



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

PARLIAMENTARY STANDING COMMITTEE ON PUBLIC  
WORKS

**Reference: Refit and refurbishment of Tuggeranong Office Park, Canberra, Australian Capital Territory**

TUESDAY, 4 AUGUST 2009

CANBERRA

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**PARLIAMENTARY STANDING**  
**COMMITTEE ON PUBLIC WORKS**

**Tuesday, 4 August 2009**

**Members:** Senator McLucas (*Chair*), Senator Troeth (*Deputy Chair*), Senator Forshaw and Mr Champion, Mr Forrest, Ms Hall, Mr Lindsay, Mr Price and Mr Slipper

**Members in attendance:** Senator McLucas, Ms Hall, Mr Price, Mr Slipper

**Terms of reference for the inquiry:**

To inquire into and report on:

Refit and refurbishment of Tuggeranong Office Park, Canberra.

**WITNESSES**

**AGNEW, Mr David John, Branch Manager, Property, Environment and Protective Security  
Branch, Department of Families, Housing, Community Services and Indigenous Affairs ..... 1**

**KNAPP, Mr Robert John, Group Manager, Corporate Support Group, Department of Families,  
Housing, Community Services and Indigenous Affairs ..... 1**

**MIDDLETON, Mr Paul Stuart, Contractor, Xact Project Consultants ..... 1**

**ROGERS, Mr James Douglas, Section Manager, ACT Projects and Facilities Management  
Section, Property, Environment and Protective Security Branch, Department of Families,  
Housing, Community Services and Indigenous Affairs ..... 1**

**TYNAN, Mr David, Assistant Section Manager, ACT Projects and Facilities Management  
Section, Property, Environment and Protective Security Branch, Department of Families,  
Housing, Community Services and Indigenous Affairs ..... 1**



**Committee met at 1.05 pm**

**AGNEW, Mr David John, Branch Manager, Property, Environment and Protective Security Branch, Department of Families, Housing, Community Services and Indigenous Affairs**

**KNAPP, Mr Robert John, Group Manager, Corporate Support Group, Department of Families, Housing, Community Services and Indigenous Affairs**

**ROGERS, Mr James Douglas, Section Manager, ACT Projects and Facilities Management Section, Property, Environment and Protective Security Branch, Department of Families, Housing, Community Services and Indigenous Affairs**

**TYNAN, Mr David, Assistant Section Manager, ACT Projects and Facilities Management Section, Property, Environment and Protective Security Branch, Department of Families, Housing, Community Services and Indigenous Affairs**

**MIDDLETON, Mr Paul Stuart, Contractor, Xact Project Consultants**

**CHAIR (Senator McLucas)**—I declare open this public hearing of the Parliamentary Standing Committee on Public Works in its inquiry into Tuggeranong Office Park. I call the representatives of the Department of Families, Housing, Community Services and Indigenous Affairs, FaHCSIA. Thank you, first of all, for your time this morning in showing us around the proposed development. It has been very useful to our committee to be able to go onsite to see what you are proposing to do. Do you have any comments to make about the capacity in which you appear?

**Mr Rogers**—I am the Tuggeranong Office Park project director at FaHCSIA.

**Mr Tynan**—I am the assistant section manager for the Tuggeranong Office Park project.

**CHAIR**—Although the committee does not require you to give evidence under oath, I should advise you that these hearings are formal proceedings of the parliament. Consequently, they warrant the same respect as proceedings of the parliament itself. I remind witnesses that giving false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. Mr Knapp, would you give us an opening statement to start.

**Mr Knapp**—Thank you for the opportunity to speak to you today. This proposal seeks approval for the fit-out and refurbishment of Tuggeranong Office Park, which is located at block 2, section 14 in Greenway, Tuggeranong, Canberra. Tuggeranong Office Park is commonly referred to as TOP, so we may use that expression during this hearing.

FaHCSIA has responsibility for the development and implementation of a number of policies and programs for the government. The refit and refurbishment of TOP gives FaHCSIA the opportunity to bring the majority of the department's Canberra staff together in one location. The improved office environment will ensure that the organisation is well placed to deliver on the portfolio's responsibilities.

The department is seeking to provide its staff with a modern, safe and efficient work environment which meets disability access standards, complies with environmental targets where it is cost-effective to do so, and discharges its lease obligations for the TOP complex until the expiry of the lease in December 2016. It is considered that FaHCSIA's proposal represents a cost-effective solution which will enable FaHCSIA to be co-located in fewer buildings in Canberra and provide a better-quality office environment, and do so at a cost that reflects the remaining term of the lease. The refurbishment will maintain sufficient space in TOP for meeting rooms and breakout areas and will enable us to retain the existing cafe and auditorium.

A priority for the department is the creation of a work environment which fully applies the draft disability access standards. The department has engaged experienced project managers and quantity surveyors to provide professional assistance in managing the cost of the works. Based on the consultant's advice, the department has prepared a proposed budget for the fit-out of \$27.2 million. This amount covers workstations, furniture and fittings and appropriate allowances for contingencies, as well as design and management fees. The department has also established processes to control project costs and ensure value for money. A steering committee comprising FaHCSIA senior executives will meet regularly to review progress of the project as well as to consider costs against budget. The planned completion date of the proposed works of September 2010 coincides with a number of expiring leases, and achievement of the program will ensure that FaHCSIA can better manage its leasing costs from 2010-11 onwards.

**CHAIR**—Thank you, Mr Knapp. Do any of the other witnesses need to make a contribution at this point?

**Mr Knapp**—No.

**CHAIR**—Committee members, I propose that we do this reasonably iteratively, if that is the word. So, if an issue is raised and you want to come in on that, please feel free to do so. Mr Knapp, as we saw this morning, quite a considerable amount of the work has been completed. In order to comply with our responsibilities as the Public Works Committee, it is usual that an application or a submission is made to our committee prior to works commencing. Would you like to explain to the committee why that happened and what measures you have put in place to ensure that that does not happen again in the future?

**Mr Agnew**—At the visit this morning you saw that one block was completed and one block is currently underway for construction. We have not split the project to cover this, so each block is separate in its own right, while they are related works. We had probably misinterpreted the reporting requirement on the dollar threshold for the PWC process and upon reflection had gone back and provided notification for those works. It is more of a 'lessons learned' from our perspective about that process, and we acknowledge that in future works the notification process will be followed in accordance with the PWC Act.

**CHAIR**—And what measures have you put in place, or noted on your file, to ensure that happens?

**Mr Agnew**—Besides the fact that we have all learned quite robustly about this! We have looked at the PWC process. We understand the thresholds. We have liaised with the PWC secretariat about the rules and regulations around what needs to be notified. We have developed

a better rapport with the department of finance through the PWC process, to understand it, and we have made it part of our documentation and procedures within the department to actually recognize the PWC process as part of our planning phase.

**Mr PRICE**—Are you aware of the Public Works Committee approved cells in the bowels of parliament for personnel of defaulting departments?

**CHAIR**—I think Mr Price is teasing!

**Ms HALL**—Do you think that there is enough corporate knowledge within the department of the full requirements—obviously there was not, in relation to this—of the public works?

**Mr Agnew**—I believe we are building the strength of that corporate knowledge at this particular point. We have all come from various backgrounds. Our consultants have provided us with guidance and advice, and we are building a more robust framework around how we manage our project processes, especially in the property sphere, because that is very important; that is the biggest part of our expenditure. So from our perspective I believe that we are developing that corporate knowledge, and the procedures that will be put in place will actually address that into the future.

**Ms HALL**—Do you think there needs to be a set list that you need to tick off on before you can undertake any sort of fit-out or development and that that should be done in conjunction with Public Works and the department of finance, and that there should be strict reporting requirements, detailing the way things should be done and ensuring that it has been done, before any approval is given?

**Mr Knapp**—I think this is one of the things we are learning, of course, as an organisation that only rarely has a major project that requires a significant amount of expenditure. We do a lot of very minor works on a monthly or yearly basis and this is the first time, for many of us, that we have been exposed to works at a level that required Public Works Committee notification. So we are on a steep learning curve in just doing that, but we are certainly making sure that, within the property area of our department, we are documenting very well the processes we are now going through and appreciating—by working closely with Finance—how we should manage these processes. I guess that one of the issues, in any consideration of the best way forward in this sort of situation, is that for many areas the requirement to do something that requires PWC notification, or a formal hearing like today, is quite rare for many organisations, even for ones of our size. So we are now working closely with Finance to make sure that, in future, we do follow the proper processes and make proper notification.

**Ms HALL**—Do you think it is the most efficient way to conduct fit-outs and developments of buildings for each agency to have a core group like yourself or do you think it could be more cost-effective if the department of finance handled it for all areas?

**Mr Knapp**—I think that is really a matter for the department of finance to consider. We worked closely with Finance on the development of this proposal. While, as has been noted, we did not follow the process correctly initially, the process itself, once we understood it, is something that we are perfectly able to respond to and I hope our submission and the material we have provided, our walk-through this morning and any answers that we are giving this

afternoon satisfy the Public Works Committee that we are very much on top of what is required to do the whole project properly.

**Ms HALL**—I was very impressed with this morning.

**Mr SLIPPER**—Is this the first time that your department has flouted the provisions of the act?

**Mr Knapp**—We were not aware of all the aspects of the act and how it worked. As soon as we became aware that we had unintentionally done so, we made every effort to inform the committee of the situation. We wrote to the committee immediately we became aware of that situation. We apologise for that unintentional overlooking of the requirements of the PWC and we certainly will make every endeavour to meet the PWC's requirements from now on.

**Mr SLIPPER**—Can you place on the Hansard record the value of the work carried out by your department which failed to seek the approval of this committee? I know that it is in your report.

**Mr Rogers**—The E block fit-out works were valued at \$7.2 million at project completion. At project inception, the works were valued at around \$5.5 million.

**Mr SLIPPER**—Is that the total?

**Mr Rogers**—The other works involved \$1.2 million for A block minor works which were carried out in advance of E block. There was \$0.67 million for the replacement of the obsolete electronic access control system, which was undertaken separately, because the system was failing, and the obsolete fire indicator panel was \$0.285 million. The D block works as notified in the same letter were appropriately notified before construction works were let.

**CHAIR**—We might move on to a discussion around the question of the ownership of the buildings, if we can go there. We heard this morning that the building was sold last year to a company and Centrelink moved out, and that is all documented in your submission. Did you go through a process at that point of doing an options assessment about what the housing requirements of FaHCSIA were and what the options were that you could go through that you could have on the table, and how did you come to the point of deciding that renovation was the best way forward?

**Mr Rogers**—May 2008, when Centrelink vacated the property, was the first opportunity for us to plan in detail. There had been some delay with them relocating, in terms of their new building and the construction timeframes for that. The sale of the building was a trigger for us because prior to that the department of finance had advised us to wait in terms of budget measures being brought forward until the building had sold. So at that point it was our opportunity to fully scope the works, and, of course, time had passed—a number of years had passed—since we had originally started planning for the site.

We had essentially two options at that point. One was to fit out the entire complex as proposed, with a reasonable level refit and refurbishment, until the end of the lease and the other was to renegotiate the lease with the owner. We did a very detailed cost analysis as part of the

budget measure to confirm that we were taking the lowest net present value option. We had four suboptions, and the most expensive was the option to renegotiate the lease at this early point. The one we selected, and which was negotiated with the department of finance, was the option that has come forward.

**Ms HALL**—Does that include a projection for the fact that, maybe seven years down the track, you may have to do another fit-out and relocation? Did you include that possibility in your figures?

**Mr Rogers**—Yes. The cash flows that we worked with assumed a substantial incentive from the market, if we went to the market in 2016. One of the reasons to select the option for the current way forward was that we would access the market at maximum market participation for any future property acquisition, including the option to stay at the top, long term.

**Mr PRICE**—You are responsible for core services that are normally provided by landlords in that lease arrangement, aren't you? When the building was originally sold by the Commonwealth, wasn't it a rather unusual provision to make the tenant responsible for core services? Is it a reasonable conclusion that doing it that way maximised the sale price that the Commonwealth would receive from the sale of building?

**Mr Knapp**—I do not want to comment on the actual tender process in terms of the sale price. Again, that would be a matter best dealt with by the Department of Finance and Deregulation, as the responsible department for the tender process. But the triple net lease arrangement was in place with the existing lease under the previous ownership of the Tuggeranong Office Park and, as part of the tender process, that arrangement continued.

**Mr PRICE**—Let me rephrase the question: when you ultimately start planning to vacate that premises before 2016, will you seek to replicate the same lease in the new premises or will it be different?

**Mr Knapp**—We would certainly be looking for an opportunity to get the best value for money for the department—

**Mr PRICE**—Indeed.

**Mr Knapp**—yes—in any negotiations on a whole range of issues, including the actual rent that we would be asked to pay.

**Mr PRICE**—But will you replicate the current responsibilities you have for TOP in the new building?

**Mr Knapp**—I think there are plenty of other options available in the marketplace.

**Mr PRICE**—I think that is a no.

**CHAIR**—We spent a fair bit of time in the Centrelink Data Centre, which was a new experience for me—thank you very much. Are you confident that, with the renovations that you explained to us very well this morning, that centre is secure, given its importance?

**Mr Agnew**—Secure from a security point of view or from a viability point of view?

**CHAIR**—Secure in terms of its ongoing service delivery.

**Mr Knapp**—The service support level that we provide, yes.

**Mr Rogers**—We had consultants undertake a detailed risk assessment of the infrastructure that we provide to the data centre and the list of works that are in the submission reflects managing that risk in a very robust manner. Equipment, of course, is prone to failure, whether it is new or old, but we believe that the works proposal will make it very robust into the future. The assessment of the plant that supports the CDC was that it is in very good condition but that improved monitoring would allow FaHCSIA to better service CDC until it is moved at a later date, which is unknown.

**Mr Agnew**—We do work closely with our counterparts in Centrelink around what we are doing in the viability and the service we provide to them because they are our client in this particular instance.

**Mr PRICE**—I should have asked: will the departments be saving money by centralising the staff from those different expiring leases, and are you able to quantify those savings for the committee?

**Mr Agnew**—We will be saving money. Having said that, quite clearly that saving has been offset as part of our costings, so that has been considered.

**Mr PRICE**—So is that approximately nearly \$4 million? Is that the offset?

**Mr Agnew**—It is between \$2.5 million and \$3 million.

**Mr PRICE**—For those people who have moved in to E block, the refurbished one, are you able to assess from your survey of staff whether there has been an improvement in their attitude to their accommodation provision over and above what they used to enjoy prior to moving into E block?

**Mr Knapp**—We have a staff survey conducted just prior to them moving in, which included, amongst a range of issues, people's views about accommodation and so on. When we next conduct a survey it will be interesting to see the response. At this stage we depend more on anecdotal evidence, I guess, and that anecdotal evidence is very strongly positive, because obviously we work with a number of these people who are in our information technology area and they have been very positive in the feedback they have provided to all our staff on the work that has been done in E block. They are very satisfied with the level of amenity that we are providing to them.

**CHAIR**—Going back to the Centrelink Data Centre, who did the work to assure you that the measures you are putting in place will in fact secure it? I am using word 'secure', I know, a bit loosely, if you know what I mean.

**Mr Agnew**—In broad terms.

**CHAIR**—In broad terms, who did that work for you?

**Mr Rogers**—Echelon Consulting, a local facilities management specialist, in conjunction with Norman Disney & Young engineers.

**CHAIR**—And they are reputable, obviously.

**Mr Rogers**—Yes.

**CHAIR**—Sorry, I had to ask!

**Mr SLIPPER**—Why ‘obviously’?

**CHAIR**—Of course they are going to say yes.

**Ms HALL**—You have to choose reputable people.

**CHAIR**—We have now got it on the record that they are reputable. That is good.

**Mr SLIPPER**—Well, there is a claim that they are reputable.

**Ms HALL**—We accept it.

**CHAIR**—In terms of the relationship with Centrelink, I think I got from this morning’s discussion that Centrelink does not have any financial responsibility for the operations of the data centre. Please correct me if I have got that wrong.

**Mr Agnew**—They provide a contribution to the running of the data centre and the space that they rent, via an MOU. They are solely responsible for the hardware and infrastructure inside that belongs to them but the support service is via an MOU arrangement on a percentage of space and pass-through expenses.

**CHAIR**—Sorry, can you explain pass-through expenses.

**Mr Agnew**—Take the expenses that we would have in relation to support where it is a cost, such as an upgrade to fire systems. We would undertake the works—holding the building lease—but the pass-through expense would be to Centrelink.

**CHAIR**—So they would pay a proportion according to the area that they lease.

**Mr Rogers**—According to the amount of electricity they use in the facility compared to what we use.

**CHAIR**—Which would be much higher than block E.

**Mr Rogers**—That is right, yes. The closest or most recent assessment was around—we use about 17 per cent and they use about 83 per cent.

**CHAIR**—An area of interest for me is disability access. I am very pleased that FaHCSIA, as the lead agency for disability in the Commonwealth, will be ensuring that the building does comply with the disability access standards. My question is: how do you confirm that the building will comply? Do you use an outside assessor, or do you do that work internally?

**Mr Rogers**—There are a couple of ways we do that. One is through our building certification process, which asks us to meet the minimum building code requirements. Further to that we have Eric Martin and Associates—a specialist disability adviser for the project—and Xact Project Consultants, who are project managers, also have experience and expertise with their subdesign team through Peckvonhartel. So we have a range of experts involved to make sure we get that right. It is not an exact science, and how we best apply it is a very joined-up approach between those groups.

**CHAIR**—If there are no other questions on disability access, we will move to the environmental standards. Can you talk through the process by which you achieve a 4.5 star NABERS rating? This is more a process question for me.

**Mr Rogers**—Are you asking how we make an assessment of the 4.5, or—

**CHAIR**—What are the elements that are brought to bear on achieving whatever star rating it might be?

**Mr Rogers**—For the tenancy—that is the office areas that you saw today—we will be aiming for a NABERS rating of 4.5 stars. That includes tenant light and power, which includes lighting systems, tenant power for computers and other devices, lighting control and those sorts of things. So on the tenancy side of things we are looking at a range of measures to achieve that, including modification of the existing lighting system, upgrade of the lighting control system and improvement of the power-saving modes on equipment and the like. Is that answering your question?

**CHAIR**—Yes.

**Mr Rogers**—The second category is the base building category for NABERS, which basically assesses central services performance. Because it is not our building as such and not our plant, we have not undertaken a detailed assessment of that as yet. Any measures we propose to improve efficiency would have to have a payback period in the seven years to avoid spending unnecessarily on the owner's assets.

The third category is a whole-of-building assessment, which looks at both combined. Again, it is a methodology of combining the two elements. We are aiming for a 4.5 tenancy rating, which may be difficult to achieve in the seven-year period. We have got a very preliminary report from our engineers, and we believe that we can certainly achieve 4.5 on blocks A, B, C and D. But on block E, where we have a secondary computer facility, that may be difficult.

**CHAIR**—Is installation of the water tanks included in the NABERS process?

**Mr Rogers**—No. It is not included in the NABERS water rating. But it is included in achieving improvements in the overall efficiency of the park.

**Ms HALL**—Have you got any data that shows how beneficial using water tanks has been? What sorts of savings have been made?

**Mr Rogers**—Water tanks have not been installed yet, but we believe the dollar savings would be in the order of about \$30,000 to \$40,000 per annum, particularly because we do not have to top up the artificial river corridor, which is substantial.

**Ms HALL**—What sort of analysis have you done to determine that?

**Mr Rogers**—It is a desktop analysis only at this stage. We have only a single meter for the water at TOP, which makes submetering—or trying to determine where our greatest water using areas are—difficult. As part of the facilities maintenance side, which is not included in the proposal, we are looking at improved metering so we can determine that more accurately.

**Ms HALL**—We have had advice in the past that maybe water tanks are not the most efficient way of saving water. Would you like to comment on that? Have you looked at any of those reports? Other departments have been a bit negative about them.

**Mr Rogers**—No, because of the large roof area of TOP, which is different to other buildings—we have a flat structure with a large roof area—we can collect an enormous amount of rainwater compared to other buildings of a similar size.

**Mr Agnew**—We are using it for the river corridors as a bit of a unique recycling type approach. Even if we just use it for that, I think that is pretty unique compared with most other buildings.

**CHAIR**—With the \$30,000 to \$40,000 that you expect to save annually, has the cost of installing the tanks been factored into that as well?

**Mr Rogers**—Yes.

**CHAIR**—Please do not think that we do not think it is a good idea.

**Ms HALL**—I mentioned this morning, when I was on site, the issue of child care. It really surprises me that FaHCSIA would not have an on-site childcare facility. I am wondering if any thought was given to it in the current upgrades, whether the staff of FaHCSIA have been surveyed to determine whether or not there would be a demand for such a service, and about any future plans for the provision of childcare in the department that is actually responsible for childcare. We have recently undertaken to put in place a childcare facility here in Parliament House because we think it sends out a fairly important message. I was wondering whether FaHCSIA could see the advantage and whether you have investigated such a proposal.

**Mr Agnew**—We have undertaken to provide carers facilities in each as part of the refurbishment. A carer facility is breakout area where parents can have their children if they cannot attend school or whatever, but it is not a full childcare facility. We have mothers rooms for breast-feeding mothers, a private space where there is access to amenities. We have taken that step. The long-term step into childcare, I think, is quite a large leap to take as there is a significant cost to that. It was not part of our considerations or part of this refit proposal.

**Ms HALL**—Have staff been surveyed?

**Mr Knapp**—I am not aware of a recent survey of staff. Because we are located in a region of Canberra which has, as I understand it, quite a deal of childcare facilities in quite close suburbs, I am not aware of a need. One of my responsibilities is also for people issues.

**Ms HALL**—That was an argument used here in Parliament House.

**Mr Knapp**—I am not aware of any strong views being expressed through surveys or other activities that we have done within the department for an on-location childcare facility, even if we had the funds to do so, certainly in the feedback we have had from the changes we are making in Tuggeranong Office Park. I am not aware of requests specifically for a childcare centre from staff, and the unions, for example, have not approached us about that either.

**Ms HALL**—It would be interesting to survey your staff. I would be interested to see what kind of response you would get.

**Mr Agnew**—I think a long-term objective would be to include that type of service, but it was not part of the parameters for the current project.

**Mr PRICE**—I thought part of Ms Hall's question was that, given you are the responsible department for childcare, perhaps there was an extra responsibility on your part to have firm information one way or another.

**Mr Knapp**—If I could correct that, childcare—the centres and everything—is the responsibility of DEEWR.

**Ms HALL**—It has just gone to DEEWR; it was with FaHCSIA until very recently.

**Mr PRICE**—You used to have it.

**Mr Knapp**—That is right, but nonetheless we are very much a family-friendly department. A large proportion of our staff are women and we do take those responsibilities seriously, as Mr Agnew pointed out, in terms of the facilities we provide. But at this stage we do not have a childcare centre or a proposal for one.

**Mr PRICE**—2016 is not that far away. I guess, when you are looking for Public Works Committee approval for new premises, we would be very keen to make sure that you have adequately surveyed staff in terms of their needs, especially in relation to childcare.

**Mr Knapp**—I will note that.

**CHAIR**—Can I come back to the environmental standards question and also the ownership and leasing arrangements that you have with the new owner. Is there any opportunity for you to renegotiate with the current owner, not about an extension of the lease—2016 is there—but about some consideration in achieving those environmental standards that the owner of the building may in fact want to invest in so that you will get closer to achieving what you want?

**Mr Agnew**—We have contacted the building owner and we formally wrote to them about our project that was being proposed. We explained the types of works that we are doing and the benefit to both parties in the arrangement. They have chosen to decline a contribution, at this particular point, towards some of the core services that would benefit them in the long run. We will go back and revisit that with them. But at this initial stage our advice from them is that they will not contribute towards the refurbishment project as it stands.

**CHAIR**—They stand to benefit quite considerably, don't they?

**Mr Agnew**—That is the argument that we put forward, yes.

**Mr Middleton**—In particular, we asked about certain items that had a payback period greater than seven years, so after 2016 those components would still have usable life and that is what we sought to be recompensed, or we sought at least a provision of money to help with that upgrade. But that was declined.

**CHAIR**—So you will be investing in elements that will take longer than the seven years to recoup their value—is that what you are telling me?

**Mr Middleton**—Potentially, to get 4½ stars it appears that we will need to upgrade the lighting system and, if we do so, that has a payback period of greater than seven years.

**CHAIR**—How long is that?

**Mr Middleton**—I think it is 14 years.

**CHAIR**—Okay. It would be nice if they would—

**Mr Middleton**—I know. Obviously the energy component of the lighting system is a significant component of the energy savings that can be attributed to the NABERS rating.

**CHAIR**—Does that mean that you may not pursue the lighting system, given that it has a life longer than the seven years that you have?

**Mr Middleton**—It depends. Initially, we had a first look at the NABERS rating. The current building, as it exists, is between two and three stars. To get to 4½, already a number of measures have been put in place. In a number of the blocks, where they had two troffer lights in the lighting system this has been replaced already with one, to bring the energy component down. There are a number of items that have been targeted as far as how we manage it rather than as a capital cost. We are changing the timing on certain operations of the building management system to bring in the actual energy costs that way. We are thinking of new and smarter ways of doing it rather than spending a lot of capital costs on the actual upgrade of the base building works.

**CHAIR**—Thank you. I have no further questions for this public hearing.

*Evidence was then taken in camera—*

**Committee adjourned at 2.05 pm**