

# **PUBLIC WORKS COMMITTEE AMENDMENT BILL 2009**

## **SECOND READING SPEECH**

Mr Speaker

The *Public Works Committee Amendment Bill 2009* provides for an Act to amend the *Public Works Committee Act 1914*.

This Bill is another element in the Government's strategy to enable it to meet the tight timeframes set for the delivery of infrastructure works under the Nation Building - Economic Stimulus Plan.

Mr Speaker, I am sure I do not need to remind Honourable members of the benefits to be gained in terms of Tasmanian jobs, public housing and school facilities that arise from the Australian Government Stimulus Plan – benefits which I outlined to you when I recently introduced the *Nation Building and Jobs Plan Facilitation Bill* into the House.

That Bill introduced measures to ensure that planning delays did not threaten the achievement of the Commonwealth's very strict deadlines in spending the funding under the stimulus package. The Treasurer has also issued a new Treasurer's Instruction to enable agencies to streamline the procurement process for works impacted by the stimulus package. Agencies are still required to ensure that the procurement principles are upheld. These principles are of value for money, open and effective competition, compliance with ethical standards and the procurement code of conduct and enhancing opportunities for local business.

Mr Speaker, the amendments contained within the Bill now before the House are aimed at increasing the limit above which projects must be referred to the Parliamentary Standing Committee on Public Works from the current \$2 million to \$5 million. This will shorten the time taken from design to construct for those projects valued below the new threshold. It will also ease the pressure on the Committee from the anticipated influx of public works projects arising from the stimulus package. Thereby, allowing the Committee to give full consideration to those higher value projects above \$5 million.

The increase in the threshold to \$5 million also, in part, reflects increased construction costs since the last time the threshold was reviewed. The last review was in 2001, when it was increased from \$1 million to \$2 million.

The general increase in costs of capital works over this time necessitates the increase moving beyond the immediate timing implications of the Nation Building - Economic Stimulus Plan works.

Mr Speaker, at the same time as increasing the value of the threshold, the Bill expands the scope of the Committee beyond those public works funded from the Consolidated Fund. Under the amendments, any works over the \$5 million threshold undertaken by general government entities, regardless of the source of funds, will be automatically referred to the Committee.

This will provide Parliamentary scrutiny of major projects funded under infrastructure programs such as the Economic and Social Infrastructure Fund and those undertaken by statutory authorities (such as the new education entities and the State Fire Commission), which have previously been excluded.

The Bill also provides for a transitional provision to clarify that any public works project between the value of \$2 million and \$5 million that is currently under scrutiny by the Committee on the date the Bill receives Royal Assent still requires the Committee's approval.

Mr Speaker, I remind the Honourable members that the Principal Act retains the existing provision for a public work to be withdrawn from the operation of the Act by way of a resolution by both Houses of Parliament. This may be required, for example, in the case where a large works project funded under the Nation Building - Economic Stimulus Plan, will not meet the tight timeframes for construction if referred to the Committee.

At the same time, should the House of Assembly consider it appropriate for a particular project below the \$5 million threshold to be referred to the Committee, it may do so by resolution in accordance with Section 17 of the Act.

Mr Speaker, I would expect the Opposition to be fully supportive of the proposed changes to widen the scope of the Committee, given its recent attempt to introduce an amendment to the Act, allowing the Committee to report on all public works over \$2 million funded from the Public Account (not just the Consolidated Fund).

Indeed, the Bill I have just introduced proposes a wider scope to that proposed by the Opposition and, as the Greens supported the Opposition's proposed amendment on the basis that the amendment would increase scrutiny over Government expenditure – I would also expect the full support of the Greens.

Mr Speaker, I commend the Bill to the House.