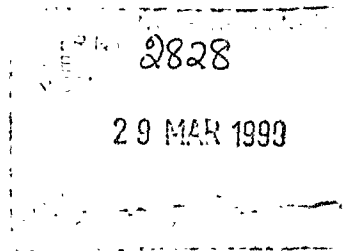


Parliamentary Standing Committee on Public Works



**SIXTY-SECOND
GENERAL REPORT**

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA
1999

The Parliament of the Commonwealth of Australia
Parliamentary Standing Committee on Public Works

Sixty-second General Report

(Covering the period 1 January 1998
to 31 December 1998)

© Commonwealth of Australia 1999

ISBN 0 642 39128 9

Produced by CanPrint Communications Pty Limited

CONTENTS	Paragraph
THIRTY-SECOND COMMITTEE	3
Membership	3
Meetings	4
THIRTY-THIRD COMMITTEE	6
Membership	6
Meetings	7
REFERENCES AND REPORTS	8
1997 References	8
New References	9
Unreported References	10
Cost of projects examined	12
LENGTHY INQUIRIES	13
Museum of Australia	15
East Coast Armament Complex	17
BRIEFINGS AND INSPECTIONS OF PROJECTS	20
OVERSEAS WORKS	21
Statutory basis for inquiry	21
Overseas property operations	23
Amalgamation of Finance and Administrative Services	25
Berlin Property	28
Other works previously examined by the Committee	31
Overseas travel	32
MEDIUM WORKS	34
Need for notification	34
Federal Airports Corporation	38
Sirius Building, Belconnen, ACT	40
Department of Defence	41

Department of Transport and Regional Development	44
Cameron Offices	46
COMMONWEALTH FIRE BOARD	48
Views of organisations sought	48
Views of CFB sought	49
Review of Fire Safety Policy	51
CFB abolished	55
Need for certification by independent fire protection consultants	59
CONFERENCES	63
Public Works Committee Conference	63
Transfer of public works	67
AMENDMENTS TO THE ACT	68
Statutory limit	68
Exemption of authorities by Regulation	69
SECRETARIAT	76
ACKNOWLEDGEMENTS	79

APPENDICES

APPENDIX A	Page
Meetings of the Committee—1998	A-1
APPENDIX B	
Details of the Committee's Reports—1998	B-1 to B-17
APPENDIX C	
Overseas works examined by the Committee 1983-95	C-1 to C-6

PARLIAMENTARY STANDING COMMITTEE ON PUBLIC WORKS
SIXTY-SECOND GENERAL REPORT

1. Pursuant to section 16 of the *Public Works Committee Act 1969*, the Parliamentary Standing Committee on Public Works is required to report to the Parliament on its proceedings during the previous 12 months.
2. This report covers the work of the 32nd Committee, from 1 January 1998 to 31 August 1998, when the House of Representatives was dissolved and Parliament was prorogued, and the 33rd Committee from 10 December, when it met for the first and only time for the balance of the calendar year.

THIRTY-SECOND COMMITTEE

Membership

3. During the report period, members of the 32nd Committee were:
 - Mr Wilson Tuckey MP—Chairman;
 - Mr Colin Hollis MP—Vice-Chairman;
 - Senator Paul Calvert;
 - Mr Richard Evans MP;
 - Senator Alan Ferguson;
 - Mr John Forrest MP;
 - Mr Ted Grace MP;
 - Mr Michael Hatton MP; and
 - Senator Shayne Murphy.

Meetings

4. The 32nd Committee (or Sectional Committees) met 23 times during 1998. Meetings were held at the following locations:

- Canberra—12
- Eden—2
- RAAF Base Williamtown—2
- RAAF Base Amberley—1
- Brisbane—2
- Townsville—2
- Perth—2

5. Further details of the Committee's meetings are at APPENDIX A.

THIRTY THIRD COMMITTEE

Membership

6. Members of the Thirty-third Committee were appointed by the House of Representatives and the Senate on 8 December 1998. They are:

- Senator Paul Calvert;
- Hon Janice Crosio MBE, MP;
- Senator Alan Ferguson;
- Mr John Forrest MP;
- Mr Colin Hollis MP;
- Mr Peter Lindsay MP;
- Hon Judi Moylan MP;
- Senator Shayne Murphy; and
- Mr Bernie Ripoll MP.

Meetings

7. The Committee met for the first time on 10 December 1998. Ms Moylan was elected Committee Chair and Mrs Crosio Vice-Chair. Parliament adjourned on 10 December and no further meetings of the Committee were held before the end of the year.



*Members and the Secretariat of the 33rd Committee.
Standing (from left to right): June Murphy (Administrative
Officer), Senator Shayne Murphy, Peter Lindsay MP,
Senator Alan Ferguson, John Forrest MP, Bernie
Ripoll MP, Bjarne Nordin (Secretary), Michael Fetter
(Assistant Secretary); seated (from left to right): Colin
Hollis MP, Hon Judi Moylan MP (Chair), Hon Janice
Crosio MBE, MP (Vice-Chair), Senator Paul Calvert.
(Photo: AUSPIC)*

REFERENCES AND REPORTS

1997 References

8. The Thirty-second Committee tabled five reports during 1998. Of these, three involved references received late in 1997, namely:

- HMAS *Albatross*—Stage 1 redevelopment, Nowra, NSW (referred 2 October 1997, public hearing held 21 November 1997);
- New facilities for the National Museum of Australia and the Australian Institute of Aboriginal and Torres Strait Islander Studies (referred 30 October 1997, final public hearing held 13 March 1998); and
- East Coast Armament Complex, Vic (referred 3 December 1997, final public hearing held 15 June 1998).

New References

9. The Committee received five new references during 1998 and reported on the following two:

- Development of the Eastern Region Operations Centre at RAAF Base Williamtown, NSW (referred 24 March 1998); and
- Development of facilities at RAAF Base Amberley, Qld (referred 24 March 1998).

Unreported References

10. When the House of Representatives was dissolved and Parliament was prorogued on 31 August 1998, the three remaining references were:

- CSIRO Queensland Centre for Advanced Technologies Stage 2 Development, Pinjarra Hills, Queensland (referred 8 April, public hearing held 15 June 1998);
- Lavarack Barracks Redevelopment Stage 2, Townsville (referred on 29 June, the last day of sittings before the winter adjournment, public hearing held in Brisbane 25 August); and
- CSIRO National Centre for Petroleum and Mineral Resources Research, Bentley, WA (referred 29 June, public hearing held in Perth 26 August).

11. The Committee planned to table reports on these references during the Spring Sittings but was unable to do so because the House of Representatives was dissolved on 31 August and the references lapsed.

Cost of projects examined

12. The total estimated cost of projects examined by the Committee was \$560.67 million. Details of reports, including the Committee's conclusions and recommendations as well as Ministerial statements in support of expediency motions, are at APPENDIX B.

LENGTHY INQUIRIES

13. The Committee's operations during the past year were truncated due to the election period with the number of reports presented restricted to five. This is the same number of reports presented during 1996. The dearth of reports was, however, transcended by the complexity of two references which consumed considerable time. These were:

- the proposed new facilities for the National Museum of Australia and the Australian Institute of Aboriginal and Torres Strait Islander Studies; and
- the proposed East Coast Armament Complex, Point Wilson, Vic.

14. It is rare for the Committee's inquiries to extend beyond one or two days of public hearings. One reason for this has been the thoroughness of submissions and oral evidence presented by proponent departments in support of proposed works. Another reason is the general support of proposed works by State and Local Government and interested organisations and individuals. It is when these factors are lacking that the Committee's inquiries may be lengthy and protracted.

Museum of Australia

15. The Committee's inquiry into the Museum of Australia extended from December 1997 to mid-April 1998 during which four public hearings were held and more than 650 pages of evidence was taken. In addition, the Committee assembled a similar number of pages of publicly available documents as exhibits.

16. Although recommending that the project proceed, in view of a number of uncertainties, principally about the cost of the work and the suitability of the project delivery mechanism to be adopted, the Committee requested to be

provided with six-monthly progress reports. The Government agreed with this request.

East Coast Armament Complex

17. The Committee's inquiry into the East Coast Armament Complex was also lengthy. The project referred to the Committee was estimated to cost \$72.27 million and involved the construction of facilities at Point Wilson (Vic) to support the ammunitioning and deammunitioning of RAN ships and to provide facilities for the importation of munitions for the Defence force.

18. The Committee's inquiry extended from mid-February to mid-June 1998 and involved public hearings and inspections at the following locations:

- 13 February--Geelong (Vic)
- 26 March--Canberra
- 27 April--Eden (NSW)
- 14 May--Canberra
- 14-16 June--Rockhampton (Qld)
- 15 June--Brisbane

19. This inquiry also assembled an extensive body of evidence amounting to more than 570 pages resulting in a recommendation that the proposal be re-examined and further investigations into alternative locations and arrangements identified by the Committee be undertaken. (Further details are at APPENDIX B, page B-12). The length of the inquiry can be attributed to an erroneous perception by the Department of Defence that the scope of the Committee's inquiry would not extend beyond an examination of the need for and the scope of the facility to be constructed at Point Wilson. This inquiry provides a good illustration of the Committee's role in safeguarding the public interest.

BRIEFINGS AND INSPECTIONS OF PROJECTS

20. The Committee meets in private, usually in Canberra during Parliamentary sitting weeks, to consider draft reports, plan future inspections and public hearings and deal with correspondence. The meetings are also used as an opportunity for departments and agencies to brief the Committee. When time permits, the Committee also undertakes inspections of construction activity or completed projects examined and reported upon previously. During the report period, these briefings and inspections included:

- RAAF Base Williamstown—(18 May 1998)—Defence Housing Authority—the housing situation in the Williamstown area. The Committee also undertook an extensive inspection of representative housing stock available to RAAF personnel and had discussions with a number of tenants;
- RAAF Base Amberley—(19 May 1998)—as part of the inspection associated with an extensive redevelopment proposal of the Base, the Committee inspected construction work on a project previously examined. This project, the development of No 6 Squadron facilities (*Committee's Fifth Report of 1997—Parliamentary Paper 86/1997*), was estimated to cost \$10.25 million;
- Defence Housing Authority—(28 May 1998)—briefing on plans for the 1998/99 financial year;
- Department of Immigration and Multicultural Affairs—(29 June 1998)—a briefing on proposed development of Villawood Detention Centre. Officials from the Department foreshadowed the possibility that a motion declaring the proposed work to be declared 'urgent' may be moved in the House of Representatives by the relevant Minister. The Committee expressed its opposition to this course of action and it was not proceeded with;
- Department of Finance and Administration—(9 July 1998)—briefing on changes to the administration of the Commonwealth's property portfolio and overseas property matters;
- Department of Defence—(9 July 1998)—briefing on a range of proposed works to be undertaken at Cockatoo Island. The Committee requested to be provided with more information about the heritage implications of the works; and
- Townsville—(25 August 1998)—as part of inspections associated with the proposed redevelopment of Lavarack Barracks, Townsville, the Committee inspected facilities constructed for the Army's 10 Terminal Regiment and the Army Maritime School. The project was examined and reported on by the Committee in 1995 (*Committee's Eighteenth Report of 1995—Parliamentary Paper 167/1995*) and was estimated to cost \$25.91 million. The Committee also inspected facilities at RAAF Base Townsville constructed for 5 Aviation Regiment (*Committee's Fourth Report*

of 1996—*Parliamentary Paper 391/1996*). The project was estimated to cost \$21.332 million.

OVERSEAS WORKS

Statutory basis for inquiry

21. The Act was amended in 1981¹ to enable the Committee to examine overseas works such as Australian embassies, high commissions and accommodation for staff. In 1983, the Committee undertook its first inquiry into an overseas project which involved the construction of a chancery complex and staff housing at Riyadh, Kingdom of Saudi Arabia. Since then, the Committee has examined 14 overseas projects. The total estimated cost of these projects, at September 1998 prices, is \$272 million.²

22. The Act does not allow the Committee to meet overseas and limits the Committee's inquiries to the consideration of plans, models and statements and to the taking of evidence from people already in Australia. This departure from the Committee's conventional practice of undertaking site inspections was recognised in 1990 as a serious impediment to the Committee's operations, during the inquiry into the proposed construction of Australian High Commission and Defence housing, Port Moresby, Papua New Guinea. In this instance, concerns about the suitability of the site and the adequacy of security measures resulted in the Committee's report recommending that relevant sections of the Public Works Committee Act should be amended to allow the Committee to meet and consider evidence taken on-site. Similar recommendations are contained in the subsequent 13 reports on overseas works presented by the Committee. Details of the Committee's inquiries into overseas works, including relevant recommendations, are at APPENDIX C.

Overseas property operations

23. In 1997, the Committee was briefed by officers of the then Overseas Property Group (OPG) on a new regime for the provision and administration of the Commonwealth's overseas property portfolio. Officers from OPG outlined the ramifications of these arrangements which basically require individual Commonwealth agencies, with representation at overseas posts, to meet all accommodation costs from their own budgets. For its part, OPG:

¹ Public Works Committee Amendment Act 1981 (No 20/1981), assented to and commenced 9 April 1981

² Using the Implicit Price Deflator for Non-farm Gross Domestic Product, 1996-97 = 100.

...is funded off running costs from Government in 1997/98 and will be funded at no more than that level of funds by a component of rent receipts from the owned estate for the years 1998/99 onwards. Current operational costs for this year [1997] are about \$13 million in running costs and around \$90 million in capital works, R&M [repairs and maintenance] and acquisitions and sales programs.³

24. There were no references relating to overseas works received by the Committee during the report period. The Committee did, however, request a briefing from the Department of Finance and Administration on overseas property management. The briefing took place on 9 July and matters raised are described in the following paragraphs:

Amalgamation of Finance and Administrative Services

25. In October 1997, the Government amalgamated the Department of Finance with the Department of Administrative Services to form the Department of Finance and Administration (DoFA). This amalgamation included the OPG.

26. The Commonwealth's domestic and overseas property portfolios are currently worth about \$3 billion and DoFA is adopting a commercial focus in its operations to ensure that the Commonwealth receives an appropriate rate of return.

27. In March 1998, DoFA reorganised the administration of the Commonwealth's property policy and operations into three components:

- property policy;
- domestic operations; and
- overseas operations.

Berlin property

28. The Commonwealth has acquired two contiguous buildings in the old part of the former East Berlin for \$15.2 million for the redevelopment of a chancery and apartments for embassy staff. Since the property was acquired, structural tests on the existing buildings have been carried out and architects and

³ Proceedings of a briefing to the Committee by representatives of the Overseas Property Group, Parliament House, Canberra, 20 November 1997, p. 3

engineers engaged to assist with preliminary design processes. The Committee was advised that further design development was not commenced pending a decision by the Government on the financing of the proposal. One avenue of financing under investigation would involve 'off-budget financing', using private sector funds secured against rent streams to repay the financing. DoFA advised the Committee that the project would not be viable if this method of financing were to be used. The Committee was also advised that a decision by the Government was 'imminent'.

29. The Committee reminded DoFA officials that the German Seat of Government will be relocated from Bonn to Berlin on 30 June 1999. The Australian ambassador's residence in Bonn has been sold and work was about to commence on the construction of a new official residence in Berlin. The residence is due for completion in October/November 1999. Given these factors, the Committee questioned the timing of the project, including target dates for referral to the Committee. DoFA acknowledged that a Committee recommendation for the work on the chancery and apartments to proceed would not enable the project to be completed before the relocation of the diplomatic corps from Bonn to Berlin. DoFA envisaged that transitional arrangements, involving use of the Australian Berlin Consulate's leased accommodation, would be sufficient for immediate requirements. In the meantime, in July 1998, major milestones for the broader chancery and apartment development were stated by DoFA officials to be as follows:

- proposal referred to the Committee—August 1998
- public hearing—October 1998
- expediency motion—November 1998
- tender target date—March 1999
- construction commencement—May 1999
- completion—September 2000.

30. This timetable was not adhered to.

Other works previously examined by the Committee

31. The Committee also questioned DoFA officials about the progress of overseas works previously examined by the Committee. DoFA advised the Committee that as of July 1998, the status of the projects was:

- Australia House, London—project completed at a cost of \$20.25 million. The initial estimate was \$14.25 million and officers from the former DAS sought the Committee's approval for further funding for the Australia Centre (adjacent to Australia House). (*See Committee's Fourth Report of 1995—Parliamentary Paper 75/1995*);
- Geneva Chancery—due for completion in November 1998. (*See Committee's Twentieth Report of 1995—Parliamentary Paper 191/1995*);
- Shanghai apartments—close to completion and occupation although progress was slowed due to severe rain which devastated coastal areas of China, particularly around Shanghai. (*See Committee's Twenty-eighth Report of 1995—Parliamentary Paper 305/1995*);
- Australian Embassy, Washington—due for completion in November 1998. (*See Committee's Twenty-first Report of 1995—Parliamentary Paper 192/1995*);
- Australian Embassy, Hanoi—completed. (*See Committee's Fifth Report of 1994—Parliamentary Paper 116/1994*);
- New Chancery, Port Moresby—completed in September 1997. (*See Committee's Eighth Report of 1994—Parliamentary Paper 412/1994*); and
- Australian High Commission, Islamabad—completed in July 1997. (*See Committee's Sixth Report of 1991—Parliamentary Paper 225/1991*).

Overseas travel

32. The Committee sought details of overseas travel undertaken in connection with the administration of overseas property operations by Australia-based officers of the former OPG and the more recently established DoFA. Some details were made available to the Committee after repeated written requests but it was not possible for the Committee to establish the legitimacy, based on the information provided, for all the travel involved. A lack of corporate memory also contributed to the failure to brief the Committee adequately on the following matters:

- the basis for overseas travel undertaken by senior officers of DAS who retired or were made redundant shortly afterwards; and
- the background to a letter to the Committee from the office of the Minister for Finance and Administration which failed to recognise the duties and responsibilities of Committee members to safeguard the public interest.

33. DoFA officials subsequently undertook to provide the Committee with the information requested.

MEDIUM WORKS

Need for notification

34. Under the *Public Works Committee Act 1969*, all public works estimated to cost more than \$6 million must be referred to the Committee.

35. Medium works, with an estimated cost of between \$2 million and \$6 million, may also be referred if the Committee believes an inquiry is necessary. This power has rarely been invoked. Relevant plans may be examined by the Committee and a site inspection be arranged to determine if further investigation is warranted

36. The Committee has been aware, for many years, that some departments may have a predisposition to divide a single project, costing more than \$6 million, into two or more components to avoid the need for referral to the Committee. The Committee expects relevant Commonwealth authorities to be vigilant in ensuring that this does not occur.

37. To avoid a potential breach of the Public Works Committee Act, proponent Departments have provided the Committee with details of their medium works program. It remains incumbent on Departments to continue this practice well in advance of the calling of tenders for medium works. Details of medium works examined by the Committee are detailed in the following paragraphs.

Federal Airports Corporation

38. In February 1998, the Federal Airports Corporation wrote to the Committee about two medium works at Sydney (Kingsford Smith) Airport. These were:

- extensions to the northern ponds stand-off aprons to accommodate power-in operations for two B747 aircraft—\$3.6 million; and

- provision of two stand-off aprons in the south-west sector of the airport—\$5.4 million.

39. These works were foreshadowed by the Federal Airports Corporation at a briefing held in late 1997.

Sirius Building, Belconnen, ACT

40. In May 1998, the Committee was advised of a proposal, estimated to cost \$5.85 million, involving the refurbishment of the Sirius Building, Belconnen, ACT. The Committee sought an assurance from IP Australia that the project would not exceed \$6 million and that after completion of the project, the Committee be provided with a breakdown of expenditure.

Department of Defence

41. The Commonwealth's largest design and construction authority is the Department of Defence. It was planned for the Committee to be briefed on the Defence medium works program when Parliament resumed following the winter adjournment. The dissolution of the House on 31 August prevented this from occurring. The briefing will now take place in February 1999 and the substance of the briefing will be outlined in the Committee's next General Report.

42. In August, Defence advised the Committee that it proposed to deliver a project, estimated to cost \$15.2 million, which was originally planned to be referred to the Committee in February 1999, as a series of medium works packages. This stance was based on the impact of the Defence Efficiency Review and the Defence Reform Program which eliminated the living-in accommodation component from the extent of the proposed works. Defence advised that the balance of the remaining works, comprising three packages, costing between \$2.9 million and \$3.5 million, were required to improve the quality of operational and support facilities for extant functions. They will not involve the development of a new capability nor change the established role and operations at the Base.

43. The Committee considered this correspondence at its first private meeting and asked to be briefed on the project by senior Defence officials early in 1999.

Department of Transport and Regional Development

44. In October 1998, the Committee was advised by the Department of Transport of a number of works, estimated to cost between \$2 million and \$6 million, to be undertaken as part of the Sydney Airport Noise Amelioration Program. The works were:

- Bexley Benevolent Society Aged Care Centre—a retirement village, including a specialist dementia unit, owned by the Benevolent Society of NSW—cost \$2.655 million;
- Botany Public School—a primary school owned by the NSW Department of Education and Training—cost \$3.455 million;
- Daceyville Public School and Hibiscus Child Care Centre—a primary school and child care centre owned by the NSW Department of Education and Training—cost \$5.237 million;
- Rockdale Public School—a primary school owned by the NSW Department of Education and Training—cost \$4.558 million;
- St Joseph's Primary School and Church—a primary school and church owned by the Trustees of the Catholic Archdiocese of Sydney—cost \$4.394 million;
- St Michaels Primary School and Church—a primary school and church owned by the Trustees of the Catholic Archdiocese of Sydney—cost \$4.117 million; and
- St Michaels (Aged Care) Hostel—a retirement village, including a specialist dementia unit, owned by the Society of St Vincent de Paul—cost \$3.150 million.

45. The correspondence was considered by the in-coming Committee which requested further information on the entire Sydney Airport Noise Amelioration Project.

Cameron Offices

46. The Committee's Sixty-first General Report (which covered the 1997 calendar year) provided details of a proposal to refurbish the Cameron Offices in Belconnen, ACT. The proposed work was designed to bring the offices up to current occupational health and safety as well as security guidelines and the estimated cost was \$6.25 million. At the time, the Committee was advised that the offices were scheduled to be demolished in three years time. The Committee expressed concern about the justification of the cost of the proposed upgrading, given the plan for the building to be demolished.

47. In October 1998, the Committee was advised by the Department of Finance and Administration that a review of the original scope of work had

resulted in a reduction to the cost of the proposed work from \$6.25 million to \$4.15 million.

COMMONWEALTH FIRE BOARD

Views of organisations sought

48. In addition to advertising each inquiry, the Committee also seeks the views of organisations identified as having a potentially relevant role in its inquiries by providing copies of submissions from proponent departments or agencies for comment. These organisations range from Commonwealth agencies such as the Australian Heritage Commission and Environment Australia to ACROD (the Australian Council for the Rehabilitation of the Disabled) and the RSL. The objective of this practice has been to ensure that statutory processes are followed during the development of proposals and clearances are obtained, and consultations are held, before proposals are referred to the Committee.

Views of CFB sought

49. Since September 1991, the Committee has invited the Commonwealth Fire Board (CFB) to comment on submissions from proponent Departments and agencies in support of proposed works.

50. In 1995, the Commonwealth adopted the Building Code of Australia (BCA) as the technical standard for new works and major refurbishments. All Committee inquiries include investigation of a project's compliance with BCA Standards. CFB involvement in the Committee's inquiries has been to ensure that proper account is taken early in the development of proposals of fire prevention, detection and suppression measures to be implemented.

Review of Fire Safety Policy

51. The Committee's Sixty-first General Report, which covered the 1997 calendar year, commented on a Review of Fire Safety Policy for Existing Commonwealth Facilities.

52. The terms of reference for the Review were to investigate and report on, among other things:

- fire safety policy for all Commonwealth owned or occupied facilities;
- responsibilities and monitoring of individual agencies; and

- Commonwealth liabilities in terms of fire safety and a fire safety education and awareness program.

53. In March 1997, Mr Charles Halton CBE, who acted as a Strategy Consultant to the Review, briefed the Committee on the Review and its implications for the Public Works Committee. The Committee received the Review's report in September 1997. Recommendation 6 impacts directly on the Committee's operations:

Recommendation No. 6—The present arrangements for the Commonwealth Fire Board and its Secretariat should cease at the end of calendar 1997. DAS [the Department of Administrative Services] should take early action to assist the Public Works Committee to identify suitable private sector resources who can provide the type of support to the Committee on fire safety issues previously provided by the Board.

54. The Committee was briefed on the Review's implications by officers of the Domestic Property Group on 4 September 1997.

CFB abolished

55. In June 1998, the Committee was advised by DoFA that the Minister (Hon John Fahey MP) had decided not to renew appointments to the Board following the expiration of its current term on 30 June 1998.

56. DoFA explained the new arrangements which will apply in the following terms:

...passage of the Financial Management and Accountability Act 1997 and the Commonwealth Authorities and Companies Act 1997 has reinforced the obligations of Chief Executives in relation to the management and protection of assets. Combined with their responsibilities for the health and safety of employees under the Occupational Health and Safety (Commonwealth Employees) Act 1991, Chief Executives must ensure that they have appropriate risk management strategies in place, including fire safety, to meet their obligations.

57. DoFA also advised the Committee that the establishment of the Commonwealth Insurable Risk Managed Fund (Comcover), from 1 July 1998, will have a major impact on the way Commonwealth agencies and entities

manage their risk, including the risk of fire. As well as setting claims sensitive premiums, Comcover intends to oversight a comprehensive education program, regular risk assessments and the comprehensive recording and reporting of losses. All Commonwealth agencies and entities within the General Government Sector will be required to participate in the Fund unless specifically exempted.

58. DoFA is oversighting the development of a best practice fire safety manual. This will include guidance material from the CFB's Fire Safety Circulars and provide comprehensive guidance on fire safety policy and procedures. An expert fire safety consultancy has been engaged by DoFA to assist in the development of the manual.

Need for certification by independent fire protection consultants

59. During the year, the CFB provided the Committee with comments on all references. A representative of the Board appeared before the Committee's public hearing into the proposed construction of the National Museum of Australia. Evidence presented led the Committee to recommend that:

Due to the priceless exhibits to be displayed in the Museum, the design of fire protection and detection measures should be certified as meeting relevant codes and building regulations by an independent fire protection consultant.⁴

60. Certification of fire protection and detection measures by independent experts is highlighted in the CFB's Fire Safety Circular No 97 and has been adopted as standard practice for many years by the Department of Defence, the Commonwealth's largest property, construction and building owner. All submissions from the Department of Defence provide the Committee with the following requirements and assurances:

The following principles will be adopted in the design of fire protection and safety:

- all construction and fire protection requirements will, as a minimum, be in accordance with the:
 - the provisions of the Building Code of Australia (BCA)

⁴ New facilities for the National Museum of Australia and the Australian Institute of Aboriginal and Torres Strait Islander Studies (Committee's Second Report of 1998—Parliamentary Paper 99/1998), p. 50

- the Defence Manual of Fire Protection Engineering (FACMAN 2—which details Defence fire protection policy for asset and building function protection. The levels of fire protection specified in FACMAN 2 are above BCA requirements and have been determined by a risk assessment and management approach to fire protection
 - all other applicable Codes and Standards
- certification from a suitably qualified certifier, that the design and construction meet the requirements of the BCA, FACMAN 2, relevant Codes and Standards and any additional State, Local Government and Defence requirements
- any recommended departures from the BCA will be technically assessed by Defence specialist fire protection staff. Agreed departures will require written approval at Director-General level
- successful tenderers will be required to produce a Quality Assurance Plan to clearly demonstrate how BCA, Australian Standards and any additional Defence requirements in relation to fire protection and safety will be met and the required standards for construction and installation maintained.⁵

61. The Committee notes the long history of the Commonwealth Fire Board which was first constituted in January 1909 by the Minister for Home Affairs, following a Cabinet directive that Commonwealth buildings were not to be insured. The Committee is also aware of the need to provide adequate fire detection and protection measures to ensure against catastrophic losses of nationally significant assets. A case in point was a fire in an aircraft hangar at *HMAS Albatross* in December 1976 which destroyed a large proportion of the Navy's carrier-borne fixed-wing anti-submarine and maritime surveillance capability. The hangar and the Grumman Tracker aircraft were replaced at considerable cost.

62. With the winding up of the CFB, it was suggested by DoFA that the Committee retain the services of a consultant to provide independent specialist advice during its deliberations on a proposal and during any post-construction 'audit' that the Committee may wish to undertake. It must be pointed out,

⁵ For examples, see Minutes of Evidence: Redevelopment Stage 1 at *HMAS Albatross*, pp. 12-13 and Redevelopment of facilities at RAAF Base Amberley, p. 40.

however, that when proposals are referred to the Committee, they are at an early conceptual stage, when general principles regarding fire detection and protection measures to be applied can be given by proponents in written submissions. The design of detection and protection measures (sensors, pipes, valves etc) occurs after the Committee's approval. In this context, the Committee can only seek assurances from witnesses, given on the public record, such as those given by the Department of Defence. Similarly, the question of post-completion audits of buildings to ensure compliance with BCA and related requirements, the Committee believes, would be best left to independent experts retained by agency heads.

CONFERENCES

Public Works Committee Conference

63. The seventh annual conference of Parliamentary Public Works Committees was held at Parliament House, Sydney, on 27-28 July. The Committee was represented at the conference by the Chairman (Mr Tuckey) and members of the secretariat. Representatives of the following Parliamentary committees also attended the conference:

- Queensland—Committee on Public Works;
- South Australia—Standing Committee on Public Works;
- Tasmania—Standing Committee on Public Works;
- New South Wales—Standing Committee on Public Works;
- Australian Capital Territory—Standing Committee on Urban Services; and
- Western Australia—Standing Committee on Ecologically Sustainable Development.

64. A representative of each committee reported to the conference on activities since Sixth Conference, held in Brisbane in July 1997.

65. Delegates to the conference inspected the Sydney Olympics site at Homebush and were briefed on:

- transport;
- reclamation and environmental improvement;

- construction of facilities—including various stadia and accommodation facilities; and
- environmental measures adopted for planning and operational purposes.

66. The conference also addressed land transport in the 21st Century. A number of speakers from the public and private sectors gave presentations on the following:

- passenger and freight in the 21 Century;
- public-private partnerships—the role of the private sector;
- environmental imperatives—clean air 2000;
- transport and planning;
- the role of freight;
- urban infrastructure management in NSW; and
- evaluation of projects.

Transfer of public works

67. Public works committees were established at the turn of the Century to examine and report on works proposed by Government departments and authorities. Public works were funded from taxes or borrowings and included Defence works, railways and infrastructure. Previous conferences have discussed the emergence of works being funded and constructed by the private sector. The conference was presented with an analysis of the transfer of large infrastructure projects from the public to the private sector. An example of such projects is Victoria's Citylink project. This is a Build Own Operate Transfer (BOOT) scheme in which public sector involvement is limited to the planning and regulatory oversight of the project as well as eventual ownership. It is the latter which requires careful scrutiny, since many such developments have a built-in date involving the transfer of ownership from the private to the public sector. The transfer of such assets to a State or the Commonwealth could subsequently result in massive expenditure on repairs and maintenance by the new owner.

AMENDMENTS TO THE ACT

Statutory limit

68. The question of amending the Public Works Committee Act to raise the statutory limit for referral of works, currently \$6 million, has been assessed by the Committee for a number of years. At this stage, the Committee does not believe there are adequate grounds for raising the limit.

Exemption of authorities by Regulation

69. On 28 August 1998, the Minister for Finance and Administration (Hon John Fahey MP), advised the Committee that the Government proposed to exempt a number of airport corporations from the purview of the Public Works Committee Act. Subsection 6A(3) of the Act provides that:

Where the Governor-General is satisfied that an authority of the Commonwealth is engaging in trading or other activities, or is providing services in competition with another body or bodies, or with persons, the Governor-General may make regulations declaring that this Act does not apply to that authority.

70. The corporations in question were:

- Sydney Airports Corporation Limited;
- Bankstown Airport Limited;
- Camden Airport Limited;
- Hoxton Park Airport Limited; and
- Essendon Airport Limited.

71. Each corporation operates the relevant airport under a lease from the Commonwealth. All entities are incorporated companies in which the Commonwealth holds 100 per cent of the shares. As airport lessees, the companies are subject to the provisions of the *Airports Act 1996* which also applies to Phase 1 and Phase 2 airports which are leased to the private sector. The Minister advised the Committee that the Airports Act and regulations made under it, subject airport operators to stringent land use, planning and building controls. Major development plans are subject to approval by the Minister for Transport and Regional Development. In addition, the Ministerial approval regime provides for a public consultation process.

72. Justification for exempting the corporations from the provisions of the Public Works Committee Act was stated by the Minister in the following terms:

In the environment promoted by the Airports Act, the corporatised airports are required to compete with Phase 1 and Phase 2 airports in the delivery of economically and operationally efficient services to airport users and the general community. The Phase 1 and Phase 2 airports are not subject to the requirements of the PWC Act. Consequently, the corporatised airports are disadvantaged in the performance of their obligations to the Government, airport users and the community by the requirement that significant airport developments are subject to an approval process, in addition to the already exhaustive process under the Airports Act, which does not apply to their competitors.⁶

73. Receipt of the correspondence coincided with the dissolution of the House of Representatives. The 39th Parliament met for the first time on 10 November 1998. The Regulations, made pursuant to the provisions of subsection 6A(3) of the Public Works Committee Act, were tabled in the House of Representatives and the Senate on 23 November 1998. The regulations commence on gazettal following a period of 15 Parliamentary sitting days.

74. The incoming Committee considered the correspondence at its first private meeting on 10 December 1998 and expressed concern about the peremptory manner in which the amending regulations were handled. Past practice has been for sponsoring agencies to brief the Committee about the need for amending regulations before they are tabled. Indeed, on one occasion the relevant Minister briefed the Committee about the need to exempt a number of authorities from the provisions of the Act.

75. The Committee believes the time imperative in this case does not outweigh the wide-ranging ramifications of the proposed amendments. The Committee noted the Minister's assertion that the Ministerial approval regime, under the Airports Act, provides for a public consultation process. The Committee requested a briefing on these processes from representatives of the corporations. The briefing will take place as soon as possible in the 1999 Parliamentary sittings.

⁶ Minister for Finance and Administration (Hon John Fahey MP) to Mr Wilson Tuckey MP (Committee Chairman), 28 August 1998.

SECRETARIAT

76. At the end of 1998, the Public Works Committee Secretariat comprised:

- | | | |
|--------------------------|------------------------|-------------------|
| <input type="checkbox"/> | Secretary | Mr Bjarne Nordin |
| <input type="checkbox"/> | Assistant Secretary | Mr Michael Fetter |
| <input type="checkbox"/> | Administrative Officer | Mrs June Murphy |

77. Bronwen Jagers, a former member of the Committee secretariat was promoted from the secretariat to the secretariat of the House of Representatives Standing Committee on Environment and Heritage.

78. During the year, Ian McKinnon, a senior officer from the Department of Defence, undertook a secondment to the secretariat.

ACKNOWLEDGMENTS

79. The Committee records its appreciation to Parliamentary staff and other agencies involved in supporting the Committee's operations during the year, in particular:

- Department of the House of Representatives staff:
 - Transport Office,
 - Bills and Papers Office,
 - Table Office;
- Department of the Senate staff—Table Office;
- Canprint;
- Office of the Minister for Defence;
- Parliamentary Reporting staff (Hansard);
- Sound and Vision Office; and
- Parliamentary Library—Information and Research Service:
 - Economics, Commerce and Industrial Relations
 - Foreign Affairs, Defence and Trade

- Law
- Science, Technology, Environment and Resources
- Statistics.

Judi Moylan

Judi Moylan MP
Chair

11 March 1999

APPENDIX A

MEETINGS OF THE COMMITTEE - 1998

* denotes Sectional (sub) Committees

Date	Location	Purpose
5 March	Canberra	Private meeting
12 March	Canberra	Private meeting
13 March	Canberra	Public hearing
26 March	Canberra	Public hearing
		Private meeting
2 April	Canberra	Private meeting
27 April	Eden	Inspection*
27 April	Eden	Public hearing*
14 May	Canberra	Public hearing
18 May	RAAF Base Williamtown	Inspection
18 May	RAAF Base Williamtown	Public hearing
19 May	RAAF Base Amberley	Inspection
19 May	RAAF Base Amberley	Public hearing
28 May	Canberra	Private meeting
4 June	Canberra	Private meeting
15 June	Brisbane	Inspection*
		Public hearing*
		Private meeting*
25 June	Canberra	Private meeting
29 June	Canberra	Private meeting
2 July	Canberra	Private meeting
9 July	Canberra	Private meeting
25 August	Lavarack Barracks, Townsville	Inspection*
25 August	Townsville	Public hearing*
26 August	Perth	Inspection*
26 August	Perth	Public hearing*

APPENDIX B

DETAILS OF THE COMMITTEE'S REPORTS PRESENTED DURING 1998

	Page
<i>HMAS Albatross</i> Stage 1 redevelopment, Nowra, NSW	B-2
New facilities for the National Museum of Australia and the Australian Institute of Aboriginal and Torres Strait Islander Studies	B-5
East Coast Armament Complex, Vic	B-12
Development of the Eastern Region Operations Centre at RAAF Base Williamtown, NSW	B-14
Development of facilities at RAAF Base Amberley, Qld	B-17

HMAS Albatross—Stage 1 redevelopment, Nowra, NSW

Referred	2 October 1997
Public bearing held	21 November 1997
Report dated	5 March 1998
Report presented	25 March 1998
Motion for expediency passed	8 April 1998
Report number	1/98
Proposed expenditure	\$69.3 million
Expenditure recommended	as above
Parliamentary Paper	45/1998

Conclusions and Recommendations

1. Seahawk and Seasprite helicopters represent substantial capital equipment investments for the Defence Force and are planned to remain in service for the next decade or longer.
2. There is a need to reduce overcrowding in the aircraft hangar used for housing Seahawk helicopters and Skyhawk aircraft and to provide a new purpose designed hangar for Seasprite helicopters when they enter service.
3. The proposed new facilities will overcome existing overcrowding, provide substantially improved maintenance and storage facilities for Seahawk helicopters and will enable Seasprite helicopters to be stored and maintained at appropriate standards from the day they enter service.
4. The extent of the proposed works will make substantial contributions towards ensuring that the life of type of both helicopter models is not reduced as a consequence of inadequate storage and maintenance facilities.
5. The location of the existing air traffic control tower is considered by Defence to be inappropriate and the cabin will not be suitable to house replacement air traffic control equipment being acquired by Defence.

6. The proposed new facility and its location will overcome existing problems of size and provide improved visibility of aircraft operating areas and approaches to the airfield.
7. The airfield lighting system has reached the end of its economic life, is inefficient and costly to operate and needs to be replaced with a modern system as proposed.
8. Improved flight line shelters are required for six Skyhawk aircraft to provide environmental protection.
9. The proposed extent and location of the shelters adjacent to 'J' Hangar will provide the necessary environmental protection and convenient accessibility.
10. Buildings used for the storage and handling of explosives are substandard and inadequate and these factors have reduced the ability of *HMAS Albatross* to support operations and training activities.
11. The extent and location of the proposed explosive ordnance storage and handling facilities are needed for the provision of enhanced capabilities and reflect current NATO storage and handling standards.
12. Facilities used for the training of aviation aircrew, technical and flight deck personnel are dispersed, functionally inadequate and have insufficient space to support modern training techniques.
13. There will be a continuing requirement for Defence to provide in-house equipment specific training.
14. The extent of the proposed aviation systems training centre fulfils the in-house training requirement of personnel involved in the operation and maintenance of high cost and sophisticated ship-borne helicopters.
15. The need for new photographic facilities stems from a continued requirement for a professional in-house photographic capability and the poor state of existing facilities.
16. The extent of the proposed photographic centre, and its location, will provide an enhanced photographic capability and is convenient to a major client.

17. The Committee believes low-flying aircraft should not intrude into airspace in designated wilderness areas unless essential for operational or training purposes.
18. The Committee recommends the proposed *HMAS Albatross* Stage 1 redevelopment at an out turn cost of \$69.3 million.

Minister's response

Ms WORTH¹—(Adelaide-Parliamentary Secretary to the Minister for Health and Family Services)—On behalf of the Minister for Finance and Administration (Mr Fahey), I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the Committee has duly reported to Parliament: HMAS Albatross, Stage 1 Redevelopment, Nowra, NSW.

The Department of Defence proposes to complete a major redevelopment at *HMAS Albatross*. The redevelopment will provide modern functional facilities that will improve operational reliability and organisational functionality. The project will include facilities to support the introduction into service of the new Seasprite helicopter. The proposal will provide maintenance and storage hangars for Seasprite and Seahawk helicopters, shelters for fixed-wing fleet support aircraft, air traffic control facilities, explosive ordnance storage facilities, replacement airfield lighting, photographic centre, a training complex, and engineering services and civil works. The estimated out turn cost is \$69.3 million. It is anticipated that design development will start in June 1998 and construction will be completed by July 2000.

The Public Works Committee report tabled on 25 March 1998 recommended that the work proceed. Defence accepts and will implement the recommendations of the Committee. The Minister would like to thank the Committee for its support. I commend the motion to the House.

Question resolved in the affirmative.

¹ Commonwealth Parliamentary Debates, House of Representatives, 8 April 1998, p 2828.

**New facilities for the National Museum of Australia and the Australian
Institute of Aboriginal and Torres Strait Islander Studies**

Referred	30 October 1997
Public bearing held	8, 9, 17 December 13 March 1998
Report dated	4 June 1998
Report presented	23 June 1998
Motion for expediency passed	1 July 1998
Report number	2/98
Proposed expenditure	\$133 million
Expenditure recommended	as above
Parliamentary Paper	99/1998

Conclusions and Recommendations

1. Studies into the location and scope of a national museum in Canberra have extended almost over three decades.
2. The site identified in formative studies, at Yarramundi Reach, offered opportunities for a large scale development.
3. The Advisory Committee, established to advise the Government on the most suitable form and location for a national museum, recommended the adoption of an aggregate building design concept for the museum, with a net area of 22,000 square metres.
4. The Advisory Committee found Acton Peninsula met site selection criteria and had a number of advantages over other sites examined. On this basis, the Committee accepted the current reference with the site as nominated.

5. The cost of providing infrastructure at Yarramundi Reach and the ACT Government's contribution towards the infrastructure costs at Acton Peninsula were not major factors in the selection of the Acton site.
6. The international competition to select the winning design did not satisfy the requirements of the international architectural profession and this resulted in concerns being expressed by the profession's peak international body.
7. While the design competition was conducted in accordance with a prescribed set of conditions, the Construction Coordination Committee did not include the cost parameter in its final decision.
8. The design brief was hurriedly completed and not costed until after the architectural competition closed.
9. The time imperative in progressing this proposal through various self-imposed and statutory processes presented substantial difficulties for the project team.
10. Extensions to Draft Amendment 20, prepared by the National Capital Authority, were included in the design brief before Draft Amendment 20 was progressed through statutory planning processes. The Committee believes this was at best premature and at worst presumptuous.
11. Due to the nature of priceless exhibits to be displayed in the Museum, the design of fire detection and protection measures should be certified as meeting relevant codes and building regulations by an independent fire protection consultant.
12. Publicity following the announcement of the winning design would lead the public to reasonably conclude that the scheme featured represented the final design.
13. Further refinements to the winning design have resulted in a building which appears to depart from the original design concept. These changes appear to the Committee to have been driven in the main by the need for the winning design to meet the budget rather than simply as improvements to functionality.

14. As this is a project of national significance funded by taxpayers, major departures from the published design are a cause of concern to the Committee.
15. The need for the inclusion of gabions in the wetlands should be reviewed. Submerged wave barriers should not be provided due to their deleterious effects.
16. On completion of the National Museum of Australia, consideration should be given for the facilities at Yarramundi Reach to be vacated for use by the ACT Cultural Centre. This will provide scope for future expansion of the Museum on Acton Peninsula.
17. Although a project alliance has commenced for the Sydney Water Project, its outcome has yet to be proven in delivering a quality product in the public sector. Moreover, this delivery system is untested in the construction industry in Australia.
18. Notwithstanding that the Committee has given approval for the Department of Communications and the Arts to advertise for expressions of interest from possible alliance participants, considerable doubt remains about how the interests of the Commonwealth will be protected in an alliance arrangement.
19. Issues relating to quality control and cost imposts associated with delays due to mismatched delivery of works between the construction partner and the service provider remain to be answered to the Committee's satisfaction.
20. Ecologically sustainable development principles should be reflected in all stages, especially in the finished product.
21. The Museum should continue to seek endowments and bequests, in accordance with contemporary international practice, and a form of public recognition of contributions should be reflected.
22. The Department of Communications and the Arts acknowledged that market forces will ultimately determine the cost of the complex.
23. The Committee remains concerned about the achievement of claims that the project will be completed on time and on budget.

24. The Committee recommends the construction of the works in this reference at a cost of \$133 million at October 1997 prices subject to the provision, to the Committee, of six monthly reports on the progress of the project until completed. The reports should address:
- progress of works and services elements identified in the construction and fitout program;
 - any variations to the timetable for the completion of the project;
 - any further design changes-their nature, justification and cost;
 - expenditure and audit reports;
 - confirmation that subcontractors have been paid on time for work undertaken;
 - if applicable, details of disputes between any parties on site;-
 - if applicable, details of delays to the project due to the mismatch of timetables between the construction alliance partner and the service provider;
 - specified standards of finish and the standard of finish provided.
 - details of attempts, successful or otherwise, to obtain endowments
 - and bequests for the Museum..
25. If it is considered necessary to proceed with Lump Sum tendering, the aim of completing the project by January 2001 should be reviewed for the reasons stated by the Department of Communications and the Arts in the paper which addressed the disadvantages of proceeding with this delivery method.

Minister's response

Mr FAHEY²—(Macarthur—Minister for Finance and Administration)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the Committee has duly reported to Parliament: New facilities for the National Museum of Australia and the Australian Institute of Aboriginal and Torres Strait Islander Studies.

The National Museum of Australia was established with bipartisan political support by the *National Museum of Australia Act 1980* to research Australian history, develop and maintain a national collection of historical material, create exhibitions and programs which explore our heritage and history and make them accessible to more Australians. The museum will combine the best contemporary exhibition techniques, new media technologies and live performances and will offer a range of experiences to appeal to visitors of all kinds. It will include a high definition digital theatre and electronic linkages to make it a world-class museum and distance learning centre serving schools, state museums and other cultural venues nationally and internationally.

The Institute, which was originally established in 1964, is the largest research centre of its kind for information about cultures and lifestyles of Aboriginal and Torres Strait Islander peoples. To support its research and other functional activities, the Institute maintains collections of audiovisual material, books, journals and manuscripts which it holds in trust for indigenous Australians. Collocation of the Museum and Institute will allow both organisations to take their place among other national institutions located in Canberra. In addition, the ACT Government intends to establish an ACT Aboriginal and Torres Strait Islander Cultural Centre on the site, which will contribute to the creation of a unique cultural precinct in Canberra. Future use of the Yarramundi site is yet to be decided.

Subject to parliamentary approval, construction is scheduled to commence in October 1998 and the buildings are scheduled to be ready to open on 1 January

² Commonwealth Parliamentary Debates, House of Representatives, 1 July 1998, pp 5788-90.

2001 as the Commonwealth's flagship for the centenary of Federation celebrations.

The proposal was referred to the Parliamentary Standing Committee on Public Works on 30 October 1997 and the Committee tabled its report on 23 June 1998, recommending that the proposal should proceed. However, the Committee has raised a number of issues, including some in relation to the competition process and the proposed contractual arrangements. The Committee has also requested that it be provided with reports on progress with the project.

While a formal international architectural competition was not conducted, as this would have been much more expensive and would have required an additional 12 to 18 months to conduct, international firms were invited to compete. The conditions were also tailored to enable architectural practices of all sizes to compete. The competition was conducted and judged with the benefit of expert advice, including advice from architects recommended by the Royal Australian Institute of Architects who have since commanded the conduct of the competition and the selection of the winning design team.

The purpose of the competition was not to select an architect on the basis of a fully completed and costed design, but rather to select a design team that would undertake that detailed design development. The selection included consideration of the concept designs provided by the short-listed teams. These concept designs were based on the detailed functional brief which was prepared by a specialist brief writer, including indicative budgets for the project. The development of the completed design from the original concept design is now proceeding as planned.

On the basis of expert advice, the Government has concluded that the method of project alliancing is the most appropriate delivery strategy for this complex project and the one most likely to achieve the project objectives relating to time, cost and quality. A project alliance involves the creation of a single, integrated high performance team working to achieve common project objectives and preagreed commercial outcomes for all parties. The project alliance thus focuses all parties on achieving outstanding project results and not on protecting each party's contractual position. At the same time, there are appropriate protections for the Government as client, including reverting to a more traditional contracting approach at any point if necessary.

Three separate buildings will be collocated on the site. They will comply with all appropriate planning requirements in industry and environmental standards.

Internal planning of the Museum will allow for relatively simple future expansion. The design allows for an expansion footprint of about 2,200 square metres, which could provide up to an extra 4,400 square metres of gross floor area over two levels.

The Government has approved total funding of \$151.9 million for the project, comprising \$133 million for capital works and \$18.9 million for one-off establishment costs. On the basis of professional advice, the Government is confident that the project is capable of being delivered on time and within budget. As with any project, there will be appropriate monitoring and reporting on progress but, as requested, the Government will in this instance also provide progress reports to the Committee. I thank the Committee for its support. I commend the motion to the House.

Question resolved in the affirmative.

East Coast Armament Complex, Vic

Referred:	3 December 1997
Public hearings held:	23 February (Geelong), 26 March (Canberra), 27 April (Eden), 14 May (Canberra), 15 June (Brisbane)
Report dated:	25 June 1998
Report presented:	30 June 1998
Motion for expediency passed:	See Recommendations
Report number	3/98
Proposed expenditure	\$72.27 million
Expenditure recommended:	See Recommendations
Parliamentary Paper	114/1998

Conclusions and Recommendations

1. The Sydney Ammunition Pipeline will need to close by December 1999.
2. Point Wilson was selected as the only site that could provide both a de-ammunitioning facility and a 1000 tonne Net Explosives Quantity container import facility.
3. In terms of the Navy's operational requirements, Point Wilson is highly unsatisfactory due to:
 - the distance from the Fleet Base in Sydney Harbour and the Navy's exercise area off Jervis Bay;
 - the depth of water available for its largest ship, which would not allow berthing when fully loaded; and

- the lengthy road journey to Kingswood and return to allow for servicing of the unloaded weaponry.
4. Berthing facilities at Point Wilson require extensive upgrading to provide a long term loading and unloading capability for the importation of explosive ordnance and the ammunitioning and de-ammunitioning of Naval vessels.
 5. These disadvantages were considered acceptable due to the Department of Defence understanding that no suitable 1 000 tonne Net Explosive Quantity facility existed elsewhere.
 6. Inquiries by the Committee have established that such a licenced facility, Port Alma in Queensland, already exists. In fact, most consignments of Defence ordnance, transported on specialised chartered container ships, berth at Port Alma before proceeding to Point Wilson. Port Alma is fully licenced for a 1500 tonne Net Explosive Quantity.
 7. Port Alma does impose an additional distance for land transportation. However, this is offset by reduced sea transport and the fact that very small quantities of containers, approximately 100 per annum, are involved.
 8. A slight increase in freight costs easily outweighs the \$24.757 million required to upgrade Point Wilson to provide a long term import facility.
 9. Once the need for a dual facility is discounted and because the Navy requirement for deammunitioning is approximately 30 tonnes Net Explosive Quantity, numerous deep water facilities closer to Sydney capable of meeting this criterion are available and should be investigated.
 10. One such location is Twofold Bay, which offers excellent low cost or free land for on-shore facilities and buffer zones both for the current proposal and for future expansion.
 11. The Committee recommends that Defence should therefore re-examine the works in this reference and undertake further investigations into alternatives covered in this report with a view to referring a revised proposal for an armament complex to the Committee at a later date.

**Development of the Eastern Region Operations Centre at RAAF Base
Williamtown, NSW**

Referred	24 March 1998
Public hearing held	18 May 1998
Report dated	25 June 1998
Report presented	30 June 1998
Motion for expediency passed	12 November 1998 ³
Report number	4/98
Proposed expenditure	\$18 million
Expenditure recommended	as above
Parliamentary Paper	115/1998

Conclusions and Recommendations

1. There is a need to provide facilities for No 41 Wing and its subordinate units to improve their operational effectiveness.
2. Construction of a purpose-designed Sector Operations Centre at RAAF Base Williamtown would be available to backup the one in Northern Australia, in keeping with the accepted concept of a layered air defence system. No 41 Wing personnel could readily fill a dual operational role.
3. Construction of a new facility would ensure compatibility with new equipment being acquired and the new facility would be purpose-built to suit contemporary operational needs.
4. Savings would be achieved with the collocation of units in the one building on the Base.
5. Construction costs would be reduced through the minimisation of engineering services and site works, and the sharing of communications and support areas.

³ The expediency motion had not been passed when the House of Representatives was dissolved on 31 August 1998.

6. Transportation costs would be reduced through locating the facility on Base rather than at Duckhole Hill.
7. Cost savings would be achieved by constructing the facility on a level site on the Base rather than building it on Duckhole Hill, where site conditions are unfavourable.
8. Engineering services to meet an increased demand are readily available on the Base, whereas upgrading of existing services on Duckhole Hill would be more expensive.
9. Morale of personnel would be improved by the provision of working accommodation and staff amenities to contemporary standards.
10. Occupational Health and Safety problems, stemming from occupation of cramped and makeshift accommodation would be alleviated.
11. It is both necessary and urgent for State and local government and the Commonwealth to address the question of responsibilities and to combine forces to undertake flood mitigation measures.
12. The Committee recommends the construction of the Eastern Region Operations Centre at RAAF Base Williamtown, NSW, at an estimated out-turn cost of \$18.0 million.

Ministers' Response

Mr SLIPPER⁴—(Fisher—Parliamentary Secretary to the Minister for Finance and Administration)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the Committee has duly reported to Parliament., Development of the Eastern Region Operations Centre at RAAF Base Williamtown, NSW.

⁴ Commonwealth Parliamentary Debates, House of Representatives, 12 November 1998, p. 269

The Department of Defence proposes to construct new facilities in the Operational Zone on the Base. This will enable No 41 Wing Headquarters and No 3 Control and Reporting Unit to be collocated and integrated, leading to operational efficiencies, and will replace existing unsatisfactory accommodation occupied by No 3 Control and Reporting Unit at Duckhole Hill near the Base.

The proposal will provide administrative, operational, technical and training accommodation for the two units, which will have a combined strength of 170 personnel.

The estimated out turn cost of the proposal is \$18 million. Subject to Parliamentary approval, construction would commence in November 1998 and be completed by March 2000.

The Public Works Committee, in its report tabled on 30 June 1998, recommended the construction of these facilities and commented that it is both necessary and urgent for State, local government and the Commonwealth to address the question of responsibilities and combine forces to undertake flood mitigation measures. The Department agrees with the recommendations of the Committee.

I would like to thank the Committee for its support. I commend the motion to the House.

Question resolved in the affirmative.

Development of facilities at RAAF Base Amberley, Qld

Referred	24 March 1998
Public hearing held	19 May 1998
Report dated	25 June 1998
Report presented	30 June 1998
Motion for expediency passed	12 November 1998 ⁵
Report number	5/98
Proposed expenditure	\$73.7 million
Expenditure recommended	as above
Parliamentary Paper	116/98

Conclusions and Recommendations

1. As one of the RAAF's major airbases, RAAF Base Amberley is the home base of the RAAF's Strike Reconnaissance Group and supports a variety of other Air Force units.
2. Despite investments in new facilities which have been made over the past three decades, many of the existing Base facilities are over 50 years old.
3. Some buildings used for the support of F-111 aircraft are converted buildings constructed during the Second World War.
4. An examination of the future direction of the Base undertaken by the Department of Defence, identified deficiencies which adversely affect the ability of the Base to perform its designated roles in a safe and flexible manner.
5. A need exists to redevelop or provide new facilities at RAAF Base Amberley to enhance operational, training, aircraft maintenance, logistics, domestic, and ancillary capabilities.

⁵ The expediency motion had not been passed when the House of Representatives was dissolved on 31 August 1998.

6. The scope of the proposed work can be justified as addressing shortcomings in the existing facilities and infrastructure that have contributed to inefficient work practices and reduced productivity levels. The new work will contribute to increased compliance with modern health and safety standards.
7. The Department of Defence should consult further with Heritage Authorities before demolishing a number of buildings identified as historically significant.
8. As part of the project, the Department of Defence should undertake a detailed study of liquid trade waste generation, its storage, treatment and disposal to eliminate any risks of toxic substances entering waterways adjacent to the Base or entering the watertable.
9. The Committee believes that whilst the proposed base auditorium project has considerable merit, an examination should be undertaken of alternative buildings which could be modified for use as an auditorium.
10. The Committee recommends the construction of the works in this reference at an estimated out turn cost of \$73.7 million.

Minister's response

Mr SLIPPER⁶—(Fisher—Parliamentary Secretary to the Minister for Finance and Administration)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the Committee has duly reported to Parliament: Redevelopment facilities at RAAF Base Amberley, Queensland.

The Department of Defence proposes a redevelopment of facilities at RAAF Base Amberley. A variety of new facilities and upgrading works are aimed at maintaining the required capability of the units located at Amberley. These redevelopment works will address shortcomings in the existing infrastructure that have contributed to inefficient work practices and reduced productivity

⁶ Commonwealth Parliamentary Debates, House of Representatives, 12 November 1998, pp. 270-1.

levels, and will contribute to increased compliance with modern occupational health and safety standards.

The development proposal will provide RAAF Base Amberley with appropriate, functional facilities and working environments for long-term efficient support of the strike reconnaissance and other ADF capabilities, whilst ensuring flexibility for future uses. The estimated out turn cost of the proposal is \$73.7 million. Subject to Parliamentary approval, construction would commence in February 1999 and be completed in the financial year 2001/02.

The Public Works Committee in its report tabled on 30 June 1998 concluded that there is a need for these facilities and recommended that they proceed subject to the following recommendations: the Department of Defence should consult further with heritage authorities before demolishing a number of buildings identified as historically significant and, as part of the project, the Department of Defence would undertake a detailed study of liquid trade waste generation and its storage, treatment and disposal to eliminate any risks of toxic substances entering waterways adjacent to the Base or entering the water table.

The Committee believes that whilst the proposed Base auditorium has considerable merit an examination should be undertaken of alternative buildings which could be modified for use as an auditorium. The Department of Defence agrees with the PWC recommendations and comments. I would like to thank the Committee for its support and I commend the motion to the House.

Question resolved in the affirmative.

APPENDIX C

OVERSEAS WORKS EXAMINED BY THE COMMITTEE—1983-95

(Cost estimates are expressed in September 1998 prices using the implicit price deflator for non-farm gross domestic product (1996-97 = 100) and are based on the estimated cost of proposals when referred to the Committee)

- 1983—*Chancery complex and staff housing at Riyadh, Kingdom of Saudi Arabia (Eighth Report of 1983, Parliamentary Paper 307/1983).*
 - Cost—\$31.9 million
- 1984—*Australian Embassy complex at Beijing, Peoples' Republic of China (Seventeenth Report of 1994, Parliamentary Paper 176/1984).*
 - Cost—\$57.0 million
- 1990—*Australian High Commission and Defence Housing, Port Moresby, Papua New Guinea (Ninth Report of 1990, Parliamentary Paper 377/1990)*
 - Cost—\$18.912 million

Due to the restriction in the *Public Works Committee Act 1969* on meeting of the Public Works Committee outside Australia and its external Territories, the Committee was unable to inspect the proposed site or existing accommodation in Port Moresby. This is completely contrary to the normal practice of the Committee which has always regarded site inspections as an integral and extremely important part of its consideration of a project.

In this particular case, due to the absence of a site inspection, the Committee was hampered in its consideration of the project, particularly in relation to issues of security. The Committee believes that Section 12(1) of the *Public Works Committee Act 1969* should be amended to remove the restriction on Committee meetings held outside Australia.¹

¹ Committee's report, paragraphs 8-9.

- *1991—Australian Embassy Complex, Jakarta, Indonesia (Fourth Report of 1991, Parliamentary Paper 98/1991)*

- Cost—\$12.8 million

Due to the restriction in the *Public Works Committee Act 1969* on meetings of the Public Works Committee outside Australia and its external Territories, the Committee was unable to inspect the proposed site or existing accommodation in Jakarta. As pointed out previously by the Committee [see above], this is completely contrary to the Committee's normal practice as it has always regarded site inspections as an integral and extremely important part of the consideration of a project.

The Committee has therefore been hampered in its consideration of the project, particularly in relation to the suitability of the proposed site, and has had to rely solely on the evidence put to it...²

- *1991—Australian High Commission Complex, Islamabad, Islamic Republic of Pakistan (Committee's Sixth Report of 1991, Parliamentary Paper 225/1991)*

- Cost—\$8.853 million

Because of the restriction in the *Public Works Committee Act 1969* on holding meetings of the Public Works Committee outside Australia and its external Territories, the Committee was unable to inspect the proposed site or existing accommodation in Islamabad. As pointed out previously [see above], this is completely contrary to the Committee's normal practice as it has always regarded site inspections as an integral and extremely important part of the consideration of a project. Adequate local knowledge is important to the Committee, and very often this cannot be gleaned simply from video productions and written submissions.

The Committee has therefore been hampered in its consideration of the project particularly in relation to the suitability and size of the proposed site, and has had to rely solely on the evidence put to it...³

² Committee's report, paragraphs 8-9.

³ Committee's report, paragraphs 8-9.

- 1992—Australian Embassy complex in Suva, Republic of Fiji (*Committee's Fourteenth Report of 1992, Parliamentary Paper 465/1992*)

- Cost—\$10.271 million

The Committee again draws attention to the continuing difficulty it faces in assessing overseas projects, as under current legislation it is unable to meet outside Australia or its external Territories. Until this legislation is amended, to enable site inspections to be carried out overseas, the Committee continues to reluctantly give approval for construction of projects which, in its view, it has been unable to properly assess.⁴

- 1992—Australian Embassy staff apartments, Attakarn Prasit, Bangkok, Thailand (*Committee's Fifteenth Report of 1992, Parliamentary Paper 497/1992*)

- Cost—\$10.271 million

The Committee again draws attention to the continuing difficulty it faces in assessing overseas projects, as under current legislation it is unable to meet outside Australia or its external Territories. Until this legislation is amended, to enable site inspections to be carried out overseas, the Committee continues to reluctantly give approval for construction of projects which, in its view, it has been unable to properly assess.⁵

- 1994—Australian Embassy complex in Hanoi, Socialist Republic of Vietnam (*Committee's Fifth Report of 1994, Parliamentary Paper 116/1994*)

- Cost—\$25.396 million

- 1994—Construction of a new chancery at Port Moresby, Papua New Guinea (*Committee's Eighth Report of 1994, Parliamentary Paper 412/1994*)

- Cost—\$24.3 million

Due to the restriction in the *Public Works Committee Act 1969* on meetings of the Public Works Committee outside Australia and its external Territories, the Committee was unable to inspect the

⁴ Committee's report, paragraph 6.

⁵ Committee's Report, paragraph 6.

proposed site or existing accommodation in Port Moresby. As pointed out previously by the Committee (see report relating to the construction of Australian High Commission and Defence housing, Port Moresby, Papua New Guinea, Ninth Report of 1990), this is contrary to the Committee's normal practice as it has always regarded site inspections as an integral and extremely important part of the consideration of a project. However, in this instance, the Chairman and Vice-Chairman have had the opportunity to inspect the proposed site and existing Chancery in the course of other Parliamentary work.⁶

- *1995—Refurbishment of Australia House, London (Committee's Fourth Report of 1995, Parliamentary Paper 75/1995*
 - Cost—\$15.5 million

Section 12(1) of the *Public Works Committee Act 1969* does not allow meetings of the Public Works Committee outside Australia and its external Territories. The effect of this restriction has been that the Committee has been limited in its capacity to properly fulfill its obligations to adequately examine overseas works. In particular the Committee believes that the lack of the opportunity to undertake site inspections has been particularly unfortunate.

The lack of site inspections is completely contrary to the Committee's normal practice as it has always regarded site inspections as an integral and extremely important part of the consideration of a project. However, in this instance the Chair together with the Hon. Ben Humphreys MP and the Committee Secretary, prior to the project being referred to the Committee, had the opportunity to inspect Australia House and in particular the areas to be refurbished in the course of other parliamentary business in July 1994. In addition most of the other members of the Committee have visited Australia House in recent years.

The Committee wishes to stress that on this occasion, through fortuitous circumstances it has been able to carry out an inquiry into an overseas project on almost similar terms to a project being undertaken in Australia. The Committee believes that its inquiry has therefore been more thorough and relevant than is the case with other inquiries into overseas projects.

The restriction on the Committee meeting outside Australia and its external Territories was inserted in the Act when it was amended in 1981 to provide for overseas works to be referred to the Committee. While the Committee accepts that in 1981 it may have been

⁶ Committee's Report, paragraph 7.

acceptable for this restriction to be placed on the activities of the Committee it believes that it is no longer justified. The Committee can see no valid reason for it to be placed in an inferior position to other parliamentary committees in relation to its ability to meet outside Australia or its external Territories. The Committee points out for example that the Joint Committee on Foreign Affairs, Defence and Trade has recently travelled to Indonesia, Papua New Guinea and Thailand while the Australia-New Zealand exchange program has seen a number of committees including the Public Accounts Committee travel to New Zealand.⁷

- *1995—New chancery, Geneva (Committee's Twentieth Report of 1995, Parliamentary Paper 191/1995)*
 - Cost—\$23.699 million
- *1995—Refurbishment of Australian Embassy, Washington (Committee's Twenty-first report of 1995, Parliamentary Paper 192/1995)*
 - Cost \$16.89 million

...the Committee again draws attention to its inability to travel overseas to inspect existing premises, proposed sites and to have discussions with planners, designers and staff. The Committee regards this as a completely unsatisfactory situation.⁸

- *1995--20 apartments for Australian High Commission Staff, Kuala Lumpur (Committee's Twenty-seventh report of 1995, Parliamentary Paper 304/1995)*
 - Cost—\$11.98 million

The Committee again draws attention to its inability to travel overseas to inspect existing premises and proposed sites and to have discussions with planners, designers and staff. The Committee regards this as a completely unsatisfactory situation.⁹

⁷ Committee's Report, paragraphs 8-11.

⁸ Committee's Report, paragraph 3.

⁹ Committee's Report, paragraph 4.

- *1995—10 apartments for Consulate-General staff, Shanghai (Committee's Twenty-eighth report of 1995, Parliamentary Paper 305/1995)*

- Cost—\$11.117 million

The Committee again draws attention to its inability to travel overseas to inspect existing premises, proposed sites and to have discussions with planners, designers and staff. The Committee regards this as a completely unsatisfactory situation.¹⁰

¹⁰ Committee's Report, paragraph 4.