



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

PARLIAMENTARY STANDING COMMITTEE ON PUBLIC
WORKS

Reference: Construction of a new Australian Embassy in Jakarta, Indonesia

TUESDAY, 4 AUGUST 2009

CANBERRA

BY AUTHORITY OF THE PARLIAMENT

INTERNET

Hansard transcripts of public hearings are made available on the internet when authorised by the committee.

The internet address is:

<http://www.aph.gov.au/hansard>

To search the parliamentary database, go to:

<http://parlinfoweb.aph.gov.au>

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: Ms Hall, Mr Price and Senator McLucas

Terms of reference for the inquiry:

To inquire into and report on:

Construction of a new Australian Embassy complex including chancery, head of mission residence, staff housing and recreational facilities in Jakarta, Indonesia

WITNESSES

**DAVIN, Mr Peter Julian, Executive Director and Spokesperson, Overseas Property Office,
Department of Foreign Affairs and Trade..... 1**

DENTON, Mr John, Director, Denton Corker Marshall Pty Ltd 1

**HANCOCK, Mr Richard, Project Director, Overseas Property Office, Department of Foreign
Affairs and Trade..... 1**

NOONAN, Mr Paul, Director, WT Partnership 1

**PAGE, Mr Stuart Christopher, Assistant Secretary, Diplomatic Security and Services Branch,
Department of Foreign Affairs and Trade..... 1**

Committee met at 3.42 pm

DAVIN, Mr Peter Julian, Executive Director and Spokesperson, Overseas Property Office, Department of Foreign Affairs and Trade

DENTON, Mr John, Director, Denton Corker Marshall Pty Ltd

HANCOCK, Mr Richard, Project Director, Overseas Property Office, Department of Foreign Affairs and Trade

NOONAN, Mr Paul, Director, WT Partnership

PAGE, Mr Stuart Christopher, Assistant Secretary, Diplomatic Security and Services Branch, Department of Foreign Affairs and Trade

CHAIR (Senator McLucas)—I declare open this public hearing of the Parliamentary Standing Committee on Public Works in its inquiry into the proposed construction of a new Australian Embassy complex in Jakarta, Indonesia. I welcome representatives from the Department of Foreign Affairs and Trade. 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 and consequently 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 the parliament.

Thank you for your very good submission and also for bringing the pictures which look, can I say from a personal perspective, very good, and I am interested to talk to you, Mr Denton, about your ideas. Mr Davin, would you like to make some introductory remarks?

Mr Davin—Thank you, Madam Chair. This submission seeks approval for the Department of Foreign Affairs and Trade to construct a new embassy complex comprising chancery office, Head of Mission residence, 32 staff accommodation units, a medical clinic and recreational facilities in Jakarta. It is proposed that the new complex be built on vacant land acquired by the Australian government for this purpose in the Patra Kunigan district of central Jakarta. It will be occupied by the Department of Foreign Affairs and Trade and 13 other Australian tenant departments and agencies.

The current Australian chancery is located on Rasuna Said in the Selatan district of Jakarta in a purpose built six-storey structure completed in 1993. The building does not meet current security requirements. It is also now seriously overcrowded due to increases in staff numbers over recent years. As an interim measure additional office accommodation has been leased elsewhere in Jakarta, however this arrangement does not meet security and longer term operational requirements.

The proposed new embassy complex will ensure compliance with mandated security requirements, which in light of the most recent Jakarta bombings and the ongoing difficult security environment, is a key objective for the department. The project will also provide sufficient space, functionality and amenity for occupying tenancies and security for visitors and residents in the compound.

A key consideration in the design of the new complex will be energy conservation and environmentally sustainable design which will be undertaken in accordance with the Property Council of Australia energy guidelines, Energy Efficiency in Government Operations policy and local codes as appropriate. Active and passive measures will be employed to meet energy conservation targets including water harvesting and green roof technology. The works will conform to the provisions of the Building Code of Australia and will meet all required occupational health and safety standards.

A traditional delivery of methodology comprising full design, documentation, tendering and awarding of a lump sum headworks contract has been selected for this project on the basis that this will offer the best value for the Commonwealth. This approach also provides the greatest degree of control through all project stages, minimising the risk with respect to budget, program and quality issues. A specialist project management organisation with requisite international experience will administer the onsite construction delivery. Construction of the new complex will cause minimal disruption to the work of the embassy as the existing chancery offices will continue to operate until the new building is completed and occupied after which the current chancery property will be sold.

In accordance with the Jakarta Capital City Administration town plan the new site is appropriately zoned for the embassy complex. Planning approval will be sought prior to commencement of construction activities. Subject to parliamentary approval, construction is scheduled to commence in late 2010 with practical completion and occupation scheduled for 2014.

CHAIR—If I can just start with the last point you made and that is approval that you require under the town plan of the Jakarta Capital City Administration, the zoning is correct so that hurdle has been jumped. Are there any other issues that the committee should be aware of in terms of getting approval for the building on that site?

Mr Davin—There will be a whole series of approvals required as we work through the design process. The fundamental approval is a local requirement called the SIPPT and I might ask Paul Noonan, who is actually based in Jakarta, to take us through those planning processes. There will be a whole series, but we have had meetings with all of the government departments in Jakarta involved in this process plus with the Governor of Jakarta's office and we have been assured we will be assisted through that process and that there should not be any hold-ups or delays. But certainly there will be many, many approvals required to get this project up and running.

Mr Noonan—The SIPPT is the principal planning permit which is the first permit that we have to obtain and subsequent to that there is a series of various permits for block plans, structural permits and MEP permits. So there is quite a big list of permits required right through prior to the commencement of construction.

CHAIR—I note you said, Mr Davin, that this building will comply with the Building Code of Australia. How different is the building code of Indonesia to our code and is there anything we need to be aware of in terms of that?

Mr Davin—We have not done a detailed analysis of the Building Code of Australia against the Indonesian codes at this stage. Our objective is that we will meet the Building Code of

Australia or other international standards where appropriate. That analysis of what might be required locally has yet to really be addressed. That is our objective and they are the requirements that have gone into all our documentation today. I would not suggest that there will be any areas of conflict, but where there is we will always apply the highest standard.

CHAIR—Are there other questions?

Mr PRICE—I have a couple of questions. Is the area of the current embassy high risk in terms of terrorist incidents in Jakarta?

Mr Davin—It is not so much the area where the current embassy is located, it is the vulnerability to the very main road. We cannot achieve the setback requirements that we need in our current location, whereas by moving to a new, purpose-built, larger site we can achieve much better security arrangements. I suppose the answer is, yes, we are on a major, very busy road which we cannot control, so that is a more dangerous area by its nature than our site.

Mr PRICE—In relation to staff housing, how many will be provided at the embassy and how many will be off-embassy?

Mr Davin—The staffing establishment that we are working towards—and this is a projection—is 123 Australian based staff in Jakarta in 2014, and that is what the chancery is being design for. We are providing 32 residential units plus the ambassador's residence on the site. There will be approximately a quarter of the staffing requirements there.

Mr PRICE—How do you derive that number? Is it a standard foreign affairs number?

Mr Davin—No. We are providing on-site accommodation based on the embassy's contingency planning. So those staff regarded as essential to the operation of that mission will be accommodated on the compound. In the event of a deterioration—

Mr PRICE—So the others are expendable?

Mr Davin—No. I hasten to add that in the event of a deterioration in the civil authority there, we would draw down staff and would evacuate non-essential staff leaving this core group of 32. Those people are identified in the embassy's emergency contingency planning as essential staff. That is the basic principle. All agencies were consulted about what staff they would want there in these circumstances and in an emergency or a crisis the essential staff would be accommodated on the chancery grounds.

Ms HALL—They are from all agencies, are they?

Mr Davin—That is right, yes. Most agencies would certainly wish to maintain a presence in Jakarta, even more importantly in a situation where there was some deterioration in security.

Mr PRICE—In relation to the housing of three-quarters of your staff, what risks are there in their present accommodation? Do we own any buildings, or are they leased or rented?

Mr Davin—All of the staff accommodation in Jakarta is leased. The only owned residence is the current ambassador's property. We have owned properties in the past but they have been divested for various reasons over the years. All of the properties are leased and they are really dispersed through expatriate type accommodation units. Stuart Page our assistant secretary of security may wish to add to that.

Mr Page—With the existing accommodation there is security in place for all of them and they are strategically placed across different areas of Jakarta for that specific reason.

Mr PRICE—There is no advantage in aggregating some of the accommodation from a security point of view?

Mr Page—From a security point of view there is no advantage in that.

Mr PRICE—Could I ask about the recreation centre as I notice that the ambassador is getting a swimming pool. I take it there is another one for staff?

Mr Davin—That is correct.

Mr PRICE—I am pleased to hear that or else it would be a bit rough if the ambassador has one and the staff do not.

Mr Davin—I am sure he would share.

Mr PRICE—What other facilities will be in the recreation centre for the staff?

Mr Davin—First of all it provides a sort of covered cabana area, which is near the pool, which will be available for residential and other non-compound staff to use. There are two tennis courts proposed plus a multipurpose basketball area. There is a running, or jogging or walking track that goes right around the site. In sum, that is the facility.

Ms HALL—A gym?

Mr Davin—There is a space made available for it.

Mr PRICE—Again in relation to the accommodation that you are providing on site, what facilities are there for young children? I think you say that you are not providing child care.

Mr Davin—That is correct. There is a secure playground or open area which, if you look at the residential units, you can see is a fully enclosed space. So within that designated grassed area that would be secure for children to play. There will be some playground facilities, such as the construction of small climbing frames and things like that on the compound. The swimming pool has a small children's pool next to it. That is about the sum of it.

Ms HALL—Do you envisage having many children on site?

Mr Davin—I think we are designing the complex with that in mind, but the security situation will influence what sort of establishment we have there. Some years ago it was a very popular

family posting, but in recent years it has been less popular. In fact we had a small compound in Jakarta which we sold a couple of years ago because it was designed very much for families and there were no families up there. It was near the school but a long distance from the office and was an unpopular accommodation, so we sold it.

Ms HALL—If you envisage it being a post where there are a number of families, what influenced your decision not to provide childcare facilities?

Mr Davin—In these environments most households would have household assistance. They will have a household maid or someone in the house who will perform those child-minding duties, so it is not something that has ever been required. There is no demand for a centralised childminding facility in that environment so we have not provided it.

Mr PRICE—In terms of the zoning where the new embassy will be, is there any risk of high-rise structures overlooking the embassy and compromising security down the track?

Mr Davin—If you look at the site, you can see that the western side is the back of that main road and there are very tall high-rise buildings already all along that road. On the eastern side, if you like, is a residential development, so there is no likelihood from that perspective. There is a very large greenfield site on that side of the chancery and there is the possibility of a high rise being built there. To the extent that the design of the chancery can take that into account, it does. We do not necessarily see threat in high-rise buildings; it is more achieving these setbacks and protections. But, yes, there is the possibility that there could be a building adjacent which would be high rise.

Mr PRICE—I think our embassy in Bangkok is now compromised by high-rise buildings. You are saying that there is not sufficient setback in those buildings.

Mr Davin—No, I am sorry. It is not compromised by high-rise buildings; it is compromised by, once again, the lack of setbacks to public roads and the lack of control on the roads that run on the perimeter of that site. High rise per se does not compromise security.

Ms HALL—Further on the matter that Mr Price is asking about, and given that one of the drivers for construction of this new embassy is security, what security measures will you have in place and how will you ensure that security not only is put in place now but is maintained in the future?

Mr Davin—We can probably address some of the more specific issues in the closed session but, in the broadest terms, security of the site is achieved through a perimeter wall that will run right around the whole 10-acre site. The buildings are all protected by substantial setback from the road. An earth berm will be incorporated into the design, which will also provide blast protection. The buildings themselves have all been designed to withstand a substantial blast. There are three substantial guardhouses on the site which will control vehicle and individual access to the site. They will have metal detectors and other features which will control and contribute to the overall security of the site. So, in the broadest terms, that is the sort of security that we will have.

Ms HALL—I will not be here for the in camera part of the session so if you would answer that question in camera and just pretend that I am there, that would be good.

Mr Davin—I certainly will. I do not know whether Stuart wants to add anything to that in the broadest terms.

Ms HALL—No. If you answer the question in camera that would be great. I think that is a very sensible approach to it.

Mr Davin—Certainly we can provide more technical detail in that environment.

Mr Page—There are international standards that we use in many of these processes, as Mr Davin has just outlined, but in the closed session we can raise those.

Ms HALL—That would be really good if you could do that.

CHAIR—In relation to the environmental issues, I understand that you will meet Australian environmental standards. You do not have to comply with the neighbours and the EEGO Australian based regulation but I understand from your submission you will. Can you take us through the elements that will achieve the environmental standards?

Mr Davin—I will refer that question to Mr Denton who has designed the building. In the broadest terms, once again, we have sought to—whilst you correctly point out we are not bound by Australian law in that environment—design primarily a passive design. The design itself seeks to achieve as much of the environmentally sustainable features as it can. Perhaps I will defer to John to take you through that in some detail.

Mr Denton—It is primarily looking at passive design, low resource technologies, in other words things that can be used in Jakarta which does not necessarily have as sophisticated approach as we might have here. Energy efficiency, water collection and reuse and waste minimisation and recycling. To go into some of the details, obviously, building insulation and small windows. The last protection seeks smaller windows anyway so they go together to say that we will have smaller windows in the building for reasons of security and for reducing the amount of solar gain that comes through the windows, although we will have window insulation of blinds and various things to control heat gain.

Total site water cycle management including potable water, rainwater and sewage. We will be collecting rainwater from the roofs of the buildings and recycling and reusing that in a range of different ways. The use of green roofs, which is to put grassed roofs on top of a lot of the buildings, which increases the thermal protection and insulation on the buildings. It also helps with the water retention because it slows down the water on site so it helps with slowing down the stormwater activity, which you need to do if you get very heavy downpours, you need to try and have some retention on site and it assists with that.

Modular units for air conditioning which allows things to be shut down if parts are not being used. Rather than one great big plant that has to run all the time, we use progressive pieces of plant where you can have different sections operating when others are shut down. Obviously thermal insulation and vapour barriers and things like that. Solar water heating to heat water. We

are looking at further solar for electricity and things like that but that will be subject to a little bit of further exploration. There is a life cycle costing issue as to whether that is a viable thing to do.

Use of natural lighting but also with the lighting that we use in the building there will be responses to daylight and also to non use, which means that they will automatically close the lighting down if there is nobody in the room and the lighting will go off, and as the daylight increases the amount of light and power being used decreases.

CHAIR—Mr Denton, can you do that also with air conditioning with a sensor?

Mr Denton—Yes, thermostatic control of all those uses will actually reduce the amount of air conditioning as the temperatures drop in the evening or later in the day. But there is the situation where you have basically mid thirties temperatures right throughout the year, so you do have to condition the air to make it comfortable to be able to work. I think they are the main things. Yes, there is time schedule control of air-conditioning systems, low-energy lighting and the metering of power to facilitate energy management. We will have an energy management system operating on the buildings.

CHAIR—I understand that will produce a 4.5 star rating. Is that accurate?

Mr Denton—That is the minimum standard that we are working to, but we are hoping to go past the 5 rating and we believe that we can probably do that. It depends on the sorts of things that are introduced. If we find that we can introduce a blackwater sewerage system to treat the water on site and things like that, we get more opportunity to push past the 5 rating towards a 6. We are trying to do the most we can.

CHAIR—Who will do the assessment of your rating?

Mr Denton—Our consulting engineers will do the basic assessment.

CHAIR—It will be done internally.

Mr Denton—We will do the basic assessment, and that will then be submitted for review.

CHAIR—You also say in the submission that the building will be accessible for people with disabilities. How will you assess that?

Mr Denton—Basically, complying with the Disability Discrimination Act and things like that sets up a whole lot of things we have to do, such as full access throughout all the chancery buildings for a whole range of disability conditions, from vision impairment to wheelchair use and such. With the housing, the normal approach is to have some of the housing suitable but not all. So, perhaps, of the 32 there might two, three or four houses that are designed to be suitable for disabled people, and that is deemed adequate. But, generally, there is full disability access everywhere.

Ms HALL—When it comes to the building phase, are there workers available with the expertise and skills to undertake the construction?

Mr Denton—Yes. Jakarta has a fairly sophisticated construction industry. We would expect that tenderers might well be Australian companies that would joint venture with local contractors to do it. It is unclear at this stage who will actually be bidding, but they are the sorts of things we would expect. Certainly within the industry locally in Jakarta the capacity is there. We have constructed a number of high-rise office buildings and things in Jakarta over the last few years and there have been no issues in terms of skills.

Ms HALL—And what about security issues in relation to workers on site?

Mr Davin—This will be a controlled site. It will be fully enclosed. There will be a pass system for all workers that come onto the site. We will require a police check for all employees and contractors coming and going from the site so it will be a controlled site. Workers will be screened.

Ms HALL—Who will run the police checks?

Mr Davin—We just apply to the local authorities. It is nothing too elaborate. It is a character check of the employees more than anything else. It is just a requirement to make sure that the site is controlled and managed. It is a requirement we place on the contractor rather than managing it ourselves.

Mr PRICE—I would like to go back to the staff accommodation. Indonesia is such an important post for the department and for Australia. The number of staff has grown and you have outgrown the current building. What is the likelihood that the number of essential staff in five or 10 years will exceed the number of 32 that you are currently providing accommodation for? There does not appear to be the capacity to build any accommodation other than the 32?

Mr Davin—As to the first part of your question—that is, the essential staff numbers. That number is not likely to increase—

Mr PRICE—Notwithstanding an increase in the staff.

Mr Davin—Notwithstanding an overall increase. They would remain the same because they represent the senior representative of each agency at the posts. Whereas your senior Defence representative will be living on compound, he might have five support staff. Now it could be 10 but he will still be the one person, so it does not necessarily follow that the contingency or emergency staffing contingent would grow with overall staffing numbers. That is the first point I would make. At this stage I would not see the capacity to build more, you are quite right.

Mr PRICE—There does not appear to be the capacity.

Mr Davin—No. Unless it were introduced at the design phase that we needed a higher number, and that is not the thinking at the moment. There are other ways of addressing it. Should the security situation deteriorate and there is a need for protected staff accommodation, then I think there is always the option to build anew elsewhere with the same sort of security features around it. So you might build purely a residential compound, if the need was there. Our current assessment is that the protection available in dispersed housing throughout Jakarta is adequate against the threat.

Mr PRICE—So, 10 years ago—1999—the number of essential staff was 32?

Mr Davin—No, I could not say that—that is the assessment on the current embassy. The security situation in Jakarta has changed since 1999. The 32 staff we are mentioning there represent the current chancery contingency planning numbers. We could go into that in more detail later, if you wish. We can identify those positions and tell you what role they play in the chancery. The idea is, in an emergency situation, to keep our chancery fully functioning, to be reporting back to the Australian government in the way it needs to. Having those 32 people in a self-contained, secure environment would enable us to run the full function. So, whilst the embassy numbers would be run down, the essential operations would continue.

Mr PRICE—All right. I think you have fully answered that. Thank you.

CHAIR—I have one final question before we go into the in camera session. Mr Denton, in terms of compliance with the disability access standards, I think you were telling me that you are not going to have an external audit of the compliance?

Mr Denton—That is not planned at present, no. Basically the act now is such that it is really part of the Building Code of Australia—it is built in as a requirement of the Building Code of Australia. Therefore, the compliance has now become fairly standardised. We do a lot of government projects and we treat compliance as part of our role. If there were a need to get it checked or verified then we would get a specialist person to do that. That would not be an issue.

CHAIR—It has been put to me—and I am just giving you this information for what it is worth—that compliance is not strong because some designers and some builders read the code differently to others. I suppose I will just put that to you.

Mr Denton—Yes, there is the core code and compliance under the Building Code of Australia. Then there is a grey area beyond that of things that you would do as well, which is sort of an enhancement to the code. It is a continually changing grey area, I suppose, of things that are sought. We have been involved in a whole range of those projects, with very complex things—with courts and things like that—in the last couple of years. I understand what is being suggested, but we are fairly confident that we understand all of that. If there were an issue, we would certainly refer it back for external audit without any problem. But we are fairly confident that we understand the complexities of those extra areas.

CHAIR—There is the access to premises standard that the government has recently signed off on. It is now not called the access to premises standard—predictably. That will provide a higher level of compliance and requirements of builders into the future.

Mr Denton—Yes, they take it beyond the building code.

CHAIR—At this point we might go into the closed session.

Resolved (on motion by **Mr Price**):

That this committee authorises publication of the transcript of the evidence given before it at the public hearing this day.

Evidence was then taken in camera—

Committee adjourned at 4.14 pm