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JOINT COMMITTEE ON PUBLIC WORKS

Reference: Refurbishment of 4 Treasury Place

MONDAY, 16 AUGUST 1999

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JOINT COMMITTEE ON PUBLIC WORKS
Monday, 16 August 1999

Members: Mr Ripoll and Senators Calvert, Ferguson and Murphy (Chair), Mr Forrest, Mr Hollis, Mr Lindsay, Ms Moylan (Deputy Chair), Mr Crossin (Deputy Chair)
Senators and members in attendance: Senators Calvert and Ferguson and Mr Hollis, Mr Lindsay, Ms Moylan and Mr Ripoll

Terms of reference for the inquiry:

Refurbishment of 4 Treasury Place, Melbourne

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Committee met at 10.52 a.m.

\DB\WLBBERGERSEN, Mr Frank Raymond, Development Manager, Development Management Branch, Project Management Section, Department of Finance and Administration

CAMPBELL, Ms Kathryn Jane, Head, Property Group, Department of Finance and Administration

HANCOCK, Mr Brian Richard, Assistant Secretary, Development Management Branch, Property Group, Department of Finance and Administration

SHAW, Mr Douglas John, State Manager, Ministerial and Parliamentary Services, Department of Finance and Administration

CURNOW, Mr Stephen Woodsley, Project Director, Sinclair Knight Merz

MASSARI, Mr Thomas, Senior Project Manager, Sinclair Knight Merz

MATHIESON, Mr Brian George, Perrott Lyon Mathieson Pty Ltd

CRANE, Mr Terry, Senior Advisor, Facilities and Services, Department of The Prime Minister and Cabinet

CHAIR—I declare open this public hearing into the proposed refurbishment of 4 Treasury Place, Melbourne. This project was referred to the Public Works Committee for consideration and report to parliament by the House of Representatives on 21 June 1999 at an estimated cost of \$15.8 million.

In accordance with subsection 17(3) of the Public Works Committee Act 1969, in considering and reporting on a public work, the committee shall have regard to:

- (a) the stated purpose of the work and its suitability for that purpose;
- (b) the necessity for, or the advisability of, carrying out the work;
- (c) the most effective use that can be made, in the carrying out of the work, of the moneys to be expended on the work;
- (d) where the work purports to be of a revenue producing character, the amount of revenue that it may reasonably be expected to produce; and,
- (e) the present and prospective public value of the work.

This morning, the committee undertook an extensive inspection of Casselden Place, the Treasury Reserve Precinct and No. 4 Treasury Place. Today, the committee will hear evidence from the Department of Finance and Administration. I understand that the Department of the Prime Minister and Cabinet is also represented.

I extend a special welcome to the Official Secretary to the Governor-General. This committee is the longest serving joint investigatory committee of the parliament. I am advised that this occasion marks the first time the Official Secretary to His Excellency has represented the Governor-General's office before the committee at a public hearing. I now call representatives from the Department of Finance and Administration, the Department of the Prime Minister and Cabinet and the official secretary who will be sworn in by the assistant secretary.

The committee has received a submission from the Department of Finance and Administration dated June 1999. Do you wish to propose any amendment to the submission?

Ms Campbell—Yes, we do, Madam Chair. In the summary statement of evidence, we have inserted a paragraph, paragraph 3, which reads:

The Minister for Finance and Administration recently approved additional contingency funding of \$2m, providing a total project budget of \$17.8m.

In the second last paragraph of the summary statement there is an adjustment to the total from \$15.8 million to \$17.8 million. In the statement of evidence, paragraphs 4 and 6 should be amended. Paragraph 4 now reads:

The Government has allocated \$15.8m to restore and refurbish the building and the Minister for Finance and Administration has approved additional contingency funding of \$2m for the project.

Paragraph 6 replaces the figure \$15.8 million with \$17.8 million. Paragraph 33 in section 5, again there is a replacement of \$15.8 million with \$17.8 million. And in section 15, external site works and landscaping, there is a new paragraph, paragraph 150, which outlines that the project will include 50 per cent contribution to the cost of landscaping works to the front of the building to complement the works of the Victorian government.' They are the changes to the evidence, Madam Chair.

CHAIR—It is proposed that the submission, as amended, 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—Would a representative of the Department of Finance and Administration now read the summary statement to the committee, after which we will proceed to questions.

Ms Campbell—The proposal before the committee today is for the refurbishment of 4 Treasury Place, Melbourne. The project is sponsored by the Department of Finance and Administration. The government approved in late 1998 the provision of \$15.8 million to undertake the refurbishment of the Commonwealth Parliamentary Offices at 4 Treasury Place, Melbourne, subject to Public Works Committee scrutiny and parliamentary approval.

The Minister for Finance and Administration recently approved additional contingency funding of \$2 million, providing a total project budget of \$17.8 million. No. 4 Treasury place was designed by John Smith Murdoch and was constructed in two stages between 1911 and 1913 as the first purpose built Commonwealth building. The south block was immediately occupied in 1912 by the Prime Minister, the Attorney-General, the Treasurer and the Post-Master General's Department.

The building consists of six levels and a total gross floor area of 6,364 square metres, and is located on the eastern fringe of the Melbourne CBD within the Treasury Reserve and adjacent to a number of state government owned buildings of similar age, character and historic significance. No. 4 Treasury place is of national significance because of its close association with the history of the Commonwealth of Australia and is of continued importance today as the Melbourne offices of the Prime Minister, cabinet, Melbourne based ministers and visiting ministers, the Governor-General and two former Governors-General.

Having regard to the building's significance and its place within the historic Treasury Reserve Precinct, retention of the building in Commonwealth ownership and continuation of its historic use as Commonwealth Parliamentary Offices is considered the most appropriate course of action. It is also proposed to accommodate some non-government senators and members, who currently utilise private sector leased premises elsewhere in Melbourne, within the building with consequent rental savings.

The proposed refurbishment works include: repair of the external render work and application of new interior finishes, demolition of the non-original fourth floor additions, restoration of the slate roofs, replacement of all building services and refurbishment of amenities throughout the building. Subject to the identification of a suitable tenant and the provision of appropriate physical security arrangements, it is proposed to establish an information resource centre within the building basement as a service to the public.

The proposed works will restore and protect this valuable heritage asset while providing the building tenants with an efficient and safe working environment with reduced building operational costs. Refurbishment of the building will enable the Property Group to achieve a commercial rate of return on this significant government asset. The refurbishment works are being designed in accordance with the Property Group development brief, the Building Code of Australia, relevant Australian standards and the requirements of the tenants.

Protection of the significant heritage elements, efficient energy management and the provision of adequate access for the disabled have been treated as important considerations in the refurbishment design and have been the subject of consultations with relevant authorities and community groups.

The level of disruption associated with the proposed building works necessitates the relocation of tenants to alternative accommodation on level 6 and part of level 5 of Casselden Place, 2 Lonsdale Street, Melbourne for the duration of the refurbishment works. The proposed 4 Treasury Place refurbishment works are expected to take about 14 months and are scheduled for completion in early March 2001.

The limit of cost estimate for this proposal is \$17.8 million, not including some fit-out works which the tenants will undertake and fund separately. This estimate is equivalent to the limit of funding approved for the project. It is proposed to hold an official opening of the refurbished building as part of Centenary of Federation celebrations in 2001. Thank you.

CHAIR—Are there any questions?

Mr HOLLIS—I would like to move to the confidential cost estimates. I must say at the outset that I always find it a matter of constraint to this committee to be provided with confidential cost estimates when some of these things are not so confidential after all, are they? We now know what the total cost is and so forth. I do not know why we are always faced with the constraint of having these confidential cost estimates, which limits the questioning that this committee can carry out. Having said that, within the cost estimates under the general heading of project allowances is the contingency area that comes to a quarter of the total cost. I think that is totally outrageous, unacceptable and I want you to justify it.

Ms Campbell—We have recently increased the project contingency amount by \$1.2 million. This was as a result of some investigation work completed by our project manager. We believe that many of the elements of the building are concealed and, due to the fact that we have had tenants in place, it has limited our ability to investigate all these elements. We believe that possible areas that are likely to incur additional expense include: uncertainty under the existing foundations; floors underneath the carpet which we have been unable to remove at this stage to determine what state the floors are in; the structural connections above suspended ceilings, and other areas that are encased by decorative boxes at the moment; replacement of services under the basement slab where, because we have not pulled the slab up yet, we are not sure to what extent the services will need to be replaced; and repair and placement of render once the scaffolding is erected on all parts of the facade and we have had a look at it. We are concerned that this may lead to additional cost and we wanted to have a project contingency in place to address these, if it became necessary.

Mr HOLLIS—Okay, I accept that. If we take away the additional \$2 million for relocation and come back to the original \$15 million. If you have so many uncertainties and have such a big contingency in there, what happens if there is a considerable blow-out in costs? You yourself said that you cannot guarantee the costs because you don't know what is there: you don't know about the floor; you don't know about the roof; and you don't know what is behind those casings. What if it blows out to double the cost?

Ms Campbell—The professional advice from our project managers, who have completed similar projects to this in the past, is that that contingency will be sufficient to cover the likely elements that we will discover during the refurbishment process.

Mr HOLLIS—But what happens if it doesn't? They have said, 'There is great uncertainty there. We really do not know about the floor or the roof, so we have built a quarter of the costing into contingencies.' But you still have not answered my question. It is just possible that

that will blow out. Is it then planned to go to the Prime Minister or the cabinet and get another grant from the heritage funding, or is there a plan to scale back on the work? Surely someone must have thought, given the amount of uncertainties, 'What will happen if we cannot deliver this building within the costs that have been estimated?'

Ms Campbell—Depending on what the elements are, we would seek approval to increase the budget for the project. After the recent budget, Property Group now runs on a capital budget and we seek every year a capital injection for projects such as this. We would at first, of course, seek approval and try to absorb any additional costs within the current Property Group capital works budget, but if that was not possible, we would have to go back to government. But we are not expecting to have to go back.

CHAIR—Are there any other questions?

Senator CALVERT—In your proposal for the basement areas that we looked at this morning you are proposing to have an interpretation or resource centre. You say in your proposal that it is expected to recoup a rental or something similar for that. Do you have any idea what the cost is at this stage of refurbishing the basement and what sort of return you will get on that, or is that too hypothetical at this stage?

Ms Campbell—In terms of what we are hoping to recoup, we have recently gone to the market seeking expressions of interest from parties who would be interested in renting the basement. We probably would not proceed with all of the refurbishment until we had definite interest from someone who would be interested in running a resource or interpretative centre in the basement.

Senator CALVERT—You would do the basic work to control the rising damp?

Ms Campbell—Yes, the structural work.

Senator CALVERT—We walked around and there is no question that there is water under there. Is there any way of getting rid of it or are you just going to learn to live with it?

Mr Mathieson—Perhaps I could answer that question. We need to learn to live with it. If we indeed were able to lower the water table, then there is a hazard that that will affect adjoining buildings. We have seen that in other parts of Melbourne where projects have artificially created a new water table and that has created problems with adjoining buildings. That does not seem to be an appropriate course of action.

The course of action that we have adopted is to in fact control the level. So, with a new drainage system and automatic pumps that have cut-in and cut-out switches depending on the level, then we will maintain a constant water table and the other measures will deal with the waterproofing itself. To answer your question, we are learning to live with it, but we remedy the ingress of water.

Senator CALVERT—Ms Campbell, you are saying that once the basic work is done in the basement, what else happens after that will be as a result of the interest you have from people who want to rent it. In other words, if no-one wants to take it on, it stays like it is.

Ms Campbell—It will not stay like it is, but we may not do all the works to the basement until we have some prudent method of opening it up to the public.

Senator CALVERT—Going back to my original question, do you have any idea what sort of return you will get on that?

Ms Campbell—We have gone to the market. We are not quite sure what we are going to get. We have not had any responses yet from anyone interested in renting the facility, but we would not expect to get the same commercial rates as the building itself.

Senator CALVERT—You could not expect to get the same sort of return that you would get from office accommodation.

Ms Campbell—No, indeed not.

Senator CALVERT—And you would not get any return for office accommodation underneath, unless it was to help out the local constabulary or something.

Ms Campbell—We are still seeking expressions to see whether there are any community or heritage type groups that are interested in using it for a resource centre or an exhibition facility.

Senator CALVERT—Because it is adjacent to Fitzroy Gardens, there is a likelihood that it could be a popular tourist area.

Ms Campbell—Yes, and we are hoping that a firm or a body will pick up that interest and show interest in using the facility.

Senator CALVERT—The only other question I have at this stage is about the roof. It is proposed to take off those two extra pieces and reconstruct a slate roof. Does that create any huge problems? Is the type of slate that you require still available?

Mr Mathieson—There are five sections over the entire complex that will be removed and we saw that on the walk around. Their interface with the slate roofs is very slight, so their removal will obviate the need for substantial works on the slate roofs. The way the additions have been added tends to keep the two sections separate. But, yes, there will be minor repairs to the slate roof for the reasons you have in mind, and also maintenance work. It is Welsh slate and it is readily available in Melbourne. They would be second-hand, but we will be specifying first quality second-hand material so that they are in good order.

Mr LINDSAY—The questions that I will pose to you are simply in the order of the statement of evidence. They may seem to be a little disjointed, but it is easier to handle it that way. In your opening statement in the second last paragraph you said:

The limit of cost estimate for this proposal is \$17.8 million, not including some fitout works which the tenants will undertake and fund separately.

Could you describe what those fitout works are and the quantum of money involved?

Mr Shaw—Yes. We have a list of fitout works. They are standard tenant funded fit-out works, such as curtaining, loose furniture, et cetera. We have not as yet had them all estimated.

They will be funded through the parliamentary services appropriations, but they have not been budgeted for as yet. We do have a program of replacement of furniture in the building and that will continue.

Mr LINDSAY—That is really an extra cost of this project which you do not know the cost of at this stage.

Mr Shaw—Not at this stage, no.

Mr LINDSAY—The next line goes on to say:

This estimate is equivalent to the limit of funding approved for the project.

What I found myself thinking, and perhaps unfairly, was that someone gave you a limit of funding and you produced a project that meets the limit of funding. Am I being unfair?

Ms Campbell—The way Property Group is funded at the moment, we have a capital works program and any savings that we can make on any of our capital projects is either returned to government, or government may choose to redirect those funds for another capital works.

Mr LINDSAY—That sounds like you have a limit of funding, so you will produce a project up to the limit of funding and then return money, is that the situation?

Ms Campbell—Property Group will bring the project in as economically as possible, and any funding left over from the \$17.8 million would be returned to government.

Mr LINDSAY—Where are you expecting the savings in this project—if they apply?

Ms Campbell—We have a contingency of \$1.7 million but would hope to not have to use the entirety of the contingency. We would return those funds if they were not used.

Mr LINDSAY—Okay. The extra contingency \$2 million you have explained as being for further uncertainties in the project. Why were those uncertainties not identified in the first place?

Ms Campbell—The uncertainties were identified and there was a contingency made. The original figures for the \$15.8 million were formulated some time ago in line with when projects were first accepted in to be Federation funding program. Since that time we have engaged BSA Sinclair Knight Merz in March of this year, who have undertaken a number of investigation works throughout the building. It recently became obvious that we were not going to be able to produce necessarily the same quality product if we tried to stick within the original budget and tried to take things out. So we went back to the Minister for Finance and Administration and ask for the additional funding so that we could still produce a product of the same quality as had been originally envisaged.

Mr LINDSAY—Mr Mathieson, this might be a question for you. The evidence says that the existing pitched slate roofs will be restored. Is there an option in fact not to restore them at all? Is that much more expensive than some other roof treatment that may not be seen from the external environs? Did you look at that?

Mr Mathieson—The existing pitched slate roofs only cover a portion of the roof of the project. For example, the parts that are intended to be removed do not have pitched slate roofs; they have flat roofs. And the roof is in very good condition. We believe that it is quite sensible to repair the existing roof rather than—

Mr LINDSAY—It is a lesser cost option?

Mr Mathieson—It would be a lesser cost option but I cannot tell you—

Mr LINDSAY—I would not disagree with that. Mr Shaw, in relation to relocating some non-government senators and members with a suggested annual rentals saving of \$235,000, are you confident of that saving?

Mr Shaw—At present we are paying a rental figure of \$261,000 at 90 Collins Street and that is where the non-government senators and members are housed. That figure will be saved when they come back into this building.

Mr LINDSAY—Are you aware of the Parliamentary Secretary's comments when this matter was introduced into parliament, in relation to suggesting that the non-government members and senators may not move?

Mr Shaw—I am not aware of that, Mr Lindsay.

Mr LINDSAY—Is your department or your minister able to ensure that non-government senators and members move at the direction of the minister or the department?

Mr Shaw—That obviously would be a decision for the minister. But I have spoken to the non-government senators and members as part of the consultation process, and they are aware that there will be accommodation for them in 4 Treasury Place in March 2001.

Mr LINDSAY—You are sounding confident that you will be able to make these savings.

Mr Shaw—Yes; rental savings.

Mr LINDSAY—With regard to external site works and landscaping, the evidence says that there will be a cost of landscaping works to the front of the building to complement works completed by the Victorian government. Will the exterior refurbishment of this building damage those recently completed works?

Mr Massari—I do not believe so. In the areas where we are excavating for damp-proofing and where we do have to move shrubs, they will be reinstated.

Mr LINDSAY—There seems to be an inconsistency with that. This paragraph says that the refurbishment of 4 Treasury Place provides for a 50 per cent contribution to the cost of landscaping works in front of the building, but in another area it says that landscaping works will be reviewed in the context of the development of the master plan. Can you explain to me why you are reviewing the landscaping works in the context of the master development plan, but in another area you say that you will be doing it on a fifty-fifty shared basis?

Ms Campbell—I will answer the first part about the 50 per cent. The Victorian government recently wrote to Minister Fahey seeking a contribution to the footpath landscaping at the front of the building. That is where the 50 per cent issue comes in. Minister Fahey agreed to pay 50 per cent of the cost of the granite paving at the front.

Mr Bergersen—We have not gone into any detail on the master plan as yet. It is a matter of finer detail that we did not think was appropriate for us to do at this time. Basically it involves looking at the state government's master plan for landscaping the precinct proper, seeing how whatever works we do can best fit into that arrangement so that it is sympathetic with the state government works.

Mr LINDSAY—On internal surfaces, you talk about walls affected by rising and penetrating damp and say that the method of treatment or repair will depend on the location, cause and proposed future use of the affected area. That does not give a lot of confidence. Is this the uncertainty that you referred to earlier?

Mr Mathieson—It is not a lack of confidence. There are different circumstances around the building. One treatment is proposed for the subterranean basement area that is close to the watertable. Many of the external walls in that location are inaccessible, so there is a plan to deal with that. Secondly—perhaps you saw this when you walked round this morning—in the northern part of the building, where we have the natural rise of the land wrapping around the ground floor space, we have ingress of water where we can get to the exterior of the building and treat it in a different way.

Mr LINDSAY—You have said that the solid plaster of the internal walls is generally in fair condition. What is an architect's description of fair? Does fair mean reasonable?

Mr Mathieson—Fair and reasonable condition. There are some structural cracks through the building, but they are not of a type that require structural repairs. The cracking is more of a superficial nature that can be repaired locally in terms of the finish being repaired.

Mr LINDSAY—You say that reconstruction of sidelights and top lights is also proposed for the offices in accordance with the original design. Does that meet modern lighting standards—if you put back the original design?

Mr Mathieson—No, that reference talks about internal windows between corridors and office space. The original concept—

Mr LINDSAY—So it is not lighting. That is fine. You say that porcelain fixtures will be installed throughout. Is there anything other than porcelain fixtures that you can install? These are the proposed finishes for wet areas.

Mr Mathieson—That refers to the equipment in the wash rooms, toilets and so on. An alternative is stainless steel but, in a building of this nature, porcelain is the more—

Mr LINDSAY—I am mindful of what happened in the Queensland parliament when ministerial offices were refurbished. I think it went on for four weeks on the front page of the newspaper about the kinds of things that were put in. That is not a problem in this instance? It is good value for the Commonwealth?

Mr Mathieson—What is proposed is a good commercial grade of finish.

Mr LINDSAY—You say that building services, amenities, internal fabrics and finishes are at the end of their economic life. Would it be fair to say that they are well beyond the end of their economic life?

Mr Mathieson—Many of the services in the building are in excess of 30 years old. That presents maintenance problems and a level of service that is not contemporary. In that context they are beyond—

Mr LINDSAY—In the list of organisations that were consulted during the development of the proposal, there is an organisation called Kinetic Energy that I do not recognise. Who are they? What do they do?

Mr Massari—Perhaps I can answer that one. Kinetic energy are the gas suppliers.

Mr LINDSAY—Okay.

Mr HOLLIS—I hope they are in Victoria.

Mr LINDSAY—Do you have gas in Victoria these days? Regarding your timing, 'works will be staged over a fourteen month period'—I am not a builder; if John Forrest was here, he would probably take this up: if you can build a whole building in 14 months, why do you need to take 14 months to do the restoration? In other words, is it really a timely program, or am I wrong?

Mr Curnow—Based on experience for a building of this nature and this scale, 14 months is the period of time that would be required to refurbish it.

Mr LINDSAY—But there will be nobody in here. You are moving everybody out. You get an open go. Does it really take 14 months?

Mr Curnow—In our experience, it will take 14 months to do it.

Mr LINDSAY—Does that mean that because it takes 14 months it is more costly to the Commonwealth? Why can you not whip in and do it in six months?

Mr Curnow—We do not believe you could whip in and do it in six months. For a building of this type, we even think that 14 months is a tight, but achievable, time frame.

Mr LINDSAY—Who would confirm independently that it takes 14 months to do a refurbishment?

Mr Curnow—We have just completed other buildings on the reserve. We were responsible for 2 Treasury Place. That was similar. I do not have the exact time frame for that, but it was a similar type time frame for that type of work.

Mr LINDSAY—That did not answer the question though, did it? You are quoting yourselves. Who could independently confirm?

Mr Bergersen—Perhaps I could add a little there, Mr Lindsay. I believe the original consultant's brief, which did a separate program for the works, concluded that the work could be done in some 12 months. So the time frame of 14 months that we are now looking at is reasonably consistent with that estimate. One has to bear in mind that a refurbishment work is more complex than a new construction, where you are dealing with the clean site and all of the quantities are known, basically. Whereas with this refurbished building, as we have mentioned, there are possible latent conditions which do take a longer time frame to address.

Mr LINDSAY—If the committee said to you, 'We don't believe it takes 14 months. We think you can do it in 9 months,' what would you do?

Ms Campbell—We could seek another opinion.

Mr LINDSAY—Okay. In relation to the project delivery, you are suggesting a head contractor to deliver both the refurbishment and the temporary accommodation. Why is that? Why could you not seek somebody to do the other site and someone to do this site?

Mr Curnow—We are proposing that separate contractors are engaged to do both projects.

Mr LINDSAY—That is not your evidence, though; is that right?

Mr Bergersen—I think the evidence only attempted to address the refurbishment works proper, Mr Lindsay.

Mr LINDSAY—No. It attempted to address project delivery. It says here, 'Engagement of a head contractor under a lump sum fixed price contract is considered the most appropriate form . . . ' for the delivery of both.

Mr Bergersen—I think that is an omission.

Mr LINDSAY—Have I read that wrongly? Are you saying that there could be a head contractor for both projects?

Mr Bergersen—Yes, that is right.

CHAIR—Is it not the same head contractor?

Mr LINDSAY—No. They are saying that it could be a different head contractor.

CHAIR—It could be. But is it not the same, in reality?

Mr Curnow—It is not intended to be the same contractor.

CHAIR—All right. I have read that incorrectly as well.

Mr LINDSAY—Yes. It is the English language, I guess. Do you think that removing false ceilings to expose the existing beam system will be more space to aircondition and heat, so that will add to the running costs of the building? Is that right?

Mr Mathieson—I think that would be extremely marginal.

Mr LINDSAY—Okay. When I read this without having seen the building, I could imagine very high ceilings and spiders all over the place. But it is not the case here. I am going to take a break now.

CHAIR—We will come back to you.

Mr RIPOLL—I have a couple of questions. There is an oval room up on the top floor, and that is being removed and turned into a roof—is that correct?

Ms Campbell—That is correct.

Mr RIPOLL—Can you give me a bit more explanation as to why that is being put in place?

Mr Mathieson—The sections that are being removed—and there are five of them—are all part of what is known as the '1947 additions'. They are not part of the original design of the project.

Mr RIPOLL—So they are not at all part of the 1930s part of this building? They are just add-ons afterwards—they do not add anything to its character or anything like that?

Mr Mathieson—That is right. They have been identified in the conservation plan as additions rather than as part of the original fabric of the building.

Mr RIPOLL—In that case, where you have got the two halves and they are joined by that walkway that sinks down and where there is going to be some extensive refurbishment, can you give us an explanation as to why that has to take place—why there is not another way of connecting the two sides or whether they need to be connected at all?

Mr Mathieson—We believe the two sides need to be connected from an operational point of view because it is extremely inconvenient to have a single use on that level and have that use interrupted by a change in level. But, in addition to that, there are DDA implications if the entire space is not accessible on that level. So someone in a wheelchair, for example, would need to take an elevator down to a lower level, cross over and move into another elevator to go back to the other part of the fourth floor. We believe that would offend DDA requirements.

Mr RIPOLL—Have you got an estimated cost of that particular section?

Mr Massari—Yes, we do. I will take a moment to find that.

Mr RIPOLL—Yes, that is fine. On the question of maintaining the original character of the building—obviously that is a key element—how much does changing that path change the character of the building? There will obviously be extensive renovations and reconstruction through there—the rooms have got to be changed, the floor level raised, the roof raised—a whole range of things.

Mr Mathieson—It is quite a small floor area. It is a matter of importance because it separates the two areas, but the subject area itself is quite a small floor area. It involves creating a new slab that is at the same level as the north and the south part of the project, and that in turn requires lifting the roof to maintain head height across that section of the project. From an

external point of view, we saw on the walkabout this morning that that part of the project is set well in from the principal eastern facade of the building.

Mr Massari—The estimate of cost is \$200,000.

Mr RIPOLL—I want to follow on from what Mr Lindsay was saying earlier about the limit of funding—I just want to get it clear. What was the criteria for the limit on funding? How was that set?

Ms Campbell—Originally, in 1997, the then minister, Minister Jull, put forward to the federation funding a proposal for refurbishment of the building of \$15.8 million. We carried through with that proposal until the current time, and recently we went to Minister Fahey seeking an increase in that funding of \$2 million to cater for additional contingency funding for those latent conditions which I spoke about earlier, as well as the footpath. We are paying the Victorian government half for the footpath.

Mr RIPOLL—So the level of funding was based more on the estimated cost of the project in the first place?

Ms Campbell—Yes.

Mr RIPOLL—How many tenants have you currently got in the building: how many people are here now, how many people have got to leave and how many are you expecting back? Does anyone know?

Mr Shaw—At the moment there are six government ministers and Senator Patterson, a parliamentary secretary. We have former governors-general, and there is accommodation for the Prime Minister as well. There is accommodation for the current Governor-General also.

Mr RIPOLL—Thanks very much.

CHAIR—I wish to ask a couple of questions in relation to the basement. It appears that there is no exit point from the south-western end of the basement. There is an exit point at B25 on the plan. There appears to be a stairway adjacent to B23 in the basement area, and there is another exit point at B5 on the plan. I just wondered whether, if there were going to be conferences and other public activities where there were a crowd of people in that area, those would be adequate exit points for evacuating the basement.

Mr Mathieson—At the south-west end at the moment there is a steel stair that exists through a substandard door that we saw on our visit this morning. It is proposed that that be removed and that the alternative exists be toward the eastern end of the building. The result of that is that the length of the egress is greater than that allowed in the Building Code of Australia, and for that we need to seek a dispensation. That process is going on at the moment where the building is being fire modelled under a computer program, which the current BCA allows, to establish that, in emergency situations, that is not a safety problem for the occupants of the building. So when we get the results back from the fire engineering, provided they are satisfactory—which we expect they will be—the building surveyor will be in a position to give us a dispensation for that circumstance.

CHAIR—Could we as a committee seek that information prior to giving our approval to this? It would concern me that there is no access to that end of the building. If it is going to be used for the reasons that you have stated, for public purposes, then I think that we have to ensure that satisfactory evacuation procedures can be carried out in the event of fire or other problems occurring.

Mr Mathieson—Your concerns are noted. The building code now allows for performance based assessment, and that is the process that is going on at the moment, that I have described. Perhaps I could take advice on when that might be ready. We are expecting a preliminary report today.

CHAIR—What is the distance allowed here in Melbourne? What is the code in relation to exit points?

Mr Mathieson—Twenty metres.

CHAIR—What is the distance between the exit point and the far south-west end of the building?

Mr Mathieson—Twenty-eight metres.

CHAIR—And to the front of the building? It must be within the 20 metre area, is it?

Mr Mathieson—Yes.

Mr Massari—Just to add one thing on escape, we have consulted with PSCC on security, and under emergency it is possible to exit the building through B5, at the centre of the building.

CHAIR—Yes, I think I mentioned B5. It is right down the other end of the building on my plan.

Mr Massari—At the centre.

CHAIR—There is another B5? No, there is BS14, but that does not show any exit point. On my plan it shows BS5 at the eastern end of the building.

Mr Massari—Yes, but in the centre of the building it is a secure area to prevent the public from going to the first floor. However, in the event of a fire, the security doors are linked to a fire system that permits those doors to open and people to escape.

Ms Campbell—It is through BS13. The actual staircase is not marked.

CHAIR—No, it is not marked.

Mr Massari—It is not a general exit. It is only in the event of an emergency.

CHAIR—That is what I am inquiring about, to make sure that there are adequate emergency exit points.

Mr Bergersen—I think we can probably assure the committee that all of the fire safety requirements for the use of that space will be met. Otherwise, it will not be utilised for that purpose.

CHAIR—Because if you were right down in B17 you would have a fair hike back to the centre and to the exit point of B25. Further to that, I note there will be a new service entry point that was stated to be for the opposition. Is that something that we do in other Commonwealth parliamentary buildings—have separate entry points for oppositions?

Mr Shaw—The other parliamentary offices are in multi-tenanted high-rise buildings, as distinct from this building, and I would expect that they would have their own entrances, et cetera. But this building is somewhat different from those other Commonwealth offices.

Mr HOLLIS—Has the opposition agreed to have offices there? What discussions have there been with the opposition and with whom in the opposition?

Mr Shaw—The Leader of the Opposition, Mr Beazley, has been sent a letter by my minister, Minister Ellison. And I have also consulted the opposition members at 90 Collins Street, where they are housed at the moment. I have spoken to Mr Crean's office and Senator Stephen Conroy's office, and they are aware that there will be accommodation for them in this building.

Mr HOLLIS—But there will be no compulsion for them to take it. Has Mr Beazley replied to your letter?

Mr Shaw—I am not too sure about that, but it will be a decision of the minister at the time.

CHAIR—Can I ask what will be the additional cost of having another major entry-exit point for members of the opposition, other than those required for safety, because you have to again have monitoring facilities there. I just think it is a bit curious. Are we discriminating here?

Mr Massari—We will answer the detail of the costs later.

Mr HOLLIS—I have one further thing. Is this the new policy now? I thought that members of parliament—be they opposition, government or anyone—decided where their offices were going to be. Is there a new policy now that the opposition—whoever the opposition may be—are going to be directed to occupy accommodation in a designated building?

CHAIR—Can I further ask—because I touched on this in the first part of my question—why is this, because I am not aware of it in any other Commonwealth buildings, and who made the decision to have a separate entry for the opposition?

Mr HOLLIS—As if they were lepers and unclean.

CHAIR—Is this something you decided in the design of the building, or is it something that has been directed?

Mr Bergersen—Perhaps I can answer that one.

Senator FERGUSON—This is not because Senator Conroy is in the basement, is it?

Mr Bergersen—In the original submission to government it was pointed out that there were certain cost efficiencies in having non-government senators and members in 4 Treasury Place. So the government made its decision based on that opportunity for a saving. Having said that, I do not believe that there has been any compulsion in relation to that. As Mr Shaw has indicated, a letter has been sent to Mr Beazley by Senator Ellison. There has been consultation with those members, one of whom I understand—Senator Conroy—has indicated that it might not suit him to come into this building. Equally, he may choose to come in. So I guess that is a matter for consultation and agreement with those non-government members and senators.

CHAIR—Again, could I ask that you give the committee an appraisal of the additional cost of taking that measure—not just the cost of creating that access-exit point but also the ongoing cost of having two main entries, really, to the building?

Mr Bergersen—Certainly.

CHAIR—There is a reservation in terms of this committee until that information comes through.

Ms Campbell—The entrance is already there. The additional cost is basically the refurbishment and the security.

CHAIR—I understand that—we saw that today—but there will be some perhaps additional cost in refurbishing that entry above the standard it has now, and there will be also an ongoing cost in having two main entry points to the building with associated security measures.

Senator CALVERT—If the government members wanted to use that access point, I presume they could, or is that for the exclusive use of the opposition?

CHAIR—Is this apartheid, or what?

Mr HOLLIS—What about a Democrat who wanted to use it?

Mr Massari—That entrance is for both government and opposition. Just within the door of the entrance there are a few doors on the landing with card access—one controls the opposition's entrance into their floor, and the other controls entry by the government to the other floors. So through a card reader, through a security measure, you can control how people move through the building. So it is an entrance for both opposition and government.

Senator FERGUSON—Mr Hollis raises a very interesting point; you may need to provide an extra entrance for the Democrats through the bottom of the garden.

CHAIR—One Nation; they will be bringing them in through the chimney.

Mr LINDSAY—I do not think we should have a senators' entrance in Parliament House.

Senator FERGUSON—I missed the start of your presentation. If you have answered these questions before, let me know. How much copper gutter is involved, and what is the actual cost?

Mr Massari—Could we take that on notice and come back to you on it, on the exact quantity?

Senator FERGUSON—You must be able to give us the cost from somewhere.

Mr Massari—Generally, the copper gutters are being retained. They are being worked on to regrade them, to fix holes within them and to replace sections of them. The exact cost—

Senator FERGUSON—So you are not actually adding any copper guttering; you are only repairing existing copper guttering. Is that correct?

Mr Massari—We are generally repairing existing copper gutters. There are sections that need replacement because they damaged—not corroded, but damaged. They are impact damaged.

Mr Bergersen—There is probably an issue too of keeping the materials in sympathy with the original heritage materials. That would be a general requirement of a conservation plan.

Senator FERGUSON—I do understand that, but it does depended a bit on the cost too in that sometimes you reach a dividing line—particularly in the issue of guttering, I would have thought—where, if the cost is excessive, then you may need to reorganise some priorities.

Mr Mathieson—Perhaps I could add to that. The existing copper gutters are to be repaired, so they are in reasonable condition. They will not be new copper gutters; they will be retained. They need some thermal control joints to be provided to allow for expansion and contraction, which is not the case at the moment. At the moment, they are not properly falling to the outlets, so they need to be realigned so that the water collected falls to the outlets. So it is not a new installation; it is the existing installation repaired.

Senator FERGUSON—Can you get an itemised cost of that for us?

Mr Mathieson—I will take that on notice.

Senator FERGUSON—There is going to be replacement of broken slate. Can you replace it with identical slate, or is the supplier of the original still making slate?

Mr Mathieson—Basically, no.

Senator FERGUSON—I see that the second floor includes a library. Who is responsible for maintaining the library?

Mr Shaw—Ministerial and Parliamentary Services are.

Senator FERGUSON—What type of books is the library likely to have? Is it a general library? Is it a parliamentary library?

Mr Shaw—It is a library in terms of a general reading area. It has hard copies of *Hansard* and basically papers.

Mr HOLLIS—That will be fun reading.

Mr Shaw—Is also used as a conference area.

Senator FERGUSON—So it will be used as a conference room.

Mr Shaw—It can be, yes.

Senator FERGUSON—This question may have been asked, but is there much asbestos in the building?

Mr Mathieson—There was an asbestos audit undertaken in the building in 1995. Out of that audit, some actions were taken where the asbestos was hazardous. I understand that primarily related to the fourth floor where, when we walked around this morning, we saw the service pipes stripped bare—there was no insulation or covering to them. Asbestos does remain in the building, but it is in positions where it is not hazardous unless disturbed. Such examples include fire doors. The interior of the fire doors is asbestos material, but as the doors are tightly sealed—unless they are drilled or tampered with—that is not a hazard. There are vinyl tiles in the building which are suspected to have an asbestos content. Some of the backing boards for the old switchboards also have an asbestos content. Again, that is not a hazardous situation unless there are alterations or changes. When this refurbishment takes place those sources of asbestos will need to be dealt with in the appropriate manner.

Senator FERGUSON—When we were looking through the building you said that there was no airconditioning in a lot of the building and any movement of air can be done only by opening windows. Is it the intention to seal every window in the place now that you are going to aircondition it?

Mr Mathieson—No, that is not the intention. Just to repeat what I said earlier, this room is a prime example where the ventilation in this room is really by courtesy of the window openings. When the building is airconditioned, there will be fresh air introduced into the building through the system. There will not be a need to open the windows but they will be able to be opened.

Senator FERGUSON—You could perhaps pass on the advice to Parliament House in Canberra where we cannot open them. The only other question that I wanted to ask was in relation to the relocation. Do you know whether the cost of relocating those six ministers, a parliamentary secretary, the Governor-General, former governors-general, et cetera for a period of no more than 18 months is consistent with any other relocations that we have ever made in refurbishing other buildings? At first glance it seemed a pretty fair expense: \$2.6 million or whatever it is for a relocation for a very short period of time. Can anyone tell me whether that is consistent with other relocations that we have made in comparable circumstances?

Ms Campbell—I do not think we have any data on hand to answer that.

Senator FERGUSON—Has there been no other time that we have had to relocate?

Ms Campbell—We do not have any data available at the moment. There have probably been other times when we have relocated government departments, but we do not have that information at hand.

CHAIR—What about when health and family services went down and contracted—

Ms Campbell—They consolidated.

CHAIR—So that is not a very good example.

Senator FERGUSON—Could you see whether there are any other examples? It is good for us to have some sort of a comparison. If you have relocated on to a single floor of some other department or offices and the cost is greater than this, we would say that you have done a pretty good job. But if it is a lot less than that we would need to wonder why.

Ms Campbell—The only comparison we could probably make is the cost per square metre of fitting out the Casselden Place area which is quite modest at \$600 compared to the normal cost—in excess of \$1,000 per square metre.

CHAIR—In relation to the housing of the airconditioning ducts and other services, do you have any sketch plans of how that is actually going to look? You did give us quite a good description in the room this morning, but do you have any sketch plans of how that will actually look?

Mr Mathieson—Yes, we do. They are available.

CHAIR—I do not think we have them. I cannot see them. Are they on the walls?

Mr Mathieson—Yes, they are being displayed in the anteroom.

Mr LINDSAY—I have a question in relation to the demolition of the 1947 additions. The evidence says that you are going to replace them with flat roofs. Flat roofs are normally disastrous in relation to leaking. Is there any prospect that the flat roof would not be a flat roof, that it would be more functional?

Mr Mathieson—Perhaps I could elaborate on the intention. A parapet will remain around those demolished areas as part of the original purlin structure, so we have the opportunity to conceal the new roof structure behind the parapet. The description 'flat roof' is a general description. They will be pitched roofs of a metal deck for a—

Mr LINDSAY—That is all I need to know, thanks. Will individual controls for airconditioning in building spaces be provided?

Mr Mathieson—Yes. The nature of the building is such that it lends itself to dividing the airconditioning into quite small zones for individual control. As well as that, there will be a building automation system—a BAS system—so that the building can pre-programmed to the areas that need to be airconditioned as opposed to the areas that are unoccupied. This will make a major contribution to energy saving.

Mr LINDSAY—I understand. On page 12, at No. 93, you say that 'the electrical supply will be provided with a 20 per cent spare capacity'. Will that spare capacity extend to all the sub-boards?

Mr Mathieson—Yes.

Mr LINDSAY—On the same page, at No. 97, it says:

The existing mechanical services consist of . . . covering only parts of the building. It is proposed to replace these.

But evidence elsewhere says that all of the building will now be serviced. Is that correct?

Mr Mathieson—That is correct.

Mr LINDSAY—It also says here that 'existing electrical services will be replaced'. Is that everything, including light fittings?

Mr Mathieson—Yes.

Mr LINDSAY—On page 15, at No. 122, you say:

Security lighting will be provided to meeting rooms and to selected luminaires within the corridors, stairs and lobby areas.

What does 'security lighting' mean?

Mr Mathieson—I am advised that that pertains to the emergency evacuation lighting for the project.

Mr LINDSAY—On page 17 it says that 'fire services layout and pipework will be concealed'. Are you convinced that is really possible in this kind of building?

Mr Mathieson—Yes, it can be concealed.

Mr LINDSAY—The first dot point on page 18 says:

The new internal pipework shall be of copper alloy (70/30 brass) and of cast-iron pipes and fittings.

I do not think that that English is correct. You are saying that there will be copper alloy pipework, but that there will also be some cast iron pipes and some cast iron fittings. Is that correct?

Mr Mathieson—I am advised that that is correct.

Mr LINDSAY—It says at No. 148 that 'passive infra-red protectors will be provided in all office spaces to detect the presence of occupants'. Are they motion detectors or heat detectors?

Mr Massari—They are motion detectors.

Mr LINDSAY—If they are motion detectors, should they in fact be something of a higher reliability than infra-red motion detectors; for example, a dual-tech type?

Mr Mathieson—I am advised they are dual technology fitments.

Mr LINDSAY—Then you should not say that they are 'passive infra-red detectors', because they are not passive and they are not infra-red. Agreed?

Mr Mathieson—Yes.

Mr LINDSAY—Room GN2 on the ground floor plan—is that the equivalent of this room?

Ms Campbell—That is correct.

Mr LINDSAY—Is that a media room in the scheme of things?

Mr Mathieson—Yes.

Mr LINDSAY—You have not taken out the cost of demolition in the cost estimates. Is there some reason why you have not included the cost of demolition there? Is it included in these figures?

Mr Massari—The cost of demolition has been included in the summary cost statement.

Mr LINDSAY—Where have I missed it?

Mr Massari—We have not separated it.

Mr LINDSAY—I cannot see it here.

Mr Massari—It is under the refurbishment works. Under 'facade' we would have the demolition of the render and aspects of the facade.

Mr LINDSAY—Okay, so that is taken care of. On the next page we have fire protection in Casselden Place. Why are we spending money on fire protection in a space we are renting?

Mr Massari—In fitting out new accommodation, depending on the way an open space is fitted out, one has to supplement sprinkler heads to the code requirements. So there is an extension of the existing system to comply with the codes, based on the layout that is accepted.

Mr LINDSAY—And this project would normally be expected to bear that cost?

Mr Massari—The fit-out cost for the relocation is part of this project.

Mr LINDSAY—Why is there a car parking amount under 'Temporary Relocation'?

Mr Bergersen—That was basically part of the tenant's requirement for the space. They currently have six car parks at this particular location, and they just sought an equivalent facility at the temporary space.

Mr LINDSAY—So you are saying there are six car parks here?

Mr Bergersen—That is correct—external car parks.

Mr LINDSAY—And they want six over there and it is going to cost—what is that?—\$37,000?

Mr Bergersen—Yes, I think that is the figure.

Mr LINDSAY—You should build this in Townsville. The annual rental of \$600,000 from the lessee of the basement resource centre: how confident are you about the \$600,000? If I put to you that I do not believe it, would that give you an opportunity to respond?

Mr Bergersen—Can you just point us to where you are getting that figure from?

Mr LINDSAY—You have not got what I have got in front of me.

Mr Bergersen—Okay. I have never heard the number before and, frankly, it is way too big.

Mr LINDSAY—It is paragraph 32, I am advised.

Senator CALVERT—Paragraph 32 reads:

Increased rental proceeds of \$600,000 . . . will be generated from the refurbished space and provide a commercial return to Government.

Ms Campbell—I think there is an error in that paragraph. The \$600,000 increase relates to the entire building, not just the basement.

Senator CALVERT—So it is \$600,00 for the whole building.

Ms Campbell—That will be the increase on the rental proceeds for the entire building.

Senator CALVERT—Including rental derived from the lessee of the resource centre.

Mr LINDSAY—That changes it a bit, doesn't it?

Senator CALVERT—That is why I asked you those questions earlier. I was not going to put a figure on it, but I was starting to wonder how you were going to get \$600,000 out of that basement.

CHAIR—I just want to ask some questions in relation to the letter from the Australian Heritage Commission. There are several issues in that letter to be addressed, but I will go first to the proposed level link between the north and south buildings. It is clear from the Heritage Commission's letter that they are not satisfied with that; in fact they say, on page 2 of their letter:

. . . such a decision could be considered an action in accordance with s30(4) of the act and therefore one which required consultation in accordance with s30(3).

Has this consultation now taken place, or do you propose to have consultation with regard to this particular aspect of the building?

Mr Massari—We have had ongoing consultation with the Australian Heritage Commission, and we are continuing our consultation with them. Only recently we provided additional information they requested regarding the screening of the equipment on the roof. This issue has not been resolved yet. Our proposal, however, is in order to comply with the discrimination act and to comply with the operational requirements of one tenant on the fourth floor that a link should be constructed.

CHAIR—Okay. I notice also, going on in that first paragraph of page 2 of the letter, that it says:

The Commission is also concerned that the costs of some alternatives are said to preclude a decision that retains the stair and link arrangements as they are.

Have other options been explored?

Mr Mathieson—Yes, other options have been explored. For example, a ramp system has been contemplated, but because of the limited area of the fourth floor and the nature of the gradients of the ramps required for wheelchair access, the geometry is impractical.

CHAIR—So there is no further intention to look at options which preclude the proposal to bring the floor level up? Have all options been thoroughly investigated and exhausted?

Mr Mathieson—We believe they have and they have been conveyed to the heritage authority. In correspondence they have suggested that we should look at all methods of minimising any adverse impact on the fabric of the building.

CHAIR—It just seems, as the commission points out, that this is a unique building in the landscape and, by raising the floor level, that does interfere with the external profile of the building in that section and makes changes which fail to then clearly define the two buildings which were intended clearly in the original architecture.

Mr Mathieson—The link that we look at today, from the external view, is not the original presentation of the link. In its earliest days it was an open veranda structure. So it had already gone through substantial change when the spaces were closed in. Designs have been prepared and submitted to the heritage authority to indicate that all effort is being taken to minimise the visual impact on the exterior of the building. Already in that area there are plant room additions which were added on a previous occasion and changed the original appearance of that link. Undoubtedly, that is a further change but it is one of several that have taken place in that area which, as I mentioned before in evidence, is well set back from the principal facade of the project.

CHAIR—Given the sensitivities around this particular issue, could the committee please continue to be advised as to the ongoing discussions with the Heritage Commission to ensure that all options are properly explored with the commission and to ensure the best possible outcome in maintaining the heritage aspects of the building?

Ms Campbell—Yes, Madam Chair.

CHAIR—And that goes for toilet arrangements as well. They were the two major points that came up in the letter: the closing off of the corridors and toilet arrangements. As we went around, you did explain the reasons for your decisions there, but if there are going to be ongoing discussions about this, I would like the committee to be kept informed as to the outcome of those discussions.

Mr Mathieson—Perhaps I could volunteer that the windows are to be replaced. We saw that on our external inspection. At the moment, the windows are bricked up and rendered over. Part of this project is to reinstate the window joinery. So from the external point of view, the

building will be reinstated. One of the qualities of the original building was that the corridors, as well as having the fan lights and side lights to the office doors, had windows at the end of the corridor. Those will be reinstated on the ground floor as a representative example. On other floors where there are ensuites that window will not be able to be viewed from the corridor area, but the window itself will be replaced.

CHAIR—Also I noted in the letter that they said the client brief required no toilet facilities on the ground floor. Is this going to cause any difficulties? Who is going to be occupying the ground floor?

Mr Mathieson—The ground floor is maps—it is a staff area—and there are toilets on the ground floor. There just will not be an ensuite facility in that location.

CHAIR—I see. So when they say that there will be no toilets, they are referring to ensuite toilet arrangements.

Mr Mathieson—It is referring to ensuites, yes.

CHAIR—Thank you for clarifying that.

Senator CALVERT—Mr Bonsey, you have obviously been involved and have inspected all the plans and diagrams. Have you identified any problem areas that may concern security or matters that would pertain to the Governor-General's office that have not been catered for?

Mr Bonsey—By way of preliminary comment, I will say that we have been very fully consulted by the project team and appreciate that. My understanding of the security arrangements is that it is envisaged that the south entrance would be mainly used for the Governor-General to come up in the lift and that the security arrangements with the electronic cards will enable him to get into the suite that is proposed, which is the same area that he currently uses.

Senator CALVERT—What about the refurbishment itself? Are you satisfied with all the decor?

Mr Bonsey—Yes.

Senator CALVERT—One thing that comes to mind is that, if we were going to have a public area in the basement that could be leased out for whatever reason—for an interpretation centre or whatever; remember, there once was a guy called Guy Fawkes—I just wonder what the security arrangements would be, where you had public access underneath a building that contained not just a Governor-General—or perhaps a President—but also the Prime Minister and the cabinet. Whilst I know this has never happened in Australia before, one has only to look at what has occurred in other parts of the world in government buildings where they have a lot tighter security than we have here on some occasions. Have all those security problems been taken into account, given that there will be public access on the bottom floor?

Mr Bergersen—The Protective Security Coordination Centre has been fully consulted in the development of the brief for this project. It has identified the concerns that you have just flagged in relation to the use of the basement. It has stipulated certain requirements to make sure that the circumstances that you have flagged do not occur. That is one of the challenges that we have in

relation to leasing out that space. But first steps first—we will find out whether there is an interest in the space first and then whether or not they will wear the various security conditions associated with that.

Senator CALVERT—It would be a good thing if it became an interpretation centre. That safe alone where they used to keep the money was worth having a look at. It is all kept in electronic things these days. If it was leased out to the public, would there be metal detectors, like you have at airports, and that sort of security? Would it have to go that far?

Mr Bergersen—It would be that type of security. It is not appropriate for me to go into details as to what security arrangements will be made, but they will be of that nature.

Senator CALVERT—I presume the rest of the building will be occupied by government senators, members or that type of person. Therefore, there would be the opportunity to impose restrictions on the types of furnishings and so on that would appear in the building so that we do not end up with a 1970s style Prime Minister's office that we have up there. We want something more appropriate. Are there going to be some standards applied to the furnishings in the building? Are they going to apply to the whole area, or will the individual office holders have the right to choose their own furnishings and whatever?

Mr Crane—The proposal is that, in relation to the Prime Minister's office, we will be looking at the options in relation to what sort of furniture there will be, but whatever we put in the suite will be in harmony with the base building fit out.

Senator CALVERT—We might be able to go back to chesterfields!

Mr HOLLIS—Mr Bonsey, I have a question for you. The two former governors-general have offices in the building. Is that because they now reside in Melbourne?

Mr Bonsey—I will actually pass that one to Mr Crane, because Prime Minister and Cabinet rather than the Governor-General's office has the responsibility for the arrangements for former governors-general.

Mr Crane—Part of the entitlements for former governors-general is the provision of an office in the state capital of their choice.

Mr HOLLIS—In each state?

Mr Crane—No, in a state capital of their choice.

Mr HOLLIS—But they have only one office. If they choose to have an office in Melbourne, they would not have one in Canberra and Sydney as well?

Mr Crane—That is correct.

Mr HOLLIS—Just one?

Mr Crane—Just one.

CHAIR—Mr Crane, it is a minor point, but I wonder what arrangements were made in terms of temporary accommodation. What were the criteria used to select the area to be set aside for the Prime Minister? I ask that because, having been up to the floor, it would appear that it is the area with the least attractive aspect externally. I just wondered what process was used to decide the temporary accommodation for the Prime Minister's office.

Mr Crane—The precise layout of the temporary spacing in Casselden Place was to some extent left to the architects to design. We were given sketch plans and asked to comment on those plans. I provided those plans to the individual tenants for comment. We were happy with the location that was provided for us in that accommodation.

CHAIR—Thank you. As there are no further questions, it is proposed that the correspondence received that has been circulated to members of the committee be incorporated in the transcript of evidence. There being no objection, it is so ordered.

The correspondence read as follows—

CHAIR—I would like to thank all the witnesses who have appeared before the committee and those who have assisted with our inspections this morning. I would also like to thank committee members, Hansard and the secretariat.

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

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 at public hearing this day.

Committee adjourned at 12.16 p.m.