

The Proposed Works

Need

- 2.1 The Australian Embassy Complex in Paris was designed and constructed to comply with the local and Australian building codes of the 1970s, but does not meet current standards. The apartments are over 25 years old and, whilst well-maintained, have deteriorated with age and use. Specifically:
- the wear and tear associated with normal occupation has resulted in degradation of surfaces and finishes;
 - the seventies design does not provide adequate lighting levels;
 - infrastructure such as power and data cabling, electrical wiring, fire detection, ventilation and engineering services do not meet tenant requirements;
 - complete refurbishment is needed to ensure compliance with OH&S requirements and current building codes and standards; and
 - modernisation is required to provide an appropriate standard of accommodation and to protect the Commonwealth's investment.¹

¹ Appendix C, Submission No. 1, paragraphs 2.4 and 3

Scope

- 2.2 It is proposed that the refurbishment works in each apartment will comprise:
- replacement of electrical wiring and fittings and upgrade of switchboards;
 - installation of new telephone, data and television cabling;
 - upgrade of fire detection equipment;
 - upgrade of lighting;
 - installation of secondary glazing;
 - refurbishment of bathrooms and toilets;
 - replacement of heating;
 - replacement of door hardware and locks;
 - refurbishment of kitchen exhaust systems;
 - repair of damaged concrete wall sections;
 - complete repainting;
 - refurbishment of built-in timber joinery and refinishing of veneers;
 - upgrade of other finishes including wall and floor tiles.²

Purpose and Suitability

- 2.3 The proposed works are intended to bring the 29 apartments in the Australian Embassy Complex in Paris to a modern standard to ensure:
- compliance with OH&S regulations and current building codes and standards;
 - an acceptable standard of amenity for residents; and
 - continued viability of the property as a source of income generation.³

2 Appendix C, Submission No. 1, paragraphs 12.5 – 12.14

3 ib id, paragraph 1.1

- 2.4 DFAT considered three options in devising the current project:
- do nothing, which would not address OH&S or building standards issues, or provide an acceptable level of amenity to tenants;
 - partial refurbishment estimated to cost \$7.7 million, which would address all OH&S and compliance-related works, but would necessitate further refurbishment to protect the asset value; and
 - complete refurbishment at a cost of \$9.5 million, which would address all OH&S and compliance issues and include all refurbishment works.⁴
- 2.5 DFAT believes that the third option provides the most cost-effective long-term solution for protection of the Commonwealth's asset as it provides:
- “...the best financial return in terms of the Net Present Value (NPV) cost and the highest Internal Rate of Return (IRR).”⁵
- 2.6 It is envisaged that the proposed works will extend the life of the property for 25 years before further major refurbishment is required.⁶

Cost

- 2.7 The total estimated cost of the proposed work is \$9.5 million at June 2003 prices and exchange rates. This estimate includes:
- construction costs;
 - consultants' fees;
 - project management and supervision;
 - travel expenses; and
 - French Government VAT at 5.5%.⁷

4 Appendix C, Submission No. 1, paragraphs 4.1 – 5.3

5 ib id, paragraph 5.2

6 ib id, paragraph 1.5

7 ib id, paragraph 28.1

