

## DRAFT SECOND READING SPEECH

HON PETER GUTWEIN MP

### *Public Works Committee Amendment Bill 2019*

*\*check Hansard for delivery\**

Madam Speaker, the Public Works Committee Amendment Bill 2019 seeks to amend the *Public Works Committee Act 1914*.

Currently, public works valued over \$5 million must be referred to the Parliamentary Standing Committee on Public Works for its consideration.

This Bill proposes increases to the threshold above which works must be considered by the Committee to enable the design and construction of infrastructure projects that are valued below the new thresholds to proceed without unnecessary delay. The proposed thresholds are:

- \$8 million for building or construction works; and
- \$20 million for road or bridges works.

Madam Speaker, the thresholds have not been reviewed for a decade with the last increase being in 2009. At this time the threshold was increased from \$2 million to \$5 million, to enable the timely delivery of infrastructure investment funded by the economic stimulus package by the then Australian Government.

Noting that the thresholds have not been increased over this period now is the opportune time to review and lift the current threshold. In the 10 years since the threshold was last reviewed, the building and construction industry in Tasmania has undergone rapid expansion. We are investing in new roads and bridges, hospitals, police stations, affordable housing and schools needed for the 21st century. This Bill will assist in ensuring that we are able to build the infrastructure needed to support and cater for our growing State's needs into the future.

The Government's focus on delivering infrastructure projects to improve our way of life and underpin our economy has meant that there is an ever increasing number of projects for review by the Committee.

If the current threshold is maintained, the 2019 Tasmanian Infrastructure Project Pipeline identifies 73 projects over the course of three years that would require referral to the Committee. Should the thresholds proposed in this Bill be effected, that number is expected to still be around 50 projects to be considered by the committee.

The role that the Committee plays is an important one. It is important that significant expenditure of public funds is given proper and full consideration especially in relation to larger more complex and expensive projects. However, this is difficult if the Committee lacks time to dedicate sufficient effort in this task for every project and lacks the opportunity to hear a full range of community views about major projects.

The reduction in the number of projects requiring referral proposed in the Bill will mean full and proper consideration can be given to high value, higher risk projects. Importantly, the ability of the

public to provide the Committee with a full range of community views on high value, generally more complex higher risk projects is preserved.

The Bill proposes two thresholds for the referral of works; one for building and construction at \$8 million and one for roads and bridges at \$20 million. This is designed to ensure the Committee is considering projects at the right level whilst less complex projects with lower risk are able to proceed in a timely way.

Roads and bridges projects are inherently expensive. Road and bridges projects under \$20 million, although costly, are not normally considered high risk and generally are routine works at this level. Streamlining process requirements for lower risk projects means the public will receive the benefits of these investments as quickly as possible.

Madam Speaker to ensure that any project can be reviewed by the committee if deemed necessary, the current legislation allows for all projects regardless of their value, to be referred to the Committee for review.

During the development of this Bill the Government consulted with the Committee and proposed increasing the thresholds to \$10 million for building and construction and \$30 million for roads and bridges.

The committee informed me that \$20 million for proposed road and bridge construction works and \$8 million for all other proposed public works may be more appropriate and that these values be a starting point for debate in Parliament.

I want to thank the committee for its involvement and feedback and as a result the Bill before the house contains these thresholds.

The ability to progress proposed works promptly will assist industry to plan and schedule works within key construction windows.

Importantly, the Bill strikes the right balance with the requirement for Committee review whilst providing an opportunity for public input.

I commend the Bill to the House.