

3. Australian Federal Police Security Enhancement

- 3.1 The Australian Federal Police (AFP) seeks approval from the Committee to improve security and upgrade system capabilities at eight different AFP premises around Australia.
- 3.2 The estimated cost of the project is \$39.4 million (excluding GST).
- 3.3 The project was referred to the Committee on 20 October 2016.

Conduct of the inquiry

- 3.4 Following referral, the inquiry was publicised on the Committee's website and via media release.
- 3.5 The Committee received one submission and one confidential submission from the AFP. A list of submissions can be found at Appendix A.
- 3.6 The Committee received a briefing from the AFP and conducted public and in-camera hearings on 25 November 2016. A transcript of the public hearing and the public submissions to the inquiry are available on the Committee's website.

Need for the works

- 3.7 In its submission, the AFP explained the current role of its property portfolio:

The AFP's national property portfolio is a key enabler to the AFP's capabilities, enhancing AFP's readiness, capacity and ability to carry out organisational responsibilities for law enforcement, investigations and national security. Providing secure facilities is a critical component of property being an enabler for the AFP to deliver its services at the level expected by the Australian Government.¹

- 3.8 The AFP stated that the proposed works are a product of the current heightened security threat context:

A recent vulnerability assessment determined that AFP facilities require strengthening to reduce the threat of unauthorised pedestrian and vehicular access, reduce the potential for Improvised Explosive Device (IED) attack, and improve systems to respond to security incidents on its premises.²

- 3.9 At the public hearing, the AFP elaborated on the threat environment and the need for the works:

¹ Australian Federal Police, *Submission 1*, p. 4.

² Australian Federal Police, *Submission 1*, p. 5.

The rationale behind this proposal is a change to the threat environment, with the national threat level raised to 'high' in September 2014, meaning that an attack is assessed as likely. Because of its role, members of the AFP are particularly at risk. Uniformed police and police employees entering or leaving a police establishment are readily identifiable. It is also assessed that the principal terrorist threat is from a spontaneous or opportunistic low-capability attacks by a lone actor or small group.³

3.10 The AFP told the Committee about the types of attacks the proposed works are designed to prevent:

The sorts of terrorist attack that can present a threat comprise a range, such as armed assaults, including gun or edged weapons – that is, knives – inclusive of hostage taking and active shooter scenarios; vehicle attacks, whereby the vehicle itself is used as a weapon; improvised explosive devices (IED), which could be vehicle borne, person borne or simply placed in situ; a combination of all of the above; or indeed the use of technologies in attack planning and delivery, such as the use of drones. This is a major shift that necessitates that the AFP better apply and integrate its protective security layers to ensure early detection and a rapid and coordinated response.⁴

3.11 In its submission, the AFP noted that there had been four attacks on police stations between October 2015 and August 2016 alone:

- 2 October 2015 – A police worker was shot dead outside the Parramatta Headquarters of the New South Wales Police;
- 30 June 2016 – A man drove a car into the front door of the Mudgeeraba Police Station;
- 22 July 2016 – A man attempted to set off an IED and self-immolated before driving his car into the basement garage door of the Merrylands Police Station; and
- 4 August 2016 – A man rammed his car into the front doors of the South Australian Police Headquarters building.⁵

3.12 The safety of AFP employees and officers was a key component of the justification for the proposed works. According to the AFP:

The AFP has a legislative duty of care under the *Occupational Health and Safety Act 1991*. It places legal obligations on management and employees and requires agencies to take all reasonable steps to protect the health and safety welfare of employees by providing and maintaining a safe working environment, including safe work practices. In the current threat environment, AFP senior management assesses that the measures

³ Mr Ramzi Jabbour, Deputy Commissioner Capability, Australian Federal Police, *Transcript of evidence*, 25 November 2016, p. 1.

⁴ Mr Ramzi Jabbour, Deputy Commissioner Capability, Australian Federal Police, *Transcript of evidence*, 25 November 2016, p. 1.

⁵ Australian Federal Police, *Submission 1*, p. 4.

contained within this proposal are absolutely necessary to allow the AFP to establish a safer and secure working environment for its staff.⁶

3.13 The AFP told the Committee about the sites selected for security upgrades:

The vulnerability assessment identified that there were a number of sites that were considered a priority (generally larger AFP locations). The sites assessed as being the highest priority, and proposed to be included in the project, are:

- Canberra – National Headquarters – Edmund Barton Building
- Canberra – Barton Police College;
- Canberra – Majura Complex;
- Sydney – NSW State Headquarters;
- Melbourne – Victorian State Headquarters;
- Perth – WA State headquarters;
- Brisbane Airport Office; and
- Adelaide Airport Office.⁷

3.14 The Committee is satisfied that the need for the work exists.

Scope of the works

3.15 The AFP's submission outlines the project objectives, which are to:

- provide maximum security improvements for the project budget to:
 - reduce the ability for threat entities to gain unauthorised access, and improve deter and delay controls;
 - reduce the scale of harm that may be caused from an armed offender and IED attack; and
 - improve the system capabilities to monitor, control and respond to intruders.
- Complete the project by December 2017;
- Deliver the project so that completed works are fit for purpose; functional; and integrated into the existing systems in an efficient manner;
- Minimise disruption to the AFP's ongoing operations during the construction works; and
- Ensure no work lowers the National Australian Built Environment Rating System of Green Star ratings in any of the facilities.

3.16 According to the AFP, the following five concepts informed the scope of the proposed works:

- Strengthening ground floors for intruder resistance including providing two layer security at the ground floor;

⁶ Mr Ramzi Jabbour, Deputy Commissioner Capability, Australian Federal Police, *Transcript of evidence*, 25 November 2016, p. 1.

⁷ Australian Federal Police, *Submission 1*, p. 6.

- Strengthening the upper floors to prevent intruder movement between the floors and improving control of the lock down capability to monitor and react to an intruder;
- Strengthening vehicle building entrances to improve monitoring and control of vehicle access;
- Protecting building from vehicle attack and increasing stand-off distance; and
- Improved monitoring and control and providing greater reliability for the security systems.⁸

3.17 The AFP stated that the vulnerability assessment informed the scope of the proposed works for each of the eight sites, but due to security considerations only certain elements of the proposed works could be detailed in the AFP's public submission. The elements set out in the public submission are:

- Canberra – National headquarters. Works to be undertaken in new main entry foyer to provide two layer security and control access to the inner courtyard;
- Canberra – Barton College. Works to be undertaken in the new main foyer to provide two layer security and a proposed external fence;
- Canberra – Majura Complex. Work to construct a new security control Room/Visitor Entrance and associated improvements to vehicle entry control and inspection;
- Sydney – NSW Headquarters. Works to be undertaken in the new main foyer to provide two layer security;
- Melbourne – Victorian Headquarters. Works to be undertaken in the new main foyer to provide two layer security; and
- Perth – Western Australian Headquarters. Works to be undertaken in the new main foyer to provide two layer security.⁹

3.18 The AFP provided further detail on the scope of works in its confidential submission and to the Committee in a private briefing and in-camera hearing. On the basis of the evidence presented by the AFP, including the confidential material, the Committee finds that the proposed scope of works is suitable for the works to meet its purpose.

Cost of the works

3.19 The estimated cost of the project is \$39.4 million (excluding GST). It includes cost contingencies of approximately 16 per cent, which the AFP noted was higher than most projects. The AFP explained that this was due to the complexity of the proposed works across the eight sites, and that each site has 'its own elements that may be discovered during the work [and] that may cause variation'.¹⁰

3.20 The AFP provided the Committee with further detail in both the in camera hearing, and in a confidential submission.

⁸ Australian Federal Police, *Submission 1*, p. 9.

⁹ Australian Federal Police, *Submission 1*, p. 9.

¹⁰ Mr Peter Gunning, Chief Financial Officer, Australian Federal Police, *Transcript of Evidence*, 25 November 2016, p. 5.

- 3.21 The Committee considers that the cost estimates for the project have been adequately assessed by the AFP, and that the higher than usual project contingency is necessary due to the nature of the proposed works.

Early project expenditure

- 3.22 On 9 August 2016, the AFP wrote to the Committee to inform it that some works had been undertaken without being referred to the Committee's for consideration.¹¹

- 3.23 The AFP informed the Committee that these works were undertaken because of their importance to the safety of the AFP's workforce. Due to 2016 federal election, the Committee had not been formed at the time.¹²

- 3.24 In its submission, the AFP outlined the works undertaken prior to the conduct of this inquiry:

- Installation of fixed bollards around the Sydney Headquarters of the AFP. This work will ensure a stand-off distance for vehicles reducing the risk of an incident similar to the recent attack on the Merrylands Police Station in Sydney. The value of this work is approximately \$500,000.
- Ordering of hostile vehicle management systems to control vehicle access at the Sydney, Melbourne and Perth Headquarters of the AFP... The value of the bollards will be approximately \$300,000 and the design will be completed to a level of detail that will enable the bollards to be ordered in September 2016.
- Ordering and installation of new servers and computers for the AFP security system – this measure will enable the security system to be hosted on servers that are stand-alone from the AFP general data servers. The cost of the ordering of the servers and computers and the trial of the dual factor authentication is approximately \$1.1 million.¹³

- 3.25 At the public hearing, the AFP updated the Committee on the early expenditure:

The three items have been progressed. The first, which was the installation of fixed bollards around Sydney headquarters, is currently being ordered. The second, which was the ordering of the hostile vehicle management systems, is currently in the final stage of design selection, and the decision is being made as to whether they will be pneumatic or hydraulic in nature. The third, which was the installation of the new servers of computers for AFP security, is currently in an assessment and trialling phase, and the expenditure to date on that would be in the order of \$45,000.¹⁴

- 3.26 The AFP noted that the total value of the works scheduled to occur before the completion of this inquiry would possibly be as high as \$1.7 million, which represents less than five per cent of the estimated budget for the project. By the time of the public

¹¹ Australian Federal Police, *Submission 1*, Attachment A.

¹² Australian Federal Police, *Submission 1*, p. 7.

¹³ Australian Federal Police, *Submission 1*, p. 7.

¹⁴ Ms Mel Moore, Manager Commercial Support, Australian Federal Police, *Transcript of Evidence*, 25 November 2016, p. 4.

hearing on 25 November 2016, the AFP estimated that it had already spent \$200,000 on fixed bollards and \$45,000 on the new servers.¹⁵

Committee comments

- 3.27 The Committee takes its role in scrutinising proposed public works very seriously. Usually, the Committee would consider expenditure on construction works prior to the Committee's consideration to be a significant breach of the responsibility of proponent entity under *Public Works Committee Act 1969* to receive parliamentary approval prior to the commencement of construction.
- 3.28 However, in this case, the Committee understands that the need for these works was established during the period of the 2016 federal election, when the Committee of the 44th Parliament was no longer operational and before the Committee of the 45th Parliament was established.
- 3.29 Given that the need for the early works is closely linked to the safety of AFP officers and employees, and in light of the recent spate of attacks on police facilities around Australia, the Committee acknowledges that these works were urgent and necessary. As such, the Committee is satisfied that the AFP commenced the early works in good faith, rather than with any intention to evade statutory Parliamentary scrutiny and approval processes.
- 3.30 Based on both the public and confidential material the AFP provided, the Committee is satisfied that the project has merit in terms of need, scope and cost.
- 3.31 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 for purpose, having regard to the established need.

Recommendation 1

- 3.32 **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 work: Australian Federal Police Facility Security Enhancement Project.**
- 3.33 Proponent agencies 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.

¹⁵ Ms Mel Moore, Manager Commercial Support, Australian Federal Police, *Transcript of Evidence*, 25 November 2016, p. 4.