made in an open and transparent manner.
- 1.12 However, the Committee decided to report again to Parliament on a project that had suffered significant cost overruns. *Report 7/2008: Christmas Island Immigration Detention Centre Update* outlines the Committee's concerns about the major budget overruns in the construction of the Christmas Island Immigration Detention Centre.
- 1.13 In its report, the Committee noted that the Department of Finance and Deregulation has taken lessons from this project's failings, including

the institution of the two pass approval process. The Committee also notes the project is the subject of a current Australian National Audit Office (ANAO) audit and looks forwards to the audit findings.

- 1.14 The ANAO, through its report *28/2007-08: Defence's compliance with Public Works Committee approval processes* recommended that the Department of Defence (Defence) undertake regular reporting to the Committee on the progress of works. Defence has undertaken to report to the Committee on an annual basis.

## Medium works

- 1.15 In addition to major works, the Committee is notified of medium works valued between \$2 million and \$15 million. During 2008, the Committee received notification of 63 medium works with a combined value of \$336 million. Unlike major works, these notifications have in the past, remained confidential to the Committee.
- 1.16 In the interests of increasing the transparency of public works delivery, the Committee has resolved to publish limited information on medium works. With the agreement of the Minister for Finance and Deregulation, from 1 January 2009 the Committee will be publishing the following information:
- project title;
  - name of agency; and
  - date on which the Committee was notified of the proposed work.
- 1.17 This information will be published on the Committee's website on a regular basis and in future annual reports.

## Conclusion

- 1.18 The Committee thanks all agencies that have presented proposals or throughout 2008. The Committee continues to seek briefings on matters affecting public infrastructure and thanks all those organisations who have provided briefings during the year.
- 1.19 The Committee particularly thanks officers of the Lands Operations and Public Works division of the Department of Finance and Deregulation for their work in supporting agencies preparing referrals.
- 1.20 The Committee also thanks the Secretariat for its support throughout the year.

Mark Butler MP  
Chair  
26 February 2009



