



Parliamentary Standing Committee on Public Works

REPORT

relating to the

PROPOSED ABC SYDNEY ACCOMMODATION PROJECT, ULTIMO, NSW

(Second Report of 2000)

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA
2000

The Parliament of the Commonwealth of Australia

Proposed ABC Sydney Accommodation Project, Ultimo, NSW

Parliamentary Standing Committee on Public Works

28 March 2000
Canberra

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Membership of the Committee

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Mr Colin Hollis MP

Mr Peter Lindsay MP

Mr Bernie Ripoll MP

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Extract from the Votes and Proceedings of the House of Representatives

No. 76 dated Friday, 14 October 1999

26 PUBLIC WORKS—PARLIAMENTARY STANDING COMMITTEE— REFERENCE OF WORK—PROPOSED ABC SYDNEY ACCOMMODATION PROJECT, ULTIMO, NSW

Mr Slipper (Parliamentary Secretary to the Minister for Finance and Administration), pursuant to notice, moved—That, in accordance with the provisions of the *Public Works Committee Act 1969*, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Proposed ABC Sydney Accommodation Project, Ultimo, NSW.

Question—put and passed.



1. On 14 October 1999, the House of Representatives referred to the Parliamentary Standing Committee on Public Works for consideration and report the proposed ABC Sydney accommodation project, Ultimo, NSW.

THE REFERENCE

2. The terms of the reference were as follows:

The ABC proposes to consolidate its television accommodation in Sydney in a way that meets its organisational and strategic objectives. At one level, the needs of the ABC for this project relate to particular problems with the current television accommodation at Gore Hill. At another level, the project is part of the ABC's response to the changing media environment.

This proposal involves development of the vacant southern portion of the ABC's Ultimo site, adjacent to its current building in Harris Street, together with adaptation of the existing building and disposal of the majority of the Gore Hill site. It would then be proposed that the Lanceley Place portion of the Gore Hill site be retained and redeveloped through a sequence of minor works.

Much of the existing television accommodation at the Gore Hill site is inadequate. It is in need of significant refurbishment and maintenance as it does not meet basic requirements of television accommodation of being safe, functional and economical and providing a satisfactory environment for creative work. Ad hoc development over the past 45 years has resulted in 24 separate buildings. This has disadvantages in terms of efficiencies related to communications, space and functional relationships within the ABC. The proposed development will replace inadequate Gore Hill buildings and facilities with accommodation at Ultimo that is up to date, functional, safe, compliant and designed to maximise efficiency, output and creativity.

The broadcasting industry is currently undergoing a major transformation with the advent of digital broadcasting. This

project will provide the ABC with the facilities required for digital production and transmission, including studios suitable for both wide-screen SDTV – standard definition television – and HDTV – high definition television – production. The Ultimo building will house current television, radio and online staff and facilities and will enable cross-media production.

The estimated outturn cost of this project is \$109.5 million. With three-quarters of the Gore Hill site available for sale, revenue potential for application of the ABC's digital conversion program will be maximised. Subject to parliamentary approval, construction will commence in the year 2000, with completion and occupancy two years later.

THE COMMITTEE'S INVESTIGATION

3. The Committee received a submission from the Australian Broadcasting Corporation (ABC) and took evidence from ABC representatives at a public hearing held at Parliament House, Sydney, on 2 and 3 February 2000. Prior to the public hearing the Committee inspected the site of the proposed development at Ultimo and the existing facilities at Gore Hill.
4. The Committee received written submissions and took evidence from the following organisations and individuals:
 - Mr Quentin Dempster and Mr David Salter;
 - Community and Public Sector Union;
 - Olympic Co-ordination Authority / Olympic Roads and Traffic Authority;
 - Natural Allies;
 - University of Technology Sydney;
 - Sydney Institute (TAFE); and
 - Screen Producers Association of Australia.
5. Written submissions were also received from:
 - Department of Immigration and Multicultural Affairs;
 - Australian Broadcasting Corporation - National Advisory Council;
 - Australian Heritage Commission;
 - Environment Australia;
 - Hardcastle & Richards;

- Ms Helen Matthews; and
 - Darling Harbour Authority.
6. A list of witnesses who appeared at the public hearing is at Appendix A. The Committee's proceedings will be printed as Minutes of Evidence.

BACKGROUND

Gore Hill

7. The ABC was established in 1932 as the Australian Broadcasting Commission. Since 1983 it has operated under the provisions of the *Australian Broadcasting Corporation Act 1983*. This Act sets out the basic functions and duties that Parliament has given to the ABC in the Charter of the Corporation.
8. The introduction of television in the early 1950s brought with it the need for large studios. Land was bought at Gore Hill, north of Sydney, which provided an optimal location for transmission facilities and space for television studios. As television activities grew, the ABC progressively rented a number of commercial premises in the vicinity of the Gore Hill site.
9. The present 5.9-hectare Gore Hill site is the major production and transmission site for ABC television in Australia. It comprises 24 ABC-owned buildings with a gross floor area of 55,000 square metres, with approximately 1,100 staff working on the site.

Dix Committee

10. In May 1981, the Dix Committee in its report to Government recommended the development of comprehensive proposals to rationalise ABC accommodation. In response to the Dix Report, in March 1994 the then Department of Housing and Construction (DHC) prepared an interim Site Feasibility Study for Sydney. A later report, the ABC Strategic Property Development Plan (1985), was prepared by the ABC in conjunction with the DHC. This report proposed accommodating the ABC's Sydney radio operations at Ultimo and television operations at Gore Hill. The Federal Cabinet endorsed the plan in February 1986.

Gore Hill Master Plan

11. The ABC Board first endorsed a Master Plan for the redevelopment of the Gore Hill site in 1985 and further revisions were approved in 1987. By the end of 1988, a major consolidation of ABC Television activities on the Gore Hill site had been achieved through acquisition of adjacent properties and the adaptation of those commercial properties for office, technical and production support functions.

12. In March 1988, the Committee considered and reported on an ABC proposal to develop a joint facility in Ultimo for ABC Radio, the Sydney Symphony Orchestra and Special Broadcasting Service (SBS) Radio. In its sixth report of 1988 (dated 27 April), the Committee recommended the construction of the existing ABC Ultimo building. The building was completed in 1991.
13. The 1988 ABC submission included a proposal to construct a 520 place, eight part level carpark on the adjacent ABC-owned site. The ABC also informed the Committee that it had decided to grant air rights to a developer over the carpark to construct and manage for a given period an office building of approximately 12 storeys. These developments did not take place and currently the site provides parking spaces for 100 ABC operational and staff vehicles.

Asset review

14. Beginning in 1996, the ABC conducted a Corporation-wide Asset Portfolio Review. This was predicated on the principle of Total Asset Management, that assets should exist only to support the delivery of programs and that capital investment priorities should be in line with strategic needs. This identified a number of ABC properties that were surplus to needs or in need of development to meet the ABC's requirements. Among other things, the Review found that in Sydney:
 - subject to reshaping outcomes, Gore Hill should be rationalised as far as possible with a view to disposal; and
 - the southern portion of the ABC's Ultimo site was underutilised as a car-park, but disposal would cause operational difficulties due to loss of essential parking. The Review identified potential for development as part of a collocation strategy.
15. In 1996, the ABC Board endorsed the Review's broad strategic direction to consolidate at the Ultimo Centre and to rationalise/dispose of Gore Hill to the greatest extent that this was financially and strategically possible.

One ABC

16. In December 1996, the Board announced the *One ABC* restructure of the ABC. The previous media divisions of Radio, Television, Concerts, Multimedia, Radio Australia, Australia Television, Enterprises and international operations were abolished. In their place, output was restructured into five output areas complemented by four support portfolios.

17. The restructure encapsulated the Corporation's revised strategic priorities:
 - development of cross-media commissioning and production to maximise advantages from the opportunities created from new technology and media convergence;
 - revitalisation of state/territory-based and regional programming for application across all media - radio, television, online and other emerging delivery platforms; and
 - optimisation of organisational efficiency, initially in business support areas.
18. As part of the *One ABC* structure, the ABC Board adopted a strategy of collocation of News and Current Affairs, to create integrated, efficient cross-media newsdesks allowing for the growth of new services from within existing resources.

THE NEED

19. The need for this project is created by three factors. These are:
 - the dilapidated state of Gore Hill;
 - the introduction of digital television; and
 - organisational and strategic objectives of the ABC.

Gore Hill

20. The Gore Hill complex has developed in an ad hoc fashion over the last 45 years, with some of the buildings still in use which predate the ABC's acquisition of the site in 1954. The last major internal refurbishment of the key buildings on the site was undertaken in 1974 during the program for conversion from black and white to colour television.
21. The age of the buildings and the nature of the development at Gore Hill gives rise to a range of problems, including:
 - inefficient utilisation of the site due to a large number of buildings, some of which are converted houses or 'temporary' transportable huts;
 - the poor state of repair of many buildings, with inherent problems such as poor access, asbestos contamination, lack of adequate fire services and air conditioning systems that are difficult and costly to maintain;
 - buildings that do not meet the demands of modern technology and techniques, providing accommodation that is cramped and dispersed;
 - services and infrastructure that do not comply with current regulations and standards.

22. In order to independently identify, prioritise and cost the extent of property and building works required, in 1998 the ABC commissioned Advanced Asset Solutions (AAS) Pty Ltd to undertake a detailed building audit of the Gore Hill facilities. The survey was not required to address operational deficiencies of the site.
23. The audited survey found that only two buildings out of 24 were at an acceptable standard in terms of condition and code compliance. The remaining buildings were in various states of dilapidation.
24. An implementation plan was developed and indicated an initial expenditure of \$19.2 million (at 1997/98) over an initial five-year period, with a further expenditure over the following 15 years of \$24.8 million (in 1997/98 terms).
25. The problems and difficulties of the Gore Hill site were readily apparent to the Committee on inspection of the complex. The working conditions at Gore Hill were described by Committee members as 'appalling' and 'a disgrace', with significant portions of the complex cramped and cluttered. There was an impression that the complex ceased modernising at the last major outfitting in 1974.

Committee's conclusions

26. **The conditions for people working in many areas of the Gore Hill complex are very unsatisfactory.**
27. **The Gore Hill complex would require major work over a number of years to ensure total compliance with current building standards and to enable the efficient utilising of modern technology.**

Introduction of digital television

28. Legislation requires that the ABC, along with SBS and the existing free-to-air commercial television networks, commence digital transmissions by 1 January 2001 in the five metropolitan licence areas of Sydney, Melbourne, Brisbane, Adelaide and Perth. All regional licence areas are to commence digital transmissions by 1 January 2004. Transmission in digital format will be achieved through a transmission centre based in the Ultimo building that will standards convert non-digital material for transmission. This centre is being developed as a separate project.
29. The key issue for the ABC is the capacity to produce digital material. Production facilities need to be developed to enable the source material to be delivered in multimedia formats. Gore Hill does not currently have studios

- large enough for major, high-quality digital television productions. It is estimated that the whole studio complex would have to be off the air for from six to twelve months for a major reconstruction to achieve digital capability.
30. The Committee sought clarification from the ABC on how the ABC was going to produce material in digital format when the Ultimo project, if approved, would not be completed until mid-2002. The ABC responded by outlining some steps that will be taken, such as the installation of some digital equipment in Melbourne and Sydney and the possibility of commissioning an outside broadcast van that could be used in association with studio space at Gore Hill. The bulk of studio production, however, would be delivered through the Ultimo project.
 31. The introduction of digital technology will enable the ABC to transmit additional program content. In order to achieve the additional production within limited resources, the ABC seeks to facilitate efficient ways of working through collocation of staff and cross-media production.
 32. The Committee questioned the ABC on the ability of the ABC to achieve the desired new ways of working under current staff awards. The ABC indicated that they expect to be able to make the arrangements to suit the new operations.
 33. The ABC's transfer from analog to digital technology requires considerable expenditure. While the Federal Government is making a significant contribution, the ABC is seeking to maximise funds available through property rationalisation and apply these funds to the overall costs of digital conversion.

Organisational and strategic objectives

34. The ABC advised the Committee that the advent of digital broadcasting and new media technologies such as the Internet has provided the ABC with increased capacity to provide its Charter-based content to audiences. The convergence of different media and communication forms allows content generated at a single point to be made available to audiences on radio, television and new digital services.
35. To take best advantage of opportunities provided by this convergence, the ABC is seeking to collocate staff and facilities to enable effective collaboration and production across the three mediums.
36. The ABC argued that efficiencies would be delivered by collocation initiatives across the ABC's Sydney operations, including News and Current Affairs, specialist production groups and television post-production. Collocation of all ABC audio, film, tape, document and reference archives in

- a single location would enhance effectiveness and make them accessible to all ABC program makers. The integrated complex would enable development of a consolidated approach to technical support and bring together most Sydney operations on one site, which would reduce costs in maintenance and other operational support activities.
37. As well as efficiencies gained from collocating staff and facilities, the co-siting would encourage staff to work together as part of *One ABC*. Bringing together people with creative ideas and specialist talents will encourage innovative and collaborative development of program ideas, formats and uses of technology.
38. Staff representatives advised there was no in-principle objection to the idea of putting radio and television together, noting that collocation had been achieved at other sites with no objection from staff. The staff representatives did, however, raise three concerns with the collocation proposal. These were:
- collocation delivered no benefits other than what could be achieved by picking up the phone or connecting machines by a piece of wire;
 - that the collocation project only delivered small quantifiable operational savings with other benefits largely hypothetical; and
 - a proper evaluation on the refurbishment and rationalisation of the Gore Hill site had not been conducted.
39. Based on these concerns, the staff representatives argued that the ABC put a too high value on collocation, with early figures suggesting a refurbished Gore Hill site could be achieved somewhere between \$35 and \$45 million cheaper than the ABC proposal. In addition, the BBC was cited as an example where the collocation of all news and television was seen not to work.
40. The Committee sought to establish from the ABC the benefits of collocation and examples of overseas networks that had collocated. The ABC advised that the non-program operational savings would be in the order of \$2.1 million, arising mainly from property management and administration savings. CNN, ABC America, CBS and the Canadian Broadcasting Corporation were examples given by the ABC as networks that had collocated. The BBC had at least collocated their radio and television news.
41. The Committee also explored with the ABC the claim made by the staff representatives that a proper evaluation on the refurbishment and rationalisation of the Gore Hill site had not been conducted. The ABC outlined both the process undertaken to develop the proposal and the financial modelling utilised to compare the options considered.

42. The ABC argued that comparing the finances of a two-site option, involving a redeveloped Gore Hill in conjunction with the existing Ultimo building, as opposed to the Ultimo proposal, they were similar as far as the extent of borrowings and the time needed to service the debt. The two-site option was less satisfactory as it did not meet the ABC's strategic objectives or operational needs. When the Committee asked if the decision was then driven by the ideological position of collocation and not the economics of the proposal, the ABC acknowledged that it was a mix of both.
43. The Committee also questioned the ABC on the synergies of leaving some functions at Gore Hill. The ABC noted that the functions remaining, which are drama production, outside broadcasts, and construction and prop storage, are either functions that operate on a stand alone basis or not required on a day-to-day basis.

Committee's conclusion

- 44. The collocation of television and radio functions and staff, together with support functions, would deliver efficiencies and benefits to the Australian Broadcasting Corporation.**

THE PROPOSAL

Overview

45. The proposal involves three related, but distinct, parcels of work. One parcel is the construction of a basement carpark and tower that will be built upon the under-utilised carpark adjoining the current Ultimo building. The second parcel is the reconfiguration of approximately 30 percent of the existing Ultimo building. The final parcel is the redevelopment of the remaining Lanceley Place portion of the Gore Hill site through a sequence of minor works.

Scope of the work

46. The project will involve the construction of:
- Four levels of basement providing parking spaces for 250 cars;
 - a loading dock, scenery store and substations at Ultimo Road Level (1,070 metres square);
 - two television studios and associated production support areas on the Harris Street Level (3,126 metres square);
 - a fourteen-level tower, with a gross floor area of 20,223 metres square;

- rehearsal rooms and production support areas on Levels 1 and 2;
- an integrated production resource centre through the consolidation of radio, television and document archives and reference library on Level 3;
- an integrated television post production centre on Level 6;
- office accommodation on Levels 4 – 14; and
- associated siteworks, roadworks, engineering, communication services and landscaping.

The site

47. The site of the proposed new construction is on land immediately to the south of the existing ABC building in Ultimo. Harris Street and a railway corridor form the western and eastern boundaries respectively, with the University of Technology Sydney Building 6 at the southern boundary.
48. Evidence presented at the hearing suggested that the railway corridor may be converted by the New South Wales Government to a pedestrian thoroughfare linking the Devonshire Street tunnel and Central Railway with Ultimo Road and, in future stages, Darling Harbour and Pyrmont.
49. The ABC purchased the 11,320 metres square Ultimo site in December 1986, with the area remaining after the construction of the 1988 building estimated at approximately 2,675 metres square.
50. The site is covered by a concrete slab on concrete piles which is currently used as a carpark. There are two buildings on the site that will need to be removed. An electricity substation supplying the existing building will be relocated and the housing demolished. The diesel emergency generators will be upgraded and relocated to enable the removal of that building.
51. The site and development is the property of the ABC and the proposed development is not subject to the State Government approval process. It is however, proposed that the design will satisfy the objectives of the relevant planning instruments with the support of Authorities including Sydney City Council, the Central Sydney Planning Committee and the Director General of Urban Affairs and Planning through direct consultation.
52. The site and adjoining sites are zoned Residential Business.
53. Preliminary geotechnical studies have been carried out, but these were limited by the presence of the existing carpark structure on the site. The existing condition of the site suggests that fill material overlays rock in depths of up to 4.5m. Below the filling material is sandstone of various strengths. The presence of sandstone relatively near to the existing surface

and the deep excavation required means that pad footings will be the foundation system for the building.

54. The preliminary geotechnical investigation included testing for contaminated soils. Preliminary laboratory analysis of samples taken from the site revealed the presence of small concentrations of chromium and lead. Further testing will be undertaken after the demolition of the concrete structures on the site. Any contaminated materials found on the site will be removed and disposed of in accordance with the relevant regulations.

DESIGN

Overview

55. Design of the facility will seek to provide long term flexibility through multiple use of space wherever possible, adaptability through easy conversion of layout, and simplicity of maintenance through readily accessible services.
56. All new construction, services and external infrastructure will comply with the relevant town planning, Commonwealth and State building, health and safety regulations, the Building Code of Australia and all relevant Australian Standards.

Design objectives

57. The principal design objectives for the project are to:
 - provide sufficient new accommodation to house the television production and support functions that will move from Gore Hill to the Ultimo site;
 - provide a framework and working environment that allow the integration of the relocated television departments with existing radio departments and so promoting the *One ABC* policy;
 - provide facilities and services infrastructure that will allow leading-edge television production and broadcast;
 - provide a facility that is easily accessible and welcoming to the public;
 - maximise the visual integration of new construction with the existing building in order to promote a unified image of the ABC;
 - create a building envelope that respects the surrounding environment and complies with the intent of local planning regulations;
 - create a development that enjoys broad community support; and

- provide design solutions that are cost-effective and give due regard to material and system selection on the basis of their maintainability.
58. A number of witnesses made comments about the design objects for the Ultimo complex. These witnesses felt that the building should be orientated towards the city, not Harris Street. There were two main arguments for this. These were:
- the fact that most people would travel to the building from the city direction and head from the building to the shops and restaurants to the east of the building; and
 - the proposed Ultimo Pedestrian Network that would be utilising the railway corridor running along the eastern boundary of the site.
59. The suggestions to achieve this orientation towards the city would be to have a significant entrance from the railway corridor to the Ultimo complex and to move the ABC shop and café from inside Ultimo A to the eastern wall.
60. The ABC responded to these suggestions by highlighting the fact that the proposed entrance to the ABC from the railway corridor would be a covered, five-metre-wide entrance straight into open space. It would be up to the ABC to determine how this entrance was used.
61. With respect to moving the café and ABC shop, the ABC recognised that in the future it was possible that these could be moved to the north side of the railway corridor entrance. This would cost in the order of \$1 million and would not be undertaken until the demand existed from the pedestrian walkway.
62. The Committee inspected the site of the proposed works before the hearing, and the Chair of the Committee returned to the site after the hearing for a detailed inspection of the railway corridor. The inspection of the site emphasised to the Committee that reorientating the building towards the city would offer little more than an increased view into the neighbouring multi-level carpark.
63. The inspection of the railway corridor and local pedestrian routes revealed that there were other route options for pedestrians and considerable work was needed to establish the planned Ultimo Pedestrian Network. It would assist pedestrian flows in the area if the bridge over Ultimo Road was utilised for the Ultimo Pedestrian Network and pedestrians could easily access the northern side of Ultimo Road. However, this is a decision that should be made by the relevant planning body.

Committee's conclusions

64. **There is no justification to require the ABC to expand the entrance to the railway corridor.**
65. **There are no pressing reasons to relocate the ABC Shop and cafe to the railway corridor side of the building.**

Proposed design

66. In the proposed design, the podium element established by Goossens Hall is extended south to respond to the similar scale podium element of the UTS Design, Architecture and Building Faculty building. The high rise element of the office tower is set back from Harris Street to occupy the eastern portion of the site.
67. The new building will comprise three principal parts:
 - Three-and-a-half levels of basement parking for 250 cars;
 - the podium element abutting Harris Street and linking the low rise form of Goossens Hall with the UTS building 6 on the adjacent site. The architectural expression of this element is consistent with Goossens Hall; and
 - the high rise element, which sits in the eastern half of the site aligned with the approved, but not yet constructed, high rise tower on the adjacent UTS site. A lift tower external to the main body of the floor reflects the form and character of the existing stair tower on the Harris Street frontage of the existing building.
68. The existing entry will be extended with reception relocated south to provide a more central location in the extended entry.
69. The podium floor plate will be contiguous with the tower floor plates over Harris Street, Levels 1, 2 and 3. Both elements will integrate physically and visually with the existing building and its atrium. The atrium will extend to envelop the new building up to and including Level 3.
70. Levels 4 to 6 will sit generally within the tower form and connect through to the existing building at the northern interface.
71. Levels 7 to 14 will be independent of the existing building and comprise the main tower.
72. Pedestrian entry will be via the existing Harris Street entry, extended in size under a new podium. An undercover drop-off with limited vehicular parking is provided to Harris Street immediately in front of the entry. All other vehicle movements on and off the site are via the existing driveway to

Ultimo Road accessing the new loading dock and basement parking. Pedestrian access is also proposed from the future pedestrian corridor east of the site.

73. The ABC was questioned by the Committee on the fact that the proposed height of the building exceeds the local building height restriction. The ABC noted that the ABC is not required to obtain formal approval and no objection had been raised in discussions held with the relevant authorities. In addition, there are buildings in the vicinity either approved or built which exceed the height limit.

LANDSCAPING

74. Landscaping for the project consists of paving to the extended entry and undercover drop-off, as well as to the Ultimo Road vehicular crossing and altered access road. Existing soft landscaping surrounding the existing building will be retained, with no further soft landscaping proposed.

TRAFFIC AND ROAD WORKS

75. Vehicle access to the site is currently from Harris Street for cars and drop-off and Ultimo Road for loading dock and child-care access. It is proposed to remove the traffic access roadway from Harris Street, with all vehicle access to the car parks and loading docks utilising the existing roadway off Ultimo Road. An undercover area will be provided at the Harris Street frontage, allowing for sheltered drop-off and pick-up activity.
76. The spread of vehicle arrivals and departures to the site as a result of shift pattern working and use of dedicated ABC vehicles for work tasks throughout the day is predicted to result in a low level of traffic generation in peak road periods.
77. The Committee heard from the Olympic Roads and Traffic Authority (ORTA) who were seeking to achieve the best flow of traffic along Harris Street during the Olympic Games period from 11 September 2000 to 6 October 2000. The ABC had given an undertaking to restrict construction and schedule no alteration work within the existing building during the Olympic period. ORTA argued that to ensure no additional traffic was generated by the project, construction should cease during that period.

Committee's recommendation

- 78. Construction traffic during the Olympic period should be kept to a minimum.**

CARPARKING

79. The ABC has assessed the need for 250 parking spaces on the site to cater for parking ABC operational vehicles and the vehicles of portfolio heads and some staff. Additional parking requirements will continue to be serviced by nearby commercial facilities.
80. At the public hearing, the Committee questioned the ABC on the carparking policy. The Sydney City Council would permit 286 cars, but the ABC noted physical and financial factors play a role in determining the number of car spaces. The ABC will reserve 10 of these spaces for members of the ABC executive and 135 spaces for staff with early morning starts or late evening finishes.

CONSULTATION

81. Neither the ABC nor the staff representatives could demonstrate a formal process undertaken to gauge staff support for the current project. The ABC believes that the majority of staff supports the project. The CPSU argued that at meetings of members staff expressed very strong support for refurbished and renewed accommodation, but this was qualified by concerns over the financing arrangements for the ABC proposal.

ENVIRONMENTAL AND HERITAGE CONSIDERATIONS

82. Environment Australia advised the ABC that based upon a review of the draft Statement of Evidence to the Committee's inquiry and advice from the Australian Heritage Commission, referral under the *Commonwealth Environment Protection (Impact of Proposals) Act 1974* was not required.
83. An Environmental Management Plan (EMP) will be prepared for the project. Actual performance on the project will be monitored and audited against the environmental indicators contained within the EMP.
84. The building is near four places entered in the Register of the National Estate. The Committee was advised that there would be no impact on these places resulting from the proposed development.
85. Two witnesses at the inquiry raised matters relating to the impact of construction on the local environment. One of these tabled a document with some specific clauses that they sought to have addressed by the ABC in a legal agreement.
86. On questioning by the Committee, the ABC stated that a set of site management criteria covering such issues as acoustics and vibration would be established. The ABC had a concern about entering into a legal arrangement, but accepted that if there was a need for such a document, then

it would emerge. The ABC gave the Committee an undertaking that they would consider the issues raised by the document and continue discussion to reach an agreement that was mutually acceptable.

Committee's recommendation

- 87. The Australian Broadcasting Corporation should continue to have discussions with those affected by the construction of the Ultimo building and consider all options to ensure minimal disruption to the local environment. The possibility of site visits by students should be further developed to encourage good relations with neighbours.**

PROVISION FOR PEOPLE WITH DISABILITIES

88. The new facilities will be designed to meet the requirements of the *Disability Discrimination Act* (DDA) and the ABC Equity and Diversity Guidelines. Parking for people with disabilities will be provided in the basement parking area.
89. The Committee sought clarification from the ABC about whether people with disabilities were taken into account in the building design. The ABC assured the Committee that the building was designed in accordance with Australian Standard 1428 (1) and the appropriate parts of Australian Standard 1428 (2).

CHILD-CARE

90. The ABC will maintain its long-standing policy on the provision of childcare facilities in conjunction with any new property development. Consultation with ABC parent representatives and child-care centre management from both the Gore Hill and Ultimo sites confirmed a total long-term ABC-related requirement of 60 places in Sydney.
91. It is proposed to meet this forecast demand initially through the more intensive ABC related use of the existing Ultimo childcare facility plus provision of additional places in nearby childcare centres in Ultimo and Gore Hill.

ACOUSTICS

Design objectives

92. The acoustic design objectives include the following:
- control of external noise and vibration;
 - provision of high levels of internal sound insulation;

- noise and vibration control of the building services; and
- provision of controlled internal room acoustics.

Design targets

93. The Committee was advised that studios would be designed to meet a building services noise level target of Noise Rating (NR) 20. Consistent with this standard is the control of intrusive noise to be less than NR 20 for 99% of the time.
94. The remaining areas of the building, which are not as acoustically sensitive and critical as the studios and control rooms, will be designed to comply with the design criteria recommended in Australian Standard 2107 – 1987, and Australian Standard 3671 – 1989.

Design

95. The Committee was advised that the building has been efficiently planned to avoid major acoustic conflict. Acoustically sensitive areas are located, where possible, to avoid areas and activities that produce noise and vibration.
96. External noise generated by Harris Street traffic, site traffic and loading bay operations will be taken into account by design features so that design targets will be achieved.
97. The sensitive studio spaces will be structurally isolated from the tower building and the existing building to protect them from internally generated airborne and structure-borne noise.
98. All studios will be internally treated with room finishes providing the sound absorption performance required to meet the design targets.
99. Appropriate acoustic environments will be provided for the open plan office areas of the tower.
100. Building services noise and vibration will be controlled to meet the design targets within the building. Community noise targets at the neighbouring properties will also be met in terms of all noise emanating from the building services plant and systems.
101. Best practice noise and vibration management measures will be adopted to minimise the impact of construction and demolition noise to both neighbours and the existing operations of the radio broadcast facilities.

STRUCTURE

102. The building structure will be constructed largely from cast-in-place concrete because it is the most cost-effective solution. Precast concrete may prove

more economical over the studios and rehearsal halls as unpropped construction may have advantages given the high floor-to-floor height.

MATERIALS AND FINISHES

103. The new building works are generally of reinforced concrete construction, with lightweight steel elements to the level three roof areas, the extended atrium and glazed wall support systems.
104. External wall cladding will be a combination of high performance low reflectivity curtain walling and precast concrete panels similar to the existing precast and glass curtain wall.
105. The entry lobby finishes will be consistent with the existing finishes, with exfoliated granite floors and precast concrete and painted rendered walls.
106. Television studios will be acoustically treated spaces constructed with masonry and plasterboard shells and super flat concrete floors.
107. Production support spaces will have painted blockwork or plasterboard walls, off form concrete and exposed services to ceilings, and concrete or vinyl covered floors.
108. Storage areas will have unpainted blockwork walls, off form concrete and exposed services to ceilings, and finished concrete floors.
109. Office areas will have painted render or plasterboard walls, acoustic tile suspended ceilings and carpeted floors.
110. Materials and finishes to services and amenities areas will be selected on the basis of their serviceability, ease of cleaning and maintenance.

BUILDING SERVICES

Building Management Control System

111. New mechanical services will be controlled by the Building Management System (BMS), using a system of equivalent functionality to the existing building. The new system will provide:
 - central switching and control of equipment with associated energy savings and operation advantages;
 - interface with existing BMS system;
 - programmable operation with graphics interfaces for full zone control and incorporating facilities for external monitoring and energy conservation; and
 - capability for expansion, integration and modification.

Mechanical

112. The mechanical services will include:

- air conditioning, heating and ventilation for new office, production and general areas;
- expansion of the capacity of the existing central plant located on Level 8 of the existing building to provide chilled water and heating water to serve the new areas;
- air conditioning of other areas such as studio support areas on Levels 1, 2 and 3 by fan coil units;
- mechanical and natural ventilation of studio runway and set storage areas; and
- mechanical services fitout works to the existing building.

113. The two new television production studios located on Harris Street Level will be provided with acoustic treatment of ducts and equipment to achieve the required Noise Rating criteria.

114. The carpark will be provided with exhaust and supply ventilation in accordance with applicable codes. A carbon monoxide detection system will cycle the ventilation to reduce energy costs.

115. The chilled water supply from the central plant will be monitored by the BMS. In the event of power supply failure, chilled water will be supplied to some specific critical areas via diesel backup power supply. The heating water system will also operate with redundancy via two boilers.

Hydraulic

116. Hydraulic services will include:

- sewer drainage and sanitary plumbing;
- stormwater drainage and downpipes;
- domestic hot and cold water;
- gas service;
- sanitary fixtures and faucets;
- acoustic treatment of pipework; and
- fire sprinkler, hydrant and hose reel services, plus fire extinguishers.

117. The sewer drainage and sanitary plumbing systems will collect the discharge from the various sanitary fixtures and drainage points and will connect to Sydney Water's sewer main located at the eastern site boundary.

118. The sanitary plumbing system will be fully vented, modified and designed in accordance with Australian Standard 3500, the National Plumbing and Drainage Code.
119. The stormwater and downpipe system will be a complete gravity system of drains connecting all roof sumps and terraces to the existing stormwater system and to the Harris Street kerb and gutter.
120. The stormwater system will be designed to a 1:100 year storm intensity in accordance with “Australian Rainfall and Runoff” and will be provided with a means of overflow in case of drainage system blockage.
121. A comprehensive subsoil system will be provided under the lower carpark slab, with a perimeter dish drain collecting seepage at the perimeter of the carpark. The sub-soil drainage will drain to a centrally located sub-soil pump pit that will, in turn, discharge to the stormwater drainage system.
122. The existing gas service will be utilised to supply the additional mechanical boilers and domestic hot water plant. The natural gas system will be designed in accordance with Australian Standard 601.

Fire protection

123. In addition to those works noted above, fire protection services will also include an automatic fire detection system and an Emergency Warning and Intercommunication System (EWIS). The EWIS will be an extension of the existing system with the provision of a new master control panel and will be installed in accordance with the requirements of Australian Standard 2220.
124. The fire hydrant and hose reel service will comply with the Building Code of Australia or its equivalent and requirements of the regulatory authority.
125. Fire extinguishers will be provided at all fire hazard areas, such as electrical distribution boards, substations, switch rooms and other areas as required under Australian Standard 2444. Portable fire extinguishers and fire blankets will be provided as required.
126. The automatic wet sprinkler system will be an extension of the existing system. The existing system will need modification to comply with current code requirements and due to the revised height and area of the total building. These modifications to the existing system will include the following:
 - upgrading of existing sprinkler pumps to achieve higher flow and pressure requirements, all in accordance with Australian Standard 2118 – 1995 and Australian Standard 2941 pump codes; and
 - increasing the sprinkler storage effective capacity from 25,000 to 50,000 litres with an electric pump.

127. The new building will be provided with a new automatic fire detection system complying with Australian Standard 1668.1 and the Building Code of Australia. The existing fire indicator panel will be replaced with an addressable data-gathering panel to monitor the existing detectors.

Electrical

128. The electrical services will include:

- high voltage reticulation by Energy Australia;
- decommissioning and removal of existing substation;
- new indoor chamber type substation to feed existing building and new building;
- new main switchboard for new building;
- new consumer mains, submains, switchboards, distribution boards and earthing;
- wiring, cables, enclosures and supports;
- general, emergency and exit lighting;
- access control system for the new building, extending to interface with existing building;
- augmentation to existing closed circuit television (CCTV) system to provide coverage for new building;
- telephone block cabling for new building;
- passive communications infrastructure; and
- master antenna television (MATV) for new building.

129. The new substation at the Ultimo Road Level will be sized to house five 1500 KVA transformers, four of which will be relocated from the existing substation.

130. The existing (2 x 1100 KVA) generators supplying standby power to the technical areas of the existing building will be retained and relocated on the site. An additional 1100 KVA generator and uninterruptable power supply units will be relocated from Gore Hill to provide additional backup for the technical areas of the new building.

131. Cabling for technical areas will terminate at distribution boards on each floor with final technical wiring completed as part of the ABC technical fitout.

132. Lighting will generally be provided by means of energy efficient luminaires. Fluorescent luminaires will use tri-phosphor tubes for energy conservation and extended lamp life.
133. All lighting will be designed to provide lighting levels that comply with Australian Standard 1680. Maximum use of natural light will be employed where this will not be detrimental to the function of the respective space.
134. External lighting will utilise fluorescent or discharge lamps and will be provided to ensure safe access to the building and for security purposes. The lighting will be controlled by a combination of photo-electric and time switches.
135. The new building will be equipped with a system of emergency and exit luminaires complying with Australian Standard 2293. The existing building will be upgraded where necessary to meet this Standard.
136. Multi-mode optic fibre backbone cabling will be provided in the new building, terminating on each floor. The existing main distribution frame will be extended to provide voice cabling for the new building. The existing Ultimo PABX will be expanded through transfer of PABX equipment that will no longer be required at Gore Hill.
137. A new access control system, incorporating proximity card readers and control door operations, will be provided for both the new and existing building.
138. Six lifts will be installed, all fully compliant with the Lift Code, Australian Standard 1735 and the Building Code of Australia, with particular emphasis on requirements for emergency use and for use by people with disabilities.

Energy conservation measures

139. The building will be designed to be energy efficient without reducing accommodation standards.
140. The building design will use both active and passive energy conservation measures to minimise environmental impact in accordance with the Commonwealth policies for energy conservation and economically sustainable development.
141. These measures will result in a highly efficient building with an energy budget for the building comparable to relevant Property Council of Australia Energy Guideline Design Targets for similar buildings of comparable use and operating hours.
142. It is proposed that the following design concepts, functionality and equipment will be incorporated to provide energy efficient services:

- the air conditioning systems will be designed to incorporate economy cycles where architecturally feasible to provide savings when outside air temperatures are suitable and offer improved indoor air quality;
- a central Building Management System (BMS) will provide for implementation of energy saving regimes, such as time varied setpoint control and automated 365-day timeclock operation of systems. Electrical load management will be available through operational features such as load shedding and maximum electrical demand schemes;
- equipment, including pumps, fans, chillers, boilers and associated equipment, allowing high operational efficiency will be selected and variable speed drives will be used where appropriate;
- air conditioning chiller and compressor driven equipment will not utilise CFC refrigerants. Low ozone depletion and greenhouse gas emission equipment will be specified and refrigerant management systems and procedures implemented;
- the office tower mechanical systems will be designed to allow after-hours individual operation of the air conditioning systems for each floor;
- expansion of the existing central energy plant provides for energy and cost savings through application of diversity factors and reuse and expansion of existing equipment and systems. Multiple chillers will be staged via the BMS to operate at maximum efficiency;
- water restrictors will be installed in hot and cold water outlets;
- energy efficient glass will be selected for the facade;
- high performance double glazing will minimise fabric heat loads in both summer and winter;
- the window and floor plate design maximises use of natural light in office areas and minimises use of artificial illumination;
- lighting energy consumption will be reduced in office and general spaces by use of high efficiency luminaires, generally utilising low loss ballasts and tri-phosphor tubes;
- use of natural gas for space heating will reduce carbon dioxide emissions; and
- variable volume (VAV) air distribution in office areas will provide economical part load operation and local zoning.

PROJECT DELIVERY SYSTEM

143. The project will be delivered through a project management delivery method, utilising a major Construction Contractor acting in the capacity of Project Manager to manage both the design and construction of the project. This method will enable site works to commence as early as possible with design documentation proceeding in parallel.
144. When the Committee questioned the ABC on the percentage of the contingency cost on the project, the very low percentage was partly attributed to the project management approach that avoided the rigidity of the 'lump sum approach'.

FINANCING

145. The ABC proposes to finance the project by a combination of funds from its forward property capital budget, property related efficiency savings and borrowings. The debt will be serviced by restructuring existing property related debt, ongoing property budget funds and non-program efficiency savings. Under the proposed finance strategy, the project will be paid off within eleven years.
146. The method of financing the development was identified by the ABC and staff representatives as being a major concern for staff. The Screen Producers Association of Australia (SPAA) also expressed this concern. The bases for their concern may be summarised as follows:
- the amount of money that the ABC needed to borrow to fund the project;
 - a suggestion that the method of financing was not appropriate for a government authority, with the decision made on the basis of unsophisticated financial modelling;
 - that the market value of the existing Ultimo building was considerably less than the construction cost; and
 - no significant long-term savings had been identified as arising out of the proposal.
147. It was suggested by the CPSU and SPAA that as a result of these factors, there would be a decline in ABC-produced or ABC-commissioned Australian product, as well as a decline in the service to regional Australia.
148. The Committee questioned the ABC on the strength and impact of each of these claims. The ABC responded to the concern regarding the level of debt by advising that the absolute level of ABC external debt had decreased considerably since 1995-96. The ABC were confident that the ABC had the capacity to service the debt specifically associated with the accommodation

- project, noting that it was possible for the ABC to avoid volatile movements in interest rates by locking in a reasonable interest rate for ten years.
149. With respect to the sophistication of the financial modelling and the appropriateness of the funding strategy, the ABC informed the Committee that a range of external advice was sought on the funding models and strategy. Arthur Anderson, the Macquarie Bank and the Department of Finance and Administration (DOFA) all contributed to the development of the final financing strategy which DOFA approved. In addition, the commercial experience of the Board and the professionalism of the Chief Financial Officer ensured rigorous examination within the ABC.
 150. Evidence was presented at the hearing that gave the value of the existing Ultimo building considerably less than the construction cost, indicating that the ABC may be overcapitalising on the Ultimo site. The ABC argued to the Committee that rather than accepting a market valuation, a more useful exercise is to consider the replacement cost of such a purpose-built building. The replacement cost was given as much higher than the construction cost.
 151. The CPSU and staff representatives also put to the Committee that previous practice of the ABC was to ensure that each project was self-funding. This required savings to be demonstrated which offset the cost of the building. In this case, the staff representatives said, although \$2.1 million in savings had been identified as arising out of the project, these funds were not being used to finance the project. Rather, the identified savings were returning to portfolios for other purposes. The ABC insisted that the project was self-funding, as existing program budgets would not be called upon to service or fund the project in any way.
 152. The Committee sought from the ABC confirmation that the financing strategy for the project would have no impact upon capital works and the refurbishment of stations planned in capital cities and regional centres. The ABC confirmed that the project would have no impact.
 153. The Committee also questioned the ABC on whether the project would decrease the ability of the ABC to provide television coverage to those in rural Australia who did not have access to ABC television. The ABC advised the Committee that the ABC did not have discretion over this matter and the funds used for this purpose are determined in the Commonwealth Budget context. There was some concern expressed by the Committee that many country areas throughout Australia do not currently have any television services. Evidence from the ABC indicated that funds from the sale of Gore Hill will be used to provide new digital services. Some members of the Committee consider that the ABC has more discretion in this matter than the response by the ABC would indicate.

Committee's conclusion

- 154. On the basis of information provided, the proposed financing strategy for the project is within the capacity of the ABC to the extent that the Ultimo project is achievable with no call upon existing program budgets or planned capital works funding.**

COST AND TIMETABLE

155. The estimated out-turn cost for this proposal is \$109.5 million, inclusive of all escalation costs, contingencies, and all professional fees and authorities charges.
156. The estimate excludes any GST-related costs, loose furniture and fittings, broadcasting technical equipment and related installation costs and the cost of relocating staff and equipment from existing facilities.
157. It is anticipated that, subject to a favourable report from the Committee and Parliamentary approval, the building will be completed approximately two years after construction commences. After technical fitout, it is anticipated that the building would be fully operational by mid-2002.

Committee's recommendation

- 158. The Committee recommends that the proposed Australian Broadcasting Corporation Sydney accommodation project proceed at a cost of \$109.5 million.**

CONCLUSIONS AND RECOMMENDATIONS

159. The Committee's conclusions and recommendations and the paragraphs in the report in which they occur are set out below:

1. **The conditions for people working in many areas of the Gore Hill complex are very unsatisfactory. (paragraph 26)**
2. **The Gore Hill complex would require major work over a number of years to ensure total compliance with current building standards and to enable the efficient utilising of modern technology. (paragraph 27)**
3. **The collocation of television and radio functions and staff, together with support functions, would deliver efficiencies and benefits to the Australian Broadcasting Corporation. (paragraph 44)**
4. **There is no justification to require the ABC to expand the entrance to the railway corridor. (paragraph 64)**
5. **There are no pressing reasons to relocate the ABC Shop and café to the railway corridor side of the building. (paragraph 65)**
6. **Construction traffic during the Olympic period should be kept to a minimum. (paragraph 78)**
7. **The ABC should continue to have discussions with those affected by the construction of the Ultimo building and consider all options to ensure minimal disruption to the local environment. The possibility of site visits by students should be further developed to encourage good relations with neighbours. (paragraph 87)**
8. **On the basis of information provided, the proposed financing strategy for the project is within the capacity of the ABC to the extent that the Ultimo project is achievable with no call upon existing program budgets or planned capital works funding. (paragraph 154)**
9. **The Committee recommends that the proposed Australian Broadcasting Corporation Sydney accommodation project proceed at a cost of \$109.5 million. (paragraph 158)**

Hon. Judi Moylan MP
Chair

28 March 2000



Appendix A—Witnesses

Amos, Mr Geoff, General Manager, Olympic Roads and Transport Authority

Balding, Mr Russell Stephen, Head, Finance and Business Services, Australian Broadcasting Corporation

Blunt, Mr William, Manager, Major Projects, Property Development Unit, University of Technology, Sydney

Dawkins, Mr Jeremy, Harbour Manager, Office of Sydney Harbour Manager

Dempster, Mr Quentin, member, Community and Public Sector Union

Eldridge, Mr Andrew, Manager, Capital Planning, Sydney Institute of TAFE

Gregg, Dr Bernhard, Director, Property Development Unit, University of Technology, Sydney

Herd, Mr Nick, Executive Director, Screen Producers Association of Australia

Jeffrey, Mr Tom, President, Screen Producers Association of Australia

Jones, Dr Brian, Director, Strategy, Sydney Institute of TAFE

Kemmis, Ms Robyn, Deputy Vice-Chancellor, Administration, University of Technology, Sydney

Knowles, Mr Colin John, Head, Technology Strategy and Development, Australian Broadcasting Corporation

Larson, Ms Susanne, Policy Manager, Screen Producers Association of Australia

Lloyd James, Mr Andrew, Head, National Networks, Australian Broadcasting Corporation

Marhinin, Mr Alexander, Project Director, Sydney Accommodation Project, Australian Broadcasting Corporation

Prendergast, Ms Margaret Joan, Manager, Operations Planning, Olympic Roads and Transport Authority

Richardson, Mr Peter John, Director, Cox Richardson Architects and Planners

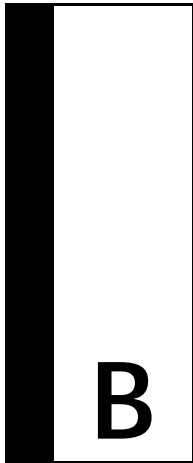
Rolfe, Mr Michael Richard, Principal, Natural Allies

Salter, Mr David

Short, Mr Lindsay John, Director, Project Directors Pty Ltd

Thomson, Mr Graeme, ABC Section Secretary, Community and Public Section Union

Williams, Mr Paul Elsum, Head, News and Current Affairs, Australian Broadcasting Corporation



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