



PARLIAMENT OF AUSTRALIA

Cocos (Keeling) Islands — West Island, Seawater Reverse Osmosis Plant Project and other works

Report 3/2023

Parliamentary Standing Committee on Public Works

May 2023

CANBERRA

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This committee is supported by staff of the Department of the House of Representatives.

List of recommendations

Recommendation 1

- 2.35** The Committee recommends that the House of Representatives resolve, pursuant to Section 18(7) of the *Public Works Committee Act 1969*, that it is expedient to carry out the following proposed works: Department of Infrastructure, Transport, Regional Development, Communications and the Arts, Cocos (Keeling) Islands – West Island, Seawater Reverse Osmosis Plant Project.

Recommendation 2

- 3.48** For future projects that fall within the oversight of the Public Works Committee, the Committee recommends that the Australian Taxation Office conduct broader staff consultation during the design phase.

Recommendation 3

- 3.50** The Committee recommends that the House of Representatives resolve, pursuant to Section 18(7) of the *Public Works Committee Act 1969*, that it is expedient to carry out the following proposed works: Australian Taxation Office - Australian Taxation Office Fit-out—Proposed Fit-out of Existing Leased Premises at 200 Collins Street, Hobart, Tasmania.

Recommendation 4

- 4.56** The Committee recommends that the House of Representatives resolve, pursuant to Section 18(7) of the *Public Works Committee Act 1969*, that it is expedient to carry out the following proposed works: Department of Foreign Affairs and Trade – Proposed Construction and Decommissioning of the Australian Pavilion at the World Expo 2025 Osaka, Kansai, Japan.



1. Introduction

- 1.1 Under the *Public Works Committee Act 1969* (the Act), the Parliamentary Standing Committee on Public Works (the Committee) is required to inquire into and report on public works referred to it through either House of Parliament. Referrals are made pursuant to section 18 of the Act, and by practice are made by the Minister for Finance or their delegate in the House of Representatives or the Senate.
- 1.2 All public works that have an estimated cost exceeding \$15 million¹ must be referred to the Committee. The public works cannot be commenced until the Committee has made its report to Parliament, the House of Representatives receives that report, and resolves that it is expedient to carry out the work.²
- 1.3 Under section 5 of the Act, a public work is a work proposed to be undertaken by the Commonwealth or on behalf of the Commonwealth concerning:
- the construction, alteration, repair, refurbishment or fitting-out of buildings and other structures
 - the installation, alteration or repair of plant and equipment designed to be used in, or in relation to, the provision of services for buildings and other structures
 - the undertaking, construction, alteration or repair of landscaping and earthworks (whether or not in relation to buildings and other structures)
 - the demolition, destruction, dismantling or removal of buildings, plant and equipment, earthworks, and other structures
 - the clearing of land and the development of land for use as urban land or otherwise
 - any other matter declared by the regulations to be a work.
- 1.4 Section 17 of the Act requires that the Committee consider and report on:
- the purpose of the work and its suitability for that purpose
 - the need for, or the advisability of, carrying out the work
 - whether the money to be expended on the work is being spent in the most cost effective manner


¹ The threshold amount for a public work for Defence purposes is \$75 million as per *Public Works Committee Regulation 2016*, Part II, Section 7(a).

² The Act, Part III, Section 18(8). Exemptions from this requirement are provided for work of an urgent nature, defence work contrary to the public interest, repetitive work and work by prescribed authorities listed in the Regulations.

- the amount of revenue the work will generate for the Commonwealth, if that is its purpose
 - the present and prospective public value of the work.
- 1.5 The Committee evaluates the above matters and any other relevant factors when considering the proposed work.

Structure of the report

- 1.6 In considering the works, the Committee analysed the evidence presented by the proponent agencies, including submissions and evidence received at the public and in-camera hearings.
- 1.7 In consideration of the need to report expeditiously as required by section 17(1) of the Act, the Committee has only reported on significant issues of interest or concern.
- 1.8 Chapter 2 addresses the proposed Department of Infrastructure, Transport, Regional Development, Communications and the Arts, Cocos (Keeling) Islands, West Island - Seawater Reverse Osmosis Plant. The estimated cost of this project is \$19.6 million (excluding GST).
- 1.9 Chapter 3 addressed the Australian Taxation Office Proposed Fit-out of Existing Leased Premises at 200 Collins Street, Hobart, Tasmania. The estimated cost of this project is \$24.5 million (excluding GST).
- 1.10 Chapter 4 addressed the Department of Foreign Affairs and Trade, Proposed Construction and Decommissioning of the Australian Pavilion at the World Expo 2025 Osaka, Kansai, Japan. The estimated cost of this project is \$59.8 million (excluding GST).
- 1.11 Submissions for the projects are listed at Appendix A. The hearings and witnesses are listed at Appendix B.



2. Cocos (Keeling) Islands, West Island - Seawater Reverse Osmosis Plant

Department of Infrastructure, Transport, Regional Development, Communications and the Arts

- 2.1 The Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRDCA) seeks approval from the Committee to proceed with the construction of a Seawater Reverse Osmosis Plant (SWRO) on West Island, Cocos (Keeling) Islands.
- 2.2 The total estimated cost of the project is \$19.6 million (excluding GST).¹
- 2.3 The project was referred to the Committee on 7 March 2023.

Conduct of the inquiry

- 2.4 Following referral, the inquiry was publicised on the Committee's website and via twitter.
- 2.5 The Committee received two submissions and one confidential submission. A list of submissions can be found at Appendix A.
- 2.6 On 28 February 2023 the Committee visited the site of the proposed SWRO on West Island. On 21 April 2023 the Committee received a project briefing and held public and in-camera hearings at Australian Parliament House, Canberra. A transcript of the public hearing is available on the Committee's website.

Need for the works

- 2.7 The works will supply drinking water to the community of West Island, Cocos (Keeling) Islands (CKI). West Island has a population of approximately 140 residents and is located in the Indian Ocean, 2 936 kilometres north-west of Perth. The

¹ Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRDCA), *Submission 1*, p. 22.

Australian Government is responsible for delivering essential services to CKI, including drinking water.²

- 2.8 Drinking water on West Island is currently sourced from a freshwater lens located below the airfield. This lens has three galleries, two of which are not used due to contamination. The limit of water that can be drawn from the remaining gallery is 80kL/day, which only just meets the community's current water requirements.³
- 2.9 The lens is considered vulnerable to further contamination, including pollutants from the surface and seawater intrusion.⁴ The groundwater vulnerability of the remaining gallery has been assessed as 'extreme'.⁵ The airfield is about to undergo significant upgrade works, which will increase the risk of contamination and increase water demand beyond the existing capacity.⁶

Options considered

- 2.10 DITRDCA advised it had considered three options:
- Option 1 – Do nothing
 - Option 2 – Add additional galleries to the existing lens or the Northern lens to increase water production
 - Option 3 – Supply and install SWRO.⁷
- 2.11 Option 3 is the preferred option. Option 1 has unacceptable consequences for public health and safety. Option 2 was discarded as 'use of the groundwater from these sources is not considered suitable by Water Corporation and the Western Australia Department of Water and Environmental Regulation for a public drinking water supply'.⁸

Scope of the works

- 2.12 The proposal is for the installation of a new 200kL/day SWRO plant and supporting works. The SWRO plant will be installed next to the existing Wastewater Treatment Plant (Sydney Highway, West Island).⁹
- 2.13 This site has the following works:
- two fabricated buildings for the SWRO plant

² DITRDCA, *Submission 1*, p 6.

³ DITRDCA, *Submission 1*, p. 8.

⁴ DITRDCA, *Submission 1*, p. 7.

⁵ DITRDCA, *Submission 1*, p. 8.

⁶ DITRDCA, *Submission 1*, p. 8.

⁷ DITRDCA, *Submission 1*, p. 9.

⁸ DITRDCA, *Submission 1*, p. 9.

⁹ DITRDCA, *Submission 1*, p. 11.

- a shade structure for outside components
 - support facilities such as a laboratory, kitchen, ablutions, switch room and workshops
 - a vehicle and pedestrian access road and hardstand areas within the site
 - drainage works
 - secure fencing and lockable vehicle gates.
- 2.14 The SWRO obtains seawater through beach bores. Drilling of these bores was completed in November 2022 (the Committee approved the drilling works in February 2022). The proposed bore works include:
- installation and fit-out of four beach bores (three duty, one standby)
 - a new seawater feedline from the bore field to the SWRO.
- 2.15 The SWRO will be fully automated with remote access to instrumentation and control. The works include the supply and installation of optic fibre communications cable to Water Corporation’s CKI West Island office. There will also be an upgrade to the existing local power network to both the plant and the bore sites, including a redundancy supply.¹⁰
- 2.16 The works include the supply and installation of a three-kilometre water pressure main from the SWRO plant to the existing West Island ground water tanks (1 and 2) which connect into the main water supply.¹¹
- 2.17 The SWRO process creates brine waste. The proposed works include the supply and installation of a brine disposal pump station and disposal pipeline. Disposal will be integrated with the existing wastewater treatment outfall.¹²

Community consultation

- 2.18 DITRDCA advised that it has undertaken consultation with the following key stakeholders:

Australian Government:

- (1). Administrator of the Territory of the Cocos (Keeling) Islands
- (2). Indian Ocean Territories Administration
- (3). Indian Ocean Territories Power Service
- (4). Department of Climate Change, Energy, the Environment and Water
- (5). Department of Defence

b. Western Australian Government

¹⁰ DITRDCA, *Submission 1*, p. 16.

¹¹ DITRDCA, *Submission 1*, p. 12.

¹² DITRDCA, *Submission 1*, p. 12.

- (1). Department of the Premier and Cabinet
- (2). Department of Health (water quality)
- (3). Department of Water and Environmental Regulation
- (4). Department of Planning, Lands and Heritage

c. Local Government

- (1). Shire of Cocos (Keeling) Islands

d. Other stakeholders

- (1). Cocos (Keeling) Islands residential and business community
- (2). AECOM (Department of Defence contractor)
- (3). Fulton Hogan (Department of Defence contractor)
- (4). Toll (CKI Airport operator)

- (5). Linx (Port operator)¹³

- 2.19 The local community is aware of the risk to the drinking water and is in favour of the SWRO project. DCITRDA advised:

The main concern of the community is the risk to the current drinking water source and the risk of contamination and what that could mean for them. They are familiar with the existing Home Island plant, which has been very reliable and well received by the community. The general consensus we are hearing on island from the West Island community is that they're looking forward to having a secure and reliable source.¹⁴

- 2.20 The Committee also received a submission from the Indian Ocean Territories Regional Development Organisation, expressing its view that the SWRO will result in positive outcomes and lasting benefit to the local community and economy.¹⁵

Cost

- 2.21 The estimated cost of the project is \$19.6 million (excluding GST). This includes management and design fees, construction costs, contingencies, and a provision for escalation.¹⁶
- 2.22 DITRDCA will engage a design and construct head contractor to deliver the works, using subcontractors where needed. The head contractor will be selected from a list of contractors approved by the Federal Safety Commission and 'tier 1 Water Corporation approved contractors'.¹⁷

¹³ DITRDCA, *Submission 1*, p. 21.

¹⁴ Ms Sarah Vandenbroek, First Assistant Secretary, Territories Division, Department of Infrastructure, Transport, Regional Development, Communications and the Arts, *Committee Hansard*, Canberra, 21 April 2023, p. 3.

¹⁵ Indian Ocean Territories Regional Development Organisation, *Submission 2*, p. 2.

¹⁶ DITRDCA, *Submission 1*, p. 22.

¹⁷ Mr Jason Rechichi, Project Leader, Water Corporation, *Committee Hansard*, Canberra, 21 April 2023, p. 2.

- 2.23 DITRDCA do not expect any increase in operating costs as a result of the proposed works, with future maintenance costs being managed from DITRDCA's ongoing appropriation.¹⁸
- 2.24 DITRDCA provided further details on project costings in its confidential submission and during an in-camera hearing. The Committee is satisfied with the rationale underpinning the project costing.

Revenue

- 2.25 The project will not create additional revenue. Users will continue to pay Water Corporation for sewerage and water services, with prices fixed under the Cocos (Keeling) Islands Utilities and Services (Water, Sewerage and Building Application Service Fees) Determination 2016. The cost per kilolitre is benchmarked against costs in Western Australia, and is unrelated to the cost of production.¹⁹ The water services revenue is remitted back to the Commonwealth.²⁰

Public value

- 2.26 DITRDCA considers that the project is in the public interest and will provide significant benefits to the West Island community.
- 2.27 Most importantly, the project will protect public health and safety by ensuring a future supply of safe drinking water. Conversely, a failure to provide a new supply will pose a risk to public health through the vulnerability of the existing water supply to contamination.²¹ DITRDCA advises that the emergency provision of water would be 'expensive and logistically challenging' given the remoteness of CKI from mainland Australia.²²
- 2.28 DITRDCA considers that the project also has value to future economic development on CKI, stating:
- ...water security is an essential precursor for economic diversification and is required to support industries across CKI, including tourism, education and hospitality, as well as attracting investors by providing certainty in the provision of potable water, which will not impede the establishment, maintenance and growth of businesses or industries.²³

¹⁸ DITRDCA, *Submission 1*, p. 22.

¹⁹ Ms Vandenbroek, *Committee Hansard*, Canberra, 21 April 2023, p. 2.

²⁰ DITRDCA, *Submission 1*, p. 24.

²¹ DITRDCA, *Submission 1*, p. 8.

²² DITRDCA, *Submission 1*, p. 10.

²³ DITRDCA, *Submission 1*, p. 10.

2.29 The proposed works may also provide employment opportunities for local industry in the short-term, primarily in site preparation and clearing vegetation, and in the construction labour market.²⁴

2.30 In its submission, the Indian Ocean Territories Regional Development Organisation supported the SWRO's role in long term economic growth, stating:

In addition to providing long-term water security, the proposed Seawater Reverse Osmosis Plant on West Island will remove one of the numerous barriers to sustainable tourism and other development. It will also provide short-term contract and employment opportunities for residents and local businesses.²⁵

Committee comment

2.31 The Committee was satisfied that the proposed project has merit in terms of need, scope, and cost.

2.32 It is clear that the existing water supply is vulnerable to contamination and will not meet future demand. The SWOR plant allows for a secure source of drinking water that will support the development of CKI into the future.

2.33 The Committee notes DITRDCA's efforts to ensure that the SWOR is fit for the challenges of this location and to reduce ongoing maintenance costs.

2.34 Having regard to its role and responsibilities contained in the Public Works Committee Act 1969, the Committee is of the view that this project signifies value for money for the Commonwealth and constitutes a project which is fit-for-purpose, having regard to the established need.

Recommendation 1

2.35 The Committee recommends that the House of Representatives resolve, pursuant to Section 18(7) of the *Public Works Committee Act 1969*, that it is expedient to carry out the following proposed works: Department of Infrastructure, Transport, Regional Development, Communications and the Arts, Cocos (Keeling) Islands – West Island, Seawater Reverse Osmosis Plant Project.

2.36 Proponent entities must notify the Committee of any changes to the project scope, time, cost, function or design. The Committee also requires that a post-implementation report be provided within three months of project completion. A report template can be found on the Committee's website.

²⁴ DITRDCA, *Submission 1*, p. 23.

²⁵ Indian Ocean Territories Regional Development Organisation, *Submission 2*, p. 2.



3. Proposed Fit-out of Existing Leased Premises at 200 Collins Street, Hobart, Tasmania

Australian Taxation Office

- 3.1 The Australian Taxation Office (ATO) seeks approval from the Committee to proceed with the proposed fit-out of its existing leased premises at 200 Collins Street, Hobart, Tasmania.
- 3.2 The purpose of the project is to refurbish the reduced leased area to ensure it is fit for purpose, supports staff and the ways of working in the ATO.¹
- 3.3 The total estimated cost of the fit-out is \$24.5 million (excluding GST).²
- 3.4 The project was referred on 7 February 2023.

Conduct of the inquiry

- 3.5 Following referral, the inquiry was publicised on the Committee's website and on twitter.
- 3.6 The Committee received two submissions and two confidential submissions. A list of submissions can be found at Appendix A.
- 3.7 On 5 April 2023, the Committee attended a project briefing and site inspection at 200 Collins Street, Hobart. This was followed by a public and in-camera hearing at the Parliament of Tasmania. A transcript of the public hearing is available on the Committee's website.

Need for the works

- 3.8 The ATO has entered into a new lease for 6,353m² of office space at 200 Collins Street, in alignment with its location strategy, which recognises 'the long-term

¹ Australian Taxation Office (ATO), *Submission 1*, p. 6.

² ATO, *Submission 1*, p. 5.

business need to maintain a presence in Hobart'.³ The new lease is for a period of 10 years (until 2032), with two additional five year lease extension options available.⁴

3.9 The new lease will reduce office space by 21 per cent from 8,065m² to 6,353m² net lettable area (NLA). This reduction is a result of rightsizing to the ATO's ongoing workforce requirements, and to align with Commonwealth density targets of a maximum of 14 metres per occupied workpoint. This rightsizing has been similarly pursued in other recent ATO fit-outs approved by the Committee.⁵

3.10 The ATO has been located at 200 Collins Street, Hobart since 1992. The following minor works have been completed at this location:

- 2004 to 2007:
 - installation of workstations across all floors
 - refresh to breakout areas
 - upgraded kitchens
 - landlord works including repainting of internal walls and recarpeting.
- 2018:
 - installation of workplace services, service desk
 - guard post upgrade to meet work, health and safety requirements
 - minor audio-visual upgrades in meeting and conference rooms
 - installation of a reheat kitchen and milling space to support corporate conference facilities.
- 2020:
 - landlord works to upgrade lighting from T5 fluorescent lighting to LEDs⁶.

3.11 At the public hearing the ATO stated that:

The ATO's 2022-23 corporate plan prioritises enabling a high-performing workforce, including through continuing to embed new ways of working and making more effective use of our workplaces. To best support this purpose and key priorities, the ATO's property strategy seeks to deliver fit-for-purpose, safe and flexible accommodation that supports staff to thrive and succeed, and that reflects the changing ways of working.⁷

3.12 The ATO states that the existing fit-out is now at the end of its usable life and considers that the current layout does not support a contemporary, fit for purpose workspace which meets its business requirements. The staff workstations are old

³ ATO, *Submission 1*, p. 6.

⁴ ATO, *Submission 1*, p. 7.

⁵ ATO, *Submission 1*, p. 6.

⁶ ATO, *Submission 1*, p. 6.

⁷ Mr Brendon Fisher, Assistant Commissioner of Property, Australian Tax Office (ATO), *Committee Hansard*, Hobart, 5 April 2023, p. 6.

and lack serviceability, and the audio-visual no longer supports the ATO's ways of working or business needs.⁸

Options considered

- 3.13 In its submission to the Committee, the ATO notes that it engaged with the Strategic Property Adviser (SPA), Department of Finance, and the ATO's contracted leasing provider Colliers to consider the available options within Hobart. This process failed to identify any surplus Commonwealth office space that aligned with the ATO's requirements.⁹
- 3.14 Following this process, the ATO undertook an open approach to market to ensure value for money, pursuing a single-stage procurement process of a Request for Proposal on 2 November 2020.¹⁰
- 3.15 At the conclusion of the approach to market process, in accordance with the Commonwealth Property Management Framework, a lease proposal was submitted to the Secretary of the Department of Finance. Lease endorsement was then received from the Minister on 5 September 2022, enabling the ATO to procure 6,353m² of office space at 200 Collins Street.¹¹

Scope of the works

- 3.16 The ATO's proposed project will refurbish two levels (levels 1 and 2) of office accommodation at 200 Collins Street, Hobart.¹²
- 3.17 The ATO has engaged external consultants Cushman & Wakefield as the project manager and PeckVonHartel as the architectural design team for the project. The project team aims to work with the various ATO business areas to establish requirements to deliver a fit for purpose design that meets both Commonwealth and ATO requirements.¹³
- 3.18 The fit-out of 200 Collins Street will follow the ATO's practice of utilising unallocated workspaces with the aim of providing 'an efficient, contemporary, and scalable workspace that supports a positive staff experience'.¹⁴
- 3.19 Accessibility requirements will also be factored into the design of the fit-out, 'including wheelchair access to the building, office areas, door widths and heights, lift arrangements, parking and staff amenities'.¹⁵

⁸ ATO, *Submission 1*, p. 7.

⁹ ATO, *Submission 1*, p. 7.

¹⁰ ATO, *Submission 1*, p. 7.

¹¹ ATO, *Submission 1*, p. 7.

¹² ATO, *Submission 1*, p. 4.

¹³ ATO, *Submission 1*, p. 7.

¹⁴ ATO, *Submission 1*, p. 8.

¹⁵ ATO, *Submission 1*, p. 12.

3.20 The scope of works for the proposed fit-out at 200 Collins Street will include:

- 589 work points
- 2 SES offices
- 2 large staff breakout areas
- 8 beverage points
- a reheat kitchen
- 2 conference rooms
- 38 various sized meeting rooms / collaboration spaces
- an interview room
- a private room
- a prayer room
- a first aid room
- a computer room.¹⁶

3.21 A floor plan of the proposed works is included in the ATO's submission, however the ATO notes that the final design 'may be adjusted subject to the detailed design process and formal staff consultation'.¹⁷

3.22 At the public hearing the ATO stated that:

The Hobart site currently achieves a five-star NABERS rating. The proposed fit-out design gives consideration to improved efficiency through technology, equipment and services. The fit-out design and construction will align with industry best practice, sourcing sustainable and environmentally responsible materials and responsible disposal of the existing fit-out and construction waste wherever possible.¹⁸

Staff consultation

3.23 The ATO advised that a Site Working Group was established in December 2021. Members of the working group were nominated by senior executives to ensure there is a 'consistent flow of information between staff and the project team' and will aim to identify any potential issues and propose solutions developed based on staff feedback. The group membership consists of representatives from the ATO's business areas, including: site leaders, site executives, union representatives and other specialty groups.¹⁹

¹⁶ ATO, *Submission 1*, pp. 8-9.

¹⁷ ATO, *Submission 1*, p. 8.

¹⁸ Mr Fisher, ATO, *Committee Hansard*, Hobart, 5 April 2023, p. 7.

¹⁹ ATO, *Submission 1*, pages 8 and 15.

- 3.24 In addition to the Site Working Group, all staff and their representatives will have the opportunity to participate in a formal consultation period on the proposed design and on any change to their work environment.²⁰
- 3.25 The ATO state that the staff consultation will involve the following:
- regular meetings with the Site Working Group to discuss the project's status and other issues
 - establishment of a project-specific intranet to give staff regular updates
 - creation of a dedicated project email address
 - information sessions with presentations by members of ATO Property and external consultants
 - email communications addressing key project decisions and milestones
 - use of prototype furniture for staff to test and provide feedback on
 - formal consultation with employees and representatives to seek feedback on the fit-out in accordance with the ATO Enterprise Agreement 2017.²¹
- 3.26 The ATO told the Committee that several updates had already been made to the concept plans based on feedback from the working group. This included the need for additional meeting rooms and the inclusion of phone booths for staff to have private or noisy conversations.²²
- 3.27 At the public hearing the ATO stated that:
- As standard in all ATO accommodation changes, the final design is subject to formal staff consultation, where all staff are encouraged to provide input. This is anticipated to commence mid-2023.²³
- 3.28 The ATO reassured the Committee that should changes to the proposed design be made following the formal staff consultation they would be managed from within the approved project budget.²⁴

Engagement with the Community and Public Sector Union

- 3.29 In its submission and at the public hearing, the Community and Public Sector Union (CPSU) raised concerns regarding the engagement and input from ATO staff into the design of the proposed fit-out to date. The CPSU also noted there had been some

²⁰ ATO, *Submission 1*, p. 8.

²¹ ATO, *Submission 1*, p. 15. & ATO, *ATO enterprise agreement 2017*, 5 March 2020 <<https://www.ato.gov.au/about-ato/careers/in-detail/ato-enterprise-agreement-2017/>> accessed 19 September 2022

²² Mr Fisher, ATO, *Committee Hansard*, Hobart, 5 April 2023, p. 8.

²³ Mr Fisher, ATO, *Committee Hansard*, Hobart, 5 April 2023, p. 7.

²⁴ Mr Fisher, ATO, *Committee Hansard*, Hobart, 5 April 2023, p. 7.

negative feedback from ATO staff across other offices which had recently undergone fit-out works.²⁵

3.30 In its submission CPSU stated that:

While staff welcome an upgrade and refresh of the Hobart office, CPSU members' primary concern continues to be a lack of genuine consultation on the designs and direction of their working environment.²⁶

3.31 CPSU members from the Hobart office consider that there had been limited consultation and for input into the design of the fit-out. Under the consultation plan, by the time staff and their representatives are consulted many decisions would already be finalised, limiting the ability of staff to genuinely influence the fit-out design.²⁷ At the public hearing the CPSU stated:

We think that there have been some missed opportunities in this process to bring workers along for the ride. What we're worried and concerned about more generally is that some simple solutions and things that could have been nussed out with a more in-depth consultation from the feedback we've had from our members could have made this process better in the sense that workers felt like they had some buy-in.²⁸

3.32 The CPSU also noted that members were frustrated by the ATO's perceived reluctance to acknowledge problems and concerns raised by staff in recent office fit-outs at other sites.²⁹

3.33 The CPSU listed several key issues which ATO staff had raised with regards to the proposed floorplans. These issues include problems with the design of the workstations and resultant noise pollution. Staff from the Hobart office had requested that the partitions used in the Sydney and Townsville fit-outs not be used in Hobart as staff located in those offices were dissatisfied with the final product. Concerns were also expressed about the potential for noise pollution in the Hobart office,³⁰ and a request for additional soundproofing has been made.³¹

3.34 Staff accessibility was another key issue raised by staff through the CPSU with particular concern being given to the impact of unallocated seating. The CPSU reported that the use of 'unallocated seating has been an ongoing concern for people with limited mobility and those with disabilities'. The CPSU stated that experiences of staff across other ATO offices indicated that the ATO still had to work to do to ensure staff were accommodated appropriately. The CPSU requested that ATO staff with

²⁵ Community and Public Sector Union (CPSU), *Submission 2*, p. 1.

²⁶ CPSU, *Submission 2*, p. 1.

²⁷ CPSU, *Submission 2*, p. 1.

²⁸ Zac Batchelor, Regional Secretary, Tasmania, Community and Public Sector Union (CPSU), *Committee Hansard*, Hobart, 5 April 2023, p. 1.

²⁹ CPSU, *Submission 2*, p. 1.

³⁰ Zac Batchelor, CPSU, *Committee Hansard*, Hobart, 5 April 2023, p. 2.

³¹ CPSU, *Submission 2*, pages 1 – 2.

limited mobility and those with disabilities should have anchored desks, near amenities and storage for ergonomic and assistive equipment.³²

3.35 At the public hearing the CPSU elaborated further:

There is concern that, if they're stuck with a locker at one end of the building, they move teams and they go to the other end of the building, will their locker move with them? Will that workspace move with them? I do have an example of somebody in that situation. They can have good days; they can have bad days with their mobility. They have a very specific OH&S setup, and they have actually raised concerns—around accessible parking as well, as they need that to be able to come to work and, obviously, do their job.³³

Cost of the works

3.36 The proposed fit-out of the existing premises has an estimated total cost of \$24,496,570, excluding GST. A contingency is included in this cost, which will aim to mitigate anticipated market pressures. The project's cost is based on the test fit design and advice from the Quantity Surveyor, Donald Cant Watts Corke (DCWC). Project funding will be sourced from the existing departmental budget, and it is expected that the fit-out will reduce future operational costs.³⁴

3.37 The cost per square metre of the project is expected to be \$2,656m².³⁵

3.38 DCWC was not able to provide direct comparative data in relation to the project's cost per square metre as no comparable projects had recently been completed in Hobart. Instead, analysis was conducted on other ATO projects in relation to location, net lettable area (NLA) and cost per square metre. Based on this analysis, the ATO consider that this project is within market range for its location.³⁶

3.39 Further details on project costings were provided in the ATO's confidential submission and during an in-camera hearing.

Revenue

3.40 There will be no direct revenue generated by this project.³⁷

³² CPSU, *Submission 2*, p. 2.

³³ Zac Batchelor, CPSU, *Committee Hansard*, Hobart, 5 April 2023, p. 3.

³⁴ ATO, *Submission 1*, pages 5 and 16.

³⁵ ATO, *Submission 1*, p. 5.

³⁶ ATO, *Submission 1*, p. 16.

³⁷ ATO, *Submission 1*, p. 17.

Public value

- 3.41 The ATO advised that the fit-out at 200 Collins Street will provide public value by ensuring the continued operation of the Hobart ATO in a more cost-effective manner. Specifically, the ATO considers that the project is cost effective and provides public value by:
- ensuring a more efficient use of space and consolidation of staff over a smaller footprint
 - reducing consumption including leasing, maintenance, and operation costs, as well as carbon footprint and environmental impacts
 - providing of a scalable office accommodation which will allow future changes to align with business requirements
 - providing a long-term commitment to staff in Hobart
 - creation of construction jobs
 - continuing the use of local businesses, public transport and services.³⁸

Committee comment

- 3.42 The Committee considers that the ATO's proposed project should proceed as it is satisfied with the project's purpose, need, and value for money. Further, the Committee recognises that this project will enable the ATO to continue its operations in Hobart in a more cost-efficient manner.
- 3.43 The Committee acknowledges the concerns raised by the CPSU. To ensure that the needs of staff are met by the fit-out, the Committee encourages the ATO to consult with its staff and the union at all stages of the process and maintain an open dialogue throughout the project.
- 3.44 Feedback and lessons learned from previous fit-outs in Sydney and Townsville should be considered and the Committee encourages the ATO to consider changes to the design of the Hobart office based on staff feedback from across all of its localities.
- 3.45 The Committee encourages the ATO to seek feedback from staff at an earlier stage of the design process for future fit-outs to ensure solutions to staff concerns are given adequate time to be incorporated into the final fit-out design.
- 3.46 The Committee did not identify any issues of concern with the proposal and is satisfied that the project has merit in terms of need, scope and cost.
- 3.47 Having regard to its role and responsibilities contained in the Public Works Committee Act 1969, the Committee is of the view that this project signifies value for

³⁸ ATO, *Submission 1*, p. 18.

money for the Commonwealth and constitutes a project which is fit-for-purpose, having regard to the established need.

Recommendation 2


3.48 For future projects that fall within the oversight of the Public Works Committee, the Committee recommends that the Australian Taxation Office conduct broader staff consultation during the design phase.

3.49 Future submissions to the Committee should include methods of staff consultation, a summary of staff feedback, and iterations to the design and scope of works resulting from staff feedback. This will ensure that submissions for future projects better reflect the final project design and the scope of works being considered by the Committee. In addition, early staff engagement will provide greater assurance that staff have had the ability to influence the proposed design.

Recommendation 3

3.50 The Committee recommends that the House of Representatives resolve, pursuant to Section 18(7) of the *Public Works Committee Act 1969*, that it is expedient to carry out the following proposed works: Australian Taxation Office - Australian Taxation Office Fit-out—Proposed Fit-out of Existing Leased Premises at 200 Collins Street, Hobart, Tasmania.

3.51 Proponent entities must notify the Committee of any changes to the project scope, time, cost, function or design. The Committee also requires that a post-implementation report be provided within three months of project completion. A report template can be found on the Committee's website.



4. Proposed Construction and Decommissioning of the Australian Pavilion at the World Expo 2025 Osaka, Kansai, Japan

Department of Foreign Affairs and Trade

- 4.1 International Registered Exhibitions - also known as the World Expo (Expo) - are international events held every five years. The Expo is a global platform for the display of achievements and innovations, as well as collaboration and cooperation.¹ Each Expo is organised around a theme that 'attempts to improve humankind's knowledge, takes into account human and social aspirations and highlights scientific, technological, economic and social progress'.²
- 4.2 The theme for the Osaka Expo 2025 will be 'Designing Future Society for Our Lives'.³ The Department of Foreign Affairs and Trade (DFAT) considers that participation in the Expo will give Australia an opportunity to connect with the Japanese people and global citizens to promote our culture, values, products and services, and our technological and economic capabilities.⁴
- 4.3 Australia's participation in the Expo is a whole-of-government endeavour delivered by DFAT. It was announced in January 2022, and reaffirmed in the October 2022 budget which provided up to \$100 million for the project, over four years⁵:

The context for that decision was a request by the Japanese government that Australia participate in the expo, a request that reflected the importance of a successful expo for the Japanese government as a key piece of public diplomacy that, in their minds, very much ranks up alongside Tokyo's hosting of the Olympic Games.⁶

¹ Department of Foreign Affairs and Trade (DFAT), *Expo 2025 Osaka, Kansai*, www.dfat.gov.au/trade/expo-2025-osaka, viewed 12 April 2023.

² Bureau International des Expositions, *About World Expos*, <www.bie-paris.org/site/en/about-world-expos>, viewed 12 April 2023.

³ Department of Foreign Affairs and Trade (DFAT), *Submission 1*, p. 6.

⁴ DFAT, *Expo 2025 Osaka, Kansai*, www.dfat.gov.au/trade/expo-2025-osaka, viewed 12 April 2023.

⁵ Mr David Woods, Chief Economist and First Assistant Secretary, International Economics and Green Economy Division, Department of Foreign Affairs and Trade (DFAT), *Committee Hansard*, Canberra, 17 April 2022, p. 1 and DFAT, *Submission 1*, p. 5.

⁶ Mr Woods, DFAT, *Committee Hansard*, Canberra, 17 April 2022, p. 1.

- 4.4 The aim of Australia's participation is to deliver a strong Australian presence at the Expo, to progress our national interests and to target the following key strategic objectives:⁷
- deepen Australia's relationship with Japan
 - create new opportunities for Australia
 - project a modern and diverse Australia.⁸
- 4.5 The total estimated cost of the project is \$59.8 million.⁹
- 4.6 The project was referred to the Committee on 22 March 2023.

Conduct of the inquiry

- 4.7 Following referral, the inquiry was publicised on the Committee's website and via twitter.
- 4.8 The Committee received two submissions and one confidential submission to the inquiry. A list of submissions can be found at Appendix A.
- 4.9 On 17 April 2023 the Committee conducted a private briefing in lieu of a site inspection followed by public and in-camera hearings at Australian Parliament House, Canberra. A transcript of the public hearing is available on the Committee's website.

Need for the works

- 4.10 At the public hearing DFAT outlined the reasons for the Australian Government's decision to participate in the Osaka Expo 2025:
- ... the Australian government took the decision to participate in the expo was the opportunity to strengthen the relationship with our special strategic partner. Japan, for us, is a vital economic partner. It is also a vital security partner, evidenced by the joint declaration on security cooperation that our leaders issued in October last year. And, of course, Japan is a vital partner in the major global and regional forums in which we cooperate, not least in the Quad alongside the US and India, with whom we work to promote a free and open Indo-Pacific that is stable, secure and prosperous.¹⁰
- 4.11 DFAT considers Australia's partnership with Japan as 'deep and enduring...underpinned by significant trade and investment links, strong defence and

⁷ DFAT, *Submission 1*, p. 5.

⁸ DFAT, *Submission 1*, p. 5.

⁹ DFAT, *Submission 1*, p. 27.

¹⁰ Mr Woods, DFAT, *Committee Hansard*, Canberra, 17 April 2022, p. 1.

security ties and a deep affinity between our peoples'.¹¹ Australia's participation in the Osaka Expo 2025 will therefore provide a unique opportunity to project Australia as 'modern and inclusive' in Japan, promoting our diplomatic interests, policy, commercial, cultural and soft power interests to our second biggest trading partner and source of foreign direct investment.¹²

- 4.12 Two-way trade with Japan was worth \$117 billion last financial year. Japan is a source of \$134 billion of direct investment in Australia, with further prospects of increased investment associated with both countries' commitment to net zero emissions.¹³
- 4.13 In the Expo, Australia will be competing with Japan's other trading partners for market attention. With 150 countries and 25 international organisations expected to participate in the Expo, DFAT acknowledges that Australia's 'participation will need to be both commensurate with the significance of our bilateral relationship and able to cut through competition to achieve our objectives'.¹⁴
- 4.14 Australia's participation in the Expo is supported by stakeholders including: Commonwealth agencies, state and territory governments, and business and industry groups. DFAT considers that the Expo will provide stakeholders with an important opportunity to strengthen links with Japan, including in relation to investment, trade, tourism, educational exchanges and sister state, city, and school relationships.
- 4.15 State and territory government agencies have expressed interest in participating in Australia's partnership and/or programming opportunities, so that they may benefit from the profile building and networking potential of a national pavilion.¹⁵

Consultation

- 4.16 Initial consultation was conducted through meetings with state and territory governments in July and August 2022. In these meetings, DFAT outlined the proposed approach to Australia's participation at the Osaka Expo 2025 and sought feedback. A key purpose of the consultation was to identify state and territory interests in the Expo, how they sought to participate and what themes they were most interested in. Available opportunities for future state and territory government engagement with the Expo were also discussed.¹⁶

¹¹ DFAT, *Submission 1*, p. 6.

¹² Mr Woods, DFAT, *Committee Hansard*, Canberra, 17 April 2022, p. 1 and DFAT, *Submission 1*, p. 6.

¹³ Mr Woods, DFAT, *Committee Hansard*, Canberra, 17 April 2022, p. 1.

¹⁴ DFAT, *Submission 1*, p. 7.

¹⁵ DFAT, *Submission 1*, p. 7.

¹⁶ Mr Woods, DFAT, *Committee Hansard*, Canberra, 17 April 2022, p. 5 and DFAT, *Submission 1*, p. 10.

- 4.17 DFAT advised that state and territory government agencies will be invited to join the Osaka Expo 2025 Program Advisory Committee alongside relevant Australian Government departments. This Committee is expected to commence in May 2023.¹⁷
- 4.18 Additionally, DFAT outlined that it would embed First Nations perspectives, experience, and interests as a key cross-cutting theme for all engagement. DFAT has already engaged with the National Indigenous Australians Agency, the Australian Institute of Aboriginal and Torres Strait Islander Studies and Indigenous Business Australia.
- 4.19 DFAT will also seek to incorporate corporate partnerships into the Expo, although the nature of the partnerships has not yet been finalised. DFAT has engaged with business and industry associations including: Rio Tinto, the Minerals Council of Australia, APPEA, the Australian Hydrogen Council, the Australian Energy Association, Dairy Australia, Meat & Livestock Australia, Wine Australia and the Woolmark Company.¹⁸ As stated by Mr Woods:
- At this stage, we're again letting them know about our participation and putting them on notice to put their thinking hats on for what they would like out of this expo as we start to shape what that sponsorship and partnership program looks like.¹⁹
- 4.20 Consultation with stakeholders will continue as part of the design development process, and in relation to DFAT's cultural program and strategy.²⁰
- 4.21 The Committee received a submission supporting the project from the Australia Japan Business Co-operation Committee. The submission highlighted the importance of Australia's multi-faceted relationship with Japan, and that the Expo was a 'necessary and desirable contribution to Australia's crucial national interest in maintaining and developing its relationship with Japan'.²¹

Delivery strategy

- 4.22 In its submission to the Committee, DFAT outlined its delivery strategy for the project. An important lesson learned from the Australia pavilion at the Dubai Expo 2020 was the early engagement of project managers.
- 4.23 Past and planned delivery milestones are:
- DFAT approached the market in December 2021 and engaged a project management and cost planner/quantity surveyor in March 2022.

¹⁷ DFAT, *Submission 1*, p. 10.

¹⁸ Mr Woods, DFAT, *Committee Hansard*, Canberra, 17 April 2022, p. 5.

¹⁹ Mr Woods, DFAT, *Committee Hansard*, Canberra, 17 April 2022, p. 5.

²⁰ DFAT, *Submission 1*, p. 11.

²¹ Australia Japan Business Co-operation Committee, *Submission 2*, p. 1.

- Initial consideration of delivery options identified a Design and Construct (D&C) methodology as optimal based on familiarity and acceptance within the Japanese market.
- DFAT undertook an open approach to market procurement for a Lead Design Consultant (LDC) in June 2022, and made an appointment on 2 September 2022 with the intention that it would advance the pavilions architectural design to a 50 per cent, with the intention that a D&C would complete the design. The LDC was also to be responsible for exhibition and visitor experience content to a 90 per cent detailed design level.
- In October 2022 it was learned that there is a critical shortage of bilingual design consultant resources in Japan due to high demand. This affected the reliability of a D&C delivery methodology. As a result, a more traditional lump sum delivery approach was adopted which will involve a two-stage open approach to market procurement, with an initial Request for Expression of Interest (REOI) and a subsequent Request for Tender. Additionally, the LDC's scope was extended to continue the pavilion's design past the 50 per cent schematic design stage.
- In December 2022, the REOI was released, respondents' submissions were evaluated and shortlisted in March 2023. Shortlisted respondents will be invited to submit responses to a Request for Tender, with the intention to contact the preferred tenderer on a pre-agreement by 1 July 2023. DFAT noted that the purpose of this is to enable construction to commence by November 2023.
- This pre-agreement will enable the ordering of long lead time building materials including structural steel and timber. DFAT informed the Committee that lead times for these materials are now approximately 10 months, so it is considered critical that orders are placed as soon as possible.²²

Construction challenges

- 4.24 The Osaka Expo 2025 is a significant event. It will require extensive construction works including the pavilions of 49 other countries, and other Expo related works.²³
- 4.25 Osaka is currently experiencing unprecedented escalating construction costs. According to the International Construction Market Survey 2022, Osaka is already the third most expensive city for construction.²⁴
- 4.26 Japan's construction sector is already facing multiple issues, including a significant number of construction projects and material shortages.²⁵ Construction costs are also affected by inflation, supply chain issues and labour shortages, and issues of declining construction motivation. There have also been examples of unsuccessful

²² DFAT, *Submission 1*, pages 25 – 26.

²³ DFAT, *Submission 1*, p. 27.

²⁴ Mr Woods, DFAT, *Committee Hansard*, Canberra, 17 April 2022, p. 2 and DFAT, *Submission 1*, p. 27.

²⁵ DFAT, *Submission 1*, p. 27.

tender results for works related to the Osaka Expo, such as for national/prefecture pavilions and other supporting buildings and infrastructure.²⁶

Scope of the works

4.27 The project will involve the construction and later decommissioning of a national pavilion on Australia's 3,504m² allocated plot of the Expo site on Yumeshima Island, Osaka, Japan.²⁷

4.28 On its website DFAT states that:

The Australian Pavilion story, 'Chasing the Sun' encapsulates Australia's connection to land, unfading resilience, and collaborative nature in embracing ingenuity, optimism and opportunity for a better future. It celebrates Australia's 60,000-year indigenous history and bond with the sun to power the spirit of our people, and act as a conduit for cultivating inspiration, creativity, and innovation.²⁸

4.29 The concept design of the pavilion is based on a eucalypt gumnut with two pods sheltered by opening shells. DFAT stated that 'this metaphor for Australia represents new ideas and future generations; potential and hope; regeneration and fertility; strength and resilience; and time and growth'.²⁹

4.30 The pavilion itself will have three storeys with approximately 2,500m² of gross floor area divided into two sections.³⁰ The first area will be public facing, including a simulated bushwalk and a living mural to highlight Australia's caring for country. The site will also include a public forecourt with a stage for Australian cultural acts, a small gift shop and a small retail area. It is expected that this area will receive 25,000 visitors a day. The private section of the pavilion will be the VIP area for hosting events with dignitaries and key stakeholders.³¹

4.31 The intended size of the pavilion sections are:

- public and visitor experience area – 543m²
- function and representational areas – 330m²
- commercial retail, food and beverage areas – 193m²
- back of house including staff areas, circulation and service areas – 1422m²

²⁶ DFAT, *Submission 1*, p. 27.

²⁷ DFAT, *Submission 1*, p. 8.

²⁸ DFAT, *Expo 2025 Osaka, Kansai*, www.dfat.gov.au/trade/expo-2025-osaka, viewed 12 April 2023.

²⁹ DFAT, *Submission 1*, p. 16.

³⁰ DFAT, *Submission 1*, p. 12.

³¹ Ms Nancy Gordon, Assistant Secretary, Osaka Expo Taskforce, DFAT, *Committee Hansard*, Canberra, 17 April 2023, p. 5.

- external landscaping including a front forecourt and internal courtyard, and external roof terraces – 600m² and 217m².³²
- 4.32 At the conclusion of the Expo, the Australian national pavilion will be decommissioned. The specific process for this has not yet been finalised.
- 4.33 As part of DFAT’s approach to market it has stipulated within the tender packages that it will seek opportunities to maximise the re-use and recycling of materials used in the construction of the pavilion. DFAT is also considering possible re-use of the pavilion. Through the tenderer, DFAT will seek to explore modular and re-usable elements so that they may be repurposed where applicable.³³
- 4.34 According to DFAT, there are media reports that the Japanese Government has considered retaining the expo site for further use after the event. This may mean that some pavilions and infrastructure may be retained, however the Expo is currently planned to be de-commissioned and removed.³⁴

Cost of the works

- 4.35 The proposed works have an estimated cost of \$59.8 million including fees and contingencies. The cost estimate for the project was developed by Tokyo-based quantity surveyors. It includes both the construction and decommissioning of the pavilion and other related elements.³⁵
- 4.36 No formal lease will be required for the use of the allocated land for the pavilion. Australia must, however, enter a Participant Contract with the Expo Association which includes the allocation of a plot of land. Additionally, approvals under the Land Acquisition Act will be required to acquire, and dispose of, Australia’s interest in the land.³⁶
- 4.37 DFAT advised that the construction contractor will be engaged after a lump sum fixed price quote is submitted based on a detailed cost estimate. The escalation risk will be borne by the construction contractor; however, foreign currency risk will remain with the Commonwealth.³⁷
- 4.38 DFAT provided further details on project costings in their confidential submission and during an in-camera hearing. The Committee is satisfied with the rationale underpinning the project costing.

³² DFAT, *Submission 1*, pages 11 – 12.

³³ Mr Alan Montero, Pavilion Director, Osaka Expo Taskforce, DFAT, *Committee Hansard*, Canberra, 17 April 2023, p. 3.

³⁴ Mr Montero, DFAT, *Committee Hansard*, Canberra, 17 April 2023, p. 3.

³⁵ DFAT, *Submission 1*, p. 27.

³⁶ DFAT, *Submission 1*, p. 7.

³⁷ DFAT, *Submission 1*, p. 27.

Revenue

- 4.39 There will be partnering opportunities for states and territories for the Osaka Expo 2025.³⁸
- 4.40 DFAT discussed matters relating to the project's revenue in its confidential submission to the Committee.

Public value

- 4.41 In its submission to the Committee, DFAT discussed the relationship building opportunities that the Expo will offer, particularly for Australian businesses, arts and cultural organisations, academic and research organisations and civil society groups.³⁹ DFAT also anticipates that the Expo will boost Australia's soft power status through strategic communications and public diplomacy initiatives that will advance Australia's interests and influence within Japan.
- 4.42 Trade and investment links with Japan are a specific focus of the potential value of the Expo. Japan is a key trading partner of Australia, and Osaka is a commercial capital with strong links to Australia. Austrade has an Osaka post with strong commercial relationships with local companies, and DFAT advises that the Expo will be an opportunity to strengthen these relationships and form new ones.
- 4.43 DFAT states that Osaka based companies also have specific interests in Australia including clean energy and pharmaceuticals.⁴⁰ Participation in the Expo will therefore offer relationship building opportunities for these and other shared business interests.
- 4.44 The Expo will also offer opportunities for tourism. Japan was Australia's fifth-largest tourism market prior to the COVID-19 pandemic with around 500,000 tourists per year. In 2022, that had fallen to 66,000 tourists but it remains a priority market.⁴¹ DFAT consider that its 'public diplomacy and cultural program at Osaka Expo 2025 will reinvigorate interest in Australia as an attractive, multi-faceted destination by projecting a modern, dynamic image of Australia to Japanese visitors'.⁴² Data from the Dubai 2020 Expo demonstrated that 75 per cent of visitors to the Australian pavilion were more likely to visit Australia as a result.⁴³
- 4.45 In relation to the delivery of the Australian national pavilion DFAT are prioritising creating opportunities for Australian companies to participate through:
- delivery of works through an open approach market for project management services, design consultancy services, and construction services

³⁸ Mr Woods, DFAT, *Committee Hansard*, Canberra, 17 April 2022, p. 5.

³⁹ DFAT, *Submission 1*, p. 27.

⁴⁰ DFAT, *Submission 1*, pages 27 – 28.

⁴¹ Mr Woods, DFAT, *Committee Hansard*, Canberra, 17 April 2022, p. 1.

⁴² DFAT, *Submission 1*, p. 28.

⁴³ DFAT, *Submission 1*, p. 28.

- information to state and territory governments and Australian companies on how they may register with the Expo's potential list of suppliers so the Japanese Government and other participating countries can procure their services and products.
- 4.46 There are also upcoming procurement opportunities in areas including: operations, food and beverage services, retail services, event management, catering, security, information technology support, cleaning, photography and entertainment.⁴⁴
- 4.47 DFAT advises that Australian companies have demonstrated interest, and submitted responses, in relation to these procurement opportunities.
- 4.48 DFAT are seeking to advance Aboriginal and Torres Strait Islander interests through Australia's participation in the Expo. This will be done through programming which showcases Indigenous business participation in sectors such as clean energy, space, and tourism. DFAT will also be highlighting Aboriginal and Torres Strait Islander people's contributions to knowledge of land and water management to our international climate change mitigation and adaption efforts.⁴⁵
- 4.49 In terms of the measurement of the success of the Expo for Australia, DFAT stated that:
- What we will do through Osaka, as we have previously done through Dubai, will be to use performance and outcome reporting, data collection and sentiment surveys to measure success. That would look like visitor surveys to measure shifts and sentiment towards Australia, traditional and social media engagement data, trade investment outcome reporting and surveys to measure the impact of programmed events that will assess business, scientific, cultural and academic outcomes. Coming out of this will be a final evaluation of our participation in the expo that will assess those results—that will assess the outcome from our participation.⁴⁶
- 4.50 This information will be reported to the Public Works Committee to help inform decisions related to future participation at Expos.

Committee comment

- 4.51 The Committee was satisfied that the proposed project has merit in terms of need, scope, and cost.
- 4.52 The Committee recognises that a significant sum of money is being spent on both Australia's participation in the Osaka Expo 2025. The Committee supports this

⁴⁴ DFAT, *Submission 1*, p. 28.

⁴⁵ DFAT, *Submission 1*, p. 29.

⁴⁶ Mr Woods, DFAT, *Committee Hansard*, Canberra, 17 April 2022, pages 2 – 3.

expenditure as part of showing the importance of Australia's relationship with Japan, and to further Australia's international trade.

- 4.53 The Committee recognises that there are challenges facing the Japanese construction industry which have driven up the cost of construction. The Committee encourages DFAT to make every effort to ensure that the project does not experience cost increases.
- 4.54 The Committee also encourages and supports DFAT's commitment to re-use and recycling of elements of the Australia pavilion after its decommissioning, including any steps to recover costs of materials.
- 4.55 The Committee supports the engagement with the states and territories and notes that there should be benefits for them in both tourism and trade. However, the Committee encourages DFAT to ensure that reasonable contributions are made by the state and territories in return for enabling their participation at the Expo.

Recommendation 4

- 4.56 The Committee recommends that the House of Representatives resolve, pursuant to Section 18(7) of the *Public Works Committee Act 1969*, that it is expedient to carry out the following proposed works: Department of Foreign Affairs and Trade – Proposed Construction and Decommissioning of the Australian Pavilion at the World Expo 2025 Osaka, Kansai, Japan.**
- 4.57 Proponent entities must notify the Committee of any changes to the project scope, time, cost, function or design. The Committee also requires that a post-implementation report be provided within three months of project completion. A report template can be found on the Committee's website.

Mr Graham Perrett MP
Chair



A. List of Submissions

Department of Infrastructure, Transport, Regional Development, Communications and the Arts – Cocos (Keeling) Islands — West Island, Seawater Reverse Osmosis Plant Project

- 1 Department of Infrastructure, Transport, Regional Development, Communications and the Arts
 - 1.1 Supplementary to submission 1
 - 1.2 Supplementary to submission 1
- 2 Indian Ocean Territories Regional Development Organisation

Australian Taxation Office Fit-out—Proposed Fit-out of Existing Leased Premises at 200 Collins Street, Hobart, Tasmania

- 1 Australian Taxation Office
 - 1.1 Confidential supplementary submission
- 2 Community and Public Sector Union

Department of Foreign Affairs and Trade—Proposed Construction and Decommissioning of the Australian Pavilion at the World Expo 2025 Osaka, Kansai, Japan

- 1 Department of Foreign Affairs and Trade
- 2 Australia Japan Business Co-operation Committee (AJBCC)



B. Public Hearings

Department of Infrastructure, Transport, Regional Development, Communications and the Arts – Cocos (Keeling) Islands — West Island, Seawater Reverse Osmosis Plant Project

Friday, 21 April 2023

Parliament House, Committee Room 2S1, Canberra

Department of Infrastructure, Transport, Regional Development, Communications and the Arts

- Ms Sarah Vandebroek, First Assistant Secretary — Territories Division
- Ms Kim Forbes, Assistant Secretary — Indian Ocean Territories
- Mr Andrew Murphy, Director — Indian Ocean Territories Government Arrangements
- Mrs Jillian McCormack, Ag. Assistant Director — Indian Ocean Territories Government Arrangements
- Mr Damien Hirst, Technical Director, Cost Management
- Mr Mirsad Abdic, PWC Project Manager
- Mr Jason Rechichi, Project Leader

Australian Taxation Office Fit-out—Proposed Fit-out of Existing Leased Premises at 200 Collins Street, Hobart, Tasmania

Wednesday, 5 April 2023

Parliament of Tasmania, Committee Room 1, Hobart

Community and Public Sector Union

- Zachary Batchelor, Regional Secretary — Tasmania
- Jessica Horton, Delegate

Australian Taxation Office

- Mr Brendon Fisher, Assistant Commissioner, ATO Property
- Ms Janine Bristow, Chief Finance Officer

- Mr Andrew Osborne, Director, ATO Property Projects
- Mr Steven Johnson, Quantity Surveyor
- Mr Michael Silvy, Project Manager

Department of Foreign Affairs and Trade—Proposed Construction and Decommissioning of the Australian Pavilion at the World Expo 2025 Osaka, Kansai, Japan

Monday, 17 April 2023

Parliament House, Committee Room 2R1, Canberra

Department of Foreign Affairs and Trade

- Mr David Woods, Chief Economist — First Assistant Secretary, International Economics & Green Economy Division
- Mr Gary Cowan, First Assistant Secretary — North and South Asia Division
- Ms Nancy Gordon, Assistant Secretary — Osaka Expo Taskforce
- Mr Marco Salvio, Assistant Secretary — North East Asia Branch, North and South Asia
- Mr Alan Montero, Pavilion Director — Osaka Expo Taskforce
- Mr Matt Figgis, Director — Cost Management
- Mr Tristan Mobbs, Associate Director — Project Management