



**COMMONWEALTH OF AUSTRALIA**

**JOINT PARLIAMENTARY  
COMMITTEE**

on

**PUBLIC WORKS**

**Reference: New facilities for the National Museum of Australia and the Australian  
Institute of Aboriginal and Torres Strait Islander Studies**

**CANBERRA**

**Tuesday, 9 December 1997**

**OFFICIAL HANSARD REPORT**

**CANBERRA**

JOINT COMMITTEE ON PUBLIC WORKS

Members:

Mr Tuckey (Chair)

Senator Calvert  
Senator Ferguson  
Senator Murphy

Mr Richard Evans  
Mr Forrest  
Mr Ted Grace  
Mr Hatton  
Mr Hollis

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JOINT COMMITTEE ON PUBLIC WORKS

*National Museum and Aboriginal and Torres Strait Islander Studies*

CANBERRA

Tuesday, 9 December 1997

Present

Mr Tuckey (Chair)

Senator Calvert

Mr Richard Evans

Senator Murphy

Mr Forrest

Mr Hatton

Mr Hollis

The committee met at 8.59 a.m.

Mr Tuckey took the chair.

**PINCOTT, Mr Rory James, Director, Donald Cant Watts Corke (ACT) Pty Ltd, Unit 11, 43-51 Giles St, Kingston, Australian Capital Territory**

**SERVICE, Mr James, Chairman, Construction Coordination Committee, c/- Construction Coordination Task Force, Department of Communications and the Arts, GPO Box 2154, Australian Capital Territory 2601**

**CHAIR**—Welcome to this hearing of the Joint Statutory Committee on Public Works. In order to address some matters that have arisen in our routine private meetings this morning we have altered the schedule. In this regard, I draw your attention to my opening statement, paragraph 2. Consistent with the reference that was given on 30 October, the sum of money that we are inquiring into is \$133 million—not \$151.9 million as suggested in the amendment provided to us by the department yesterday. In fact, a matter that needs to be addressed in evidence today is how we could recommend any more in the circumstances, because the reference and all other aspects of the matter relate to \$133 million, not \$151.9 million.

Consequent to yesterday's investigation with the department, we have decided to ask Mr Service and Mr Pincott as specialists to appear now. I apologise to those who thought they would be first witnesses this morning, but it is important that this important matter of the cost and how the additional cost was arrived at is resolved.

Gentlemen, we will not be asking you to make any special statement, unless you would like to—if you did hear the evidence yesterday. Otherwise, the purpose of this is to allow members of the committee to ask questions. Would either of you like to make any opening statement relating to the matters at hand?

**Mr Service**—I am happy to respond to any questions the committee has.

**Mr Pincott**—Same with me, Mr Chairman.

**CHAIR**—We will move immediately to questions.

**Senator MURPHY**—I would be interested, in the first instance, to find out what the explanation is for the reference to us being changed from \$133 million to \$152 million.

**Mr Service**—I think that is a matter which the department is better placed to respond to than I am.

**CHAIR**—Yes, I agree. At the moment these gentlemen are before you to explain the processes of the committees. We may have to get the department back on that.

**Senator MURPHY**—It might have helped me understand some of this. Mr

Service, what was your role in the whole process?

**Mr Service**—I have had a number of roles in the process. I was originally appointed as Chairman of the Council of the National Museum. Subsequently, the minister asked me if I would chair a committee to deal with the site selection and make recommendations to the government. Subsequent to the completion of that process, the minister decided he would set up a construction coordination committee, and he asked me if I would chair that committee.

**Senator MURPHY**—I understand that in chairing that committee you have briefed the five finalists with regard to the requirements for their design proposal. Are these the two documents upon which you would have briefed them?

**Mr Service**—Yes, they were the two documents that were issued by the department to all the competitors.

**Senator MURPHY**—What was to be included in the design bid? I am having some difficulty understanding what was required to be included in the bid—I don't know if that is the right name for it. It says:

Submission requirements:

Each entry is to consist of drawings, a report, a model and fee submission. These must comply strictly with the submission requirements set out below.

Then it goes into a range of things. When you go through that, it talks about a range of things, including roads and walkways and so on. Can you tell me what roads were to be included in the design plan?

**Mr Service**—Internally, of course, there has to be the capacity for people to move to and from the car parks. There has to be the capacity for trucks to bring display material, exhibitions and all of those sorts of things into the museum itself. There are some minor requirements for AIATSI. I am not familiar with the full details of that because the design details of AIATSI, of course, are the responsibility of that organisation. They are not my responsibility.

**Senator MURPHY**—But what about in so far as the roads relating to Acton? I cannot recall the name of the road that goes into the Acton Peninsula.

**CHAIR**—Parkes Way is the major thoroughfare, and then there is a road that goes into that.

**Senator MURPHY**—No, it is not Parkes Way. It is Lawson Crescent.

**Mr Service**—The public roads are the responsibility of the territory, and presumably the National Capital Planning Authority has some responsibility as well. It is not the responsibility of the museum to provide public roads.

**Senator MURPHY**—So within the precinct of the design plan, where would the responsibility for what is contained in the brief begin and end?

**Mr Service**—At the boundary. I cannot point out to you precisely where the boundary is.

**CHAIR**—I would like to intervene for a minute. What you are telling us basically is that the costs associated with the budget that was given to the designers ceases at the boundary of the development, but otherwise includes roads and other service infrastructure.

**Mr Service**—That is correct, yes.

**CHAIR**—So the reality is that the brief on which you based your assessment of design and the bidding for design was a budget built around the development costs of the site as it is designated—12.5 hectares or whatever. Would you say that is a true description?

**Mr Service**—That is broadly true, but I really should make some comment about this whole issue of cost and bidding. The essential purpose of the whole process was to choose what was believed to be the best design. Part of that process was simply to test that the design had the capacity to be built within the budget. I do point out to the committee that those designs are very preliminary, and it is quite impossible to ascribe a precise cost to them.

So, if we start off with a budget, assuming this committee approves the project, we will not overspend that budget. I have said that twice in public. That is my commitment to this committee, and the government and the taxpayers of Australia. I know there was a lot of discussion yesterday about this cost issue. I have to suggest that that discussion is not founded on a full understanding of the process. If I and my colleagues have not explained that adequately to the committee, I apologise for that, but it was not a bidding process; it was a design process. They are two different things.

**CHAIR**—But you are confident that you can deliver a development of the nature presented to the committee within that budget?

**Mr Service**—Absolutely.

**CHAIR**—Can I ask another question—sorry, Senator Murphy, but I want to keep this moving. The reality is that yesterday all of that budget was focused on \$151.9 million



when all this committee has been asked to consider is an outlay of \$133 million. How do you respond to that in terms of your previous answer?

**Mr Service**—My understanding is that the \$151.9 million includes a number of items which are not relevant to the reference of this committee. For example, there are expenditures by the ACT government, which are of course its responsibility. There is a contribution to infrastructure by the ACT government. There is the expenditure of, I think from memory, the best part of \$3 million on the Aboriginal and ACT cultural centre. Again that is not the responsibility of this committee, although I understand the committee has an interest in it because it affects the design process.

**Senator MURPHY**—That is not the evidence we were given yesterday.

**CHAIR**—You are clarifying—

**Senator MURPHY**—Mr Chairman, that is not the evidence that we were given yesterday. This is really getting somewhat annoying because it is becoming a moving feast. The money that was allocated for this is the \$151.9 million—and it is in an amendment which was submitted to this committee before the start of proceedings yesterday. The committee was told yesterday—and I was very specific in asking these questions because they were different answers from what was given to Senate estimates three weeks ago—that there are two figures which are relevant to this committee: \$133 million and \$18.9 million from the Federation Fund. I asked that question more than once and was told, yes, from the Federation Fund.

Then it became \$128 million. Where did we get the figure of \$128 million from? The figure of \$128 million is actually \$133 million minus the \$5 million which the Department of Communications and the Arts put in initially. That was the 1996-97 budget allocation, if you like, for the commencement of works for this project. If you look at the budget papers—and they are somewhat relevant to this committee as well—and at what was said in estimates and then look at what was said yesterday, including what has been submitted to us in writing, you will see that it is different and it is contrary to what you just said then, with respect, Mr Service.

**Mr Service**—Mr Chairman, I can repeat only what I said earlier: I really think these questions ought to be addressed to the department. The submission is the department's; it is not mine. I do not say this disrespectfully—

**Senator MURPHY**—With respect to you, Mr Service, you just endeavoured to give us evidence that was, in effect, contrary to what the department said yesterday.

**Mr Service**—I was not present yesterday.

**CHAIR**—I do take the point from Mr Service that you are here to get Mr

Service's answers.

**Senator MURPHY**—Mr Service should not comment on things that he does not know about.

**CHAIR**—Wait a minute. Mr Service does know and Mr Service is telling you his view. It is your responsibility at a later point to take his evidence up with the representative of the department. That is the standard rule and I think it is quite right. We are not really arguing with Mr Service. He is here to give us evidence. You should proceed with your questions to get his evidence so that, if there is a conflict between his evidence and the department's, you can sort that out with the department.

**Senator MURPHY**—What was the budget outlined or given to the five teams for the development of their proposals?

**Mr Service**—In terms of the construction costs, my recollection—and it is no more than a recollection—is \$68.5 million.

**Senator MURPHY**—When you say 'for construction costs', were they told about anything else?

**Mr Service**—I do not understand the question, Senator.

**Senator MURPHY**—You said 'in terms of construction costs'. I just want to make sure that what we are talking about here is the global thing and that there is not something else at some point down the track so that when I ask, 'Is it \$68 million?' you then don't say, 'Yes, but there was this other thing,' whatever the other thing might be. So the \$68 million is what?

**Mr Service**—Construction costs.

**Senator MURPHY**—What were they asked to do?

**Mr Service**—The actual figure is \$69.7 million I am told. That includes the \$1.7 million for the ACT cultural centre, which again is not the responsibility of this committee.

**CHAIR**—So it is \$68 million?

**Mr Service**—Yes, \$68 million relevant to this committee.

**CHAIR**—I think in that regard you should give us the figure as it relates to our inquiry.

**Senator MURPHY**—That is the money that is outlined in the brief, in this document here, which I assume you as the chairman of the committee would have been briefing them on in terms of the requirements set down in it and any questions that they may have had. So that is what they had to work on. I know it says in here ‘as a guide’, but were they told there was any flexibility in that?

**Mr Service**—They were not told that by me. I cannot tell you what they may have been told by other people.

**Senator MURPHY**—With regard to the process that you went through, I understand there were different meetings at different times with the different teams about how they were proceeding. How did you deal with circumstances where it appeared they may have been running over cost on some of the things?

**Mr Service**—I was not present at any of those meetings, so I am sorry I cannot answer that question.

**CHAIR**—Are you able to assist us in that regard, Mr Pincott?

**Mr Pincott**—Yes. At one briefing, comments were made as to whether they could achieve the budget in regard to one or two of the designs, and they took that on notice.

**Senator MURPHY**—About what time was that—midway through the process?

**Mr Pincott**—Midway through stage 2.

**Senator MURPHY**—Who was present at that meeting?

**Mr Pincott**—I think there were representatives of the department, the NCA and the architectural advisers. There were probably 17 or 18 people.

**Senator MURPHY**—Did you deal with all of the teams at that point?

**Mr Pincott**—Yes.

**Senator MURPHY**—And how many of them were over budget or were looking like they would be over budget?

**Mr Pincott**—I cannot recall. Possibly two at that stage. I think one had already done preliminary costings. They reported that they were within budget. Two others had not done any costings and it was just a gut feeling.

**Senator MURPHY**—Mr Pincott, I understand your role was as the quantity surveyor and the checker of the process at the end of the day. You costed all of the

proposals independently.

**Mr Pincott**—No, we did not cost them. They were instructed to provide a cost plan, which we were asked to check.

**Senator MURPHY**—You did not do a separate copy?

**Mr Pincott**—No, we have not done that at this stage.

**CHAIR**—What was the process to check their submissions?

**Mr Pincott**—We would check their level of accuracy to meet that. We would check they had included all requirements within the brief and had provided a fair and equitable basis for comparison between each design.

**CHAIR**—Was it your judgment, therefore, that the design finally selected could be delivered within this budget that was available?

**Mr Pincott**—Our comments were that they would need to review their design to meet the budget requirements.

**CHAIR**—Was that a substantial review?

**Mr Pincott**—I believe it was within 10 per cent.

**CHAIR**—Thank you.

**Senator MURPHY**—I am just curious about that. You say you were checking them. Did you do that right at the end?

**Mr Pincott**—Yes, after the competition closed.

**Senator MURPHY**—How would you have checked their costs? Wouldn't you have to do an independent cost analysis of your own?

**Mr Pincott**—We had already priced the brief at that stage, and we compared their analysis with our analysis and a comparison with areas.

**Senator MURPHY**—So you priced the brief prior to the commencement of the thing?

**Mr Pincott**—No, after the brief was actually issued to the contestants.

**Senator MURPHY**—What was your costing for the brief?

**CHAIR**—I am not sure we are allowed to ask that. It seems to be a problem we have that the matters of these costs at this stage cannot be brought forward because it might assist those who are bidding.

**Senator MURPHY**—But the contract has been let. It is done, over, finito.

**CHAIR**—No, we are talking about an amount of money. All I am saying here is that, at every hearing we have had so far, these matters of dollars have been kept confidential and we do not refer to them specifically. As they are known to the witnesses, we ask them to say whether they are correct or not. Can you guide me on this, Bjarne, but that is my understanding.

**Secretary**—They are confidential cost estimates.

**CHAIR**—Yes, it is just one of those things.

**Senator MURPHY**—I am not asking about those costs.

**CHAIR**—You were asking what the price was. You can ask it relative to the \$68 million, I guess.

**Senator MURPHY**—That is what I thought I was asking.

**CHAIR**—Okay, let us agree that that is what you were asking.

**Senator MURPHY**—That is what I am asking. I understood Mr Pincott to say they costed the brief. Unless he is misunderstanding—

**CHAIR**—Let me take you back on what he has told us already. He has told us that they costed the brief. They then compared the various submissions of the candidates against their original costing and it is their view that the successful tenderer proposal was within 10 per cent of the brief and obviously on the high side. Was that a true summary?

**Mr Pincott**—Yes, sir.

**CHAIR**—Let us go past that point, please, because we have been told that.

**Senator MURPHY**—Mr Chairman, I asked a question: what was the costing they did? I am just interested in the figure.

**CHAIR**—It is 10 per cent over \$68 million. You have been told that.

**Mr HOLLIS**—But, Mr Chairman, you are not answering the question. The witness is answering the question.

**CHAIR**—With due respect, I am not going to have questions asked that have been answered. That is the point that I am making.

*Committee members interjecting—*

**CHAIR**—Wait a minute! I am in charge of this meeting. Let me get something straight: one will talk at a time and, if it is my time, I am going to talk. Having said that, there is only one thing that I am interested in here and that is the process of this meeting. I do not want a repeat of yesterday where we ask the same question 25 times. I am quite willing to let you ask as many questions as you want, but proceed the questions. Don't ask the person to give you the same answer they have just given you. Now please proceed with your next question.

**Senator MURPHY**—I will ask another question. Mr Pincott, can you tell me—and I remind you that you are under oath in appearing before this committee—whether or not the winning bid was more than 10 per cent over?

**Mr Pincott**—Over which figure?

**Senator MURPHY**—The figure that you say that you costed the brief at.

**Mr Pincott**—It would be in a range of 10 per cent of our costing of the brief.

**Senator MURPHY**—Was it more than 10 per cent over the \$68 million?

**Mr Pincott**—Yes, sir.

**Senator MURPHY**—How much more?

**Mr Pincott**—In the order of 20 per cent—probably 25.

**Senator MURPHY**—How much?

**Mr Pincott**—Twenty to 25.

**Senator MURPHY**—Maybe 30?

**Mr Pincott**—I would have to do a calculation.

**Senator MURPHY**—Have you got the figures there?

**Mr Pincott**—Yes, I have.

**Senator MURPHY**—Can you produce them?

**Mr Pincott**—Our assessment of the probable order of costs for the winning design was in the range of \$88 million to \$92 million.

**CHAIR**—How did you come to that figure of 10 per cent?

**Senator MURPHY**—Thank you, Mr Chairman.

**CHAIR**—That's fine, but now I have got a question. I am defending the answers you gave a minute ago. Where did you get this 10 per cent business?

**Mr Pincott**—The 10 per cent was 10 per cent higher than our costing of the brief.

**CHAIR**—And your costing of the brief exceeded \$68 million in the first instance.

**Mr Pincott**—Yes, sir.

**CHAIR**—You might have explained that to us in the first instance because, if you have a costing of the brief, what you are really telling us—

**Senator MURPHY**—That is why I asked the other question, Mr Chairman.

**CHAIR**—That's fine, but let us get down to the issue of what we are being told. What you are telling us is, in the first instance, that the costing of the brief was well and truly above the budget?

**Mr Pincott**—Yes, sir.

**CHAIR**—And the winning bid was 10 per cent above that?

**Mr Pincott**—Yes, that is correct.

**CHAIR**—You might now tell the committee how in the heck we are going to manage with \$133 million, or what we are going to get for \$133 million if it is 20 or 30 per cent less?

**Mr Pincott**—Our costing of the brief included several items which should have been deleted and should not have been included in the brief. They have, to my knowledge, been accepted by the committee to be deleted.

**Senator MURPHY**—Which committee are you talking about?

**Mr Pincott**—The construction coordination committee.

**Senator MURPHY**—But my problem with that is that I am curious as to whether

or not all of the tenderers—whatever you call them—were made aware of that. Were all of the tenderers made aware by the CCC—it should be the ACCC—of your costing and the flexibility for 10 per cent?

**Mr Service**—Can I answer that, Mr Chairman?

**Senator MURPHY**—Before you do, Mr Service, yesterday—

**Mr Service**—But Mr Pincott is not a member of the CCC, so he cannot possibly know what it did.

**Senator MURPHY**—I am curious that somebody is not telling somebody who is up who and who is not paying here. I smell a rat.

**Mr Service**—Fair go.

**CHAIR**—Let us come back to the question with Mr Service. Mr Service, you have heard the question. What is the answer, and please tell us if those pictures that we are looking up there have any relevance to whether or not that is what we are getting within budget?

**Mr Service**—The answer to that is plainly yes. You are basically going to get that design, assuming that it is approved. There will be modifications to it, and those modifications will not only relate to costs, but to a number of practical issues which are under significant discussion at the moment. That is an absolutely normal design development process.

To go back to the figures that have been bandied about, the \$68 million budget figure was for pure construction and nothing else. The \$82-odd million that is Mr Pincott's figure included a number of additional items, which are also included in his \$88 million to \$92 million.

**Senator MURPHY**—What are they?

**CHAIR**—And what is the status of them now? Have they been taken out of what we see up there?

**Mr Service**—No, the point that I think is not being understood is that they are not part of the pure construction cost. They are part of the \$133 million that you are talking about. This is an absolutely standard process of producing a major project like this. If I may say in evidence, I have been doing projects like this professionally for 30 years. This is my profession, and I do know something about the process. This process is well under control. This project will not go over the amount of money that is provided by the Commonwealth parliament.



I have made that public commitment and I make it to this committee. I am not going to throw away 30 years of professional reputation doing this job, which I am doing virtually for love for the Commonwealth, and ruin my own reputation. I am not going to be in that position.

**CHAIR**—So that we can keep this thing moving, will you put on the record what we are talking about. One minute we are talking about construction costs, then the next minute we are talking about something else. One minute we are talking about 10 per cent over \$68 million, and the next minute we talking about 10 per cent over \$82 million. We must know what we are talking about; otherwise it gets totally confusing—

**Mr Service**—I understand that.

**CHAIR**—For goodness sake, get us down to some numbers, and Mr Pincott must refer to numbers that are relevant to what we are talking about. If \$68 million is the construction cost, Mr Pincott has to tell this committee what their estimate of the construction cost was relative to what is to be built, and exclude things that were not in it anyway.

**Mr Service**—Perhaps it might help if he first of all read out the list of items that are the items between \$68 million and \$82 million.

**CHAIR**—Good. Let him do that and then Senator Murphy can ask his question.

**Senator MURPHY**—Just before we do that, Mr Pincott can do that and Mr Service can do that, but we started off with a process here that said, in effect, that the budget for the construction of the Australian Museum is \$133 million up front. That comprises \$68 million for construction costs, somewhere in the order of \$45 million for fitout, et cetera, and so on we go until we get to \$133 million on the expenditure side.

The CCC and the government, as announced by the Prime Minister, said that we would have a design competition. They called for expressions of interest in that. They got some 76 or 78 entries to the design competition, for which they provided briefs—a stage 1 brief, and then an elimination process, then they had a stage 2 briefing kit which was to go to the final five. The final five got a briefing kit that said that the figure that they had to design within was around \$69 million.

What I cannot understand is how we get from there—and this is where your question to Mr Service and Mr Pincott will hopefully throw some light—to \$82 million. Mr Service says that that does not include some things—if I understand him correctly—that go to construction. That then raises a question in my mind about what Mr Pincott just said about the 10 per cent over the winning team being the 10 per cent over the \$82 million.

Mr Pincott's assessment of their bid—correct me if I am wrong—was somewhere in the order of \$88 million to \$92 million. If all of the contestants in this competition were aware of that then you probably would have got a significantly different outcome. I think they are fundamental questions. It then comes back to the question of what we are getting for the buck. Right now, I do not have a clue.

**Mr Pincott**—The additional costs over and above the \$68 million that we priced when we prepared our brief included the suspended roof cat walks for services access, a forklift traffic or access floor to the exhibition areas, an increase in height of the temporary exhibition area from eight to 12 metres, a requirement for double glazing to external walls of the exhibition areas, security systems, a very high standard of building management system and a requirement in the AIATSIS building for both airconditioning, radiant heating and open wall windows. In terms of the external works and landscaping there had been an increase in the site area requiring additional road surface, smaller building areas and additional building facilities.

**Senator MURPHY**—Are they the additional things?

**Mr Pincott**—Yes.

**CHAIR**—Were they taken out? Taking Senator Murphy's comment, at what point in time were the contestants aware that that was no longer in the brief?

**Mr Pincott**—That would have to come from the committee.

**CHAIR**—Are you able to answer that, Mr Service?

**Mr Service**—I do not believe that the contestants were advised of that at all. What I think Mr Pincott has just explained to you is the difference between the \$68 million that is quoted in the brief and \$82 million which was his own estimate. It is those items which go from \$68 million to \$82 million. His figure of \$88 million to \$92 million for that design is a comparison with the \$82 million not the \$68 million.

**CHAIR**—I understand that point, but that seems a very dramatic cutback, although things like double glazing make no difference in terms of the size of the building. So what you are saying is that everybody designed up to \$88 million, or whatever the figure was, so they were all on an equal footing?

**Senator MURPHY**—No, \$68 million.

**CHAIR**—They were given—

**Senator MURPHY**—No, they were not.

**Mr HOLLIS**—They were given \$68 million and one designed up to \$80 million-odd.

**Mr Service**—With respect, they came in a long way over \$68 million.

**Senator MURPHY**—Have you got all of the submissions here?

**Mr Service**—I have no idea where the submissions are. I would have to refer that to the department.

**CHAIR**—Can you take on notice that you need to ask the department that because I think that is right. What I am trying to get clarified is that the designs went in with the specification that included the things that Mr Pincott has just told us about. Is that what they designed to?

**Mr Service**—They all designed to that document that Senator Murphy has in front of him.

**CHAIR**—So that means they were all on an equal footing. They were all over that figure and you have now had to bring them back to \$68 million.

**Mr Service**—The whole project will have to be constructed within whatever the parliament finally appropriates for the purpose.

**CHAIR**—That is \$133 million at the moment.

**Mr Service**—That includes a lot of things apart from construction such as the exhibition fitout and so on.

**Mr HOLLIS**—I thought Mr Pincott said on oath earlier when Senator Murphy asked him how many were over that that only one was over.

**CHAIR**—No, he said there were possibly two.

**Mr HOLLIS**—Let him answer it, not you, Chairman.

**CHAIR**—Let me tell you what he said.

**Mr HOLLIS**—I would rather Mr Pincott tell me, if you do not mind, Mr Chairman. I asked Mr Pincott the question. I did not ask you.

**CHAIR**—If we are going to go through a process of encouraging people who were vague about something to contradict themselves we are not going to get anywhere. Mr Pincott said he thought it was two. The evidence given yesterday was that it was four. If

Mr Pincott wants to think further and answer, he can.

**Senator MURPHY**—And Mr Service said they all did.

**Mr HOLLIS**—Mr Chairman, if you do not mind, I have asked Mr Pincott a question. Mr Pincott is on oath. We are talking about public money. Mr Chairman, with due respect I would rather Mr Pincott answer my questions than you.

**CHAIR**—Well, you can have him answer the question, but it has been answered. Mr Pincott, please answer it again.

**Mr HOLLIS**—I do not care if it has been answered or not. As a member of this committee, I am entitled to ask Mr Pincott a question.

**CHAIR**—Answer the question, please, Mr Pincott. But I warn all members of the committee, ‘Do not ask the same questions twice.’ Yes, go ahead.

**Mr HOLLIS**—Mr Chairman, I think we ought to—

**CHAIR**—Be quiet and let the question be answered.

**Mr Pincott**—As stated, the budget advised to the five contestants was \$68 million for the construction costs. Our pricing of the brief was in the order of \$80 million for the construction costs. Our assessment of the five finalists included the additional items in the brief and any additional items that they indicated on their drawings and our comparison with our pricing in the brief. We came up with a range for Ashton Raggatt of \$88 million to \$92 million as a comparable basis; for Cox Richardson we had \$82 million to \$85 million.

**Mr Service**—Chairman, could I interrupt? I think it is inappropriate to give all of these numbers to the committee. I do not think they should be attached to the particular names of architects because they are not on the public record and it would possibly cause embarrassment.

**Senator MURPHY**—We are happy to have them in camera.

**Mr HOLLIS**—Well, we will go into camera if you like.

**Mr Service**—That would be helpful.

**CHAIR**—Could you submit those to us in writing, to save everybody leaving the room? Would you be happy with that?

**Senator MURPHY**—I want to see them. If they do not want to submit them in writing, that is fine, but we will not complete the hearing today.

**CHAIR**—I think that could be the case, but let me deal with that separately. Mr Pincott, I think the point is well made. Can you talk of them as contestant 1, 2, 3, 4 for the purpose of this hearing, and then you can lodge that document.

**Mr Pincott**—We had one within \$82 million to \$85 million. We had two within \$88 million to \$92 million. We had one within \$94 million to \$96 million. We had one within \$97 million to \$100 million.

**CHAIR**—And the successful bidder was which number?

**Mr Pincott**—Number two.

**CHAIR**—Number two. Well, that answers that question.

**Mr HATTON**—Can I ask about the fifth bidder; we have got four there, have we not?

**Senator MURPHY**—There were two at \$88 million.

**Mr Pincott**—Two within \$88 million to \$92 million.

**Senator MURPHY**—One of which was the successful bidder.

**Mr Pincott**—Yes.

**Senator MURPHY**—Then there were three others that came within: \$82 million to \$85 million, \$94 million to \$96 million, and \$97 million to \$100 million. Is that correct?

**Mr Pincott**—Yes, that is correct.

**Senator MURPHY**—For the purpose of the record, they were your assessment. They were not the costings—

**Mr Pincott**—They submitted.

**Senator MURPHY**—provided by the teams.

**Mr Pincott**—That is correct.

**Senator MURPHY**—What I want also is the costings submitted by the teams.

**CHAIR**—Are they available?

**Mr Pincott**—Yes, they are.

**CHAIR**—Well, could you give that to us in the same number order?

**Senator MURPHY**—No, we can get those in writing.

**CHAIR**—You just want them submitted? You do not want them now?

**Senator MURPHY**—I want them submitted so we can—

**CHAIR**—Fine. So when you put that written note in you will put in the two bits.

**Senator MURPHY**—I assume that when they are in writing we will have the names.

**CHAIR**—Okay. Can we proceed with questions then?

**Senator MURPHY**—Some of these things are now becoming a bit difficult; I might leave my questions for a minute.

**CHAIR**—Okay. Mr Service, in terms of the information just provided, I assume that the judgments you took would have relied heavily on Mr Pincott's advice to you—not necessarily what the various contestants indicated?

**Mr Service**—That is true, but I want to re-emphasise that this was essentially a design competition. My view, and I believe it would be fair to say the view of my colleagues, was first of all to choose a design. The costing process was simply to test that the design was not so far out of the water in terms of cost that it could not be converted into a successful project within the money that will be allowed. So the cost element was not a major issue in choosing that particular design.

**CHAIR**—Mr Service, you have been asked this, but on the basis of that evidence could you tell the committee about one of the issues I thought I heard mentioned, which was a forklift. I would imagine you could not function in a place of this nature without a forklift. It is rather a peculiar thing to be in the bid because one would have thought that came in another category.

**Mr Service**—No, Mr Chairman. I think you may have misheard Mr Pincott: it was making the floors trafficable for a forklift, not the forklift itself.

**CHAIR**—Oh, I understand. That would be pretty important too, wouldn't it?

**Mr Service**—Only in a very small part of the museum, I would have thought, but those are detail design issues which are all under study at the moment. There is an

enormous amount of work that still has to go into completing the detail of this design to make sure that all the detail actually works and that we will have a sensible functioning museum that not only is workable from the point of the view of the public but also can be operated within cost parameters that are manageable. It is perfectly possible to build institutions that look absolutely wonderful and everybody thinks they are marvellous but the cost of running them is so astronomical that the taxpayers would get very unhappy. We have to apply a lot of tests to that in terms of staffing, the use of energy and all of those sorts of issues. All of that process is proceeding right now with a great many people involved.

**Senator MURPHY**—Mr Service, with regard to the brief that was provided, where did the \$68 million come from?

**Mr Service**—That is a good question. I do not know the answer to that. Mr Pincott may possibly know the answer.

**Mr Pincott**—That was our initial costing of some verbal information and some documentary information provided at the time of doing the study for the five sites.

**Senator MURPHY**—Did you do a costing in so far as the total thing was concerned? I assume you were given some sort of a brief to do a costing with. They said, ‘Look, you know, this is a \$133 million project. We want buildings that have 16,000 or 20,000 square metres of floor space,’ or whatever the case might be, ‘and have to be fitted out to these levels in rough terms.’ Is that what you did a costing from?

**Mr Pincott**—We were given an initial document last year as part of the study—

**Senator MURPHY**—Where did you get that from?

**Mr Pincott**—From the department.

**Senator MURPHY**—Do you still have that?

**Mr Pincott**—Not on me.

**Senator MURPHY**—But it is available?

**Mr Pincott**—I assume it would be.

**Senator MURPHY**—Could you provide that to the committee?

**CHAIR**—It might be the department that have to provide that because it is their property.

**Senator MURPHY**—I do not care who it is, but continue, Mr Pincott.

**Mr Pincott**—We were then given verbal instructions as to what they required.

**Senator MURPHY**—It was on that basis that you costed it at \$68 million?

**Mr Pincott**—Yes.

**Senator MURPHY**—So that is how we got the \$68 million. What did you subsequently cost to get \$82 million?

**Mr Pincott**—The actual brief that was issued to the five finalist architects, including room data sheets.

**Senator MURPHY**—Wouldn't you have been aware of this brief though prior to it being issued?

**Mr Pincott**—We had been aware and we had advised the department that there were certain items within that document that we did not believe could be accommodated within the original budget.

**Senator MURPHY**—When did you do that?

**Mr Pincott**—Probably mid-August. At that stage we had not done a detailed pricing.

**Senator MURPHY**—Mid-August. What, 15 August?

**Mr Pincott**—I could not tell you the exact date.

**Senator MURPHY**—Are you talking about the stage 2 brief?

**Mr Pincott**—It was a draft functional brief at the time. It had not been nominated whether it was stage 1 or stage 2.

**Senator MURPHY**—But you told the department.

**Mr Pincott**—We advised the department that we did not believe the budget could accommodate all the requirements that were in that draft functional brief.

**Senator MURPHY**—Okay. Mr Service, you said that all of the five entrants came in over budget. We have had now three sets of evidence with regard to that, Mr Service. Yesterday we were told that four of the five came in over budget. With regard to the budget, I thought you also said just a minute ago that the dollars were not all that relevant



because you were looking for a design concept as such. But in evidence before the estimates it was stated that keeping within the budget—and the budget meaning the brief budget—was vital; it was critical.

**Mr Service**—I do not understand your point, Senator, I am sorry.

**Senator MURPHY**—I am at a loss to understand. You ran a competition that set down parameters for contestants. In further evidence to the estimates it was asked, ‘What would happen if somebody came in way over budget?’ The budget we are dealing with is \$68 million. I think it may have been Ms Casey who said that you might have had to knock them off if they were way over budget.

**Mr Service**—I am satisfied that this design can be produced within the budget, subject to the usual modifications.

**Senator MURPHY**—But that is within the new budget, within this \$82 million budget. The relevance of me pursuing this, Mr Service, is: Mr Pincott said that he advised the department that some of the things in your brief could not have been met—and I cannot understand why the bloody brief was sent out in the first place with a figure in it that the department would have been fully aware could not have been met. You then proceeded to conduct a mickey mouse competition, quite frankly—

**Mr Service**—Mr Chairman, I take exception to that description as I chaired that competition. I think that remark is offensive.

**Senator MURPHY**—I apologise. No offence was meant to you. It may have been just the system which was mickey mouse. When you put out a brief for an international competition that has got a budget set in it that is probably 20 per cent below the real costed estimate, it would have to raise some eyebrows. I am sure a lot of the people who put their submissions in, whether they be in the final five or in the initial 76, would have to ask, ‘What sort of a show is this?’

**Mr Service**—I simply disagree with that, Mr Chairman. I would have regarded it as absolutely normal practice to put a very low budget in. The fact is you have to discourage people wanting to spend money. All of these, having seen the numbers, came in with a high figure. That is absolutely standard stuff. It is also absolutely standard that those then responsible for producing the project put the pressure on the designers and everybody else who will be involved to cut the cost. That is normal practice. I do not think there is anything odd about it at all.

**Senator MURPHY**—I take you back to evidence given by Ms Casey to the estimates. Ms Casey said:

Senator, the way the competition operated in terms of the cost consultant and the teams

generally was this. Originally, we advertised that for the competition we had an amount of \$133 million for this construction.

That was not quite right because in the brief it was \$68 million, but nevertheless. She went on to say:

The short-listed five were then subsequently given a second briefing. They were told to come in with their full team. So it was a selection process not just to select a design but also to select a team that could go and design the building and finetune the design.

They came in for a briefing with a further developed scheme, after the initial conceptual scheme. They were briefed by museum staff, the institute staff, to look at those initial schemes. They were told then that some things looked a bit expensive and as though they were coming in over budget.

What budget am I talking about there?

**Mr Service**—Mr Chairman, that is the sort of standard conversation you have with people in this situation. I am probably being very stupid this morning, but I really do not understand where the senator wants to get to. I am happy to help him achieve information.

**Senator MURPHY**—I want to ascertain on what basis a decision was made. Also in evidence to the estimates it was said that, if somebody were way over budget—and the budget we are talking about is \$68 million—

**Mr Service**—That is the figure that was put in the brief, Mr Chairman—

**Senator MURPHY**—That was the figure that the competition was run on.

**CHAIR**—I will interrupt because we are recycling things. We cannot go on forever on this point. I think the point is well and truly made. Mr Service, would you make a statement to this committee in regard to this matter? You have said things like, ‘This was normal process,’ et cetera. I think we need some special reference to the items Mr Pincott has identified, such as double glazing. Can you put this process into a concise statement on the record, on oath, and tell us what it means to that development as it will appear hopefully in the year 2000?

**Mr Service**—I am simply prepared to say this: it is my view both as chairman of the committee and as a professional project manager that that project with the amendments that will be necessary to it, regardless of cost issues, can be brought in within the budget.

**Senator MURPHY**—The 133 million?

**Mr Service**—With the 133 million, we will have the completed project.

**Senator MURPHY**—What is the extra \$18.9 million for then?

**Mr Service**—Mr Chair, I can only repeat that I wish that question to be addressed to the department, because the submission before you on that matter is theirs, not mine.

**CHAIR**—Mr Pincott, have you got anything to add to that in a professional nature?

**Mr Pincott**—The only thing I would like to say regarding the assessment of the design competition is that our range of probable costs were for the basis of comparison between each design. They are not estimates of the actual costs. We have since had meetings with the winning architect and they have agreed to reduce their scope to bring it within budget. The department has also agreed to revise its brief to bring the project back within budget.

**Mr FORREST**—Can I just change tack a little and ask Mr Service about the construction program in appendix A of the department's submission to us. I am not without some experience on building projects. This is an extremely tight program, especially the document preparation stage, which has foundations commencing at the end of April next year, and the design phase is currently being conducted. Then there is a 29-month construction period, with a delay allowance of four months. It is an extremely ambitious program, and I would like some comment from Mr Service as to whether, with all his experience, this is a realistic program.

**Mr Service**—Mr Forrest is absolutely right: the program is very tight. There are discussions proceeding at the moment, I understand, to see if it is possible to slightly extend the design development time and slightly reduce the construction time. My preliminary view—and it is no more than that—is that that is probably possible and I think it is very desirable. The fact is that these projects benefit from every possible minute you can give to the design process before you actually physically start building. I think we would all understand that. So we are working very hard to achieve that result. We will get there, but it is going to be a fairly tight run situation.

**CHAIR**—In that regard you may be aware that we have conflicting submissions, if I can use that word, relative to the way this package would be put together. The MBA will tell us later from their written submission that the project might be broken into some separate, discrete buildings, and the department's view is that it should be done in an alliance arrangement. In terms of meeting this particular program, have you any comment to make as to which would be the most successful?

**Mr Service**—The idea of splitting it into a large number of packages I think is a recipe for a total catastrophe and I would not be involved in the project if it goes that way. I would simply retire from it. The Master Builders Association of the ACT is quite properly defending the interests of its constituency—and I do not criticise it for that for a

moment—but in its statement it refers to the ACT hospital project. I had the honour of chairing the redevelopment committee that ran that project and the system of small packages there was eminently sensible because the whole project was a large number of individual, discrete buildings, refurbishments and so on. It was ideal. This essentially—apart from the relatively small AIATSI—~~is~~ one large building. To have four or five builders trying to build one large building at the moment will be a disaster.

**CHAIR**—Mr Forrest, have you concluded your questions?

**Mr FORREST**—I am not reassured by Mr Service's comment about the reality of this program.

**CHAIR**—He has made a statement on that. The point I am making to other members is not to ask the same question twice.

**Mr FORREST**—I dare not defy the chair.

**Senator MURPHY**—Mr Pincott, with regard to your assessment of the proposals that came in from the five finalists, did you assess the floor space?

**Mr Pincott**—Yes, we did.

**Senator MURPHY**—Could you provide information to us on the floor space that was provided for in each of the submissions?

**Mr Pincott**—Gross floor space?

**Senator MURPHY**—Yes.

**Mr Pincott**—Yes, we can. As part of our assessment, we conducted a measure off the drawings that were presented, we then added to the area a standard allowance for plant and toilets, which may or may not have been indicated on the drawings, so that they could be compared to give a gross floor area.

**Senator MURPHY**—In part D, on page 43 of the brief, and which is a summary, it says that the total net area is 15,760 square metres. I have no idea whether that is right, wrong or indifferent, but that is what it says in here. Can you provide the committee with what was submitted to you and then what you did?

**Mr Pincott**—What was submitted to us was a gross floor area, and that is what we have checked. What we have not done is a detailed measure to ascertain whether each individual component of that net area has been met. We have been advised by the winning architect that that is the case.

**Senator MURPHY**—What have you been advised of by the winning architect?

**Mr Pincott**—That they will meet the net areas in the brief.

**Senator MURPHY**—Okay. If I could get the information I would appreciate it, so we can have a look at it.

**Mr Pincott**—It will be gross floor areas only.

**Senator MURPHY**—And anything that you did to subsequently make any assessment or comment on that as well.

**CHAIR**—Are there any further questions? We have now spent an hour that was not on the schedule and, whilst I appreciate the need for it, if there are no further questions, we will move on.

**Mr RICHARD EVANS**—I just want one clarification. You said that you had dropped the double-glazing, safety, reduced the height of the temporary exhibitions area, and the airconditioning and safety in other areas. Are you telling me that this is not going to be part of the project?

**Mr Service**—No, I do not think anybody has suggested that for a moment. That was simply a description of the difference between \$68 million and \$82 million.

**Mr RICHARD EVANS**—That is right, but to get back to \$68 million you were taking these off the brief.

**Mr Service**—It is far too early for a number of those decisions to be made.

**CHAIR**—Where will the price end up if that is the case? Is it a rob Peter to pay Paul situation, or are you of the view that when the pressures go on and all the workplace agreements are signed you will get it for the money?

**Mr Service**—We will have to. If the parliament only appropriates \$133 million, that is all there is to spend. I do not propose to be part of a project that goes over its budget. I have never done it in my life and I am not going to do it this time.

**Senator MURPHY**—Mr Pincott, could you also provide to the committee the list of things that you read out about what was taken out of the budget and the reasons for the adjustments that you made?

**Mr Service**—I am sorry, but it has not been taken out. That is not what has been said.

**Senator MURPHY**—Or put in—I don't know whether it was taken out or put in or—

**Mr Service**—It is the difference between—added onto the \$68 million is a better description.

**Senator MURPHY**—I might not have explained it very well, but I think Mr Pincott knows what I mean.

**CHAIR**—It is the list that Mr Evans has already written down. It is a pretty simple list. It is in the *Hansard*.

**Mr HATTON**—These things are still there; they have only been taken off temporarily. Is that to get from \$82 million to \$68 million?

**Mr Service**—No. Nothing has been taken off at this stage. None of those decisions has been made because there is still considerable debate about a number of areas, particularly in the internal planning of the museum. Until those issues are resolved, we cannot say that we are going to have this and not have that, or vice versa.

**Mr HATTON**—If that is the case, why would those construction elements or building elements chosen—to someone who knows nothing about it—to be put aside in order for the funding—

**Mr Service**—They have not been put aside. What Mr Pincott was saying was that in his original estimate of \$68 million he had not allowed for those things so they had to be added on. They are things that are in the brief. At the moment, none of them have been put aside. Some of them may be as the design develops. That is a question that I do not think any of us are in a position to answer at this stage. The design development has not proceeded far enough.

**CHAIR**—Thank you, gentlemen. We still have the opportunity to address any questions to the department that arise out of this. I do not think there is any more that Mr Service or Mr Pincott can add at this time. Thank you very much for accommodating us and for the assistance you have given us.

[10.01 a.m.]

**FORD, Ms Moiya, General Manager, Strategic Business Projects, Department of Business, the Arts, Sport and Tourism, Australian Capital Territory Government, GPO Box 158, Canberra, Australian Capital Territory 2601**

**SULLIVAN, Mr Michael, General Manager, Capital Works and Engineering Maintenance, Totalcare Industries Ltd, Australian Capital Territory Government, Canberra, Australian Capital Territory 2601**

**CHAIR**—I welcome representatives from the ACT government. The committee has received a submission from the ACT government dated November 1997. Do you wish to propose any amendment to that submission?

**Ms Ford**—No, Mr Chairman.

**CHAIR**—It is proposed that the submission be received, taken as read and incorporated in the transcript of evidence. Do members have any objections? There being no objection, it is so ordered.

*The document read as follows—*

**CHAIR**—I now invite you to make a short statement in support of your submission before we proceed to questions.

**Ms Ford**—Thank you for the opportunity to appear before the committee. The ACT government is delighted that the Commonwealth government will proceed with new facilities for both the National Museum and the Institute of Aboriginal and Torres Strait Islander Studies. We are pleased that the new facilities will be built on Acton Peninsula. We made a submission and had a representative on the siting committee. We offered a range of proposals to the siting committee and certainly were supportive of Acton Peninsula as the final choice. The peninsula is one of the most prominent and beautiful sites in Canberra and, without doubt, offers both institutions a superlative location upon which to continue their work.

The ACT government has had a close involvement in each stage of the project as it has evolved to date. Late in 1995, it agreed with the then Commonwealth government to locate the ACT Aboriginal and Torres Strait Islander Cultural Centre on Acton Peninsula with the Gallery of Aboriginal Australia. An agreement was then entered into to exchange the territory's land at Acton Peninsula for national land at the Kingston foreshores, culminating in the gazettal of Acton Peninsula as national land in May of this year.

While this agreement was being negotiated, the Prime Minister's announcement that Acton Peninsula was to be the location of the new facilities for both the museum and AIATSIS provided the opportunity for the Chief Minister to confirm that the ACT Indigenous Cultural Centre could be co-located with the new facilities and that \$3 million would be provided for infrastructure associated with the overall Acton development.

Since that time, the ACT has worked closely with the Commonwealth to get to this point. As I mentioned in my introduction, I am privileged to be the ACT government's representative on the construction coordination committee and was involved in the selection of the winning design for the project.

The project is, without doubt, extremely important in a national sense, but it is also terribly important to the ACT in an economic sense. We are looking forward to the many benefits that the development will bring to the nation's capital through tourism and the employment opportunities for our construction industry. The project, as the committee is aware, is to be funded from the Federation Fund, which was announced in the last Commonwealth budget. The ACT notes that projects funded from this source are intended to not only provide new facilities or infrastructure to commemorate the centenary of Federation but are also expected to contribute to the economy of the area in which they are located.

In our submission, we point out that the method of project delivery proposed by the Department of Communications and the Arts may result in our construction companies



being excluded because of the guarantees associated with a contract of this size. Whilst having no in-principle objection to the concept of alliancing, it is not clear how the Department of Communications and the Arts intends to involve the ACT in the process. Preliminary advice is that the ACT—even though we are providing the funds for our own cultural centre and, therefore, are a client in the same sense as the Department of Communications and the Arts is a client—cannot be part of the alliance team, mainly, I understand, because the ACT component of the overall project is so small compared with the other components.

If part of the alliance—I understand the ACT's share of the risk would be disproportionate to its financial contribution to the project—the ACT government, whilst recognising the national significance of the project, must also recognise and support its own, that is, its local constituency. It is not seeking an unfair advantage; it is simply seeking a mechanism which allows its medium enterprise construction companies to compete on their merits.

**CHAIR**—Thank you. Are there any questions?

**Mr FORREST**—Is there any reason why the \$3 million contribution is offered with respect to the Acton site and not the old Yarramundi Reach site?

**Ms Ford**—As I understand—and I should point out that at the stage that that original decision was made by the Chief Minister I was not involved in the project—it was part of the original agreement which the Chief Minister entered into with the then Commonwealth government to locate our cultural centre on Acton Peninsula with the gallery of Aboriginal Australia and the \$3 million infrastructure contribution was offered then as part of assistance to get that project under way. Then, when it was announced that the National Museum in its entirety would be on Acton Peninsula, the Chief Minister, once again, confirmed that the ACT government was prepared to make that contribution to the overall project. It never was an issue in the context of Yarramundi because I do not think the ACT government ever got to the stage where it was invited to have some discussions about furthering development on Yarramundi.

**CHAIR**—The \$3 million contribution is for infrastructure support but is the actual cultural centre, which you just mentioned, to be funded outside our inquiries today?

**Ms Ford**—Yes, it is.

**CHAIR**—So that has nothing to do with the \$133 million?

**Ms Ford**—No.

**CHAIR**—Can you identify that building in this development?

**Ms Ford**—I certainly can. It is the yellow building that sits at the heart of the site.

**CHAIR**—Thank you.

**Senator CALVERT**—Concerning the alliance approach, are you aware of any other buildings in Canberra that have been constructed using that same approach? If so, what has been the result as far as subcontractors go?

**Ms Ford**—I am not aware that the alliance approach has been used in any other project in the ACT. As I understand, it has not been used for a straight construction project anywhere; it has been used for some engineering type projects. If the chair agrees, I might ask Mr Sullivan to talk in detail about the nature of his understanding of the alliance project and how the contracts might fall out. He has technical expertise that I do not have.

**Senator CALVERT**—While he is doing that could he indicate, as a result of your concerns raised in this report, any communication you have had with the people concerned, the department or whomever allaying the views that you have?

**Ms Ford**—Senator, I might take that second part of your question and leave Mr Sullivan to the technical ones. As I indicated, I am a member of the construction coordination committee. During both formal committee sessions and in the out-of-session discussions with the department and with Mr Service, I have consistently said that the ACT government, whilst welcoming the project enthusiastically, would wish the delivery mechanism to be structured in a way that allowed the local constituency to compete on its merits. That was raised several times before we even got to this stage in the construction coordination committee. When it became clear that the decision of the committee was, in effect, to proceed with the alliance mechanisms, I raised concerns again.

In terms of understanding how the contractual arrangements would exist, there have been discussions between the department, the architects and the project manager. Unfortunately, the ACT government has not been included in this discussion, so I remain somewhat confused about how the process will work. The department has said that it is happy to have some further briefing sessions to bring me up to speed, but at this stage it is all quite a significant mystery to me.

**CHAIR**—The departmental submission does give itself an out on that proposal because the successful tenderer may not be acceptable to the architect. So I think that is probably why that issue is not resolved.

**Mr Sullivan**—I am not aware of any projects in the ACT that have been construction projects built using the alliance arrangements, as identified. As Ms Ford has said, we are not fully aware of the way these arrangements work. There is no doubt that in resource projects—particularly some that have recently won awards in the recent

Institution of Engineers national awards—there has been some successful use of the alliance arrangement. From my understanding of that, it is generally where there have been joint ventures and more than one particular source providing the funding.

My understanding is also that it tends to be a modification, in some ways, of different types of project management. In the ACT, we have successfully used project management arrangements on single large projects, like the recent Magistrate's Court and numerous other buildings. I suppose what we have attempted to do is use another form of alliancing which tends to be partnering, which does not have the same contractual base. It certainly has the same objectives of achieving an integrated team which works together with a lack of the normal disputation that can happen in the construction industry.

My main understanding of it is that the whole construction industry is really a management of risk. That management of risk is set out, whether it be by lump sum project management, construction management, design and construct. It is a matter of trying to produce the best project delivery method to meet the time frame and the type of project which you are looking for. I would certainly be very supportive of any matter that moved towards the use of partnering and alliancing. I think the ACT government has shown, if you like, a preference for that type of arrangement because it certainly allows the project to go on and the outcome delivered for the people of Canberra and the people of Australia.

**CHAIR**—Mr Sullivan, based on your experience, what procedures are available in a project management sense to protect the Commonwealth from disputation that might arise through failure of, for instance, the design team to keep design information up to the constructors, et cetera?

**Mr Sullivan**—The normal conventional method is to simply complete the full design and go to a lump sum delivery arrangement. This certainly takes the longest lead time to produce a development, particularly one of this size. There are many fast-track type methods of construction delivery. Not being fully aware of the briefing and all the rest of it, it is fairly difficult for me, but of course it is a very large job. If we were to deliver the project we would look at other forms like document construct, where the architect is actually novated to the builder. We have very recently done a successful high school out at Nicholls in Gungahlin using that method. It is certainly quicker than straight lump sum. Alternatively, the use of project management is another very viable method of bringing the designer and the project manager together to ensure that a fast-track method has been achieved.

**CHAIR**—With the school design and construct, you are talking about where the architect and the builder put in a single bid?

**Mr Sullivan**—What actually happened with design and construct in this project is that we as the project directors took the project through to what we call a preliminary

sketch plan stage. With things like room data sheets the brief is really quite defined. The builders tender on a lump sum basis and the architect is novated to the builder to complete the documentation and the building.

**CHAIR**—You had better give a better description of what being novated is.

**Mr Sullivan**—Effectively, the architect becomes the employee of the builder.

**CHAIR**—From our formal inspection yesterday I have expressed a concern already that the approaches coming through what might be the ANU land or whatever that land is are not attractive in the present form. I am also deeply concerned about the quality of the ANU buildings. Has the ACT government any views as to how the approaches to the site can be made comparable with the site? It seems to me that we do not want to have people driving through the equivalent of an academic industrial area on their way to this site.

**Ms Ford**—We do not have any views at this stage other than to note that our \$3 million infrastructure contribution can be spent in ways yet to be determined. But it certainly could include improving access to the site; it does not necessarily have to be spent on the site. It could upgrade roads leading down to the site and could assist with things such as signage. Of course the ANU is part of the Commonwealth's jurisdiction. The ACT government does not really have a role in terms of their buildings.

**CHAIR**—Are you aware of what I am talking about?

**Ms Ford**—I am.

**CHAIR**—As it exists it would be a very ugly approach to what is proposed to be a very attractive site.

**Ms Ford**—I am aware of the buildings you refer to.

**CHAIR**—Well, it is more than a building; it is an entire approach.

**Ms Ford**—Yes, the area generally.

**CHAIR**—Thank you. I hope you are prepared to take that on notice, because it is a matter of concern to me.

**Senator MURPHY**—Ms Ford, you were a member of the CCC?

**Ms Ford**—Yes, I am.

**Senator MURPHY**—How many meetings did you attend?

**Ms Ford**—I have attended every meeting of the CCC.

**Senator MURPHY**—Every meeting where briefings were given to the competitors in the competition?

**Ms Ford**—No, the briefings were not formal meetings of the construction coordination committee; the briefings were adjunct meetings associated with the design competition. I did attend part of one briefing, and I was present at the preliminary briefings which were held to give an overview to the five short-listed design teams. I do not think I was able to attend the second briefing that was given.

**Senator MURPHY**—But you were present at the last meeting, as I understand it?

**Ms Ford**—I was part of the design selection team. The CCC was the jury for the design selection.

**Senator MURPHY**—Yes, I know that.

**Ms Ford**—I certainly have my views and expressed them in that forum.

**Senator MURPHY**—With regard to a question that we have chased around a bit today and yesterday, when it came down to the final meeting what discussion took place with regard to costs?

**Ms Ford**—I should clarify, Senator, that the reason I am on the CCC is as the ACT government's representative. Our direct interest in the development relates to the indigenous cultural centre which, of course, we are providing the funds for. My interest in that process was in identifying whether the cultural centre could be built within the amount of money that I knew my government had allocated, and I asked that question of each of the design teams. They provided varying answers. I asked it of the winning design team. They actually told me that they believed it could be built within our budget. The people who work for me have had further discussions with the successful team in terms of developing the functional brief along the lines that Mr Service was explaining to you. There is nothing that indicates to me at this stage that their original statement that they could build within our budget is untrue or needs to be revised.

**Senator MURPHY**—Thank you for that. But you were also part of, as you said, the jury or the judging panel.

**Ms Ford**—Absolutely.

**Senator MURPHY**—They did not just design the cultural centre; it was the whole box and dice as I understand it. That is what they submitted.

**Ms Ford**—Absolutely.

**Senator MURPHY**—My question was what discussion took place about costs in the global context?

**Ms Ford**—I beg your pardon. What I was trying to do was set the context for my interest.

**Senator MURPHY**—I would have hoped you would have been interested in all of it.

**Ms Ford**—Of course, but there are some things that my government requires me to have a very particular interest in, but as a taxpayer and as someone who has lived in Canberra for 21 years—

**Senator MURPHY**—And a member of the jury.

**Ms Ford**—And a member of the jury, of course I have an interest in the whole design. There was discussion about cost. It is my recollection that, whilst the issue was generally referred to throughout what was a very intensive two days, the final consideration of costings was laid on the table when the jury retired. After having had extensive advice from all the advisers and having listened to the presentations of each of the teams, the jury then retired. We went through a process of whittling down and obviously cost came into the exercise because it was a criterion.

**Senator MURPHY**—As I understand it, each of the teams came in and made a final presentation to the jury.

**Ms Ford**—Yes.

**Senator MURPHY**—In making those presentations, were the costs that were indicated at that time to the jury within the realm of the \$68 million cost that had been provided in the brief?

**Ms Ford**—Senator, it is my recollection that there was not detailed discussion about costings at that stage unless particular questions were asked. I have already indicated that I did ask a particular question pertaining to my responsibilities for the part of the overall project that I was being charged to deliver. I really cannot remember detailed questions from the other jury members about overall costings.

**Senator MURPHY**—As a member of the jury, what was your view of what was required of the contestants in so far as costs were concerned?

**Ms Ford**—As I understand it, the contestants were each provided with a functional

brief that outlined a notional construction budget. That, I believe, was around \$68 million. I understand that, as part of their entry, they were required to cost their design and the components of their design. I also understand that the Department of Communications and the Arts had a separate expert checking the basis for their costings to make sure that they were accurate. I have been listening to the evidence. I did not know what went on in the background in terms of Mr Pincott's responsibilities for costing the brief. I was not aware that his personal costing of the brief brought the notional budget up to \$82 million.

**Senator MURPHY**—As I understand it, you were at the initial briefing?

**Ms Ford**—I was part of the initial consideration of 76 entries, that were short-listed to five. Then there was an initial briefing provided to those five who were short-listed.

**Senator MURPHY**—Were you there?

**Ms Ford**—Yes I was. In fact, I made some—

**Senator MURPHY**—That dealt with the stage 2 briefing kit documents, didn't it?

**Ms Ford**—Yes.

**Senator MURPHY**—One would have thought the contestants would have asked a question or two like, 'What is the budget?'

**Ms Ford**—Certainly, but they had already been provided with that information.

**Senator MURPHY**—What were they told?

**Ms Ford**—As I outlined to you, they were told that there was a construction budget for the National Museum and AIATSIS of around \$68 million. They were informed by me that the ACT government had allocated \$2.5 million overall for the cultural centre, but the functional brief we had prepared aimed at a construction cost of around \$1.7 million because the ACT government wished to quarantine part of that \$2.5 million to support the operating costs of the cultural centre.

**Senator MURPHY**—I will get to that in a minute. I take it that, as far as you were concerned—from what you just said about your query about the cost of getting the cultural centre built, which is a part of the overall cost—the cost was a reasonably important issue for the jury?

**Ms Ford**—I noted that, from the first construction coordination committee meeting, Mr Service, as chair, had made it very clear that it was his intention to deliver the project within budget and according to the timetable.

**Senator MURPHY**—That is the \$68 million budget?

**Ms Ford**—No, the total \$133 million budget, I believed.

**Senator MURPHY**—What was made clear to the contestants?

**Ms Ford**—I am struggling to answer because this was several months ago and, whilst you quite correctly make the point that as a member of the jury my interest is in the overall development, I believe that there is a whole Commonwealth department of which I am not a member—and I do not even work for the Commonwealth government—that has responsibility and accountability in that regard. I have responsibility and accountability for my own government's money.

Whilst I am generally aware that, as part of the information that was provided to each of the five short-listed teams in terms of the overall budget they were designing to, that figure was \$68 million, I am also aware that the total amount of money that the Commonwealth has allocated is \$133 million. Therefore, I assumed that my Commonwealth colleagues, like me, had retained some flexibility in terms of that overall figure to move the construction costs up and down depending on demands for other aspects of the project.

It is very clear that, in working up the final design for the cultural centre, whilst it is comparatively a very small amount of money, I have retained for myself some flexibility in moving around that \$1.7 million figure because I am working to an overall budget of \$2.5 million. If there is something so absolutely fundamental in the design of a particular facility within the cultural centre that costs more than we originally budgeted, then I will go back to my government and we will negotiate around how much of that \$2.5 million we will spend on construction. I assume my DOCA colleagues are going through exactly the same exercise.

**Senator MURPHY**—I appreciate your opinion with regard to your DOCA colleagues, but my questions to you are on the basis of your membership of the jury, the responsibility you had as a member of the jury in making a decision about a competition, and the money that was involved with regard to the budget that was allocated for that competition. There seems to be a great deal of flexibility in DOCA's position at the moment and we will gradually work through that. That is why I am asking you, as a member of the jury, the questions. I am interested in what the design teams were told in so far as cost was concerned.

**CHAIR**—I think that evidence has been given. Senator Murphy, I come back to the point—

**Senator MURPHY**—I do not want to ask the same point. I understand that. I guess that was just making a statement. Ms Ford, you talked about \$2.5 million. How does



that relate to this figure of \$3 million?

**Ms Ford**—No, it is quite separate. The \$3 million is the ACT government's contribution to infrastructure associated with the entire project.

**Senator MURPHY**—So you have a \$2.5 million figure that goes towards the cost of construction of the cultural centre?

**Ms Ford**—Yes. Can I for the record make it clear so there is no confusion within my own constituency. The ACT government has allocated in total \$2.5 million. At the moment we have allocated, within that \$2.5 million, \$1.7 million for construction of the cultural centre.

**Mr FORREST**—Plus \$3 million.

**CHAIR**—You guys have got to start to listen. I asked the question. The \$3 million has got nothing to do with the \$2.5 million. If you want to talk about that, then for goodness sake, listen.

**Senator MURPHY**—Now we have had the school lesson.

**CHAIR**—You have had a school lesson because we are going to be here until next fortnight when you ask the same questions twice. You have to listen to the evidence. Please proceed.

**Senator MURPHY**—With the greatest of respect, Mr Chairman, can I just say that if we have to be here for the next fortnight to get this right, then so be it.

**CHAIR**—I am not objecting to that. What I am objecting to is people asking the same questions over and over again partly because they do not listen to the evidence.

**Senator MURPHY**—We are doing our best, Mr Chairman. We may not all be as smart as you, but we will do our best. Thank you, Ms Ford. I do not think I want to ask any more questions with regard to the cost of the total project.

**Ms Ford**—Thank you.

**CHAIR**—Fine. If there are no more questions, we can thank these witnesses and we will have a brief suspension.

**Short adjournment**

[11.02 a.m.]

**DAVEY, Dr Neil William, Committee Member, Canberra Community Action on Acton, PO Box 45, Ainslie, Australian Capital Territory 2602**

**HABERECHT, Mr Noel Ivan, Secretary, Canberra Community Action on Acton, PO Box 45, Ainslie, Australian Capital Territory 2602**

**KERSHAW, Mr Jack, President, Canberra Community Action on Acton, PO Box 45, Ainslie, Australian Capital Territory 2602**

**PAPE, Mrs Barbara Claire, Vice-President, Canberra Community Action on Acton, PO Box 45, Ainslie, Australian Capital Territory 2602**

**CHAIR**—Welcome. The committee has received a submission from the Canberra Community Action on Acton, which is dated 20 November 1997. Do you wish to propose any amendment?

**Mr Kershaw**—No, Mr Chairman, but we would like to make further statements about the submission, if we may.

**CHAIR**—Is it your proposition to make that as an amendment or in your summary statement, which we will give you the opportunity to make shortly?

**Mr Kershaw**—Yes, I guess there would be amendments to the original submission.

**CHAIR**—We will take it that you are drawing our attention to some amendments you will provide during your statement. Is that satisfactory?

**Mr Kershaw**—Yes.

**CHAIR**—It is proposed that the submission of the Canberra Community Action on Acton—with the additions that you will propose in your response to us—and the response of the Department of Communications and the Arts be received, taken as read and incorporated in the transcript of evidence. Is it the wish of the committee that the document be incorporated in the transcript of evidence? There being no objection, it is so ordered.

*The submission and response read as follows—*

**CHAIR**—I now invite you to make a short statement in support of your submission before we proceed to questions.

**Mr Kershaw**—This group is aware that we may appear to be out of step with the thrust of the bulk of the evidence that has been presented. We prefer to think of it as being a condition akin to the king having no clothes. We would like to return, in the first instance, to the question of the siting of the project, which we think has been carried out in reverse. The plot has been lost. We are very concerned that the final result will be less than ideal for Australia as a result.

We feel that at best this whole exercise has been one to test the suitability of the project to the site and the suitability of the site to the project. Along the way there have been many questionable planning, urban design environmental, historical and financial questions raised. We believe that the result is a fail. Now that the parliament has been given the opportunity to have a really good look at this project, we trust that this committee will consider in depth what we have to say.

We feel that the correct processes of town planning and urban design have not been followed in relation to this project. We had the situation where a site was nominated based on very little architectural and urban design study of what works and what does not at Acton Peninsula. We also question why long-established, well-researched and accepted and popular proposals for the National Museum at Yarramundi Reach have been rejected. We have heard from experts in the field of architecture and from the National Capital Authority that this is a totally new concept of the delivery or envisagement of a national cultural institution in Canberra, but we have not heard that this is a superior way of doing things.

We feel that the site is one where we would rather support the work of the great planner of this city, Walter Burley Griffin, and his wife, Marion Mahoney, whereby they proposed that Acton Peninsula contain buildings of prominence befitting the site. It is a bit difficult to see this drawing, because it is a very soft rendering—

**CHAIR**—It might be easier if you passed it up to the committee to be passed around.

**Mr Kershaw**—Yes, certainly. Members will be able to identify Acton Peninsula quite well. Simply to say that what is being proposed is a new and totally different approach to the site is not a validation of that approach. We have not heard any statements, as I said, that this is a superior proposal.

In addition to that, we would like to refer to the 1992 publication of the National Capital Planning Authority called *Acton Peninsula and West Basin: where the city meets the lake*.

**CHAIR**—It is rather difficult to make any assessment from this.

**Mr Kershaw**—But unmistakably from that drawing you can see that Acton Peninsula was appreciated by Walter Burley Griffin and Marion Mahoney Griffin as a low-lying piece of land with topography which offered no elevation. They understood that the formal geometry of the parliamentary triangle and what is now called Anzac Parade leading up to the War Memorial offered such sites for national institutions. They rightly allocated the peninsula for significant municipal uses and recommended that the buildings have a scale so that in the words of the National Capital Planning Authority:

The low elevation of the peninsula combined with its ‘plan’ significance requires that from a design viewpoint, a building of substantial massing remain on the point. The buildings should be of a high architectural quality and have a function of considerable social or political importance to befit its symbolic significance as a landmark.

We feel that those people who have driven the process along this path have ignored this very important factor. It is difficult to understand why they have proceeded with such haste and why they have jettisoned the valid and established concept for the National Museum at Yarramundi Reach, which was validated not only in terms of museology and its symbiotic relationship with a more indigenous landscape of Australia but also in terms of urban design. I will quote again from this excellent document published by the National Capital Planning Authority in 1992. It states:

Without the mass of this building—

and they are referring to the previous hospital complex that was on the site—

and the trees, the peninsula would not create the same enclosure to the basin or establish such a dramatic link between ‘city’ and ‘setting’. A building on the end of the peninsula as a landmark would provide an important reference from a number of vantage points.

We have no particular criticism of the style of the building as proposed and we recognise the great talent of the architects and their record in confidently proceeding with other projects of this nature. However, we have to step back two or three steps and revisit this question of whether or not it is the right site.

The comments made by them and the assessors during the design competition were based on the assumption—and they had no other terms of reference—that this was the site and that the National Museum’s brief was for low profile buildings. We believe that all along this has been a major incorrectness about the use of this site. It is as if this project has been bulldozed, so to speak, bypassing normal planning and urban design procedure to arrive where we are today after the expenditure of millions of dollars. To quote Keats, ‘The sedge is withered from the lake and no birds sing.’ Everybody is unhappy about this project, as far as I can tell. Even the local builders are unhappy.

The people of Australia want good architecture; they want a capital that makes statements. With respect to this project, we believe this is not happening. We have heard from Dr Bill Jonas, the Director of the National Museum, that the concept of this museum is one which will encompass three major factors—the environment, indigenous settlement and post-European settlement.

That concept, combined with the low buildings, was exactly the same one that was put together after great work by experts, including Professor John Mulvaney, who is also a member of our organisation, for Yarramundi Reach. This concept has been transferred to this site without any attention to what the National Capital Planning Authority and Walter Burley Griffin and his wife realised all along. When this project is built that will come to fruition. These low-rise buildings will not have the prominence that this site deserved to achieve that separation between city and setting. The site is so low that it will not have any outlooks. The major sites within the parliamentary triangle and Anzac Avenue offer those outlooks—Parliament House, the parliamentary foreshores, the War Memorial, City Hill and Russell Hill.

As I said, this particular site has a low topography, is partially flood prone and is exposed to extreme winds off the lake from the south-west, particularly in winter. It does not lend itself to, if you like, national significance. It has been a misnomer, in our view, that this site is nationally significant. It is nationally significant if you say, 'Oh, that's a very beautiful place, it is great real estate and it looks a bit like Bennelong Point.' But moving to a project of this nature, at this stage, and after great expenditure, we think is an indictment of extremely poor quality planning, urban design and financial analysis, and so on.

There are many factors in the background of this. For instance, why has it taken so long for the museum to come to fruition? The fact is that many planners simply disregarded the wish of the people in their choice for Yarramundi Reach. This wish has been expressed through their elected representatives. Every political party and just about every political member connected with Canberra support Yarramundi Reach for the reasons I have outlined—a symbiotic relationship with a more indigenous landscape; a type of development which will be attractive to overseas visitors in particular.

The question of distance of Yarramundi Reach from Acton Peninsula is irrelevant. It would be linked with other national institutions such as the National Botanic Gardens, the National Aquarium, which is even further from the city centre, and, of course, it would have a close relationship with the ANU. In any case, people tend not to walk in Canberra. The distances in Canberra are huge. Most people, for instance, drive to the War Memorial. The distance from Parliament House to the War Memorial is something like four times the longest vista in Versailles in Paris.

This is a city based on space, openness. In a sense, we support the idea of bringing pedestrians on to the peninsula through the bridge that has been proposed, but we have to

point out the extreme, severe climate that Canberra has. You cannot even walk across Commonwealth Avenue bridge in mid-winter in a strong wind without just about losing your ears. We have supported the idea of an inner-city light rail pedestrian loop, which is something for the future, which would link these national institutions and that the bridge would tend to follow the route proposed by Griffin, creating more of a circular encompassment to West Basin.

In our view, the behaviour of the national capital authority has been quite disturbing in this regard. They have ignored the very fine words written by the predecessor to the National Capital Planning Authority and in our view have produced a compliant document in draft amendment No. 20 to the national capital plan, whereby the urban design and other planning considerations encompassed in draft amendment No. 20 simply follow this scheme—not the other way around. One must question what is driving what, who is driving who and what are the roles of the various players, and so on.

We have not seen draft amendment No. 20 being referred to the parliament. This speaks volumes for the attitude towards this project. The public consultation that has taken place over the last five years on Acton Peninsula, with the introduction of the museum concept in 1993, has been largely managed by the authority and other government bodies. We have not had the opportunity to present this concept of changing the site from community use to national capital use to the parliament itself. Now it is at the table of the works committee, and we are very grateful for that.

In regard to the planning aspect of changing Acton Peninsula from community use to national capital use, some people use the tenuous argument that the word 'museum' appears in a long list of uses that is permitted under the heading of 'community use' and, therefore, there is no reason to have an amendment to the national capital plan. If that was the case, why then is Yarramundi Reach not simply called 'community use'; why is it called 'national capital use (National Museum of Australia)'? Obviously the expectation for community use on Acton Peninsula was of a territory use because the land was territory land. We feel that most of the points raised by the department and others can be answered in this way.

We move now to the probity and financial aspects of this development in relation to Acton Peninsula. The exclusion of the money used to clear the site from the project cost, both at the time of the site investigation report committee and now, is tantamount to fraud of the Australian people in relation to a sum of \$15 million, or thereabouts, which was granted by the federal government to the ACT government in connection with the so-called Kingston-Acton land swap.

That land swap was accompanied by a condition that that site be cleared of buildings. It is virtually certain that the ACT government would not have been able to afford to do the clearing of that site and that they certainly did not carry out any detailed investigations into the reuse of the buildings, as our organisation did over the years.

In our view, this \$15 million should be added to every figure in this report. If members turn to the columns we talked about yesterday on pages 76 and 92, you will find that for the three options, comparing Yarramundi Reach and Acton Peninsula, if the \$15 million is added to those bottom line figures, then Acton Peninsula ends up being more expensive to develop than Yarramundi Reach.

Similarly, on page 92, we see that the infrastructure costs included a deduction of \$3 million that the ACT government would be making. As members of the community, we fail to understand why this is not regarded as real money. It is real money and it is a project cost. If you trace that money through its tortuous path of being granted by the federal government to the ACT government as a non-tied grant, you will probably find that the \$3 million is included in the \$15 million granted by the Commonwealth, as will be the cost of the ACT providing itself with a new hospice some distance down the track.

Contrary to the statements in various reports, this hospice is doomed. It is actually labelled as 'future development' on these proposed plans. The ACT government will have to bear the cost of constructing a new one. Similarly, the removal of the tenants who are in the existing buildings on the site would have been included in that figure, and the bulk of it would have come from the bungled, tragic demolition of the buildings on the site, which many people grieve for. If this is an emotional statement, then what is a museum if it is not an emotional development? This has been a tragedy for the ACT.

We have made recommendations in our submission that it is not too late to rescue this project. We have heard grave concerns being expressed about budget and the quantum of money available to develop this project, which obviously deserves good, substantial funding. We have anxiety about the approach of the project managers towards cutting in order to meet time and cost budgets. We fear for the project in that regard.

It is true that every major project has been given a tight budget to start with. That is a fair and reasonable thing to do, but it is difficult to see that a fine project will emerge under the current circumstances of time and money from the evidence we have heard. After all, the estimates for the Sydney Opera House were the going rate for concrete multiplied by the quantity surveyor's estimate of the amount of concrete in the structure as they saw it.

In relation to the Sydney Opera House, it was understood that with a low-lying piece of land a building of some scale was needed for the site. Similarly, the very difficult problem of resolving conflict of circulation on such a site, whereby you have water on one side that everybody wants to see, but you enter from the other side, was resolved in the Opera House, with difficulty but magnificently, through staircases that lead up the side of a fine building so that you are able to experience the water views from the lobby.

The scale of that building reflects that question of separation of city and setting—the Opera House, that is. In this case, the brief requirements and the functional

requirements are in conflict with the site. We see circulation patterns consisting of service corridors and roads traversing the outer part of the building and it is true to say that this building turns it back on the lake. From the courtyard, which will be the main focus of the cultural aspects of the site, you might as well be anywhere. You will not be able to see out. You will not be aware. From your site visit you will be aware of that low-lying frog's hollow atmosphere of the site. The Griffins and the NCPA and the hospital builders realised this and went up. They took people up so that people could experience this sense of place.

We believe that these problems of cross-circulation are virtually insurmountable in this design and, whereas the individual elements in the style of the building are laudable and desirable, the architects have run into that classical problem of what to do. They have said that they have designed a peninsula rather than a building, and they have brought it right to the edge to try and give it some prominence. Yet we have heard from Mr Ratcliffe, from the National Capital Authority, who said those elements will be softened by trees, and that those trees will have to remain, so where is the prominence? There is a double problem involved in what Mr Ratcliffe said, of course, I think he has forgotten about winter because those trees lose their leaves in winter. The whole thing is confused.

As I said, this whole project is not a very happy situation. We, as a community group, initially fought for the preservation of the buildings to put them to practical re-use for their structural lives. We also have as our objective to look into the sensible long-term use of the peninsula and we cannot agree that that is on the right track. The plot has been lost, as I said.

The money that has been spent on the design to choose an architect, as we have heard, is a good thing in our view. That process is very important; to get a good designer on board early. I hope that that designer will be able to survive. We believe that the designers would be able to be transposed to the preferable site of Yarramundi Reach. Unfortunately, the \$15 million will have to be regarded as lost, but the peninsula can then remain as a peaceful open space, accessible to people, until another project comes along that can offer those urban design and symbolic references that we talked about. In that regard, it has been suggested that years down the track—maybe 30 years—a national theatre, performing arts centre and centre for the practising arts might emerge and that building could achieve those requirements that we talked about.

In the meantime, there is no shame in calling off this project and moving it to Yarramundi Reach. People like Yarramundi Reach. The architect said that this will be a successful project if the people go there; people of Canberra like to go to Yarramundi Reach. International visitors love the space. They do not want to feel, in our view, that they are somewhere else where they have just been, especially Washington. This continuous aping of Washington is a cringing behaviour and we see it happening again. Yarramundi Reach can offer a truly national complex. The planners have to swallow their pride in relation to trying to bring everything into the central national area and realise that



this is a bush capital; it is a place of open space. In terms of budget and the money lost, we see there is no shame, as we say in our last recommendation, that the NMA/AIATSIS project be implemented, utilising the services of the current design consultancy team, through a budget allowing steady growth of the complex in stages at Yarramundi Reach, with a major section to be ready by the centenary of Federation for 1 January 2001. I would just like to pause for a second to check and see whether I had any other points to raise at this stage.

Implementing two sites has been suggested. As pointed out by Professor Mulvaney in his submission to this committee for Senator Alston in his capacity as minister for the arts, you end up with two infrastructure costs. Sure, there has been a loss of money in the clearing of Acton Peninsula; there has been a tragic loss of buildings and, of course, the tragic loss of the life of a young girl, but it is now time to face up to it, to cut the cloth and look at the things we have raised. We make this plea on behalf of ordinary people. Most ordinary people surveyed over the last five years have continued to support Yarramundi Reach. We have seen an alarming turn-around, a bypassing of due processes and a Prime Minister almost catapulted into a decision on the siting of this, without these very important architectural and urban design exercises being undertaken.

There was a hint of it in this report with the work that the National Capital Authority did. But, still, the parties involved failed to realise that what was happening, even with this proposal, would result in similar outcomes that we are seeing today. In our view, this was even worse—if I can use that term—because it was proposed that the buildings be built out over the water thereby destroying the public access to the lakeside park.

I go back to the point that, whereas people have claimed that this is a totally new approach to the delivery of a cultural institution in the national capital, no-one has been prepared to say that it is a superior approach and that all the statements have been based on a presumption that this is the site and that the brief would be for virtually single-storeyed sheds.

In relation to the function room, as we call it, the department has gone into denial and said that this is not a function room—this 1,500 square metre great hall and the restaurant that is attached to it. This is obviously an important, but clearly secondary, element in the scheme. It occupies the most prominent and most elevated position on the site and, of course, the pedestrian bridge comes right into it. The intention here is clear: this concept will have to pay for itself. We obviously have no objection to bringing people to the peninsula to enjoy the beauty of the place in such an environment and, obviously, it would be a great money-spinner. But, in relation to a national institution, it seems quite wrong to make that as the most dominant feature, especially when you consider the location of AIATSIS—an important co-located element on the site.

In terms of a few other detailed points about the site development, we draw your

attention to the fact that it is proposed that the artificial wetlands be constructed in what we regard as probably the most exposed site where the water is basically never still. You can go there at any time and find waves and wind lashing that shore whereas, at Yarramundi Reach, there are natural wetlands in backwaters available without having to create them. At Yarramundi Reach, there is open space. Some environmental problems have been alluded to at Yarramundi Reach and also the presence of some endangered species. We have seen that dealt with admirably on other sites such as the transfer of the siting of the Australian Geological Survey Organisation at Symonston in the ACT where those creatures were trapped and relocated.

We think these are spurious arguments. In conclusion, and I will ask some of my colleagues to make some comments if they wish, we plead to this committee on behalf of the parliament, in the interests of Australians, to revisit this concept before it is too late. Thank you.

**CHAIR**—Thank you. Your colleagues will be able to respond during questions. I will rule on that. You have given a very comprehensive coverage of your submission.

**Mr HATTON**—Mr Kershaw, in the stage 2 briefing kit—I might quote part of it and get your response, although I think I know what that response might be—on page 10 it says that entrepreneurship is part of the museum's culture. It talks about an aggressive approach to entrepreneurship in relation to this facility and says that:

The museum will be looking to its most proprietary resources including its site, waterfront, architecture, rentable spaces, collection, scholarship and media capability, to form the basis of extensive activities in product development and partnerships.

With the staff being on outreach programs and product development, it is argued that it should be:

. . . an organisation whose revenue and lifeblood are less collection driven than in a traditional museum and more oriented to human and institutional synergies characteristic of an entrepreneurial business.

In your view, does this fundamental statement at the core of this briefing document indicate that this is an entrepreneurial choice rather than a community choice or a choice for the nation as a whole?

**Mr Kershaw**—I would like to say at the outset that I do not have any particular philosophical views about that approach that has been taken. I think the knee-jerk reaction was that, based on that very strong statement, the grab has been made for Acton Peninsula because of all the factors I said: its Bennelong Point similarity, and so on. In our view, all of these things can be achieved at Yarramundi and may even be better achieved because, as I said, international visitors in the main, marvel at the openness and indigenous nature of the Australian landscape.

We have also heard from Dr Jonas that the museum will be very much oriented to producing digital type products, and so on. From that point of view, it is in conflict with the site choice because really they do not need to have people there in such numbers to achieve this.

A virtual museum, as has been said, really, in a way, is alienating to people. People want to interact with things. They love to do it. At the National Aquarium, people love to see the fish. With respect, I think that there is a staleness in viewing video presentations and digital hands-on elements. People want to relate to the real objects and on as wide a basis as is possible.

I am out of my depth in relation to this aspect of museology, but I know what people say and what people have said in all the public consultations, including the comments to this committee, over the years. We are in a state where things have to stand alone and pay for themselves, but we do see a conflict, as I said, between not having people involved and selling products and choosing a site which obviously is trying to draw people to it, yet failing in our view because of the scale of the development. I do not know whether that answers the question. Those are some views which have been expressed by our members and the people we come into contact with.

**Mr HATTON**—Thank you, that answers my question. I expect that this central site in the inner city area directly links with the fact that it might be seen as being more marketable and that your preferred site and the preferred site for so many years at Yarramundi Reach might have gone down on that basis.

**Mr Kershaw**—I think it is a short-sighted view, though.

**Mr HOLLIS**—Where you claim in your submission that the clearing of the site which have been referred to the committee as part of the work, it is a technical issue, but it only becomes a part of the work when the clearing is part of the project itself. As I understand it, and as I think you mentioned in your submission, the deal struck between the Commonwealth and the ACT was for that land to be exchanged to the Commonwealth in a cleared state.

This came up in a project once at the ABC building in Ultimo where work was stopped because clearing of the site was seen as essential to the work. As I read this, it was one step removed, because the condition of exchange of the land was that the land was cleared. I suspect that, if we were doing the hearing now, with that hospital building there, then that would have been regarded as part of the work, but I do not think it would be part of the work. I am not a lawyer. A lawyer would have to argue that out, but that is a point.

The \$15 million is a totally different thing. I think you are right on that, but as to the actual clearing of the land I think everything was done within the requirements.

**Mr Kershaw**—With respect, I think it is a question of semantics really. I have before me two pages from the quantity surveyor's report given to the site investigation committee. I obtained this under freedom of information. The quantity surveyor has listed the exclusions in his report. They include site acquisition costs, demolition costs, removal of filling of basements, removal of footings, removal of non-essential services, site decontamination costs, upgrade of infrastructure on the site, diversion of major services within the site and specialised security to individual exhibits.

Apart from the last item, that is a list of items that have been excluded from the cost estimates. But, in doing so, the quantity surveyor has clearly indicated, in my view, that these are normal inclusions in a project of this nature. The argument that the clearing of the site was simply a matter for the ACT government, as if it were a sort of windfall for the Commonwealth to get this cleared site, is denied by the Chief Minister of the ACT, who said in her statement to the ACT Assembly: 'Many of us have emotional attachments to Acton, but the reuse of the buildings has been ruled out by the National Capital Authority because of the need to clear the site for the National Museum.'

At a meeting we attended with the Chief Minister, the Chief Minister and Mr Sullivan said many times—over and over again—that they were simply doing the work of the Commonwealth. This \$15 million was an untied grant. It went into the ACT coffers. To use a colloquial term it was 'laundered' through the ACT health budget and reappeared as money available to do those clearing activities: moving people off the site and, probably, paying for a new hospice in time.

Whatever way you look at it, I am afraid to say that most people in the community will regard that \$15 million as a project cost. As I said, it is tantamount to fraud, if you like, not to have included that and not to have been up front about that. People are not fools.

**Mr HOLLIS**—I stand by what I said, but let us not get into an academic argument. Let the lawyers sort it out.

**Mr Kershaw**—Similarly, the question of the declaration of the peninsula as national land has been used as a medium to override planning requirements by some people. The ACT Planning and Land Management Act—the one that was put up at the time of self-government—says that, if the Commonwealth wishes to obtain land to become national land in the territory, it must have a use in mind for that land. If you have a use in mind and that use does not comply with the National Capital Plan, you have to go through the planning process, which includes urban design analyses, before you transfer the land to the Commonwealth. Otherwise, it is just seen as a grab, I am afraid to say.

There is anecdotal evidence that the attitude of the ACT government to this has been more one of, 'Let Acton go. We can get those few parcels of national land at Kingston foreshores, so that we, the ACT, can get in there and dig the dirt on Kingston

and develop revenue for the territory.' I might be being too critical and harsh in that statement, but that has been suggested in some circles.

**Mr FORREST**—Another of your criticisms, Mr Kershaw, is that the draft amendment to the national capital plan has not been approved. You need to be aware that it has been gazetted and will be tabled in both parliaments next year.

**Mr Kershaw**—Yes.

**Mr FORREST**—It has been approved.

**Mr Kershaw**—At the time of making our submission, it had not, and we were still living in hope that it might have been referred to the Joint Standing Committee on the National Capital and External Territories so, as I said, the evidence could be presented in a clear, objective fashion to the parliament, rather than in a managed format as occurred earlier. We have been steamrolled. We have been flattened by that process, which we think is not a due process.

**Mr FORREST**—Were you invited to make submissions in respect of the site location report that you have referred to?

**Mr Kershaw**—The public was invited and, yes, we made submissions. We particularly drew attention to the questionable funds, the \$15 million. I do not regard that document as being one that follows the due process involved in correct and proper town planning. That is our attitude towards this process. This is a process which was outside the system. We have ended up paying the price, because we have now reached this point after a great expenditure of money with a very questionable scheme, not just from a financial point of view.

**Mr HATTON**—Mr Kershaw, yesterday in evidence an opinion was passed that Professor Mulvaney was out of date and out of time—that his views of what the museum should be were outdated. As I indicated in the questioning yesterday, he has had not only a long-term but a very substantial commitment to the whole museum process here. He was also a former chair of AIATSIS. Given he has worked with your committee, can you tell us what you know of his work with the committee, the kind of advice he has given and his professional standing and capacity?

**Mr Kershaw**—Emeritus Professor John Mulvaney has all those qualifications that you read out. As far as we know, he has extensive knowledge in the area of anthropology. He is appalled at the idea of dropping the concept of Yarramundi Reach which not only he has said but other colleagues of his have said is germane to the concept of the National Museum expressing those three elements that the director of the current museum talked about—environmental relationship, pre-European settlement and post European settlement. He is also appalled that the concept of a symbiotic relationship with the more indigenous

landscape has been dropped.

It is probably true to say that he is not the sort of person who would normally get involved with a community action group which has got a bit of a red rag image in some areas. He has fully supported what we did and made arguments. He was very annoyed that he was not able to make a personal submission to this committee. He subsequently was asked by Senator Alston, in his capacity as minister for the arts, to make a written submission on this, which Professor Mulvaney did but never received a reply to, not even an acknowledgment that it had been made.

Somewhere along the line, the concept of the planning of the National Museum as proposed, the content of it and its symbolic relationship have been jettisoned. One could almost say that, if it was jettisoned in favour of something which was more hard edged, more up-front in, say, the parliamentary zone or even at Kings Park, you might be able to accept that. But to place it on Acton Peninsula with these buildings that do not do justice to the site, that do not change the concept of the museum, you really have to say, 'Have we gone down the right path?'

Professor Mulvaney has produced many articles which have been published in the local press. This issue has not received a lot of national press because of the attitudes towards Canberra generally. When people across Australia were asked about the siting of the museum and what was preferred, most said they preferred Yarramundi Reach, as did the elected representatives.

**Mr HATTON**—Thank you. I might just indicate that we have a letter from Professor Mulvaney which I quoted from yesterday and will quote from again later on. I am very interested in the core point that you made there in relation to this sudden switch not just of sites but in terms of the whole nature, breadth and depth of the museum concept. I will be pursuing that later.

**Mr Kershaw**—Certainly, we believe that those aspects that Dr Jonas has raised can be attended to and achieved at Yarramundi Reach. There is nothing wrong with moving with the times, but why jettison a major concept? What is proposed here is a very urban sort of development, and the architect is extremely skilled at doing that. Hopefully, they would be able to manage it at Yarramundi. Whether they would want to I do not know, but that is up to them. And yet it is still clinging to the concept of the outdoor spaces and the symbiotic relationship with landscape and the small scale of buildings that pertained at Yarramundi.

**CHAIR**—Thank you very much.

[11.52 a.m.]

**BRYANT, Mr Bernard Daniel, Executive Director, Master Builders Association of the ACT, GPO Box 3022, Canberra City, Australian Capital Territory 2601**

**RICHARDSON, Mr Chris John, Adviser, Master Builders Association of the ACT and, Director and Partner, Access Economics, 241 Northbourne Ave, Lyneham, Australian Capital Territory 2608**

**RODGERS, Mr Trevor John, Vice President, Builders, Master Builders Association of the ACT and, Chairman, Commercial Council of Builders, 241 Northbourne Avenue, Lyneham, Australian Capital Territory 2601**

**CHAIR**—Welcome, gentlemen. The committee has received a submission from the Master Builders Association of the ACT dated 28 November 1997. Do you wish to propose any amendment to that submission?

**Mr Bryant**—No, except to say that we did provide you as chair with a follow-up letter on 2 December.

**CHAIR**—Thank you. That has been passed on to the secretary. Is it the wish of the committee that the submission and the department's response be received, taken as read and incorporated in the transcript of evidence? There being no objection, it is so ordered.

*The documents read as follows—*

**CHAIR**—Before we proceed to questions I invite you to make a short statement in support of your submission

**Mr Bryant**—Thank you, Mr Chairman. The MBA appreciates the opportunity of appearing before the committee. The focus of our submission was twofold. First, we were concerned to argue a project delivery method which would maximise the opportunity for local industry involvement—and we note that the ACT government also has a similar focus in its presentation before the committee. We need to stress that we are not asking for the project to be set aside for ACT industry or its contractors but rather that those contractors have the opportunity to compete for the project. Second, our submission was concerned to focus the committee's attention upon the risks to which the Commonwealth would be exposed through the selection of project alliancing by the Construction Coordination Committee as the preferred delivery method for the project.

Turning to the first point, we are aware that the committee has before it an analysis or rebuttal of our submission from the department. I think it is important for us to point out to the committee that much of that rebuttal is misleading, if not incorrect. The department's comments provided to us last week make the claim that many of the leading national building firms have an established presence in Canberra and employ Canberra residents. It goes on to say that, as a result, the department would expect significant employment of local tradespeople et cetera regardless of whomever the lead contractor for the project may be.

In point of fact, there are only three national contractors in the ACT: one has a significant presence, another with a limited turnover generally confined to the regional areas of New South Wales and another which will shortly withdraw from the ACT market upon completion of the Australian Geological Survey Organisation office at Symonston. We should point out to the committee that, while there are significant Commonwealth building projects, such as the Russell Hill redevelopment project and the AGSO project presently under way in the ACT, the level of employment in this industry in this town, as measured by the industry's compulsory long service leave scheme, is at its lowest since 1982.

It is inevitable—and we believe the committee now understands this from the evidence given by DOCA—that the design detail for the museum and allied buildings will change during the construction phase. The department has acknowledged that our preferred delivery system, construction management, facilitates such changes but not to the same extent, they would believe, as project alliancing. As a result, it is clear that the department maintains a strong preference towards project alliancing. We do acknowledge that the parameters in terms of both time and budget for this program are immutable—although, if you refer to the project timetable at appendix A of the statement of evidence, the committee would note that there is a delay allowance of five months in that project timetable.



In any event, we are concerned that the Commonwealth has opted for a largely untested project delivery mechanism within the building and construction industry. Yes, it may be true that project alliancing, as I think Mr Sullivan of the ACT government pointed out, has operated on large resource projects. But are such projects analogous to the building industry? I refer you to this month's edition of the journal of the Australian Institute of Engineers which lists the recipients of their engineering awards.

The East Spar development off the coast of Western Australia refers to project alliancing and the strengths of the alliance. It makes the comment:

We had a number of weekends away developing closer relationships. Playing golf together and chiding each over tasting wines was as important as any business negotiations.

I am sure it was, on the client's money!

In our submission we have put to the committee a number of questions which we maintain should be asked of the department. As we understand it, the department intends to advertise tomorrow—that is, this Wednesday—calling for proposals to participate in the project alliance. In fact, we have a copy of the ad. As I said, project alliancing will expose the Commonwealth to risk. I think Mr Richardson can comment on that later.

We believe the committee should rigorously question how the alliance will work. What is the fall back position for the Commonwealth if the builder collapses because of his involvement in other markets? Is the Commonwealth intending to write a contract on a \$133 million project using a delivery system that has never been tested at law—we believe it has not been? Is it intending to deny itself access to the courts to seek redress?

The department has put great store, as you will see from its rebuttal of our statement, in legal advice it has received regarding construction management. It is fair to ask then, we feel, where is all the legal advice regarding project alliancing which suggests an untested delivery system is appropriate on such a significant project? Again I stress that project alliancing may have a track record on resource projects but we cannot evidence a similar track record on building projects.

I think the point Mr Sullivan made was that with resource projects inevitably there is more than one stakeholder. On this project it is the Commonwealth putting up the capital. As committee members would appreciate, on resource projects generally all the parties risk their capital. With the museum it is quite a different kettle of fish.

The department has argued that local builders could still compete by forming consortia. We need to ask the department whether it would guarantee that the consortia would be judged on the basis of the individual track records of the consortia members. Too often, we have seen small to medium contractors form consortia, and the fact that the consortia have not operated in the past has been a reason for their exclusion.

It is relevant for us to ask that question because, as Mr Ashton made the point yesterday when he appeared as a DOCA representative, the committee would have observed the fact that the joint venture between the two participating architects has not as yet been formed. We question whether it would be reasonable to exclude a local consortium or, indeed, any consortium of builders that does not have a track record.

We also need to stress the advantage of a full competitive field for the Commonwealth, particularly given the hot spot that is apparent in the construction industry with the development of the Homebush site in NSW, the Citylink project, and yesterday's announcement about industry support. Our view is that a fair go is required for small to medium enterprises, and that is consistent with the prime ministerial announcement yesterday.

The MBA specifically asks that if at the moment the lump sum tender is plan B of DOCA's plan then, in the light of the MBA's and DOCA's own concerns on lump sum tendering, could construction management, as we have suggested, be considered as a fall-back option? Also, in support of some comments that the ACT government made, we need to stress the importance of this project, not only for local industry but for the whole of Canberra.

One-fifth of all property investment by the Commonwealth is planned for the ACT. In fact, Canberra is only two per cent of the national economy, but only 0.6 per cent of property investment occurs in this town. We are told that this project will contribute one thousand jobs for the ACT during the construction phase, so it is vitally important that the maximum opportunity for local industry is obtained.

In the recent past the ACT has been in a recession. Projects such as the National Museum should play a key role in bringing us out of the recessionary trough. The ACT needs to move from a dependence on the public sector to the private sector. This project will help. That ability will be enhanced if ACT business has more opportunity for participation.

In the course of listening to evidence yesterday, I observed that the department will seek alliances from building companies and services contractors. It is reasonable to ask whether the department can assure us, or the committee or the public, that they will put together the best alliance. Normal commercial practice would preclude the marrying together of individual companies in several alliances. It may be that we have the best building contractor in one alliance and the best services contractor in another, and never the twain shall meet.

I discussed this point last evening with Canberra's largest locally owned building contractor—his firm has a turnover of \$50 million per annum, and he has been involved in projects with a value of \$110 million—and he told me that the commercial reality is that, whilst he does have an alliance with a services contractor, for the purposes of the national

museum he will be excluded, for reasons of commercial reality, from bidding for the job. We think that should not be the case.

**Mr RICHARD EVANS**—I have concern about the time frame in relation to the building project. Do you have any comments to make on that?

**Mr Bryant**—I will ask Mr Rodgers, the chairman of our Commercial Builders Council, to address that point.

**Mr Rodgers**—Earlier this morning we heard Mr Service acknowledge that they were going to give the designers some more time. Therefore, I see a compression in the construction timetable, even though we have this four- to five-month delay period in the project. Therefore, it would be more appropriate in terms of the compression of that timetable to maybe look at other delivery systems that can accommodate necessary fast-tracking of the project to ensure that the project meets its January 2001 deadline.

**Mr RICHARD EVANS**—Systems like what?

**Mr Rodgers**—Construction project management can deliver projects quite well in terms of fast-tracking, working in conjunction with the project team to deliver the project.

**Mr RICHARD EVANS**—So you are recommending a change of system but, on the current process, you are suggesting that the deadline of construction completion would be difficult to meet?

**Mr Rodgers**—It was going to be difficult to meet until I heard this morning that the architectural team, the designers, had been given a little bit more flexibility. I do not disagree with that. I think it is to be commended that they get it right the first time. In the end, we are going to compress the construction on the project. Therefore, we need to be flexible at looking at the delivery methods in achieving that construction on the project.

**Mr Richardson**—I will just add for the committee that the construction management delivery system which we are suggesting has a very good record of fast-tracking projects. That is one of the things we are raising. Because alliancing has no track record in any building project in Australia, only in resource projects, which, by their nature, are quite different because you have stakeholders all putting their money on the table.

Imagine that you are a member of an alliance or a prospective alliance and a member of the Commonwealth says that they want to increase the Australian content of the building and say, other things being equal, that is going to add \$1 million to the cost. It has been agreed that the \$152 million is as much as is going to be expended, no more. You are going to have the same fight in the alliance as you have in a lump sum tender.

The Commonwealth might want to do something that would lower the whole of life costs of the building but raise, other things being equal, the costs against that \$133 million ceiling. You will always have the Commonwealth, as the \$133 million stakeholder in this, arguing with individual members of the alliance. Every time those alliance members are asked to agree to something that costs more by the Commonwealth, they will sit there and disagree. It will slow down project delivery. It raises all sorts of problems.

What about bankruptcy among one of the members of the alliance? What about being asked to deal with another member of the alliance whom you regard as incompetent for whatever reason? I guess what it comes down to is that the Commonwealth, through alliancing, is asking the alliance to sell the Commonwealth insurance. The alliance has to insure the Commonwealth against all those things I mentioned: against bad weather, against a geological problem, against the lack of access to the courts. The Commonwealth is ruling itself out as well. There is insurance against industrial disputes. There is one road into this site. That is pretty easy to block.

It is the same in a lump sum tender. Alliance members are being asked to sell insurance to the Commonwealth. That is the key economic concept in this form of project delivery. Builders sell very expensive insurance, with deference to the MBA. It is not what they are good at. They are not insurance companies. The Commonwealth, by choosing either lump sum tendering or alliancing, is costing itself a lot of money that it need not do. The Commonwealth self-insures like every huge organisation, which is what the Commonwealth is. You do not insure this building, you do not insure an ANZAC frigate, but you are asking builders to insure the Commonwealth against various unforeseen events. It will end up costing you money, and it is already clear that money and timing are major risks in this project.

The Commonwealth needs an agent working for it. It cannot be just one member of an alliance and continually outvoted every time it wants to do something a little bit better. That would lower the profit margins of everyone else in the alliance. The reason alliancing works in resource development is that the other stakeholders have lots of money at stake as well. As Mr Thomson for the department pointed out yesterday, the other alliance members will have a limited amount of money at risk.

I would suggest that this is an untested system in building delivery in Australia. It is moving to an untested system against a very tight deadline. There is already, through construction management, something which has an excellent track record and which is used regularly in the ACT. It does not have the economic conceptual problems that alliancing or indeed lump sum delivery have. It is clear that the horse has bolted. It is too late now. Alliancing is the way it is going to go. But if the replies to the advertisements come in suggesting fairly expensive delivery, then I would ask that the committee consider as a fall back not lump sum tender, which has similar problems, but construction management.

**Mr RICHARD EVANS**—From what you have just told me, just to clear my mind, are you suggesting to me that if something is not meeting deadlines there are ways of meeting deadlines with the use of money—insurance I think you used, which is money? Therefore, because it is a tight deadline, are you suggesting that there is a possibility of either increasing the \$133 million or reducing the services provided if timing is not met?

**Mr Richardson**—The chances are that both are at risk. That is what I would see as the risk to moving to an untested delivery system in building projects. You might end up being too late and it might end up, despite the best endeavours of Mr Service, going over budget.

**Mr RICHARD EVANS**—Has the MBA passed a slide rule over the project and come up with estimates of construction? In relation to the \$68 million that we were told today, is that a reasonable figure for what they are projecting?

**Mr Bryant**—Consultation with the MBA has been extremely limited. No, we have not had the opportunity.

**Mr RICHARD EVANS**—Would you say that \$68 million is a reasonable figure for the construction?

**Mr Rodgers**—I would be a bit guarded on that until details of the brief—the documents, the square metres, the gross floor area, et cetera. I would not like to comment at this point.

**Mr RICHARD EVANS**—With regard to local content on buildings within the ACT previously, has there been a standard agreement that allows local content? Are those sorts of agreements available for this particular project?

**Mr Bryant**—The ACT government has had a practice both for its building projects and also its construction projects to package the size consistent with the scale of local industry or at least remove impediments by way of marginalising the security of payment issue to ensure a competitive field exists. With the two other projects that I mentioned, it is my understanding that with the Russell Hill redevelopment the client required a 15-year warranty period on that project. I would ask which companies were willing to risk their balance sheet to that extent. The fact was that very few were. With the AGSO project, a hard dollar tender on an \$83 million construction project, a five per cent bank guarantee was required. That would bleed the working capital of most construction companies. In that case, the successful contractor was one which was not established in the ACT at the time, came to town, won the job and, as I think I mentioned in my remarks, would look to close its office on the completion of that job should it not win another major job in the territory.

**Mr RICHARD EVANS**—From your comments, the implication you are making is

that, on Commonwealth construction or buildings within this region, local content is not necessarily as strong as it could be compared with the ACT government?

**Mr Bryant**—Emphatically so.

**Mr FORREST**—I would like to pursue Mr Evans's questions on program a little more. You are quite right in that it is a very tight program, as in appendix A. Given the expertise that is represented here by you three gentlemen, surely your alternative project management approach would be an even less realistic program—that is, 29 months, including four months of delay, and a very tight design program ahead of it? Could you comment as to whether your construction management suggestion can achieve that program?

**Mr Rodgers**—I think your analogy of it being a very tight program is realistic. Obviously, with alliancing being untested, it is hard to judge an untested delivery system against a delivery system that has its pluses and minuses. It is very hard to judge, say, whether the construction management may deliver the project in a shorter period of time when you have a delivery system that has no benchmark at this point in time.

**Mr Bryant**—The other benefit of construction management vis-a-vis this compressed timetable is the earlier engagement of the contractor or builder in a role of control or supervision of the design team, which will ensure buildability.

**Mr Richardson**—As Mr Sullivan for the ACT pointed out, construction management has a very good track record locally. It is something we can look to as opposed to project alliancing. One of the reasons why, economically, I would expect it would work better is that risks and rewards are much more closely aligned. That is what you have to do in economics. The Commonwealth, with by far the largest amount of money at stake, needs to maintain the most control, and this is the way it could do it.

**Mr FORREST**—There is very little reference made in your submission to subcontracting, which is obviously going to occur for smaller packages of work, which I would imagine would be the greater source of local engagement of smaller contractors. Isn't that the way that the building industry operates in the ACT anyway?

**Mr Bryant**—One might expect that that would be the case. However, we have seen examples recently on the two major projects which I cited where local subcontractors have not won work for a particular reason or another. I do not believe it can be guaranteed that, whilst the project might be undertaken in the ACT, ACT employment would be maximised. I referred to that point in my remarks when I said that, despite these two projects of \$250 million and \$80 million, the level of registration with the Building Construction Industry Long Service Leave Board—a compulsory scheme for the industry in the ACT—this year is at its lowest since 1982.

**Mr FORREST**—My final question is in regard to your concerns about the warranty period. You would be aware, of course, that the department's response says that there will be no requirement for a 15-year warranty. Have you any comment on that?

**Mr Bryant**—I was relying on an address which the chair of the National Museum of Australia gave to the MBA in late August which, as I understand it, spoke about a 15-year warranty period. Perhaps Mr Rodgers can add to that.

**Mr Rodgers**—I was present at that address and it was indicated that they would be looking for a 15-year warranty on the services component and the facade component on the project.

**CHAIR**—Following on from that, as more of a generalisation to this committee, are you telling us that there is a substantial and unnecessary cost in the Commonwealth making this requirement, whatever the tender?

**Mr Bryant**—Should it do so, yes, Mr Chairman. It also acts against the Commonwealth in another way. It not only increases the cost or the insurance that Mr Richardson referred to, the insurance premium that the Commonwealth should not have to bear, it also restricts the competitive field.

**CHAIR**—We have had evidence to the effect that the project must be completed in a single contract, and previous correspondence indicated, I think, that for ACT builders to participate there would need to be some breaking up of that contract. Correct me if I am wrong in that but, accepting that project management has been mentioned as your preferred option, how would you see the project being conducted in regard to your proposal—in a little bit of detail?

**Mr Bryant**—That is a technical question, and I will defer to Mr Rodgers. I make the point first that when Mr Thomson, the legal adviser to the department, spoke yesterday he did mention the prospect of three hard dollar tenders, which might occur in the event that the project alliancing concept fell over.

**Mr Rodgers**—I have no problem in looking at the concept that there are advantages that could be looked at. We see three distinct structures there that could be separately packaged either in a progressive way or in a lump sum way, which gives the opportunity for contractors that have a location in this town to be able to competitively bid against the multinationals on those projects. The opportunity is available to be considered.

**CHAIR**—Would you identify the buildings?

**Mr Rodgers**—Take the yellow-green coloured one and the one to the left of that—and that is on the top photograph second from your left.

**CHAIR**—So you would take the Aboriginal Cultural Centre, and then you would see the major development around the perimeter of the peninsula as one building?

**Mr Rodgers**—As one building. Then again, under construction management, you can package the building up as a ceilings and walls package, for instance. It does not have to be let to one contractor. That project lends itself to maybe several packages, therefore enabling different small to medium enterprises that are located in the ACT to competitively bid on that project.

**Mr Richardson**—An advantage of that construction management or project management is its flexibility in that way. The advantage of flexibility grows at times when the construction industry is going through one of its regular cyclical peaks. That is now happening with Olympic related work in Sydney, CityLink and other projects in Melbourne. Other things being equal, that is going to put resource pressures on and add to the costs to the Commonwealth. The more flexible the system, the less expensive it is going to end up being for the Commonwealth.

**CHAIR**—I hope Mr Forrest did not pursue this point. It appears that we have a political imperative which is a particular day of celebration. Would you like to suggest to us, in the context of where we are at at the moment and considering some of the concerns within this committee, what it is going to cost us to meet that political imperative and whether we would be better ignoring it.

**Mr Bryant**—For the benefit of the ACT community and, indeed, because of the national significance of the project and the coincidence of the centenary of Federation celebrations we would want to see this building open in January 2001. There has been a lot of debate before this committee about where the real figures are with the likely construction costs of this building. We have not been privy to the design brief, let alone seen the detailed design emerge.

**CHAIR**—But you have not answered my question in terms of what that holiday period or that celebration is going to cost in achieving that time criteria as compared to it being longer.

**Mr Bryant**—Others have told you that it is \$133 million to get there in January 2001. We are asking for the opportunity to participate in that construction work.

**Mr Richardson**—If there is an immutable date and the price is an immutable price, then quality is going to suffer along the way because no other variable is allowed to change.

**Senator MURPHY**—Mr Rodgers was talking about being able to divide the construction up into various parcels, but that was contrary to what we were told yesterday; that is, that it could not be, that it did not lend itself to being divided up. We were also



given other reasons, such as potential industrial reasons. Mr Rodgers, we seem to have two expert opinions that differ.

**Mr Rodgers**—Maybe I can answer by giving a recent example. The Therapeutic Goods Administration building located in Symonston was finished in 1992 for some \$60 to \$62 million and has a current present day value of around \$70 million. It was constructed over three years using the construction management method. That project was divided up into sections and I will give you two examples. Two mechanical contractors carried out the work on that project and there were also two dry walls and ceiling contractors on that project. Those four packages were all carried out by local, Canberra based companies. Nothing is impossible if you put your mind to it.

**Senator MURPHY**—I do not doubt that, but you have given one potential verification of your claim that that can be broken up. I suppose it is important that we try to understand some of those things. How would you deal with industrial difficulties should they arise?

**Mr Rodgers**—We had no more and no less than the normal industrial activity that occurs on that type of large value building projects. There were certainly no industrial issues raised in relation to having separate packages. That was discussed with the relevant trade union movement. The thought was put out and they got their concurrence.

**Senator MURPHY**—So with one building where one set of work adjoins another and basically it is the same but done by different groups of people, you work away as though they are one group of people, I would assume.

**Mr Rodgers**—It is working as a team. There is a clear cut-off point. One works to that point, another team works to that point and there is no problem.

**CHAIR**—I did make the remark yesterday that the additional cost appeared to be in the extra chain wire fences which you would put around individual sites—coming from my old building background.

Thank you, gentlemen. You have indicated and you might inform the committee whether you would anticipate substantial support from the local building trades unions to your argument, or should we invite them to come and tell us so?

**Mr Bryant**—We would expect that there would be support.

**CHAIR**—Thank you for your attendance.

[12.29 p.m.]

**BRENT, Mr Ronald Ian, Director, National Film and Sound Archive, GPO Box 2002, Canberra, Australian Capital Territory 2601**

**CHAIR**—The committee has received a submission from the National Film and Sound Archive dated 26 November 1997. Do you wish to propose any amendment to that submission?

**Mr Brent**—No.

**CHAIR**—It is proposed that the submission and the response of the Department of Communications and the Arts be received, taken as read and incorporated in the transcript of evidence. Do members have any objections? There being no objection, it is so ordered.

*The document read as follows—*

**CHAIR**—I now invite you to make a short statement in support of your submission before we proceed to questions.

**Mr Brent**—I wish to start by reinforcing the National Film and Sound Archive's enthusiasm for the project. The fact that it is on Acton Peninsula will underscore and enhance the opportunities for cooperation that already exist between the two institutions in presenting Australia's heritage to the public, both on that site and beyond to the rest of Australia.

The record of cooperation involves a range of activities that include the archive providing material to complement and contribute to museum exhibitions. That sort of cooperation can only be enhanced by the close physical proximity of the two institutions with the use of the Acton site.

I would also like to note the proposal that we have put forward to look at access to the site and in particular the communications route from the peninsula to Civic. It is significant to us because we are on that route if it is properly planned, but we could be bypassed if the issue is not carefully considered. We have talked about the possibility of a heritage tram linking the museum site to the city through the Australian National University. That plan is being developed as a concept at this stage and I hope to be able to provide the committee with some more detailed documentation of that particular proposal in the next few days.

The significant thing that is relevant to some of the discussion that has already occurred is that that proposal would not be seen as being funded within the existing funding envelope for the museum. We would look for other funding sources, which might include a contribution from the ACT government and might include commercial sponsorship. It would include significant in-kind support from a number of the stakeholders; for instance, rolling stock for any such project would come from tram museums which would be keen to participate and provide the rolling stock for free. Land that is required may well come from the ANU, if it is interested in participating, and so on. The critical point is that we are not looking at a significant capital sum, and we are certainly not looking at that being a drain on the existing resources that are available for the construction of the museum. I think that is probably all I wanted to say in my summary statement.

**CHAIR**—Thank you.

**Mr HATTON**—Do you think this proposal for the National Museum and the display space would better suit the National Film and Sound Archive than the National Museum of Australia?

**Mr Brent**—No, I do not think so. There is certainly plenty of scope for the sorts of displays the museum is contemplating, particularly the use of digital technologies and screen-based presentations, to incorporate material from the archive. When we further

develop our own site, we would anticipate using some of those same technologies on our site.

I think the key point is the content that we are seeking to present. The National Film and Sound Archive is essentially limited in its brief and in its resourcing to presenting our audiovisual history. The scope of the presentations that are contemplated by the National Museum in its new facilities are much broader than that, although we would see audiovisual materials playing a prominent part in view of the concepts that have been presented, and we would see ourselves as being a major contributor to that content.

I should also separately note that even after the redevelopment of our Acton site that has recently been approved by the Public Works Committee, the amount of display space we will have will be reasonably limited and certainly very small compared to what is available on the peninsula under this proposal. Therefore the working of the two sites together is an important element in being able to achieve the best exposure and access to Australia's heritage—both moving image heritage and general heritage.

**Mr HATTON**—You spoke very strongly in support of the Acton site and therefore Yarramundi Reach would be out of reach in terms of what you would prefer. How close are you to Acton?

**Mr Brent**—We are approximately one kilometre away. We are at the base of the peninsula. We are beyond normal walking distance, although it is a reasonable walk of about 15 minutes for an average person.

What I think is significant is that the main traffic routes to the peninsula all come very close to the archive depending on which particular traffic routes we are talking about. Certainly, if we pay attention to some of the issues that the Chairman raised earlier about the approaches to the museum site and questions of making those approaches perhaps match the splendour of the site itself, that would certainly leave a great deal of scope for utilising the roads that directly pass the archive as the main access paths towards the museum. The tram project is one way of achieving some of those things very cheaply.

**Mr HATTON**—So the archive might pick up some of that passing traffic?

**Mr Brent**—That would be part of the intention certainly, although we would not rely just on passing traffic. We would be very deliberately structuring exhibitions and cooperation to make our site a separate focus of attention that could be combined with a visit to the museum so that they would actually be seen as two destinations in close proximity and each worthy of a visit.

**Mr HATTON**—As an outlet for the materials that you hold—you have significant social history materials that you cannot currently effectively use—the museum would be a very important and effective?

**Mr Brent**—Exactly right. Certainly in contemplating what I might describe very loosely and very unfairly as the hi-tech components in the project—the digital screens and the digital technologies generally—we would see the important point being that there has to be very strong focus on content rather than on technology. Having said that, the technology that has been talked about is a very exciting prospect for delivering much better access to the sort of content that the museum wants to present and that we would want to present. We would see ourselves as a big part of that.

**Mr HATTON**—I am wondering how much access you would get to it. When you look at the design brief, if this is to be believed, then in terms of that digital space and the use of that, which takes up so much a part of this space, the second set of offerings they have, going on with that entrepreneurial approach, is that it should offer: popular programming, because it has Australia's largest screen for the major sporting events; celebrities and political figures; host audience participation debates with highly capable media backdrops; host major arts events, such live opera and theatre, that utilise a digital projection screen for scenery and special effects; host gala premiers for revenue of digital format, entertainment and documentary production.

In doing so—I note that there might be another call on these facilities—they would equip all seats with response controls for audience polling and interactive storylines. That makes me think of the touchy feelies in Orwell's *1984*. A great deal of this is directed to not what we would think of in terms of what should be the main activities of a museum of Australia but garnering moneys into that site, linked with all of the other entertainment elements of it. I am wondering how much access your organisation will have when the whole area gets crowded out as a display centre.

**Mr Brent**—I have to be careful about exceeding my own expertise. Certainly some of those issues you raise are better presented to the department or the museum. But I certainly make a couple of important points. I will cite a statistic that I have been citing rather frequently as, in a sense, a boast for the archive, but I think it is very relevant to the sorts of things you just raised.

At the moment, the material from the archive receives, according to independent market research, a combined viewership—and that means some overlap of some individuals—every year of between 13 and 15 million people. That makes it the most accessed heritage collection in the country. The way it does that is through contributing to television and radio, principally, but screening programs in other contexts as well. We appear on news services. Our collection appears on current affairs programs, documentaries, retrospectives and so on.

I will give you a few of the obvious examples that would give you an understanding of why those figures are so large. For the remembrance of the 50th anniversary of the end World War II most of the material that you would have seen on television in all the news services, special programs, documentaries and so on came from

our collection or the War Memorial's collection, which we helped to preserve.

The significance of that is that the important means of utilising a collection such as ours is not simply to sit people down and say, 'Watch this old movie and enjoy it,' although that is certainly a very big part of what people do enjoy. The real reach of our collection comes about by contributing to other programs. It may be a program on a prime minister, it may be a program on prime ministers generally. Our contribution would be to provide some historical material, as one component, that might run through to a live interview with a current prime minister or a speech by a prime minister being the culmination of the experience. The material that you read from the brief is very much focused on bringing the experience right up to the current day, but it relies heavily on a context, a background and a heritage. That is the role of a museum and an archive such as our own. We would see ourselves contributing to many of the sorts of presentations that you spoke about.

**Mr HATTON**—The key emphasis in here and in how that space is structured is on a large digital screen—completely up-to-date technology. You point out that there is a problem with that—technology changes very quickly. We have seen it change over the past 20 years quite dramatically. State-of-the-art today can very quickly be overridden—even something like this high definition digital presentation. You have made a number of comments about the importance of content. Am I to take from your comments that the actual digitising of the resources that we have in the National Film and Sound Archive, the Aboriginal and Torres Strait Islander Centre and the museum should be a higher priority than bunging on the touchy-feelies for 600 people at any of those individual presentations? That is really very money intensive and my guess is that your facility does not have enough resources to devote to that, and that is a significant problem for the museum itself.

**Mr Brent**—Certainly the digitisation of content is a real issue in its own right and cannot be ignored when wanting to present digitised material on whatever technology it is—whether it is high definition screens, the existing Internet, television by today's standards or the various forms of video projection. The exercise of digitisation has to be properly accommodated in budgets. Having said that, there is no point in digitising material if it is not presented; therefore, I would be wary of citing either as the higher priority. The point that we wanted to emphasise in our written submission was the need to take account of the full picture—that is, to be aware of the need to provide content together with the need to provide the technology to present it.

In our own experience at the National Film and Sound Archive, we are currently looking at developing the capacity to digitise and compress material in-house so that we can in turn present it. But we will not buy that technology unless we can be confident that we can combine it with technology that allows us also to present that material in our exhibition. The two need to be seen in parallel. Some of the earlier material we saw and some of the material you read out demonstrated a focus on the presentation. We are simply highlighting the need also to focus on the content that you will present. I am very

confident that, given the close relationship we have with the museum, we will deal with those problems. They are important to bear in mind and it is important to keep the thing running in balance.

**CHAIR**—In terms of the interface between the museum and yourselves and considering the value of some of your archival material, is it your view that the transfer of your information or material to the museum should be electronic from your facilities or by physical delivery—with all of that machinery sitting in the museum?

**Mr Brent**—The question is very hard to answer because it is speculating on the details of the type of presentation, timing, volume and so on. It is also, in a sense, making three- or four-year forecasts for technology that we cannot even forecast six months out. It would definitely be both. Certainly the technology already exists for us to do, for instance, MPEG-2 digital compression of moving images. That is just a form of reducing the signal down so that you can ship it over relatively small electronic pipes. That is available right now and we can use it to shift material around the country. We are going to have the capacity in-house to be able to deliver material like that relatively shortly.

Having said that though, it is a question whether high definition is most efficiently shipped down a pipe or whether it is better put onto a carrier such as a DVD disk, which is simply a disk like the common CD but which can carry a lot more information—it is the future form of delivering video images which is now being touted as the next wave. That may be a much more efficient way. It is then put in a car and driven down to the peninsula. It will really depend on the volume of material, the quality of material, the source of the material and exactly what is going to be done with the material at the other end.

**Mr HATTON**—I will finish on the question of proximity. You are one kilometre from Acton and about seven or eight kilometres from Yarramundi Reach, so a car has to go about seven kilometres further, and an Australia Post van would have to go about that far. As to sending stuff digitally, there is virtually no difference in time if you are running it down those pipes—if you are just sending MPEG to compress stuff—and the capacity to send a large amount of that will increase in very short order.

**Mr Brent**—Proximity is not so much a question of delivering things. We can deliver things right around the country very effectively, and we deliver to news services based in Sydney, Melbourne, Perth, Adelaide and Brisbane. There are a couple of points to make about the technologies. Firstly, if we are looking at high bandwidth cable links, then the length of the cables becomes significant, in terms of both how far you can ship material on a particular form of cable—some of those cables have maximum lengths of 500 metres before there is a substantial increase in cost, and every 500 metres costs a lot more—and the cost of the cable itself and how far you are going to install it. If we are looking at high bandwidth cable links, such as optical fibre, there is certainly an advantage in having it physically close, and a kilometre is an advantage over seven.

Secondly, the main advantage is simply the natural linkages that would exist in people being able to visit both sites and in our staff being able to move more readily between the two sites. One of the features is not just the distance but also the traffic arrangements that exist. To go one kilometre down a straight road with no intersections and no lights is psychologically much less of a barrier for staff who want to cooperate, meet and discuss plans, and so on. In a sense, being physically close leads to a closeness of the working of teams across the institutions.

Most importantly of all, there is a significantly smaller barrier in shifting people from one location to the other if the two locations are a kilometre away and on one single road than if they are seven kilometres away and you need a map, particularly for out of town visitors.

**Mr HATTON**—In terms of orders of magnitude, we are not dealing with Canberra to Brisbane.

**Mr Brent**—Certainly not.

**Mr HATTON**—It is only down the road.

**Mr Brent**—That is certainly correct.

**Mr HATTON**—I imagine that most of the time your staff are working at the national sound archive and would not be working with the museum and that, even when they are working closely with the museum, lots of people would move all over the place and go considerable distances to work together as teams and would take whatever they have to take with them to do it.

**Mr Brent**—Yes. I do not want the value of the proximity to be taken out of all proportion. We certainly work very well with the museum right now. They are located in Yarramundi Reach, Old Parliament House and out in Mitchell. The relationships with the other institutions, such as the War Memorial, the gallery and Australian Archives, are all working very effectively, although we are scattered around the various parts of Canberra. So it is by no means a threshold issue, but we see some advantage in, as I say, principally bringing the customers to our part of town. That has been our biggest challenge to date. Then there are spin-offs, in terms of proximity, that cannot do any harm.

**Mr HATTON**—Large pipes, high volume and being able to speedily move lots of digitised data around the place: if it is a lot easier to do it with optical fibre in a one kilometre stretch rather than seven, it has to be able to move efficiently and effectively with repeater stations from Sydney to Melbourne and across the rest of the continent because we have a pretty big continent that we are going to use optical fibre to do that with.



**Mr Brent**—The optical fibre links that you are talking about are being funded on a very large scale by large organisations, and they shift very large amounts of data from a very large number of customers who will all help to pay for it. The concern for us is that if we are looking at doing things really exciting—given the current technology and the capacity for that technology over the next very short while to link us and our national museum somewhere—the opportunities, given the tight budgets that we are working on and the fact that we cannot spend the sorts of billions that the telcos are spending, certainly mean that a shorter distance is an advantage.

Again, it is not a threshold issue. There is no problem, technically or otherwise, in putting those links in with Yarramundi Reach, or anywhere else for that matter. In the longer term, we intend to have exactly those sorts of links with institutions right around the country.

**CHAIR**—Thank you, Mr Brent. Ladies and gentlemen, we will have a 30 minute lunch break, so we will come back at 1.20 p.m. The next submission has some matters of substance which I do not want to rush in 10 minutes.

#### **Luncheon adjournment**

[1.25 p.m.]

**ROSSER, Mrs Winnifred Rosemarie, President, Friends of the National Museum of Australia (Inc.), PO Box 1076, Dickson, Australian Capital Territory 2602**

**TODD, Mr Robert Kellar AM, Vice-President, Friends of the National Museum of Australia (Inc.), PO Box 1076, Dickson, Australian Capital Territory 2602**

**CHAIR**—The committee has received a submission from the Friends of the National Museum dated 20 November 1997. Do you propose to make any amendment to that submission?

**Mrs Rosser**—No, we do not.

**CHAIR**—It is proposed that the submission be received, taken as read and incorporated in the transcript of evidence. Do members present have any objections? There being no objection, it is so ordered.

*The document read as follows—*

**CHAIR**—I now invite you, as Friends of the National Museum, to make a short statement in support of your submission.

**Mrs Rosser**—Thank you, Mr Chairman. I welcome this opportunity to appear before the committee. It has been a long journey for the Friends of the National Museum and we are pleased to finally be at this point in the process of building a national museum. We purposely kept our submission short. I will therefore read it in its entirety and would be pleased to speak to it with regard to any questions you may have. Background: the move to form the Friends of the National Museum Incorporated began in late 1988 in response to a five-year moratorium placed on the building of a national museum of Australia by the government of the day. The FNMA was incorporated in early 1989.

The friends' objectives: The Friends of the National Museum has in its constitution statements of its wish to promote a greater awareness of Australian history and the preserving of the material evidence of Australian history. The Friends of the National Museum supports the development of the National Museum of Australia as a museum which shall acknowledge the history of Aboriginal Australia, the Australian environment as a whole and the social and cultural history of all Australians.

History: the National Museum of Australia was established by the National Museum of Australia Act 1980, which was passed with bipartisan support. The National Museum of Australia is unique in that it has three integrated themes: Aboriginal and Torres Strait Islander heritage and cultures, Australian society and history, and people's interaction with the environment. Since 1980 the museum has had a chequered history of stop-start government support. The Friends of the National Museum, since its official incorporation in 1989, has lobbied extensively to garner support from all sections of the community and from all sides of politics. Throughout this period we have never come across any negativity with regard to the need for a national museum which will tell the story of all Australians.

Australia is the only country in the OECD that does not have a national museum. Our neighbour New Zealand are currently completing theirs in Wellington at a cost of \$250 million. While it is true to say that Australia can be proud of having over 2,000 state and regional museums, they all have a narrow and local focus. The National Museum of Australia will deal with issues of national significance. For example, the collection includes items from such diverse episodes as the story of post-war immigration and the Lindy Chamberlain case. Each in its own way demonstrates the profound effect which they have had on Australia and its people. The repositories contain over 170,000 such items significant to various aspects of our national history, from the dreamtime to the present.

Location: the Friends of the National Museum has always regarded Yarramundi Reach as its preferred site for the National Museum of Australia. When, however, the

Prime Minister, John Howard, announced in December 1996 that the museum would be built on the Acton Peninsula, the management committee of the Friends of the National Museum supported the decision. This position was then ratified by the members at a general meeting held on 10 February 1997.

In conclusion, the Friends of the National Museum fully supports the building of a national museum on the Acton Peninsula. We feel that it is imperative that construction commence as soon as possible to enable the opening of the museum on 1 January 2001, as this will be a marvellous gift to all the nation to celebrate the centenary of Federation. A fully integrated museum which embodies all three themes will help all who visit to be proud of our unique heritage and help us to understand what it truly means to be an Australian.

**Mr FORREST**—Your support for the Acton site is at odds with other submissions before the committee. Would you explain the nature of your constituency, the Friends of the National Museum, and why there is a difference of opinion?

**Mrs Rosser**—Our constituency is a very large one considering that we have no museum and very little to offer our members. We have currently over 600 members nationally. The majority of them are in Canberra. We had to think very long and hard. I will say here that I was on the site selection committee and did battle very hard for the Yarramundi site, but at the end of the day, in discussions with the committee, we decided we are the friends of the National Museum, not the friends of Yarramundi. It has been a very long battle to have a National Museum of Australia built and we felt that at this point in time, when the choice was between a National Museum of Australia on Acton or no national museum at all, we had to decide what we really supported. We have always supported and kept in mind that we are the friends of the National Museum.

If I could go back a little in history, when Creative Nation was released in 1994, that is when Acton first came up as a site. A gallery of Aboriginal Australia was to be built on the Acton site and the rest of the museum collection was to be dispersed. As a result of that, at our annual general meeting in 1995, we then decided that at all costs we had to retain the concept of a fully integrated museum, that is, the whole history of Australia, not just a certain facet. To that end we changed our constitution whereby the wording was that we would attempt to have the museum built at Yarramundi but that Yarramundi was not of primary importance. Of primary importance was to get a national museum of Australia built.

**Mr FORREST**—But you would have to have more of a view that Acton is a better site than Yarramundi Reach?

**Mrs Rosser**—I wonder. When Yarramundi was first proposed as the site, Acton was not even available. The people who looked into that site inquiry, which was well before my time, did not have Acton to look at. I do not know what they would have

thought. We thought that Acton was a very good second best after Yarramundi. Many people say it is a prominent site. It is a beautiful site. But we also realise that over time the ideas that were floated of what would go on Yarramundi were fantastic but required a big site, because of having the shearing sheds, the demonstrations and a sort of proper little village of Australian squatter huts. It was necessary then to look at what has happened.

I have been involved with the friends and lobbying for five years. Even in those five years I have seen a constant evolving of what constitutes museums these days and some of the ideas are no longer valid. The main thing for us was that the concept remained, which is the integration of the three themes to say that this is about all Australia and Australians. That has been retained, even though the site has moved.

**Mr FORREST**—When you say that the nature of museum exhibition is changing, what do you mean?

**Mrs Rosser**—As the mother of two teenagers, I am perfectly aware of the technology that is around today and the changes involved there. There has been a lot of discussion in the last day and a half about technology with the museum and, having been to many different museums, I know that a lot of technology is being used. I must say that a lot of people look at things differently now; we talk about the 30-second attention span of some people. Museums have changed. There is interaction, but it is all involved with technology.

We do not for one minute say that the objects are not important. The objects are extremely important, but the objects can be enhanced with the technology we have available. And some of the technology available today was not even available three or four years ago. So it is very difficult for us to hazard into the future, I agree. But the Friends of the National Museum see this as a museum that is at the cutting edge of museumology.

**Mr FORREST**—There are a lot of fixed museum sites right around Australia. I have a very important one back home in Swan Hill—the pioneer settlement. There is Sovereign Hill at Ballarat and there are certainly many scattered right through Gippsland and all over Victoria. They are suffering a certain demise in respect of patronage. In terms of this new site, the idea of having a large site to re-create one of those does not attract particular support from your group? Does your group feel those should be left where they are done better, out where they actually happened.

**Mrs Rosser**—Out there they had been doing extremely well and, as you have underlined, some of them are now losing patronage. Yet, if you look at places like the Powerhouse in Sydney or the new Museum of Sydney, they are attracting patronage. They are changing and evolving from those types of museums. Old Sydney Town, for instance, did have a lot of financial problems. The original concept for the Yarramundi site was to do something like those types of museums, but we have moved on 20 years since then, at

a very rapid pace. So, yes, we feel that museums are changing.

**Mr FORREST**—Just to get some idea of that membership of 600 you mentioned, what proportion of those would live in Canberra?

**Mrs Rosser**—I would say that the proportion would probably be three-quarters to 80 per cent.

**Mr Todd**—We have always seen this museum first as a national museum, displaying those national characteristics which would be of interest to all Australians. At the same time, and I am bearing in mind a question one of the members of the committee asked yesterday, we have seen it at all times as the hub of a wheel. This is not something which is just for this part of Australia and still less just for Canberra. It is something which will reach out all over Australia. That is a possibility which is being made real now, with all these modern technologies that have been spoken of. With the Internet and so on, it is appreciated that someone who lives in Cairns or Perth has a long way to go to get to Canberra, although many do. But we can be that hub and reach out. And I would like to set on one side any idea that this is something just for the national capital and its inhabitants; far from it.

**Mr HATTON**—When did you first become aware of the basic change in philosophy from a more conventional museum to, effectively, a digital one?

**Mrs Rosser**—I think that Prime Minister Keating mentioned prior to Creative Nation that he liked the idea of a lot of technology and of a technology based museum. It started to evolve from about late 1993 or early 1994. It has been a very slow, very quiet evolution, but I think that, as more modern technology became available—and, I would suspect also, as the price came down—that this was looked at more as a reality. I must say that initially I was one of those people who thought, ‘You can never replace an object.’ But, when I started to travel interstate and overseas with my children and to see what was available, I realised that that was the way the world was going.

**Mr HATTON**—In terms of the Acton site, I suppose for your group it is Hobson’s choice; it is this or none?

**Mrs Rosser**—I would say so, but, if I may refer to a comment you made yesterday to the department about this being the jewel in the crown for the department, I see this as the jewel in the crown for all Australians. This museum is about us, basically. We have lobbied very long and hard and spoken to all sorts of people because we really passionately feel that it is for us. It is not for any department or any particular interest group.

I think you saw some of the collections yesterday. This is about very ordinary everyday Australians of every type of nationality and background. I think we are now

coming to the stage, with the centenary of Federation approaching, that we have thrown off our cultural cringe and that we are all very proud of who we are. As I say, a site as prominent as that one was not available in the past. Although I personally loved the Yarramundi site, when you have no choice at the time and Yarramundi is all that is offered, you do not think about the other sites. I think we all deserve a site as prominent as this: one which is not in the parliamentary triangle, but still of the parliamentary triangle.

**Mr HATTON**—You have had a look at the plans.

**Mrs Rosser**—Yes.

**Mr HATTON**—You have had a look at the dimensions of the spaces that are available. At the moment I think the museum has something in the order of 170,000 objects. A lot of that will be presented digitally and visually, but there is only a certain amount of space in this project for exhibitions and those exhibitions being moved in and out. Most of the holdings will be entirely separate, either where they are or in other places. At Yarramundi, they could have been co-located; it is impossible to do it here. If you do a comparison with the Powerhouse, which has both of these elements, there is the almost tactile, so that if there is a major aeroplane or a machine, you can actually see it, you can walk around it and you can go through the entire museum in layers. Only part of that experience would be available here, wouldn't it—given the constraints on the amount of space that is actually reserved for the museum, as distinct from the museum, the entertainment areas and the other facilities?

**Mrs Rosser**—Yes, I get your point. But I am also aware that there will be a far quicker turnaround in exhibitions, which makes it far more exciting and good for return visitation. I think Dr Jonas mentioned yesterday that at any given time there are only three per cent of the objects on display in any museum. I hear that the Museum of Victoria, for instance, has 40 million, or four million, objects—one of the two, which is a lot—which cannot all be stored in the one place. To be realistic and pragmatic, I do not think we would have got the money from the government to build the storage on Yarramundi. One hundred and thirty-three million dollars buys a lot more on a smaller site, from a perception point of view, than on a big site like Yarramundi.

**Mr HATTON**—That is a lot more money than has been mentioned previously, but, comparatively, have you been to the National Museum in New Zealand?

**Mrs Rosser**—No. I have read and heard about it. That is what we, the Friends, specifically did not want: a huge bunker on the water. It is a different sort of museum and they are spending a lot more money. When I was on the Site Selection Committee, I was asked at one stage, 'Well, all things being equal, on Yarramundi, what would you want?' I said, '\$280 million,' and I was just laughed at. I think it would be a very big ask to expect the government to even look at \$280 million. Yes, there could have been a staged

development on Yarramundi, but I do not think it would have attracted the number of people as a full development of this description would on the Acton Peninsula.

**Mr HATTON**—I will just finish with this: in relation to Uncle Jeff's project down in Victoria, that is a significant project, worth \$250 million, that one of the Australian states can put together; the Commonwealth has lumbered towards \$133 million. What is your knowledge of that project?

**Mrs Rosser**—If we had Jeff Kennett's casino to pay for it, I am sure that we could have \$250 million. Their history has also been fairly chequered, in that they even got as far as the foundations going down and the stop was put on the building of the museum. The casino was built instead. One could dream, but I am a realist. One hundred and thirty-three million dollars is small; it is a beginning. We still say that one day there could be room for expansion. We cannot look that far into the future these days with the way technology is moving.

Our world appears to be shrinking more and more. I do not know; maybe in 50 years they will all move back to Yarramundi and build a Sovereign Hill. I cannot look and second-guess that. But we, the Friends, say, 'Let's get on with it. Let's get this museum going so that at least we have a national museum that we can be proud of.' New Zealand have moved their museum from Christchurch, and that has caused a great deal of pain, to this new one in Wellington. So if one day there was that sort of money lying around where somebody said, 'Let's build the National Museum we all deserve instead of this little one on Acton,' so be it. But I would rather see something in my lifetime than hold out for something that may never happen.

**Mr HATTON**—I will finish on this. I am not inclined towards the old models of the museum. I have nothing against the digital presentation. It is part of the present, not just the future. They are incorporating a museum around that core. What has been suggested in terms of Yarramundi incorporates the fact that you can have this facility there with greater space and greater space for development at a later point. I hazard a guess that, being a social history museum, the National Museum of Australia may have as one of its features the work that Friends have done. There may be some of the problems that occurred with the development of this. There are contrasts with Victoria and its casino versus museum issue and so on. I thank you for your evidence.

**Mr Todd**—I want to add one or two words. There have been things said this morning about the extent of support for going to Yarramundi. Many people think this and most people think that, and overseas visitors support Yarramundi and so on. This has been a fairly painful journey for the Friends. We have supported this museum project through thick and thin and, by and large, it has been both thick and thin. Certainly as Mrs Rosser said, since 1989, when we had an open day at Yarramundi, there has been an enormous amount of voluntary work. I will not bore you in telling you all the usual things, such as selling T-shirts and making cakes. There has been enormous support in Canberra by



Canberra people. To that extent, it is Canberra's baby.

We have had some hard times. I will not go through them here. We have been conscious of a lack, it seems, of a political will at the highest level to support Yarramundi. We could not get there. Therefore, when this proposal came up last year with the site selection committee and the policy was stated, we felt that we were getting somewhere. The decision was made, which has been explained. We felt obliged to call a general meeting of the Friends, which was on 10 February this year. Certainly there was emotion there. It was all debated out very fully. Certainly the president and I and the committee were unanimous in accepting the government's decision to accept the site committee's recommendation. A vote was taken. We would be very happy to let you have the full minutes of that meeting. It is a transcript of what was said. Given the heartfelt feelings a lot of people had about it, the vote of the Friends of the National Museum—the people who had been closest to it and who have wanted it the most—was two to one. That was a pretty good reflection. It really put people on notice to come, speak and think. That was what was decided.

We did not put much about this in our submission because we did not realise, in our innocence, although we cast an eye at section 17(3) of the Public Works Act, that we would be defending Yarramundi again. We have made the journey. We did not marry the person we thought we were going to marry, but we feel that the marriage will work.

**CHAIR**—It is an arranged marriage.

**Mr Todd**—Very much.

**CHAIR**—Positive evidence was given by previous witnesses that the people of Canberra want Yarramundi. Is that your assessment?

**Mr Todd**—Some people no doubt still do.

**CHAIR**—On a majority basis?

**Mr Todd**—The people who have been most connected with it, who have been members of the Friends, know something about it and have been given a lot of information about it. As I say, at this meeting, they heard the arguments and talked it out. They supported this decision. I think your analogy of the arranged marriage is a good one. I think I heard one of the other members say that they often work out very well. But it is a more pragmatic decision, if you like. We feel strongly that it is the right one. Hobson's choice was mentioned. With respect, that is very accurate. It is this or nothing.

**Mrs Rosser**—There were 80 members in attendance at that meeting that night. They were all very vociferous. As a result, we had about 12 resignations from the membership. We have had no further resignations and we have had a lot of support from

the members, who are saying, 'Let's get on with it and get a national museum.'

**CHAIR**—Good. I think we can conclude at that point. Thank you very much.

**Mr Todd**—Thank you for giving us the opportunity to speak.

[1.51 p.m.]

**WISE, Mr Steven John, Fire Engineer, Commonwealth Fire Board, GPO Box 250B, Melbourne, Victoria**

**CHAIR**—Welcome, Mr Wise. The committee has received a submission from the Commonwealth Fire Board dated 1 December 1997. Do you wish to propose any amendment to it?

**Mr Wise**—No, sir.

**CHAIR**—It is proposed that the submission and the Department of Communications and the Arts response be received, taken as read and incorporated in the transcript of evidence. Do members have any objections? There being no objection, it is so ordered.

*The document read as follows—*

**CHAIR**—I now invite you, Mr Wise, to make a short statement in support of your submission before we proceed to questions.

**Mr Wise**—The reason the Commonwealth Fire Board wishes to have its comments on record at this hearing is that there is now a new process that can be adopted to implement fire safety systems in building. This is the process I want to talk about in this submission. The National Museum of Australia and the Australian Institute of Aboriginal and Torres Strait Islander Studies will be of significant value to Australian heritage, both housing national treasures. By their very nature, these facilities provide goods of high value and the likelihood of large occupancy rates, which will require particular fire safety considerations.

The value, density and ability to replace those assets needs to be assessed in the terms of the concentration of the combustibles and the degree of exposure to ignition. The fire safety systems need to be balanced between the moderate fire loads peculiar to public spaces and the high fire loads found in storage facilities. Given the nature and value of those assets, it is essential that the fire safety of the building's contents and occupants be of the highest fire safety standards. To facilitate this, it is our recommendation that a dedicated fire engineer, who will work in liaison with but be different from mechanical, structural or hydraulic engineers, be represented on the design team from the onset of the design process. The fire safety systems then need to be addressed as an ongoing issue, with the independent maintenance of the systems and the training of personnel as fire wardens being of particular concern.

The introduction of the performance based Building Code of Australia, which I will call BCA96, now provides alternative design methodology to the requirements of the old prescriptive rules of the Building Code of Australia, which can also still be used. In the Building Code of Australia, there are now predetermined objectives, functional statements and performance requirements which allow a greater degree of flexibility for the delivery of cost-effective design solutions.

Currently, the performance requirements can be met either through using the prescriptive rules or through the use of alternative solutions. It is our belief that, given the nature of this project, it is probable that some of the design and construction requirements will not adequately be covered under the prescriptive requirements of the Building Code of Australia and that this will necessitate a departure from those provisions to the newly introduced performance requirements. To achieve this, the building fire safety design should be based on probabilistic or deterministic risk assessment so that the levels of performance of alternative methods of fire protection can be established.

I will give a brief summary of the methodology. It includes a consideration of the function of the building and its elements, the fire load, the potential fire intensity, the fire hazard, the size of the fire compartments, the building's characteristics of height and position and fire brigade intervention. In order that that can be achieved, the fire safety

engineer-designer can do the qualitative risk assessments or deterministic risk assessments based on a calculation of the fire growth, spread of smoke to other compartments, the fire spread to other compartments, times to detect, the activation of sprinkler and detection systems, fire brigade intervention as well as occupant evacuation times.

Even if the fire safety system chosen for this project complies with the prescriptive requirements, it is also our recommendation that they still should be tested using the above methods to see whether they meet the objectives. The end design should then be assessed by another third party independent from the design as part of a process of peer review. The following information summarises the type of process recommended for this project.

There should be a dedicated fire engineer, as I have mentioned, on the design team from the onset of the process to facilitate a fire safety design that does not just comply with the rules as stated in the building code but also meets the objectives and the intent of the code. To achieve a performance design that meets the objectives, a process such as the one highlighted in what is called a fire engineering design brief, described in the fire engineering guidelines, needs to be undertaken. This is the part of the process of design that brings together a team of interested parties at the preliminary design stage. It is done at this stage so that the design process can be streamlined by obtaining a consensus view on all the aspects of the design at the conceptual stage.

The objective of the fire engineering design brief is to review the building's design proposals with the view to identifying potential hazards and to find the fire safety problems in qualitative terms. It then provides alternative fire safety options, called trial concept designs, for the team to review and then identify the most acceptable method of protection for the building being reviewed.

**CHAIR**—Mr Wise, is it your intention to read your entire submission?

**Mr Wise**—No.

**CHAIR**—You are following it fairly closely.

**Mr Wise**—I am almost up to the conclusion.

**CHAIR**—Please go ahead. We have it in writing.

**Mr Wise**—Again, the purpose of the design documentation that we are importing is to clearly set out the basis for the concept design, the calculations used and the assumptions made so that the results can be assessed by a third party. In conclusion, the building is of significant heritage value to us and, as such, should have the highest levels of fire protection available. This does not necessarily mean the most expensive, but certainly one that meets the objectives and intent of the building code as well as all the other objectives that the design team comes up with. The fire engineering design brief is

an essential component of the fire safety design process because it facilitates the communication between all the parties at the initial stages of the design, which in turn provides for the best performance designs. This high level of communication will identify and rectify any concerns at the earliest stages, which will facilitate the project's work schedule. This process will provide for a fire safety design that is acceptable to all parties whilst meeting the objectives. That is all, thank you.

**Mr HATTON**—We have a response from the department in relation to the information you have put in. You talk a lot about performance based systems. The department says this:

While these are options that the design team will explore, the current project brief requires explicit levels of fire protection and detection systems that will fully satisfy the requirements of the Building Code of Australia and all relevant Australian standards.

My guess is that that gives the flick to the argument you have been putting forward in relation to performance based systems. You have indicated that the BCA96 is a higher level of protection. It is not just the explicit written matters that they have to cover, but it is also the objectives and intent of the codes as well, so there is a higher level of coverage because fire issues are looked at not in terms of a checklist—something that the design team has to look at—but the person involved is actually a part of the design process and can get better solutions than might otherwise come out. Is that the case?

**Mr Wise**—I believe that there are times when the prescriptive rules do not necessarily meet the objectives of the code. That is why we are recommending that, even if they go through the prescriptive solutions, they are also tested as well via this sort of process.

**Mr HATTON**—Can you give us any indication of the likely magnitude of extra costs that there would be in terms of running to performance based systems?

**Mr Wise**—Given the nature of this project, the fire safety systems that will be put in place will be of a very high level anyway, so I think the cost would be the same, pretty well.

**Senator CALVERT**—You said that in this particular case it would be of the highest standard. Does the Commonwealth Fire Board have any particular special regulations for museums that house such important materials, like our annexes at Mitchell, for example?

**Mr Wise**—No, as long as they comply with legislation at the time and whatever the other objectives of the design team are at that time. There is no special regulation over and above the legislative requirements.

**Senator CALVERT**—Do you conduct regular checks of buildings to make sure that they still comply with fire regulations?

**Mr Wise**—I believe the Commonwealth Fire Board does that, yes.

**Senator CALVERT**—When was the last time that the Institute of Aboriginal Affairs was inspected?

**Mr Wise**—I am sorry, I cannot answer that one. I am fairly new to the Commonwealth Fire Board.

**Senator CALVERT**—From personal observation, I think the sooner we can get them out of there the better. It is substandard, in my opinion, and there is a lot of important material there and a lot of important work going on there. During the public hearing, that particular place worried me, and I just hope that we can get on.

**Mr Wise**—That has raised an important point. The maintenance of the fire safety systems is of primary concern to the Commonwealth Fire Board, because even though all these fire safety systems may comply with the legislative requirements at the time of installation, the ongoing maintenance as an interdependent system needs to be addressed fully, and that is something that has been lacking, not only in the Commonwealth buildings but in buildings in general.

**Mr FORREST**—Senator Calvert has actually asked my question there, but just following on from that, I have sometimes been alarmed in the buildings that I have inspected while being on this committee in terms of meeting fire safety requirements. What is driving your organisation to feel the need to make a contribution? Are you concerned that the process which you are recommending has not been put in process?

**Mr Wise**—The process that I recommended is a new process that was only legislated in 1996, so although you could use alternative solutions before you had to go through a process of applying for modification, et cetera, to gain a difference to what the code said, these days you can do a performance requirement through the process that I have outlined. Could you just repeat the point of your question?

**Mr FORREST**—We are looking at an extremely tight construction program and a very crunched-up design development program. Getting the necessary approvals will take some time, given that there are bound to be a lot of drawings to consider and so forth. Your suggested method will save some time. I need to know that it will not compromise the ultimate objective.

**Mr Wise**—No, it definitely will not compromise the objectives. What it does is allow for the consultation to be carried out throughout the process. The fire safety systems that will be put in this building can come in any range of format. They talked yesterday

about having dry sprinkler systems, wet sprinkler systems in other parts of buildings, definitely smoke exhausts, and all those sorts of systems.

In a nutshell, we are trying to say that, whilst you need the mechanical engineer on site to do his smoke exhaust, whilst you need the sprinkler technician to put the sprinkler heads in the right positions and do the design according to the code compliance, you also need a fire engineer to assess what the fire load in that building is and to see how these systems are going to work. We can say, 'Okay, in this room, for instance, there will be a certain sized fire; it will make the sprinkler activate at this time. There are this many people in the room; we can have that many people out of the room in this time; and, therefore, you have a safe building because the available safe egress time compared with the required safe egress time has been met.' It is a process that verifies you have met the objects and intent of the code.

**Mr FORREST**—Whose employ would this fire safety engineer be in?

**Mr Wise**—Who does this charter?

**Mr FORREST**—Yes. Would he or she be a certified person? Someone has to sign off at the end of the day that this meets an appropriate standard.

**Mr Wise**—Yes.

**Mr FORREST**—Who does that signing off?

**Mr Wise**—Yes, the fire safety engineer can do that. I believe you will find that generally, at the end of the day—and I am not sure about Commonwealth projects—a building surveyor is the one who signs off the projects, once he has received documentation from all interested parties about their particular aspects of the design.

**CHAIR**—But your advice to this committee or to those listening, I guess, is that not only should that be the responsibility of one party but also there should be peer review.

**Mr Wise**—Absolutely, yes—independent peer review, as well.

**Mr FORREST**—I suppose what I am struggling for is: what is the function of the Commonwealth Fire Board in all of this? Does it approve the certified person and then rely on their professional advice?

**Mr Wise**—It could do that; it could be the peer reviewer, for example; or it could work in conjunction with the design team as well and go through the whole process with them.



**Mr FORREST**—Just to get some idea from you: in the program that has been presented to the committee in evidence, there are some four months left of project design. Do you think that there is sufficient time in that to ensure all these fire safety requirements are met?

**Mr Wise**—Yes, I do. I imagine at this stage there is still a little bit of to-ing and fro-ing. But probably what would happen is that the architects/designers would give you a package of what was going to be installed in the building as far as the fire safety systems went. You could go away and model those systems as an interdependent system and come back with an answer as to, say, whether or not the trial concept design will work.

**CHAIR**—Thank you, Mr Wise.

[2.08 p.m.]

**MARCAR, Mrs Christine Claire, Chairperson, ACT Access and Mobility Committee, ACROD, PO Box 60, Curtin, Australian Capital Territory 2605**

**CHAIR**—Welcome. The committee has received a submission from ACROD, dated 17 November 1997. Do you wish to propose any amendment to that submission?

**Mrs Marcar**—No.

**CHAIR**—Is it the wish of the committee that the submission from ACROD and the response from the Department of Communications and the Arts be received, taken as read and incorporated in the transcript of evidence? There being no objection, it is so ordered.

*The documents read as follows—*

**CHAIR**—I now invite you to make a short statement in support of your submission, before we proceed to questions.

**Mrs Marcar**—ACROD is Australia's peak council of organisations providing services to people with disabilities. One of its roles is to monitor and influence developments in the area of access to buildings and facilities and access to technology at a national level. This is an opportunity for the government to provide a complex of buildings, which is a model in regard to access for all people, including people with disabilities. This is not easy.

With the advent of the Disability Discrimination Act, requirements for people with disabilities have become increasingly complex. The access and mobility committee of ACROD, which I represent, acts as a watchdog in these areas, providing information regarding access on a voluntary basis. However, this project is too large and important to provide a voluntary consultancy. Experts in the field are required in design for vision impairment, accessible landscaping and designing assisted listening.

ACROD's submission has been accepted by the Department of Communications and the Arts. The department has agreed to appoint a specialist disability access consultant who can have input at various stages of the project: initial design, detailed drawings, building works, site supervision, and final approval; then further on in the project with the design of fittings, displays, and landscaping. This consultancy is especially important, as the expert would have her finger on the pulse regarding proposed changes in the building code, which is currently being reviewed to come into line with the DDA requirements.

If the requirements of the BCA are followed, the buildings will be wheelchair accessible. However, the DDA requires that buildings and services be accessible for those with visual, hearing and intellectual impairment. The requirements of these people are more subtle, and they are not included in the BCA.

Other areas to be included are landscaping. These will be a major part of the museum design. All areas must be accessible to all users. With furniture and fittings these must be accessible, and thought must be given to accessible design for counters, display cabinets, signage, seating, and fittings—such as water coolers, telephones, et cetera.

At this stage of the project, it is especially important that the needs of people with vision impairment are taken into account. With information technology, about which we have heard a lot today, access is so important. There is a growing amount of research and development in this area. Again, designers of audio-visual displays, interactive displays, computer displays, touch screens, et cetera, must cater for the needs of people with disabilities.

This is an opportunity for the government to provide a complex of buildings that has equal access for all visitors, both Australian and international, including those with

disabilities. Too often we see that the ideals for access are strong, but they are not met when it comes to their implementation in the building phase. This can be through cost cutting or lack of understanding of the reason for the specific designs. An access consultant who can advise throughout the project is essential.

**Mr FORREST**—The department has responded to your submission by basically accepting all of your points. Therefore, I am wondering whether you still have ongoing concerns which you feel need to be brought to the attention of the committee?

**Mrs Marcar**—We are very pleased with that agreement. It is the subtleties that get lost on the way. We just need to make sure that this consultancy is an appropriate consultancy and that it can work very closely with the architects, especially in this stage, and then in the building phase. It is so important. We see so often in the building phase a small change being made just because it is more convenient, and the whole access is destroyed. So it is very important that that be maintained.

**Mr FORREST**—Have you any idea who the specialist disability consultant might be?

**Mrs Marcar**—I do not at this stage. It is going out for tender.

**Mr HATTON**—The committee was involved with the Brisbane international airport. I looked over it after it had been finished and, just from my view, its accessibility for disabled people was of very high standard. What stood out in particular were its furniture and fittings which were at a level where they could be accessed by disabled people. To your knowledge, was ACROD heavily involved in that?

**Mrs Marcar**—Not in Brisbane that I know of. ACROD is very involved in the Olympic program. That is a really good model of consulting at an early stage and keeping that consultancy going.

**Mr HATTON**—Have those problems in the building stage occurred there? Is it necessary to have specialists on site in order to keep up with that?

**Mrs Marcar**—With the Olympic site, the smallest things can make the biggest difference. It is just reaffirming the need for the design to be correct.

**Mr HATTON**—One of my brothers may eventually visit this site. We have been waiting now for two years to get a lift put into a local arts and craft centre. The centre was built not many years ago by council, and all of those concerns were not taken into account. I think it is fundamental that we do as much as possible to provide such access.

**Mrs Marcar**—We are very pleased to have been involved even at this stage. We look forward to further involvement.

**CHAIR**—Thank you very much, Mrs Marcar.

[2.17 p.m.]

**REDFERN, Mr Robert, Commodore, Canberra Yacht Club, Mariner Place, Lotus Bay, Yarralumla, Australian Capital Territory 2600**

**CHAIR**—Welcome. The committee has received a submission from the Canberra Yacht Club dated 25 November 1997. Do you wish to make any amendments to that submission?

**Mr Redfern**—No, Mr Chairman.

**CHAIR**—Thank you. Is it the wish of the committee that the submission and the response of the Department of Communications be incorporated in the transcript of evidence? There being no objection, it is so ordered.

*The document read as follows—*

**CHAIR**—Mr Redfern, I invite you to make a short statement in support of your submission before we proceed to questions.

**Mr Redfern**—Thank you. The basis of our submission was twofold. Firstly, we were concerned about the potential diminution of the sailing amenity around the lake. There is a question of sailing safety, primarily around the footbridge. We noted the response to these matters from DOCA. We were initially reassured, particularly when DOCA said that the footbridge was conceptual only, that it would be subject to further investigation and consultation and that, if the decision were made to develop the bridge concept further, the environment and heritage implications would be considered.

After coming here today, that statement no longer reassures me. To my left I can see the design, pictures and concepts which prominently display the bridge. To me that indicates that it is not just a concept; it looks pretty concrete. Secondly, in relation to the proposed wetland ecosystem, the DOCA said:

The virtue of the gabion islands is that they will break down wave action.

As a statement, that is fine, but in the context of where they are located, it is meaningless. I can best explain my reservations or the problems we have as a sailing community in those two areas by getting up and showing you the pictures.

*Pictures were then shown—*

**Mr Redfern**—The area we have on Lake Burley Griffin for sailing relative to other sailing facilities around Australia is already quite small. If I can draw your attention to this picture, which has not got a number on it, it is a visual description of our main sailing area, which is this basin here. Springbank Island on this picture is quite small and is not to scale. It is much larger in concept. So our main sailing area is this area and also around into this basin area, sometimes known as Acton Basin.

By placing the bridge where it is, we are quite concerned that it cuts our sailing area down by at least a third. We often place a buoy over here by the ferry wharf and it is a turning buoy for a lot of our long distance sailing courses, particularly for the trailable yachts. So we are concerned on that aspect. It reduces the area of the lake we have, which is already quite a small area.

If I can move to the safety angle, the prevailing summer winds, when they really get up, are from the west and north-west. They come over Black Mountain Peninsula, down across Springbank Island, across the lake and curve around this part—a small area through here. When the winds are very strong, the boats are coming down the lake on port tack. In order to get into the yacht club, it is necessary for them to jibe. Less experienced sailors have great difficulty jibing in high winds, so they tend to come down the lake and around here to where it is very sheltered behind the peninsula. Then they are able to jibe

their boat and come back on the other tack and back into Lotus Bay. So by putting the bridge where it is—or by having a bridge at all—it impacts on us in our sailing and it impacts on us in a safety way.

**Senator MURPHY**—I do not think you have much to worry about.

**Mr Redfern**—That is reassuring. I heard there was some idea of the possibility of raising the bridge to a height so we could sail under it, but I could not see a footbridge being over 10 metres high. We cannot at the moment sail under Commonwealth Bridge, so I just do not see a footbridge being as high as Commonwealth Bridge or even higher. Also, the long footbridge would be subject to quite a lot of high winds, not only from the north and sweeping down here from the west and north-west but also, every afternoon in summer at about six, the easterly breeze comes in. It comes down this way from the east and is very strong. So it will not only be subject to the north-westerlies and westerlies; it will be subject most evenings to the very strong easterly breeze.

If I turn to the proposed wetlands, they say the gabions here are designed to break up wave action but that is not where the wave action is. The wave action is along this shore. The winds sweep down from the north, north-west and the west, down the lake, building up the wave action as the wind drives down the lake against these walls. These walls have been in place since the lake was put in place and they have hardly ever had to have any reconstruction or maintenance.

This area is particularly protected from the winds because—and it is not shown here—this area is where Springbank Island is located. So it is a design feature that we see as having nothing to do with a national museum. They are design gimmicks of no real benefit and an extra cost that should not be borne by the Commonwealth.

**Mr FORREST**—If we exclude the bridge from your concerns, that really leaves your main concern as the proposed wetlands area. Is there a concern, from your point of view, that that is an additional constraint? My understanding is that the extension of the shoreline is only minimal. Other than your broad concerns, it is irrelevant to the museum. What is your main concern about the gabions and wetlands area?

**Mr Redfern**—My main concern is that it impacts marginally on the sailing area. From those pictures, it reduces that small channel between Acton Peninsula and the Springbank Island. Round the back of Springbank Island is used for some of our sailing courses. It is marginal to our concerns, but the major concern for us is the bridge. The fact that they say that the virtue of a gabions island is that they will break down the wave action is irrelevant for that part of the lake.

**Mr FORREST**—The issue of the bridge is not part of the consideration of our committee here. It has been stated that it is not included at all in the approach to this stage and will be subject to a lot more consultation. I suppose the point you raise would be



appropriate to raise at the consultation stage. But it is not part of our consideration here today.

**Mr Redfern**—At the time we were making the submission that was not clear.

**Mr HATTON**—I gather, from what you have said, that if this committee does not make a determination, even though this is outside of that, or a recommendation in regard to the bridge, which I think is open to us, you would continue to have, and now have, heightened concerns if it is left to the Department of Communications and the Arts and the normal consideration of heritage and environmental considerations. The reason for that is that at \$2.15 million this would not normally be referred to the committee because our ceiling is \$6 million and anything under that we do not look at. Would that be a fair reflection of your concerns that you have indicated already—that your concern has been heightened as a result?

**Mr Redfern**—I think it would be true to say that.

**CHAIR**—So your concern about the wetlands is that it confines somewhat your ability to sail in that area. In a report, for which we do not have a witness today, there is a reference to the potential to build up algae deposits in that area. Would your knowledge of the lake support that position, or do you think that not to be the case?

**Mr Redfern**—The turbidity of the lake has not really been reduced over a long time. Particularly now that the weather is getting hot, algae proliferates on the lake, all over the lake. I just do not see how a system of gabions will make the lake any clearer or help that area at all. In fact, it will increase the turbidity and algae and the general mess of what is a pretty, if you look at it now, part of the shoreline. It is a reasonable shoreline. I cannot see the reason to have a wetlands constructed which will over time become overgrown and god knows what.

**CHAIR**—Just to assist us, in the top left hand corner of the diagram there is an intrusion of property. Is that the island you are referring to?

**Mr Redfern**—Yes.

**CHAIR**—That gives us a better picture. There are no further questions. Thank you, Mr Redfern.

[2.31 p.m.]

**PINCOTT, Mr Rory James, Director, Donald Cant Watts Corke (ACT) Pty Ltd, Unit 11, 43-51 Giles St, Kingston, Australian Capital Territory**

**Senator MURPHY**—I will be brief, Mr Pincott. From what I understand of what you said earlier, you advised the CCC, in regard to the second stage brief that they had put together, that the requirements of the brief could not be met within a \$68 million costing. Did I understand you correctly?

**Mr Pincott**—We advised the department.

**Senator MURPHY**—The department; sorry. When you say you advised the department, could you tell me whom you advised there?

**Mr Pincott**—I believe it was Dawn Casey. We advised them that the brief, as it stood at that stage, would put severe pressure on the budget.

**Senator MURPHY**—Let us go through the process that was related to the competition. You were the independent quantity surveyor. Did you make anyone else aware that there would be potential problems in meeting the cost?

**Mr Pincott**—Yes, prior to writing to Dawn Casey we had a meeting with the architect who wrote the brief, the project manager and representatives of the museum and raised our concerns verbally.

**Senator MURPHY**—Can you recall when that was?

**Mr Pincott**—I believe that would have been early August.

**Senator MURPHY**—When did you do your final costing in so far as what you felt was a reasonable cost to comply with the brief?

**Mr Pincott**—We finalised it late in the design stage competition—very late during the second stage of the design competition.

**Senator MURPHY**—Can you recall roughly what time that was?

**Mr Pincott**—Not offhand. I believe we wrote to Dawn Casey after closing the competition and advised her formally at that stage.

**Senator MURPHY**—You didn't advise anyone else?

**Mr Pincott**—Not offhand. We were advising directly to the department.

**Senator MURPHY**—So you just assumed that it was the department's responsibility to advise. When did the competition close?

**Mr Pincott**—I think that would have been mid-October.

**Senator MURPHY**—And final submissions had to be in on the 10th?

**Mr Pincott**—It would have been after that date then.

**Senator MURPHY**—You did not advise anyone else?

**Mr Pincott**—No, we advised the department.

**Senator MURPHY**—Thank you. Mr Chairman, I have no further questions.

[2.36 p.m.]

**CASEY, Ms Dawn, Department of Communications and the Arts, Executive Director, Construction Coordination Task Force, 54 Marcus Clarke Street, Canberra City, Australian Capital Territory 2601**

**SANTAMARIA, Ms Cathy, Deputy Secretary, Department of Communications and the Arts, 54 Marcus Clarke Street, Canberra City, Australian Capital Territory 2601**

**ASHTON, Mr Stephen, Director, Ashton Raggatt McDougall Pty Ltd, Architects, Level 11, 522 Flinders Lane, Melbourne, Victoria 3000**

**BERENTS, Mr Derek, TWCA Pty Ltd, Project Manager, Level 22, 121 Walker Street, North Sydney 2060**

**JONAS, Dr Bill, Director, National Museum of Australia, Lady Denman Drive, Yarramundi, Australian Capital Territory 2600**

**KENIGER, Mr Michael, Head of Department of Architecture, University of Queensland, Zelman Cowen Building, Brisbane, Queensland 4072**

**TAYLOR, Mr Russell, Principal, Australian Institute of Aboriginal and Torres Strait Islander Studies, Acton House, Marcus Clarke Street, Acton, Australian Capital Territory 2600**

**THOMSON, Mr Graham, Partner, Mallesons Stephen Jacques, Level 28, 525 Collins Street, Melbourne, Victoria 3000**

**PINCOTT, Mr Rory James, Director, Donald Cant Watts Corke (ACT) Pty Ltd, Unit 11, 43-51 Giles St, Kingston, Australian Capital Territory**

**CHAIR**—I welcome the departmental witnesses back to the table. I suggest—it is fairly much the normal process—that you commence with a statement addressing any of the issues which you think have arisen during the evidence of other witnesses, and then we will proceed to questions. You have all been sworn in and are still under oath.

**Ms Santamaria**—We would hope to deal with what seemed to me to be three major issues arising out of the two days of evidence. They seem to fall into the following categories: firstly, the design competition; secondly, the costings; and, thirdly, the proposed delivery system, the alliance system. I would like to make some initial comments and then I would like to turn to Dawn Casey to deal with the processes. Dawn is the chief executive of the CCC. I would like to ask Graham Thomson to deal with the alliance issues. We have been working to produce a document which we can circulate, hopefully on a confidential basis, to members of the committee.

**Senator MURPHY**—What is the document about?

**Ms Santamaria**—Costings. I would like to read into the record a short report of the competition by Mr John Davidson, AM, the probity adviser. I read it particularly in view of the concerns of some members of the committee. The report states:

The Government of Australia, through the Department of Communications and the Arts, determined to hold an open two stage architectural design competition to select the design and the architectural team for the proposed new National Museum of Australia, the Australian Institute of Aboriginal & Torres Strait Islander Studies, ACT Aboriginal & Torres Strait Islander Community Centre on the Acton Peninsula in Canberra.

The Department as Sponsor of the Competition sought endorsement by the Royal Australian Institute of Architects for the Competition, but there were some points in relation to the rules and procedures of the Competition which, despite extensive discussions, could not be agreed. The Government did accept a number of recommendations proposed by the RAIA, including my appointment as Competition Professional Adviser.

The Competition was managed by the staff of the Heritage Division of the Department, and all aspects of the Competition were handled with skill and the utmost probity.

- . Stage 1 entries were received and registered in accordance with the Competition conditions so that there was no possibility of any breach of anonymity.
- . The mounting and display of competitors' designs was carried out to ensure that the Judging Committee could properly assess all the entries fairly and without prejudice.
- . Advice to the Committee by the various professional advisers was well received and properly considered.
- . The selection of the short-listed candidates was made by consensus after an exhaustive procedure of examination and assessment by the Committee.

The successful Stage 2 candidates were informed of their selection and required to nominate their associated architectural company. This was carried out with speed and efficiency by the Project Managers, and Stage 2 proceeded.

- . The five firms short-listed for Stage 2 were briefed jointly and separately at the times set down in the Stage 2 Conditions. Final designs and models were completed by all competitors and lodged at the Sponsor's office in Canberra on the due date and time.
- . Review of the designs by the expert advisers was carried out over a period prior to the final assessment by the Committee. The report of these technical experts was available to the Committee.
- . As the authors of the final five schemes were known at this time, there was no requirement for continued anonymity.

- . Each team was invited to present their final design proposals to the Committee.
- . The mounting and display by the Department of the substantial number of drawing sheets and the models was very successful so that each team was able to present their proposals in a positive and sympathetic environment.
- . Sufficient time was given to each team to properly explain their scheme and ample time for questions and answers was also available.

The Committee proceeded with the assessment of the final design proposals, seeking advice where necessary from the technical panel members, and discussing the merits and weaknesses in each of the proposals. All activities of the members of the Committee and the group of advisers present during this stage of the assessment were clearly directly towards finding the best solution and the most outstanding design.

When all five entries had received appropriate consideration, the Chairman asked all the non-committee members—with the exception of the Competition Professional Adviser and Project Manager—to withdraw, and the Committee ultimately reached their decision by discussion, debate and—finally—consensus. It was only after the decision was made that the winning candidate's Fee Submission was made known to the Committee.

As the Competition Professional Adviser, my view is that—while acknowledging the issues of dispute between the RAI and the Government—the Competition was run with a total regard for equity and probity. The management of the Competition was professional and effective, and the Committee gave full and fair consideration to all competitors and their entries.

So that was by John Davidson, AM, Melbourne, November 1997.

**CHAIR**—Is that a letter?

**Ms Santamaria**—It is actually a report.

**CHAIR**—When was that submitted? Is that from your files or is it something that has been prepared for this committee?

**Ms Santamaria**—It is from our files, but it can certainly be presented to the committee.

**CHAIR**—That was what I wanted to establish. Please continue.

**Ms Santamaria**—I would like to at this point refer to a few items from the briefing material that was received by all of the five short-listed candidates. On page 7 of the last section of volume 1 of the *Stage Two Briefing Kit*, a sentence reads:

The following budgets for construction and ordinary fitout works are to be used as a guide:

Then there is a series of figures: NMA, \$47,800,000 the Institute of Aboriginal and—

**CHAIR**—Could you refer to the page again?

**Ms Santamaria**—Yes, I will. It is a document called ‘Information for Entrants and List of Reference Documents’. It is the final section on page 7 of volume 1 of the *Stage Two Briefing Kit*. It states:

The following budgets for construction and ordinary fitout works are to be used as a guide:

National Museum of Australia	\$47,800,000
AIATSIS	\$10,100,000
ACT Aboriginal and Torres Strait Islander Cultural Centre (as at December 1999)	\$1,700,000
External Works and Landscaping	\$10,100,000.

Given that the ACT is not part of this study, the amount totals \$68 million. I would like to now turn to page 11 of the same document ‘Information for Entrants and List of Reference Documents’. Pages 3 to 4 include a paragraph headed ‘Preliminary assessment’. It reads:

Following receipt of the Second Stage entries, and prior to the assessment by the Construction Coordination Committee, the Commonwealth, its advisers and consultants, will carry out a detailed preliminary assessment of each entry which may include, but may not be limited to, compliance with:

- . the submission requirements
- . the functional brief
- . the cost parameters of the project
- . urban design principles

The Commonwealth, its advisers and consultants will prepare a confidential written report on each entry for consideration by the Committee during the second stage assessment. Entrants will not attend the preliminary assessment or have access to the preliminary assessment report.

The preliminary assessment will be a guide only, with responsibility to select the winning design team remaining with the Committee.

Finally, at this point I would like to refer to the design competition conditions, page 11 of which provides—

**Senator MURPHY**—Sorry; which document was that in? The same one?

**Ms Santamaria**—That is a different document.

**CHAIR**—We may not have that one. We have the stage two briefing.

**Ms Santamaria**—Chair, we can certainly get copies of this document.

**CHAIR**—We have volume 1 and volume 2, the environmental assessment and the report by the advisory committee.

**Senator MURPHY**—That is the stage 1 document you are referring to?

**Ms Santamaria**—Yes, that is right.

**CHAIR**—We do not seem to have that.

**Ms Santamaria**—I would like to then refer to the selection criteria identified for stage 2. Detailed stage 2 selection criteria will be outlined in the stage 2 brief. As a guide, criteria may include but may not be limited to compliance with urban design goals and objectives, quality of architectural and landscape design requirements including compliance with functional brief, integration of internal and external spaces, spatial flexibility inherent in the design solution, scale and articulation of the buildings, ability to meet capital and recurrent cost constraints, ability to extend the design solution, demonstrated understanding of the project in the Australian context, capability of the consultants, and value for money.

At this point, I would like to ask Dawn Casey, the chief executive of the CCC, to talk about the process.

**Ms Casey**—I will go through and explain the process and how the functional brief and the various amounts of money have been arrived at. I would reiterate that they are cost estimates, that this is a schematic conceptual design that we have on the boards and that they will need to be worked through. For the whole project, there will be estimates which we have to balance out and look at.

The basis for the costings and the functional brief, including what square metres you would have, was based on work that the department did for the advisory committee, and you have those three options in the advisory committee report. That was the basis on which we arrived at those figures in the functional brief. Subsequently, developing the functional brief involved detailed discussions and negotiations with the museum and the institute. At different stages, we have asked our cost consultant to do various costings on various aspects.

Prior to the distribution of the functional brief, as Mr Pincott has said, there were some things in the functional brief that were over the budget of \$68 million. There were some other things, prior to the printing of the functional brief, that had been requested by the museum that we did not include because the cost was blowing out—it was going over the \$133 million. One example was that we were asked for 600 square meters of conservation area within the building in preparation for exhibitions. That area was cut



down to about 300 square metres. There were a range of areas that people asked us to include which we had to work through and negotiate and say, 'This is too costly. This takes us out of the range.' There were some areas that we did not manage to cost and then take out or delete and there are some areas that we will still need to look at adding. There will be a balancing act. We will need to look at what is essential and what we can include.

Volume 1 of the functional brief went out on 22 August and volume 2 went out on 10 September. We sent some further amendments out to all architects on 9 September. During the process there were two briefings with all the five short-listed architects. The first briefing, on 27 August, was in the early stages and involved advising and taking them through the functional brief, volume 1; giving them the outline. The second briefing was on 15 and 16 September which representatives of the museum, the institute, the NCA, the ACT government, on behalf of the cultural centre, and we attended. There were representatives with some expertise in exhibition fit-out and the content development of the museum at those briefings to ask questions about the then conceptual designs. The architects were there to ask questions of all those people to clarify some areas. The probity officer was also involved in that—it was not Mr Davidson; it was another fellow—to make sure that all of the architectural teams got the same advice. The assessments were done on 23, 24 and 25 October, on which there has already been feedback.

In terms of the cost of the project and what we have put in the document to the Joint Committee on Public Works, the cost of the building project is \$133 million. Five million dollars of that was allocated to DOCA through the budget this year. Subsequently, the Prime Minister and the government have announced \$128 million for the building, which will come out of the Federation Fund. In addition to the \$128 million, there is \$17 million for a specialist exhibition fit-out; that is, to place the contents and the collection items and a whole range of others in specialist fit-out. That is \$17 million. Then there is about \$1.9 million, which is the relocation costs for both the museum and the institute. So that brings you to a total of \$151 million. You are right, that is not for consideration here. It is \$133 million for the building, which this committee has to preside over.

I will just talk about one more item from this morning. One of the members raised the point that Professor Mulvaney had not been responded to in the advisory committee. Let me assure the member that everybody who submitted a submission was responded to either by the department or by Mr Service himself.

**CHAIR**—Do you have some evidence of that? Is that what you have there?

**Ms Casey**—It is a copy of a letter to Professor Mulvaney from Mr Service.

**CHAIR**—Fair enough, and that is what you have referred to.

**Ms Santamaria**—Yes. At this point, I would like to ask Graham Thomson to deal with the alliancing issues which were raised today.

**Mr Thomson**—I will spend a couple of minutes briefly setting out the department's objectives and the reasons for selected alliancing. I will not spend too much time because some of that is a repeat of yesterday. I will try to summarise that, and then I will turn to the questions that have been raised. I think it is appropriate to do the background in summary. I am conscious of the time.

The prime objectives of the department in considering which project delivery system it ought to adopt were really threefold. The first is that it wanted to have the confidence that the project was going to be delivered by 1 January 2001. As was said yesterday, delivering this project late would be similar to delivering the Olympic stadium a little after September 2000. The second is that the department wanted to ensure that it was going to get the maximum benefit back out of the money that has been allocated. The third is that the quality of the product has to be of the highest standard, such that it befits a national monument.

There are a number of major issues the department had to consider in determining how to achieve those objectives. There were a number of issues that it has to steer its way around. The first issue is that there is clearly a tight time frame. I think that has been accepted by all of the submissions that have been made to this committee.

The next issue is the need for the Commonwealth to be involved during the development of the project in the design aspects of the job. There is obviously a technology component to the task. There is a desire to have a product at the end of this process that is really world class. Life is changing all the time, so the Commonwealth wants to have an input into the design during the project. As the committee will be well aware from numerous contracts it has dealt with before, that design involvement by the sponsor during a project is cause for delay, prolongation and disruption claims.

The next is the need to ensure buildability in the project. One of the standard problems that the industry has is the inability to bring on board during the early conceptual design phase the builder and mechanical and electrical services contractors. Under standard processes, one has to do the design to a certain stage so that there can be some certainty in lump sum pricing. At that stage you get your builder on board, and it may be followed later on by the mechanical and electrical services person or you might be lucky enough to get them together at the same time, but it is well down the track. The institute, to ensure that the maximum efficiency is built into the process, wants to get that buildability in. So that is well recognised in the industry, but there has not really been a form of contract that has allowed that prior to alliancing.

The final issue was that the department were most keen on ensuring that, whatever project delivery strategy they adopted, it was one which focused all the energies on project

outcomes. They wanted the energy to be directed into efficiently delivering the project, ensuring that true value management exercises were carried out at the appropriate early stage in the task and that the effort was going into meeting the project objectives and not finding reasons for not being able to perform. The department do not want the process to be one focused on shifting risk during the job; they want to actually agree to risks up front and then focus on the project objectives.

What does project alliancing do? Firstly, it establishes a single, truly integrated, high-performance project team that truly aligns the objectives of the parties. The risk reward that underpins a project alliance is all about focusing on achievement of the project objectives. As I said yesterday, what an alliance does not do is allow things like extensions of time for all the usual myriad of things that might come along during a project, including latent design input by the department, latent conditions and the like. The parties agree on the objectives and how they are going to share risk reward in meeting those objectives.

The next point is that they do not want disputation on the project. They want to deliver a premier project without the need for accessing the courts and trying to explain away why they did not meet objectives. Finally—and it goes back to the integrated team—they do not want to waste money on duplication of effort. We do not want two project management teams, that is, the department's project management team and a contractor's project management team, as in a builder, and then a mechanical and electrical services project manager's team. Then, if one were to let the contracts out in construction management form to three separate contractors, there would be further project management teams for each of those individuals.

That is all money and the department wants to avoid spending that sort of money. It wants to pay for one single, efficient team which then frees up more of the \$133 million worth of funds to actually building a product out there. That is what alliancing is about and that is what it sets out to do. I will restate that fairly simply by way of summary.

I will now turn my attention to the points raised in a couple of the submissions. In relation to the ACT, listening to Ms Ford it was clear to me that she had no fundamental objection to alliancing, but the problem was that it all seemed a bit grey and murky. Communication is a wonderful thing and I suspected listening to Ms Ford that there has not been quite enough communication between the department and the ACT government at the moment. We will certainly rectify that. Ms Ford said the opportunity has been provided, but it just has not taken place on a regular enough basis at this stage and that does need to be dealt with.

Mr Sullivan mentioned a couple of different options for delivering projects. One of the options that Mr Sullivan mentioned was design novation. He mentioned that on a high school project that he was aware of at the stage of sketch design the design work was novated to the builder through a forced marriage. If you speak to architects they generally

do not like that at all. But I have seen it used and I have used it myself with different clients and different circumstances.

In my professional opinion it is inappropriate to this particular project, because of the department's desire to be actively maintained in the design through the course of the project. Some tasks—with no disrespect to educational facilities such as a high school—would be more readily amenable to that stage, where it could be said, 'We roughly know what we want. Go out and build that and you are responsible for all that now as a builder.' That is not appropriate to the nature of the monument that is being built here.

Mr Sullivan also mentioned partnering and quite rightly stated that partnering shares the same ideals as alliancing, although not quite to the same extent. It does not really have a truly integrated team. It says there are two teams, but they are going to work together in a very efficient and effective manner.

The problem with partnering, in my view, is that they are very high ideals and no-one ever criticises the aspiration of partnering. The difficulty is that it sits on top of an inappropriate commercial vehicle. It sits generally on top of a standard, lump sum, hard-nosed contract. All of us coming from various backgrounds appreciate that under a hard-nosed contract when one party is losing a lot of money, it is about the stage that we as lawyers make a lot of money because they come to us and seek our assistance in shifting the risk around. It does not matter that at the top you have high ideals, the commercial vehicle does not suit it. One of the biggest differences between alliancing and partnering is that alliancing sits on a more appropriate vehicle.

Turning to the Master Builders Association, I reiterate Mr Service's comments in his evidence earlier today that the organisation quite properly is looking after the interests of its constituents. The department sees alliancing as allowing significant involvement of the efficiencies that are available within the building industry in the ACT. That is either through participation in the alliance as an alliance participant or through subcontracting.

There are some specific comments I would like to deal with in the Master Builders Association's evidence. The first was a suggestion that was made on several occasions during the evidence that one of the differentiating factors about why alliancing works well in the resources area is that the sponsor was a joint venture participant. I was struggling to imagine why that would be the case. I could not come up with any reasons. Factually it is not correct.

There have really been 10 major alliances in Australia to date. Seven of those actually have as the sponsor a single corporate entity. I am aware of three alliances that are in the actual process of construction or have been constructed that consist of a joint venture party. All three of those are in Western Australia. I cannot mention all 10 because of client confidentiality. The information that I am providing is all public record information.

Two of those were winners of awards in the Institute of Engineers' national awards this year. One is the Wandoo project, which is an oil and gas facility. The other is the East Bar project for Western Mining, which again is an offshore facility. I will speak about the East Bar project because it was mentioned by Mr Bryant who quoted from the Institute of Engineers magazine.

The East Bar project was awarded the national award for excellence for the Institute of Engineers this year. I acted for Western Mining on that project. I will go back to them and tell them, I suspect, that while it is fine for them to win a national award for excellence they should not play golf at the same time because that does not go down too well. One of the advantages of alliancing on that project was that it actually allowed a major change in the conceptual design without shifting the date for completion and without adjusting the risk of award curbs. It was one of the reasons that it was successful in achieving the national award from the Institute of Engineers.

Another suggestion was that alliance somehow involves the builders in insuring the project. That is simply not correct. There is no element of insurance and there is no contingency moneys paid in alliancing. The risk or award structure is entirely different to that.

Another point that was raised is what happens in the event of bankruptcy. In the event of bankruptcy, you pursue the alliance participant as you would under any standard form of contract for the costs associated with replacing the contractor. If you can get 20c in the dollar you get 20c in the dollar. My experience in the building industry is that when someone is bankrupt if you have 1c in the dollar you would be fairly lucky. The position in alliancing is no different to the position under any other form of contract. You pursue the defaulting participant for whatever you can get.

The next point dealt with guarantees. I want to clarify the position that there is no intention to ask for a 15-year warranty in relation to the project. I am not sure what was said before, but I can state quite clearly now that it is not the intention to be asking for 15-year warranties on the project.

Another point that was made was that alliancing has not been tested in court. I am not sure how to take that. From a lawyer's point of view, I suspect it is a sad thing. From an alliancing point of view, alliances are specifically drafted and exclude access to the courts in all circumstances except wilful default.

The fact is that across the world now there have been somewhere between 20 and 30 major alliances on projects much bigger than the project that we are talking about here—in very litigious and adversarial environments. I would have thought that the fact that they have not yet been tested in court should be interpreted as a plus for alliancing, not as a minus.

Where is the legal advice on alliancing? Part of it is here. There have been 10 major alliances in Australia to date. I have been involved in eight of those and keep actively in touch with alliancing internationally in terms of the process and what is involved in alliancing.

How do you put together the best alliance? I will not go into too much detail on that, but basically there are two options in alliancing. One is that you go out into the marketplace and select the best individual participants and force them together into a marriage. Another option is that you let the marketplace determine its own marriages. We touched on that question briefly yesterday. Mr Chairman, I think you asked me the question about the architect. There is a forced marriage element in the architect, and I explained the reasons that the department decided to go down that path.

Generally, and it is the department's view that it is appropriate, in relation to the actual service providers—the builders, the services people—it is better to get high quality people who will work together. Sydney Water has just gone through the same exercise in a competitive tendering environment, including some of the players who will bid for this project. That is under the supervision of the Independent Commission Against Corruption, internal probity auditors, external members, lawyers and more people than you can poke a stick at—to make sure that the probity aspects are run correctly.

The decision that was taken there was to allow the marketplace to set their own marriages, because one of the things about alliancing is that people who can work together comfortably have the right culture, have the right fit. Looking at the alliances that came together, Sydney Water is firmly of the view that that was the correct decision to make—that actually very good consortia put themselves together. It is only commonsense, I submit, that the best players in the marketplace as builders will get together with the best players as services people. But you actually have a number of very good players and they all match themselves in good consortia. There were eight tenders for that project, which is the Northside Tunnel project, and at no stage was there a single consortium that had an imbalance of a good player and a poor player.

Turning finally to project management and construction management, there has been quite a lot of suggestion that that might be the better way of going. Again, as a partner of a law firm I would be delighted and my fellow partners would be delighted, because I am sure that we would generate a lot more in fees from project management or construction management as a form of delivery for this project. Please do not take me wrongly here. I am not suggesting there is anything fundamentally wrong with project management or construction management; it is just in relation to the particular difficulties associated with this project.

One observation I should make about project management is that it was actually developed in the engineering and resources industries. It was developed in the United States in the defence departments. The building industry actually adopted it later. So for

the building industry now to say, 'We love project management and we don't want to do anything that the engineering industries are doing' I am not sure is quite the right way of looking at it. I think it should be sitting back and saying, 'Is there a better way?' As I said, the building industry actually picked up on project management from the engineering sector, and now the engineering sector has moved into a new way of delivering major projects which the department is picking up on.

Just to look at the history of alliancing: it started in oil and gas. It moved into engineering projects, then into resources projects, into outsourcing projects. It is now being talked about in relation to IT developments. In fact, I think there is one up and running now. I have had clients talk to me about running litigation with alliancing as a process—and of course the department has now adopted this form of commercial enterprise for delivering this major project.

I think at the end of the day it is really horses for courses on any particular project. I am certainly not here suggesting that alliancing is the solution to the industry's woes. I am submitting that the department has very carefully considered all the options that were available to it for delivering the project. It has looked at design novation and it has looked at lump sum tendering. It has looked at every form of fast tracking a contract one can think of. It has looked at construction management, project management and alliancing. After careful consideration, it has formed the view that alliancing is the appropriate project delivery vehicle.

I was conscious of Mr Service's comments. I spent 10 years as a project manager before spending the last 10 years as a lawyer. Mr Service has obviously had experience with construction management. In relation to the ACT hospital redevelopment, he mentioned that he was chairman of that committee and that construction management served his purposes very well there. He was very happy with it. The project lent itself to construction management as a delivery vehicle. As Mr Service said, in relation to this project he would walk away from the project if he had to use construction management because it is inappropriate.

That summarises the horses for courses approach. Construction management is fine in certain projects. It is the view of the department and Mr Service—and I would support that view—that it is not appropriate for this project in comparison with alliancing. The difference between Mr Service and me of course is that I am now a lawyer. While Mr Service might express the comment which says that he will walk away from the project, I would say I would be delighted to hang around and live off the repercussions of staying with construction management. That is probably all I need to say in terms of specific points that I wanted to make in relation to the evidence that was raised earlier today.

**Ms Santamaria**—Mr Chairman, I would now like to turn to Mr Ashton to deal with some of the design issues that have been raised.

**Mr Ashton**—I want to pick up on a number of points of evidence that might be helpful for the committee in further considering them. There was a question asked about the cost implications of the geotechnical aspects of the site and whether they are likely to create overruns or not. We are in the process of commissioning a very detailed geotechnical survey. The point of that is to eliminate those risks as far as one can when one is talking about conditions underground. We do take some comfort from the fact that there was quite a heavy, large building on the site for many years which had not evidenced any particular signs of distress from geotechnical causes and the fact that we are replacing it with mostly single storey, relatively lightweight building. We see that as giving ourselves a reasonably good position with respect to the risk for geotechnical factors.

There was some mention made of guidelines for design competitions. Mention was made of UNESCO and RAI A guidelines. It might be helpful for the committee to know that I spent eight years as a councillor of the RAI A in Victoria, including two years as the president. I do have some experience with those guidelines. I feel it is worth emphasising that those things are precisely that—they are guidelines. Every project has some specific requirements. It is absolutely normal. I had experience in my role as president of having discussions with organisations wishing to conduct competitions. They take account of the guidelines and then a specific set of design competition rules are typically drawn up for each project which take account of the guidelines where they meet the project objectives.

With regard to Mr Kershaw's evidence, he made a number of statements which I would like to comment upon. He stated that everybody is unhappy about this project, and I think I am quoting him accurately. I make the point that there is no evidence for that statement that I am aware of. In fact, our anecdotal evidence, accepting that it is anecdotal, is quite the opposite. He stated that the site will have no outlooks. I would not agree with that proposition. The site enjoys splendid views of the Brindabellas across the lake to the south-west. It enjoys very good views of Black Mountain to the north-west and pretty good views of the city, Parliament House, the High Court and the National Library. They are all able to be seen quite easily from the site, subject of course to our earlier discussion about the treatment of the trees.

Mr Kershaw also stated that low-rise buildings will not achieve significance. I would certainly take issue with him on that point. There are probably hundreds of examples in Australia of significant low-rise buildings, but I will take just a few. Walter Burley Griffin was obviously admired in Canberra. His Newman College in Melbourne is probably one of the most significant buildings in Melbourne architecturally, and it is a low-rise building. A recent example is the Melbourne Exhibition Centre by Denton Corker Marshall. You only have to talk about the houses of Glen Murcutt, which are significant internationally, or the Aboriginal centres of Greg Burgess, all examples of very fine and architecturally significant low-rise buildings. I think the committee should be assured that it is possible to have a significant low-rise building.



Mr Kershaw made a comment about the building turning its back on the lake and that when one is in the courtyard or the garden of Australian dreams, one could be anywhere. I would like to make the point that the courtyard is designed for a number of specific reasons, the principal one being that it does provide a secure, sheltered, sunny space within the project for the public to enjoy. It is not necessary within a project of this size for every single public space to be related to the water. There are quite a lot of public spaces that are strongly related to the water, including the public promenade right around the edge, the glazed wall, which runs right around the perimeter of the exhibition areas, the terraces in front of the great hall, the jetties, walkways, boardwalks, bike paths and so on, all of which are strongly related to the water and are for public purposes.

The courtyard is part of the ticketed museum space and as such plays a very important role in alleviating museum fatigue, which is a big issue in the design of museums. The fact that it is part of the ticketed space and it is secure means that people can withdraw into the courtyard at any time during their visit to the museum without having to pass through ticketing or control points. The courtyard will also accommodate various forms of external exhibitions.

With regard to the suggestion that you could be anywhere in the courtyard, I would really like to refute that most strongly. I believe that the landscape design that has been proposed for the courtyard is one of the most extraordinary pieces of landscape design that has been seen in this country. I think that there will be absolutely no doubt where you are in that courtyard.

In terms of the wider question of orientation, it is worth saying that the way in which one gains orientation to a site and to a complex of buildings is actually quite a complicated process. But it is worth reminding the committee that, from within the courtyard itself, you will have very fine views of Black Mountain Tower and that is a very well-known orientation mark in Canberra. So I do not think there is too much to worry about on that score.

Further than that, the overall form of the museum, which is evident when one arrives at the front door, is of itself an orientation device. It is a simple form in whole, and people will very quickly pick up the fact that the great curve is defining an edge of the courtyard. That of itself will allow them to align themselves to the entry and also to the raised canopy, which marks the entry, so they will always be able to see back to that, even when they are in the courtyard. So we are reasonably confident of the ability for people to orient themselves within the museum.

With regard to the question of the wetlands, perhaps I could take the comments of both Mr Kershaw and Mr Redfern. Mr Redfern was puzzled for the reason for the wetlands, and referred to them as irrelevant and not required. The conceptual underpinning of the wetland idea comes from a couple of points. Firstly, there is a stated desire from the National Capital Planning Authority to extend the wilder or less formal landscaping of

the Black Mountain Peninsula down the west side of Acton Peninsula. That is actually written in the design brief. I think it has found its way into the draft amendment.

So, in terms of the landscape design for the whole site, we were in fact responding to that desire. There is a deliberate attempt to break up the formality of the normal wall on the lake edge, which is seen in great quantity around Lake Burley Griffin, and also, with regard to landscape planting, a plan to extend that idea of the wilder, more native in character and less formal west side all the way down the west side of that peninsula. The wetlands form quite an important part in that overall conceptual device.

Secondly, the wetlands form part of the museum's mission. One of the museum's principal missions is to teach about the Australian environment. We see that the wetlands offer a great opportunity for developing a number of smaller exhibitions and trails and sites which can aid in that part of the museum's mission.

The third leg of the idea was to make a significant contribution to the development of ecological sustainability on the site. What the wetlands do is that they will allow us to collect most of the site drainage—and that is by virtue of the fact that the high point of the site is a ridge which runs along very close to the eastern edge of the peninsula, the edge which faces back towards the city. Most of the site run-off comes to the western edge where the wetlands are. Our intention is to collect that water run-off, treat it appropriately to remove any contaminants from car parking surfaces and so forth and to then use the wetlands as a filtering device to clean the water before it is released into the lake. We then intend to use the lake water to irrigate the whole of the site and to power that irrigation system through some kind of renewable energy source, possibly photovoltaics.

That, I have to say, is all yet to be tested in detail, but that is the conceptual idea. If it is successful that will mean we will have a totally self-contained energy neutral site watering system, which we think, on a site of this size, would be a significant contribution to ecological sustainability.

We have also taken some preliminary advice on the quality of the wetlands from a leading expert in wetland ecology who has recently been involved with a study of creating wetlands in Lake Burley Griffin. He is very excited by the prospect and, on his initial review of our proposition, cannot see any problems with establishing a healthy wetland in that area.

I also wanted to comment on some of Mr Forrest's concerns he noted about the program. Obviously, it is something we also have a vital interest in. Whilst we are all certainly agreeing that the program is tight, I wanted to make the point that there is also a lot more detailed programming work which needs to be done. We see quite a few opportunities in the total package of time that is available to us to seek some more design time through various means of overlapping parts of the program—and we are already up

to quite a detailed program in order to achieve that.

But, by way of putting the program in context, we have approximately 36 months to go. The committee might be interested to know—and I stress these figures are approximates, but I think they give a good context—that the Melbourne casino, which involved expenditure of approximately \$2.1 billion, was completed in 36 months. I understand that one of the major building contractors has just signed a contract for the redevelopment of the Sydney GPO, which has to be completed in mid-1999, which gives them 18 months to spend \$300 million. We are charged with the task of spending, on the same basis, \$69.7 million in 30 months. We think that is quite achievable given those sorts of parameters. I do not believe it is easy or a generous time, but it is certainly achievable.

I would also like to make a brief comment—I think Graham has talked about most of the issues arising out of the MBA submission—to emphasise that, regardless of the method of contracting that was used for this project, the very great majority of the expenditure would be expended in the ACT economy regardless. You are really talking, by varying the method of contracting, about playing with builders' margins—as to which way they go. If you have an interstate builder, it is possible the margin will go interstate. That is a very small percentage of the project. So it is worth bearing in mind that, almost regardless of which way we contract this project, the great bulk of the money will be spent on the ACT economy, the project will be built using materials and subcontractors sourced from the ACT as far as that is possible.

With regard to the submission from the Commonwealth Fire Board, I would like to thank them for their submission and their comments about the recent developments—the ability to use fire engineering. We do have a fire engineer on our team and we will certainly be referring those comments to them. We are well familiar with the concept of performance based regulation. It has been available in other areas of building for some time now. Wherever we can see that there is going to be a benefit to the overall project objectives from going back to first principles and fire engineering designing something, we will certainly be doing that. That concludes my statement. Thank you, Mr Chairman.

**Ms Santamaria**—Mr Chairman, Ms Casey is going to make a point of clarification.

**Ms Casey**—Mr Chairman, I advised earlier on that I thought a member of the committee had suggested that Professor Mulvaney had not been responded to in the advisory committee report. Indeed, Mr Kershaw advises me that what he was saying was that Professor Mulvaney had had no response from our minister.

**Ms Santamaria**—Mr Chairman, we have some documents to table. We are finishing a report on costings which is being constructed. I wondered which order you would like to take these matters in and whether you would like to deal with further

questions at this point or whether you would like us to deal with some of the issues that you raised earlier?

**CHAIR**—I am anxious that you deal with all the issues. In terms of the tabling of the papers, you might choose to do that at the end and identify what they are. We then might take a short break and the members might wish to study them in that break before we proceed to questions. But I would like you to clean up any other advice you have for the committee.

**Ms Santamaria**—Except for the costings issue, and we are hoping to present a paper to you on that, that is about all that I would like to deal with at this point.

**CHAIR**—Can you refer to the documents you propose tabling then and hand those to the assistant secretary?

**Ms Santamaria**—Yes. These are documents which give an indication of visitation rates for other museums which were asked for yesterday. I would like to table the design competition conditions, given that they did not seem to be freely available. I would also like to table some material provided by the Australian Heritage Commission dealing with university buildings along that road leading to the site.

**CHAIR**—None of these is confidential as such?

**Ms Santamaria**—No.

**CHAIR**—We can take them as exhibits. Please just continue and tell us what they are. Then we will pass a motion. That is the extent of it, is it?

**Ms Santamaria**—I think it is, yes. There are a couple of more issues that we will come back to you on. Someone asked yesterday how much of the Yarramundi site was constructible. I am coming back to you on that point. I am not sure whether there were other issues.

**Mr FORREST**—At what stage are we going to get the detailed cost break-up; within half an hour or so?

**Ms Santamaria**—Certainly, yes.

**CHAIR**—I think then it might be advisable that we break for a moment. There is some coffee outside. We will come back in 10 minutes. By the time we get through questions, that document may be available.

### **Short adjournment**

**CHAIR**—For the record, the documents presented to us prior to our adjournment will be accepted as exhibits and dealt with accordingly, so they do not require any special resolution. Have you any further comments you wish to make?

**Ms Santamaria**—Just one. We now have the visual interpretation of the usable space at Yarramundi, so I would like to table that if I may.

**CHAIR**—Fine, that is what we refer to as the net area, is it? Mr Ashton, would that usable space be otherwise known as the net area?

**Mr Ashton**—I know nothing about that site, I am sorry.

**CHAIR**—I am sorry. This is Yarramundi. I apologise, there was no net area there. I now understand what that is about. So that can be included in the exhibits. Does that conclude any statements you wish to make to us at this time?

**Ms Santamaria**—Yes.

**CHAIR**—Thank you. We will move to questions. I call Senator Murphy.

**Senator MURPHY**—I wanted to start off with the costs, but we just have not got those at the moment. Can I ask one question about costs. Am I to expect that the cost breakdown that you bring forward will have \$68 million as the cost for construction?

**Ms Santamaria**—Yes.

**Senator MURPHY**—Thank you. Then what I would like to talk about, in dealing with some of the issues that have been raised, is Mr Pincott's valued cost assessment of the second stage brief. That was \$82 million, as I understand it. Is that correct?

**Ms Casey**—You said the cost of the volume 2 brief?

**Senator MURPHY**—Volume 1 and volume 2. I mean the brief kit that the five finalists got. They were told, 'Do this for \$68 million.'

**Ms Casey**—Mr Pincott's estimate of that brief is about \$82 million.

**Senator MURPHY**—I asked before when you were made aware of that.

**Ms Casey**—Excuse me, I have just been informed that it includes the cultural centre, so we should take out \$2.5 million for the cultural centre.

**Senator MURPHY**—Was that also the case with regard to the requirement for the teams?

**Ms Casey**—The cultural centre was the requirement for them to prepare a conceptual design on the cultural centre's schematic design, but they knew—

**Senator MURPHY**—And cost it?

**Ms Casey**—Yes.

**Senator MURPHY**—So it would have had to include whatever the cost was?

**Ms Casey**—Yes.

**Senator MURPHY**—I am not talking about what the Commonwealth is paying; I am talking about the cost of this.

**Ms Casey**—Yes.

**Senator MURPHY**—So it is \$82 million, not minus anything.

**Ms Casey**—But they did not have to do it as far as a Commonwealth project goes. I need to clarify with Mr Pincott whether or not he was asked to cost the cultural centre.

**CHAIR**—Mr Pincott, would you like to come to the table for a moment and you can either answer directly or assist the other witnesses.

**Ms Casey**—Mr Pincott was advising the ACT government on the cost of their building.

**Senator MURPHY**—As in separate?

**Mr Pincott**—We had a separate one-off commission to provide a costing for the cultural centre.

**Senator MURPHY**—So I do not get totally confused: the cost assessment you did of these requirements was \$82 million?

**Mr Pincott**—For the Commonwealth component we had a figure of \$79.66 million, and the balance of \$2.49 million would have been for the ACT cultural centre.

**Senator MURPHY**—Ms Casey, what were the design teams required to do? Were they required to do two separate costings—one for the Commonwealth and one for the ACT government?

**Ms Casey**—What we were attempting to do with the ACT government and with Jim Service as chair of the Construction Coordination Committee was to coordinate the

construction and development of Acton Peninsula. There was a separate brief for the ACT cultural centre, but the same information went to all the architects for them to come in with a design that covered the NMA, the institute, the cultural centre, external works and landscaping.

**Senator MURPHY**—In the thing that you referred to earlier, it talks about the ACT Aboriginal and Torres Strait Islander Cultural Centre as being part of the brief.

**Ms Casey**—That is right, but I was responding to your question in terms of Mr Pincott and the estimate advice that we got. We were interested in the Commonwealth projects and I did not sit down and have detailed discussions with Mr Pincott on the ACT cultural centre.

**Senator MURPHY**—So what were the teams required to do in so far as presenting you with a design concept and a costing to go with that?

**Ms Casey**—As Ms Santamaria indicated earlier, there was a whole range of requirements for the design team. One was cost.

**Senator MURPHY**—Ms Casey, that is all I want to deal with. I do not want to deal with anything else, I just want to deal with the \$68 million, I guess.

**Ms Casey**—With due respect, it is not appropriate to deal with that in isolation from all the other selection requirements. It is not just a matter of selecting this team on the basis of cost.

**Senator MURPHY**—I understand that you say that, and cost was an important factor. I am not trying to say that cost was the only factor. What I want to try to understand is, when they submitted their proposals, what they had to cover in their cost, which was \$68 million. I am trying to understand that against what Mr Pincott said he did. He had a figure of \$82 million which was split into separate parts—\$79.66 for the Commonwealth's share and \$2.49 million for the ACT's share.

**Ms Casey**—If I could respond to that: as I said, there are a number of issues that the design team had to address. The fundamental issue for all the design teams to address was the functional brief. That was a fundamental issue; just having some idea about how the concept was going to turn out. They had to address the functional brief in order to get a conceptual and schematic design. As we have said, then they had the cost in there: they had urban planning and master planning of the site. As we stated earlier on, the functional brief that went out to the architects, that was costed by Mr Pincott, in fact came to about \$79 million as far as the Commonwealth projects, so it would have been incredibly difficult. The big issue for the architects was to design, design, design.

The costings, as we understand from a whole range of experts, and what happens

in these competitions just in people putting in submissions, is that the costings come up as one of the last areas that they need to deal with. What the architects were concerned about was to get their conceptual and schematic design up front and to make sure that all of those areas were complied with. And they did have to address the \$68 million as well but, as we are saying, the functional brief went out and it really cost \$79 million, not \$68 million as we mentioned, as a guide in the condition rules.

**Senator MURPHY**—I have some difficulty with evidence that has been given before that said the cost was vitally important and that the chairman made it abundantly clear on more than occasion that to keep within the budget was critical. If you are just about choosing a design, and I understand that, then why wouldn't you just have a design competition and cost it later? You had an announced budget of \$133 million. You had an analysis done, I think by Mr Pincott, on a brief, both verbal and written, as to the total concept that the department had in mind, and I think arising out of this advisory committee report. I am assuming that it is right, Mr Pincott, that this advisory committee report was in part what you may well have—

**CHAIR**—That is the one that otherwise has a brown cover.

**Mr Pincott**—Yes.

**Senator MURPHY**—prepared your initial costings for the department on. You indicated earlier that you did not have the detail so that you were not able to do a more detailed costing. We have got this allocation of money. We have got a concept that says, 'We have got \$133 million to spend here. We are going to work out how much of it we need for construction roughly, how much we need for fit-out and other aspects of this process, and we have asked a person who has done that and can provide us with some initial advice.' The evidence before this committee and before the estimates is that there was then a process of putting together a brief to run this competition and \$68 million was the figure that was included in that brief for the purposes of saying, 'Let us have a competition, this is what you must deliver and that is the cost with which you must deliver it in.' Is that a fair assessment of the circumstances thus far?

**Ms Casey**—You made a couple of points. One was that I said in Senate estimates that the cost was vital.

**Senator MURPHY**—No, I did not say you said that. I will read out what you said, but first I will read out what Ms Santamaria said:

It was considered to be vital by the jury.

I cannot find what you said. It is where you are referring to the chairman making it clear. It is a point I want to come back to with regard to the whole briefing process. I cannot find the words at the moment.



The point is about the emphasis. We seem to be getting to a stage where the department is trying to tell us that the emphasis was not on budgetary constraints but on getting a design and a concept, and that the last thing that needed to be considered was cost. I have great difficulty with that because the department knew how much money it had to work with. It had advice from Mr Pincott, who was employed to provide them with an initial cost assessment of building a museum on Acton Peninsula. They subsequently went on and prepared a brief to send out to people who were interested in submitting a tender for the design competition. They prepared a subsequent brief, a second stage brief, that contained more detailed costings. Mr Pincott ultimately advised them that they could not get those requirements with only \$68 million being allocated to cost.

The point is that in evidence to the estimates hearings they kept saying that the cost was important and that the chairman reminded people time and time again that they had to meet the cost allocation. This committee has heard evidence from the chairman that he has said he will deliver this project within \$133 million come hell or high water. It is very important that we ascertain exactly what was required. Ms Casey, is my assessment thus far of how things have proceeded reasonably correct?

**Ms Casey**—It is a little misleading in that that was only part of it. We have always stated and maintained that this building must be constructed within the amount of money government has approved. As I stated earlier, in developing and working through the functional brief in the museum and the institute—just in terms of people working through their needs—there were a number of areas that blew out. If you ask the museum how responsible we are with government money they will assure you that I have been a tyrant in making them come in within the parameters. We missed a couple of areas. The functional brief went out costed at about \$79 million—we costed it afterwards but that is how the architects would have read it in developing their ideas around the functional brief. In the functional brief and in volumes 1 and 2 we mentioned \$68 million, and of course it is important that they keep within the budget but they are cost estimates. As Mr Service said this morning and as I have stated, there will be areas that we will vary within the \$133 million. The cost was one element. You may have had an architectural team come in with an absolutely spot-on \$68 million design but they may not have been able to deliver the project. There was a range of error—it may not have met the master planning requirement or amendment 20. There was a range of areas that we needed to make an assessment of.

**CHAIR**—The focus is coming back on to probity. Senator Murphy's concern is not on the probity side of it to that extent although he may have some additional concerns there. He is concerned about how a design could be sent in that was, in the understanding of the department, an \$80 million plus proposal when the job had to be done for \$68 million. Therefore—and we come back to this question—are we looking at something that is unachievable in that regard? That is the fundamental question for this committee. I do want people to focus on that simply because we are running out of time. I am going to walk out of this place very shortly simply because I have commitments back in Perth

tomorrow.

**Ms Casey**—There will be variations internally in some of those areas, but that design will come in at \$133 million unless there is a major catastrophe.

**Mr HATTON**—I want to ask about the implications of that, one of which has already been brought up. I thought this project was about the National Museum of Australia. In what has been cut back, Ms Casey indicated that the conservation area had been cut back from 600 square metres to 300 square metres. I ask Dr Jonas officially for the record: do you think that 300 square metres is a sufficient conservation area for the National Museum of Australia?

**Dr Jonas**—For temporary exhibitions—and that was what this caters for—yes. Most of our conservation work will still be done at Mitchell. That figure there is just for those blockbusters that we get in that you might need to tidy up some things on; you might need to restore a little bit that has been damaged in travel. But that figure that is being quoted there is for the temporary exhibitions, and it is adequate.

**Mr HATTON**—It is adequate for the temporary exhibitions? What about for the major exhibition that you have got in?

**Dr Jonas**—Most of that conservation work is done at Mitchell and the Mitchell area is adequate for that.

**Mr HATTON**—I thought earlier when that point came up you indicated by nodding that that was not enough.

**Dr Jonas**—No, I thought you said to me that is enough.

**Mr HATTON**—No, I was saying I did not think it was enough.

**CHAIR**—It is fortunate that *Hansard* does not record nods.

**Mr HATTON**—Very true.

**Dr Jonas**—You will see that it is actually written in there for the temporary exhibitions or the rotating exhibitions, and that is adequate.

**Mr HATTON**—Part of our concern here would be the adequacy of the facilities for the museum, for the Aboriginal institute and for the Aboriginal gallery vis-a-vis the costings for the entertainment areas. Nothing seems to have been knocked out of those areas—the restaurant and the other entertainment parts of this complex—but some significant things seemed to have been knocked aside. Are there significant proposals for the museum itself which would make that museum work better as an exhibition space that

were knocked back that you really think should not be gone without? We are only at this stage not a further series of knock out stages further down the track.

**Dr Jonas**—That was not the case. It was not just the case of the department knocking things out; it has been an interactive process back and forth all the time. We are quite satisfied with what we have got there in terms of exhibition space. I should also add—and I am not meaning to be unfair to anybody here—that many specialist museum staff who have been involved in trying to get a national museum for years and years do go for the top when they put in claims for certain things. For example, at one stage we were asking for the equivalent of four high school rooms to be built into the museum. Of course, that got knocked back, but they will have a smaller facility. We think that the space we have got is adequate.

**Mr HATTON**—I understand fully that there is a to and fro process in regard to this, but it is obvious that there will be very significant cost pressures in relation to this project. I am concerned that things that should not be taken out may be because of those pressures.

**Senator MURPHY**—All I want to ascertain is that, in the process that the department has gone through, it set down an amount of money for something to be delivered—\$68 million. It said, ‘We want whatever is contained in this brief with regard to the detail’—and it is a detailed brief; there is no doubt about that. That was then subsequently costed at a figure significantly higher—in fact, you could say 20 per cent higher.

Ms Santamaria made the point about the chairman saying that it was vital in the view of the chair that each design must meet budget targets. Senator Alston, the minister, said that the applicants would have been aware of that. So, for all intents and purposes, the jury sat down on final presentation day and got each of the teams in—four of which, we were told, were over the cost of \$68 million but within 10 per cent, if I recall the evidence correctly. So, four of the five sat before us and we said, ‘Listen, how are you going to reduce your costs to come within this budget?’ What I am curious about is how a jury does that when it is also aware that its own independent cost consultant has costed the job at around \$82 million. I have great difficulty with that.

**Ms Casey**—I am sorry; I did not hear those last few words.

**Senator MURPHY**—I have great difficulty understanding how you sat across the table with the other members of the jury and said to the people before you, ‘Your proposal is five per cent, six, eight or 10 per cent above the budgeted cost. How do you intend to refine your costs’—that is what you have said in evidence before—‘to meet the budgeted target? How do you intend to do that?’ We are talking here about \$68 million. But, in the back of your mind, I assume you had knowledge of Mr Pincott’s costing of your proposal that stood at \$82 million.

I also cannot understand why these people were not told at some point. You raised a question which raises the question in my mind: how are we going to get what we see on the wall, when you are asking people to deliver it for \$68 million? You have had it independently costed at \$82 million and then Mr Pincott's further assessment of the various proposals ranged from \$82 million up to \$100 million, from memory, of the five. That information was available to the jury at the time it did the final assessments. I cannot understand, with the professionalism of the people involved—all of the teams had their own quantity surveyors or cost consultants, whatever you want to call them, who costed their jobs for them—how the costings could be so significantly different from Mr Pincott's costings—and it is no reflection on you, Mr Pincott. I cannot understand why these things were not dealt with. I worry about exactly what we are going to get delivered here within the budget that we think we have.

**CHAIR**—Can we have an answer to that? I think I summarised that a little while ago.

**Ms Casey**—I think you did, but I will respond again. The brief did go out and it was costed after the event by Mr Pincott as being \$79 million, as we pointed out. All the design teams were told to come in around \$68 million. Mr Ashton will want to respond as to how they came to their figure. Mr Pincott outlined some of those areas this morning: suspended roof catwalk services and forklift trafficable access floors. I identified one which did not go out in the functional brief, that is, extended conservation areas. There are a range of options, but we can assure you that the building will be built within the amount of \$133 million. What I have here now is the confidential breakdown for each of the teams, four of whom, as you will see, came over.

**CHAIR**—That can be accepted in confidence.

**Ms Casey**—We can talk in terms of 1, 2 and 3 as numbered.

**CHAIR**—Ladies and gentlemen, I am going to adjourn this inquiry. The document just given to us will be taken in confidence, and I would put that responsibility on the various members present. They understand about information which is given to us. I want to say a couple of things. As people move away from here, wondering why this is not resolved today—

**Senator MURPHY**—Mr Chairman, I would like to know where the costing for the project is that we were told we would get.

**CHAIR**—Are you saying that this is insufficient?

**Senator MURPHY**—No, I understood that we would be provided with a breakdown costing.

**CHAIR**—As provided by Mr Pincott?

**Ms Casey**—No. We can give you a breakdown.

**CHAIR**—That is fine. If any members have any particular queries which they want passed on to Ms Santamaria, they can pass them on to Michael, because Mr Nordin is going on leave tomorrow. It would appear that the next time this committee can sit is 17 December. That was of considerable inconvenience to some members because we did not anticipate this.

I have made a small note here that, in the light of the line of questioning that arose at the Senate estimates, the department would have been well advised to have provided the committee with a much more comprehensive brief at the beginning of this investigation. In particular, there was no reason to fail to advise us of the circumstances of Mr Pincott's assessment of the brief. Here was I complaining bitterly that we were going over old ground when, in fact, it was like pulling teeth to be told that that assessment was available. There is a massive difference between the amount of money that is provided and the estimate. To be able to achieve those sorts of cutbacks without reducing the size of the buildings, or something, is very difficult to comprehend. I think that that is where Senator Murphy is coming from.

There are other questions that I think need further explanation to the committee relating to the alliance and the role of the department. For instance, as a partner in the alliance it has struck me: what happens when the department finds they cannot finish on time? The simple solution in a commercial arrangement would be that the client, as a partner, would say, 'I'll pay more.' Of course, that is something that has an entirely different context in terms of what we are dealing with as a government department.

We need to be informed as to where and when the government officially advised the department that they are going to spend an extra \$18.9 million out of the Federation Fund. None of us are aware of that, and we certainly were not advised that in the reference. They are just some of the issues that need to be dealt with. No doubt there will be some others that will be communicated to you from the acting secretary of the committee.

I will adjourn the committee now. I am aware that Mr Redfern wanted to return to the committee. We will have to ask you to do so on 17 December. I would like to thank those witnesses who may not be returning.

**Senator MURPHY**—Mr Chairman, I want to press this question. We were provided with a confidential breakdown of cost.

**CHAIR**—Any additional information you want you will get through the secretariat between now and the 17th. It can be presented to us then. We are adjourning; we are not

closing the committee.

**Ms Santamaria**—Mr Chairman, would it be possible to take one minute to explain that document at this point?

**CHAIR**—The point in time is that I have adjourned the meeting. There is no way we can complete it tonight. By the way—I failed to mention this—in respect of the alliance we do not want that advertisement run tomorrow, nor should anybody have taken the decision to run it in advance of these hearings. Let us hope it is not run. We could be here for a month. It was quite wrong for anyone to be booking space on the assumption that we are a rubber stamp. We are far from that. It is proposed that the correspondence received, which has been circulated to members of the committee, be incorporated in the transcript of evidence. Do members have any objections? There being no objection, it is so ordered.

*The correspondence read as follows—*

Resolved (on motion by Mr Forrest):

That, pursuant to the power conferred by section 2(2) of the Parliamentary Papers Act 1908, this committee authorises publication of the evidence given before it and submissions presented at the public hearing this day.

**Committee adjourned at 4.20 p.m.**