Title: Guide to the Parliamentary Standing Committee on Public Works Approval Process

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1. Overview

The following guide provides information on the requirement to refer public works to the Parliamentary Standing Committee on Public Works where the estimated cost on completion exceeds:

- $8 million for building or construction works; and
- $15 million for road or bridges works.

Treasurer’s Instruction PF-4 Procurement Framework - Policies impacting on procurement building and construction roads and bridges states that agencies must comply with the requirements of the Public Works Committee Act 1914. The Parliamentary Standing Committee on Public Works approval process is also a legislative requirement.

The review process conducted by the Committee is an integral part of the framework for asset procurement by the Tasmanian State Government. The Committee’s charter is set out in the Act.

The Committee includes Members of the Government, Opposition and Independents drawn from both the House of Assembly and the Legislative Council. The Committee reports to the House of Assembly or, if the House is not sitting, His or Her Excellency the Governor.

The Committee scrutinises major Government public works projects, and in particular reports on the "necessity or advisability of carrying [the project] out" (section 15(2b)) and on the "present and prospective public value of the work" (section 15(2c)).

2. Coverage

All public works undertaken by a general government sector body with an estimated cost, on completion, of more than:

- $8 million for building or construction works; and
- $15 million for road or bridges works

(except those projects that are withdrawn from the operation of the Act by a resolution by both Tasmanian Houses of Parliament) must be referred to the Committee.

A general government sector body includes a Government department (as defined in the State Service Act 2000) and any State authority (classified as an entity within the general government sector in the Treasurer’s annual report).

In the past, projects from funding sources other than the Consolidated Fund had been excluded from the Act. In 2009 legislative amendments enabled the Committee to scrutinise major projects funded under infrastructure programs such as the Economic and Social Infrastructure Fund and those undertaken by statutory authorities (such as the State Fire Commission), as well as projects funded by the Australian Government.
Agencies and entities required to submit a project to the Committee are referred to as ‘sponsoring bodies’ in this guide.

3. Submission

Before a project can be submitted to the Committee, approval for funding must be secured. The submission to the Committee must establish that the need for the project is consistent with:

- for agencies, the sponsoring body’s Strategic Asset Management Plan, its services delivery program and its Corporate Plan; and
- for other entities, the sponsoring body’s asset plan and its Strategic Plan.

The submission to the Committee needs to indicate that the project design has addressed "value for money" issues, including life-cycle costing over the project's proposed life.

4. Procedures Required to Establish a Hearing

4.1 PREPARATION OF EXECUTIVE COUNCIL PAPERS

The sponsoring body is required to prepare the following Executive Council papers:

- a Minute from the sponsoring body’s Minister to the Governor-in-Council requesting referral of the project to the Committee;
- an Explanatory Memorandum from the Minister; and
- a Message from the Governor-in-Council to the Chairman of the Committee.

Template documentation is available from the Purchasing website.

4.2 REFERRAL OF THE PROJECT TO THE COMMITTEE

The sponsoring body is to forward the required documentation to the appropriate Minister for signature. The signed documents are then forwarded to the Secretary/Clerk of the Executive Council in the Department of Premier and Cabinet for presentation to the next available Executive Council meeting.

After the matter has been dealt with by the Executive Council, the Secretary/Clerk of the Executive Council returns the Message to the Minister’s office. The Minister’s office will forward the Message to the sponsoring body for it to arrange a date for the Hearing with the Secretary of the Committee.

4.3 PREPARATION OF MATERIAL FOR SUBMISSION

Submission material is not required to be completed at the time of referral of the project to the Committee.

The submission is in three parts:

1. the sponsoring body’s written submission, directed towards establishing the need for the project;
2. the consultant's written and drawn submission, justifying the project. For example indication that the cost estimate is appropriate based on the project design; and
3. an executive summary of the need for the project and how it addresses the need.
The consultant is responsible for the integration of the documentation, which must be selected and presented in a form readily understood. The evidence includes:

**Drawn Evidence**
- location plan;
- site plan;
- floor plans;
- all elevations;
- sections; and
- perspective - isometric view or a model is considered desirable.

**Written Evidence**
- an outline of the final project brief;
- a description of the location and site, indicating any planning or environmental constraints;
- a description of the design solution indicating the fitness of the scheme for its purpose;
- a brief description of the structure, materials, finishes, fittings, and electrical, mechanical and other engineering services and site proposals; and
- the cost estimate with a breakdown.

Ten copies of the written submission are to be delivered to the Secretary of the Committee at Parliament House at least two weeks prior to the Hearing.

**4.4 DATE FOR THE HEARING**

The setting of hearing dates is vital to the orderly flow of infrastructure programs. Normal considerations in setting dates are:

- where more than one project is located in the same area, the Committee prefers to hold hearings in the same week;
- hearings are held mainly when Parliament is not in session, but they may be arranged throughout the year with the exception of the mid-December to mid-January holiday period; and
- when Parliament is sitting, the Committee prefers hearings on either a Monday or a Friday.

Hearings are held in public and any person, or organisation, may give evidence at a hearing.

Advertisements are placed in appropriate newspapers by the Committee's Secretary notifying the public of the hearing. These advertisements will appear at least two weeks before the hearing.

While the sponsoring body and consultant may prefer an early hearing, it must not be assumed that the Committee will set hearing dates to suit pre-determined cash flows or a planned contract commencement date. Early programming of the hearing date is therefore essential.
4.5 THE HEARING

The Committee is required to consider and report on every proposed public works for which Parliamentary approval is required. It is required to take such measures and procure such information as are required to enable it to inform or satisfy Parliament as to the expedience of carrying out the works.

The Committee is empowered to summon any witness, from the public or private sector of Tasmania, to appear before it to give evidence and produce documents. All evidence is given under oath and those persons scheduled to give evidence are sworn in.

The hearing needs to assess two issues:

1. the need for the project. The evidence for the need is normally presented by the sponsoring body; and
2. the suitability of the proposed solution to meet the need, ie the proposed design. This is generally presented by the consultant.

The two issues may be integrated into the one submission for presentation at the hearing.

Members of the Committee may question the sponsoring body's representatives, the consultant, or members of the public, including those opposed to the proposal, in order to inform themselves of the proposal. The Committee may require further hearings to allow additional evidence for or against the proposal to be gathered and presented.

4.6 FURTHER EVIDENCE REQUIRED BY THE COMMITTEE

The Committee Secretary will advise of the need for further evidence. This may involve a simple written answer, which must be submitted under the signature of a person who was sworn in at the start of the hearing or a further hearing.

4.7 COMMITTEE REPORTS ON PROJECT

The Committee reports to either the House of Assembly, or in circumstances where the House is suspended, His or Her Excellency the Governor after considering the evidence submitted. If the Committee recommends the project, arrangements may be made for it to proceed. If the Committee does not recommend the project, it may only be proceeded with under the authorisation of an Act of Parliament (refer to Section 16(5) of the Public Works Committee Act 1914). The Committee does not determine a call tender date, contract period or cash flow.

4.8 WITHDRAWAL OF A PROJECT

If the proposed project is cancelled or is to be deferred indefinitely, the sponsoring body must notify the Committee of the change in circumstances as soon as possible. This may be achieved by giving direct written notification to the Committee or via the Governor-in-Council.