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Official Committee Hansard

JOINT COMMITTEE ON PUBLIC WORKS

Reference: Reserve Bank of Australia head office building works, Sydney, New South Wales

THURSDAY, 26 OCTOBER 2000

SYDNEY

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JOINT COMMITTEE ON PUBLIC WORKS

Wednesday, 25 October 2000

Members: Mrs Moylan (*Chair*), Mrs Crosio (*Vice-Chair*), Senators Calvert, Ferguson and Murphy and Mr Forrest, Mr Hollis, Mr Lindsay and Mr Ripoll

Senators and members in attendance: Senator Murphy and Mr Lindsay and Mrs Moylan

Terms of reference for the inquiry:

Remediation of Defence land at Neutral Bay, Sydney

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Committee met at 11.29 a.m.

AUSTIN, Mr Les, Assistant Governor, Corporate Services, Reserve Bank of Australia

MAYES, Mr Richard, Head of Facilities Management Department, Reserve Bank of Australia

STENT, Mr Adam, Senior Project Manager, Incoll Management Pty Ltd

CHAIR—I declare open this public hearing into the Reserve Bank of Australia proposed head office consolidation project at 65 Martin Place, Sydney. This project was referred to the Public Works Committee on 6 September 2000 for consideration and report to parliament. In accordance with subsection 17(3) of the Public Works Committee Act 1969:

- (3) 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 the 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 received a briefing and inspected the site of the proposed work. The committee will now hear evidence from the Reserve Bank of Australia, the Sydney City Council and the National Trust of Australia, New South Wales.

As we have already sworn in the representatives of the Reserve Bank, I now take this opportunity to welcome you on behalf of the committee. The committee has received a submission from the Reserve Bank of Australia dated September 2000 which we will incorporate at the end of the hearing. Do you wish to propose any amendments to the submission?

Mr Austin—No, thank you.

CHAIR—I now invite a representative of the Reserve Bank to make an opening statement in support of their submission and then we will have some questions.

Mr Austin—I would like to make a brief opening statement. The reason the bank is proposing this project is simply to make better use of its head office building at 65 Martin Place. We aim to do this by consolidating the bank's functions to achieve a more efficient configuration, converting currently underutilised space into commercial standard office space, and leasing the resultant surplus space for up to \$3½ million a year.

A review of the RBA's accommodation needs and the capacity of its head office building not only identified significant amounts of surplus space, but also large areas of underutilised space which could be converted to office use. There has also been an increasing demand from work areas within the bank to reconfigure their spaces to accommodate their work requirements and make more efficient use of the space they have.

The underutilised space in the RBA's head office has arisen from a decline in staff numbers since the early 1990s. This decline has been due, in turn, to improvements in technology impacting on labour intensive functions like transactional banking and registry, to outsourcing some of our functions and to the loss of functions including, most recently, the transfer of bank supervision to the new Australian Prudential Regulation Authority. The RBA's annual report for 2000 includes a chapter which examines the evolving structure of the RBA in greater detail.

Some of the areas we identified as underutilised included amenity areas such as squash courts and the cafeteria, and corporate space such as flats and the auditorium. The building also contains significant 'back of house' areas such as workshops, a pistol shooting range and storage rooms which are no longer required or no longer serve the purpose for which they were originally intended.

An extensive financial analysis of the full range of available accommodation options has been undertaken. This analysis, which has been endorsed by an independent review by a major accounting firm, confirmed that undertaking a consolidation project of the head office building and leasing the surplus space will provide an effective solution to the RBA's accommodation needs and the best financial outcome.

Appropriate consultations have occurred with RBA staff, with our neighbours and relevant authorities and will continue throughout the project. From these consultations we are aware that there has been some concern from the Sydney City Council and the National Trust regarding conservation issues. The RBA has indicated to council that it intends to have a conservation management plan prepared by a suitably qualified heritage architect during the design development phase and prior to the commencement of any significant construction. However, in view of the attention the bank has already given to conservation matters, we are very confident that the conservation management plan will not result in any major changes to the project.

Subject to parliamentary approval, it is planned to commence detailed design in January 2001 and construction around April. Completion is scheduled for late 2002. The total estimated cost of the proposed works is \$21½ million. This cost will be funded from the bank's own resources. Thank you, Madam Chair. We will be very happy to try to respond to your questions.

CHAIR—Thank you very much. I will go first to Senator Murphy for questions.

Senator MURPHY—The earlier refurbishment of the bank started in about 1990 and was completed in about 1994. What was the cost of that?

Mr Austin—When this parliamentary committee looked at that proposal, the cost that we put forward as an estimate at that time was about \$90 million. In the event, the cost turned out to be lower than that, at about \$80 million. In short, the answer to your question is \$80 million.

Senator MURPHY—The only reason I asked that question is that I would like to know, with regard to what you are proposing to do now, what you think the life expectancy of that work will be.

Mr Austin—This would have quite a long life expectancy for some structural parts of the work. Other parts of the work are of a fit-out nature and would have a shorter life expectancy. We have relocated some of the bank's premises. There would be normal churn in the course of the operation of any organisation. We expect to see that being replaced in four or five years or something of that sort, whereas the more structural parts of the work, such as putting new pieces of flooring in through the squash courts, would have a life of up to 40 years or something of that sort.

Senator MURPHY—I did see the valuation for the building which was \$132 million, including a \$53 million land value. So that puts the value of the building at about \$70 million. We have spent \$80 million on it from 1990 to 1994. We are going to spend another \$21 million on it. Is the assessed value in the submission after the work or before the work?

Mr Austin—It is before the work.

Senator MURPHY—What is the expected increase in value of the property with the new work?

Mr Austin—We expect that, after the work is finished, the property would be valued at about \$153 million.

Mr Mayes—That would be in 2½ years time.

Senator MURPHY—With regard to the floor plan in the tower configuration and the space in different areas you intend to put up for lease, was there any reason—and this is at appendix 3 of the stacking plans—why you chose to have the proposed lease space from the third floor to the seventh floor and then break it and have more lease space on the 17th and 19th floors? Would you like to explain the reasoning behind that?

Mr Austin—Our intention was to consolidate the bank's use of space because at the moment there are a large number of pockets of unused space throughout the building. By bringing the bank's areas together and making better use of underutilised space we would be able to free up space in a configuration that was suitable for making available to tenants. Our objective was to consolidate the bank areas into the top part of the building and in the lower part below level three, leaving the middle part of the building available for tenants. We have done that to a large extent with about 4½ floors being made available in the middle of the building for tenants.

With regard to the space at the top of the building, where we are currently converting space which is not used for office space into office space, we found that the areas on 17 and 19 were not ideally suited for bank use because they are accessed through a separate lift arrangement. Our lifts go up to level 16 and then to get higher than that you need to change to separate lifts. Even though part of the proposal is to put in faster lifts servicing that top part of the building, we still felt that it would be desirable if all the bank's work space was within the one area serviced by the same lifts. There is a lot of interaction between the different departments of the

bank. It is much more convenient if we can move up through the one lift. We thought that the spaces available on 17 and 19 would be most suitable for tenants. We think we could attract tenants to that space because of the outlook that will be involved at those heights, which should make it quite attractive to a tenant.

Senator MURPHY—Will the lifts be used to exclude the second, first and down to B3 levels but from the third level through to the 16th level there will be common user lifts?

Mr Austin—Yes.

Senator MURPHY—That does not pose any security problem in terms of those people going up to the top floors?

Mr Austin—The same issue would arise in relation to people going to the lower floors as well. They are all using the same lifts as the bank people. We did have to think about the security implications of getting tenants into the building. We have addressed that because we will keep the current security arrangements to begin with that are there at the ground-floor level. We are going to add a security barrier at the lift foyers on each of the bank occupied floors. That will be like a glass wall across the entrance to the floor, which will be accessible through a card system. A bank employee moving between the floors will have to take a card with him or her and use that to gain access to that floor. We will also have controls on the doors in the fire stairs. You will need a card to come out of the fire stairs on to a bank floor.

Senator MURPHY—What process did you use to actually determine the competitiveness of the costs that you are proposing?

Mr Austin—In a sense some of that process is still to come. The costs that we have put forward here are the indicative costs that have been provided to us by a quantity surveyor that we engaged to give us an estimate of the cost. When we come to do the works we will actually go out to tender. That will be a competitive process and we will of course choose the best available quote.

CHAIR—You have touched on some issues. For the record I should ask you the question relating to the \$77 million refurbishment in 1990. At that time it was indicated by the Reserve Bank that this refurbishment would bring the building up to a standard which would make it functional for a 20-year period. Can you explain what has happened within your structure to change that and to now require a further expenditure of \$21.5 million? Further to that—rather than a separate question because it is interlinked—you are calling this head office consolidation and yet it does require considerable refurbishment in terms of lifts, changes to the external facade, new windows, basements, major changes and further removal of asbestos.

Mr Austin—The first part of the question concerned the works that we did in 1990. The first thing I would like to say about those is that they were of a different nature to the works that we are currently proposing. They were works about which we did not have a great deal of discretion. We had to do major work to remove asbestos from the building. That was really necessary because there was a potential health hazard with the asbestos that was there at that time. We also had a problem at that time with the facade of the building, where the marble that was on the outside of the building was deteriorating and there was a danger that bits could

actually fall off and hit people in the street. We had no alternative, we thought, but to do quite extensive works to make that safe and secure. It did involve getting rid of the asbestos and it did involve really gutting most of the building. We took the opportunity to refurbish because a lot of the building interiors were by that stage 25 years old and getting a bit worn. You said at the start of your question that we suggested that would give the building a very considerable life, and I think that it did. It was successful in that sense in addressing those issues.

What has happened since then—and it has given rise to this current project—is something quite different. The bank has been impacted on by a number of changes which have reduced the number of staff that we have working in the bank. This has been especially the case in our branches but also in the head office. In head office we had a maximum number of 1,500 people in our bank. It had already fallen to about 1,300 at the time in 1990 when we came forward with that earlier proposal, and now it is down to about 715 in total in that building. That has been due to a range of factors, including technology, which has impacted especially on the more labour intensive functions like banking transactional business and registry. It has been due to our outsourcing of a number of our service functions, and it has been due to some loss of functions, including most recently bank supervision, which has been passed to a new Australian Prudential Regulation Authority, and they have gone and set up in their own building.

So the bank has found itself in a position where we were underutilising the building. We thought that we really had an obligation to address that and see whether we could not make better use of the building by consolidating our activities and making available some space to tenants to lease, which will give us and—ultimately, through passing our profits to the government—the Commonwealth an initial revenue of approximately \$3½ million a year. On the basis of the financial analysis that we have done, we think spending the \$21½ million is a good financial decision. It is a better financial outcome than a whole range of other options. Importantly, the do-nothing option is an option which is a real one and which we considered, but it is definitely inferior financially to doing what we are planning to do.

You also asked me about the way in which we described the building as a consolidation project. The reason for that is that in our minds we think about this as being the main objective—to consolidate the bank's activities, bringing together in a single consolidated space the bits of space that are in pockets throughout the building at the moment. If we consolidate them, we consolidate ourselves and produce an amount of space that is available for rental.

It is true that there are some significant works that we are proposing to do to deal with some of that under utilised space, but they are really subsidiary to that main thrust that we see as the reason for this project, and I think I am right in saying, in terms of the dollars, they are a smaller proportion of the total project. Mr Mayes might be able to correct me if I get this wrong, but I think that about \$7 million of the total \$21½ million is attributable to the heavy work—the lift and the new floors up through the squash courts—and the balance of about \$14½ million is to do with moving ourselves around in the building and making the other floors we are going to lease suitable for tenants by basically clearing them out of the existing arrangements. I suppose I should say, as part of that answer, that what we are doing this time is re-using as much as we can of the existing fit-out. All our workstations, all our panelling—as far as we can re-use it—even carpets, are going to be re-used where we can rather than buying new equipment.

CHAIR—Thank you for expanding on that because I was going to ask you about that. In the inspection this morning and, in fact, in the previous public works report, they recommended that you install fireproof or fire-resistant wool carpets, and we noticed they were in pretty good condition and a lot of the partitioning is very good quality, so we are pleased to hear that you are going to re-use that. Further to part of your answer about this expenditure representing good value for money—and if you believe that the answer to this is commercial-in-confidence then you are at liberty to tell us—from your submission I notice that this releases about 7,000 square metres of floor space to lease, and you said that you had looked at the exercise of looking at value for money. Can you tell the committee what kind of return on the investment it is likely to bring as a percentage?

Mr Austin—The way in which we looked at this was through a net present value calculation. We looked at the stream of income that would be associated with a range of different alternatives. We identified up to 21 possible alternatives that the bank would theoretically face, starting from a lease or buy solution of this building or another building; having our facilities all together or separated; and we looked at all the combinations.

CHAIR—Is it possible perhaps for the committee to have a look at your workings there because, clearly, one of our responsibilities is to ensure that this is good value for money for public expenditure. I do understand that there are possibly some sensitivities in terms of the commercial confidentiality of the information but I think it would be useful for us to see that you have been through that exercise and just what it does represent in terms of this further expenditure of taxpayers' money.

Mr Austin—Certainly, Madam Chair, we would be happy to provide our studies to the committee but, as you foreshadowed, we would like to ask that it be regarded as commercial-in-confidence because we are in negotiation with prospective tenants about renting the space. We are happy to provide that now.

I might also add that we had our work reviewed by Arthur Andersen as a check on whether we got this right and, although they confirmed that methodology was valid, they had their own approach to it and so they looked at it from a different point of view. They came to the same conclusion that what we were doing was the best financial solution. I could pass to you a copy of a covering letter which Arthur Andersen has provided to us stating their conclusions, which I do not believe has any commercial-in-confidence material in it, and if that is suitable you might like to see that.

CHAIR—Yes, thank you very much.

Mr LINDSAY—Mr Austin, what was the genesis of this proposal? Which part, department or person of the bank brought this forward and said, 'I think we should do this?'

Mr Austin—The origins of this came from our facilities management department that Mr Mayes heads. I cannot say within that department who the particular person was, but I suspect it might have been him. Then, after discussions between Mr Mayes and me, we jointly put this proposal forward to the bank's executive committee.

Mr LINDSAY—Mr Mayes, did you have a big part in this?

Mr Mayes—I had quite a large part, Mr Lindsay.

Mr LINDSAY—In your own words, why did you go in this direction; why did you suggest this to the board?

Mr Mayes—The main driver behind this was that, as we were coming towards the latter part of 1997-98, it became obvious that we really had an issue with surplus space in the building. On the one hand, we had this issue of surplus space, but we also had an issue of underutilisation of space. There were two factors. We had departments coming to us and saying, ‘We have been through some organisational change. We would like to consolidate our activities.’ But rather than looking at this in a piecemeal manner, we felt that there would be significant economies of scale and advantage to the bank in dealing with this issue as one project. In a sense, this project is two projects. It is a project in the sense of dealing with the consolidation of bank departments and functions which, through a process of change, were now underpopulated. But it was also a project about ensuring that we did it in such a way that we were able to yield up space that could be effectively used for another purpose and, of course, that other purpose is making it available on the commercial market.

Mr LINDSAY—And you took account of the bank’s rationalisation in other cities in the Commonwealth and what that might mean to head office?

Mr Mayes—Certainly, we were very conscious of the need to make very good use of this property asset. We did not believe it was prudent for us to be sitting on an underutilised asset in such a location in Sydney. We felt it was very important for us not to let it lie. We felt we had to address it.

Mr LINDSAY—For the record, could you please state the obvious in relation to the bank’s intentions for remaining on the site when it spends this money?

Mr Mayes—Certainly, the intention of the bank is to stay on that site for as long as is possible. We have already had significant investment on that site in respect of the very high secure cash facilities that we have in our basements. We think it is very important for the bank to continue to be located in the CBD of Sydney, particularly in the financial district. It is very important for the ongoing adaptive reuse of that building that we stay where we are.

Mr LINDSAY—Moving to another area, consultation with staff, would you please briefly outline the consultation process; any issues with the staff; whether you think the staff, in general, are happy with the direction that the bank is going; and any concerns that you have picked up?

Mr Austin—We were fairly careful to try to make sure that we consulted the staff about this project. When we first got it under way and began some preliminary thinking and design of it, we had a number of focus groups throughout the areas that were most likely to be affected to give us their views about the current set-up and arrangements and what they thought needed improvement. As the project developed, we advised the staff of the project through articles in our staff magazine, through setting up an Intranet site where we advised the staff of the project and of each step. For example, when we appointed a project manager, we announced that on the Intranet site and, as we moved through the process, we made announcements there. The bank

has an official newsletter that it puts out to inform staff of important things, and we covered it there, every time there was an important change in the project. We had a meeting in the auditorium—one of the few times that our auditorium has been used recently—and invited people to attend and ask any questions that they had.

You also asked what the reaction of the staff has been. Broadly speaking, the staff have been supportive of what we are doing and have understood the reasons that we are doing it. There are a couple of regular users of the squash courts who are a little disappointed that that facility is being lost, but most of the staff I think understand that those courts are significantly underused now. The population of the building does not support them anymore, and maybe fashion has moved a bit away from squash. I am not sure of the reasons, but certainly the courts are not being used anywhere near the way they were in the past.

Mr LINDSAY—Mr Stent, I am aware of how the project is proposed to be delivered in three packages of work. Why is that the best way for project delivery? Are there any other options for how the project might proceed?

Mr Stent—The evidence states the proposed delivery method. What we are trying to achieve in our method—

CHAIR—Excuse me; we just could not catch those words of your first sentence—‘was proposed’ something?

Mr Stent—Yes. I believe it is our proposal to—

Mr LINDSAY—What do you mean ‘you believe’? Do you know? It is?

Mr Stent—It is a proposal. We have not fixed a procurement plan at this stage because, when we proceed to the stage 2 design, assuming we get PWC approval, we want to make sure that our consultants get involved in the process, whereby they agree and they can assist in the development of whatever procurement policy we try to head for. There are some aspects of the works that we think would best be done with a fixed price approach—get all the heavy work out of the way and try and get commitments from contractors on that basis.

In addition to that, there are the consolidation works—that is, the moving of tenants around the building and the relocation of the various bank departments. Because the work is spread over such a long period of time, we do not want to set up a procurement policy or theory that we will want to change halfway through, because of the domino principle of the various changes. So we want to give ourselves as much flexibility as possible over the proposed 18-month consolidation process. Does that answer your question?

Mr LINDSAY—Thank you. So that I understand, what is your role in this?

Mr Stent—Incoll are the selected project managers for the project. We are independent consultants, and we have been appointed by the Reserve Bank.

Mr LINDSAY—Does being a project manager mean being a head contractor?

Mr Stent—No. We will be appointing a series of contractors.

Mr LINDSAY—So your preferred method of delivery is not to appoint a head contractor who will do the whole lot of the work for you?

Mr Stent—Not necessarily. We want to make sure that we get the best value for money and that we get the right contractor for the right aspect of the works. A contractor that might be good at putting in concrete slabs and getting it done quickly might not be the right guy to lift computers on level 3 and move them to level 5.

Mr LINDSAY—In your professional opinion, what are the risks that you see in the project—and I realise that it is early days at this stage. Where do you see that you might have some problems?

Mr Stent—The risks, if we are just talking about the construction works rather than the design, and perhaps if I focus on that—

Mr LINDSAY—We are talking about whether we can deliver the thing within the amount of money that is being requested.

Mr Stent—From a financial point of view the limit of cost estimate we feel assured can be achieved—‘we’ being the project consultant team, the architects, engineers and the quantity surveyor. Project risks that are not financially related are probably the interface with the bank staff and the risks associated with injury or annoyance and things like that. There will be processes in place to make sure that we mitigate those circumstances. There will also be security risks that are caused by the very fact that you have got contractors working in a building. We will be endeavouring to separate the contractors from the staff in all possible ways. There will be risks associated with noise in the building, noise to adjoining owners, parking in the street and interface with the general public. Hoardings and other such procedures will be in place to mitigate those risks.

Mr LINDSAY—In relation to the energy management of the building and the new tenants that will move in separate to the Reserve Bank, will there be separate services for those tenants? Will there be the ability for the tenants to come in after hours, turn on their services and not have the rest of the building running?

Mr Stent—Yes.

Mr LINDSAY—How much money have you already spent on this project?

Mr Mayes—Could we take that on notice?

CHAIR—Yes.

Mr Austin—I know we have that. We should be able to find it quite quickly.

Mr Mayes—Primarily, almost all of those costs would be associated with consultant fees up to this phase. We should be able to get that for you relatively quickly.

CHAIR—I wanted to ask a couple of questions about the actual structural issues. Obviously for the public issues, for people working in the building and for neighbours, fire services are critical. In this day and age, there are environmental considerations with the reduction of greenhouse gases. I notice your submission touches on that. Perhaps for *Hansard* and for the purpose of this hearing you might just tell us what you have done in relation to provision for adequate fire services in the refurbishment and environmental considerations.

Mr Mayes—In respect of fire services, as part of the 1990s work, the fire systems within the building were substantially upgraded. Those systems are relatively recent. It is the proposal in respect of where we are—for example, extending office areas like on level 17 or 19—or where we are converting areas to office space, the proposal is to extend that same level of fire protection. The whole building has sprinklers. We would be continuing that system throughout the building.

CHAIR—How do you manage the disruption? Some of the floors clearly need major work done to them. How do you maintain services during that disruption?

Mr Mayes—We have had some experience of this. Obviously the major works that we undertook in 1990 were very extensive indeed. It should be remembered that that was done whilst the bank was in occupation of the building. Those works were far more extensive than those being proposed here. Through that process, we have established procedures that relate to fire control and the maintenance of adequate protection for staff and contractors by way of portable detectors and the like, on floors being worked on. We would be continuing that system in respect of these areas. The extent of work in this case is considerably less. If I can refer to your previous question, Madam Chair, in respect of costs expended to date. Up to this PWC hearing the bank has committed to consultants' costs of about \$450,000.

CHAIR—Thank you. The second part of my question was in relation to environmental and energy management, and there are a couple of issues there. One is the further removal of asbestos. Can you explain that for the committee?

Mr Mayes—Yes. When we completed the refurbishment in 1990, one of the main objectives of that project was the removal of asbestos. What remains in the building are isolated pockets that were very difficult indeed to remove and that are in fact sealed. However, some of the works—for example, the opening up of windows in the exterior—potentially will expose areas which might contain asbestos as a fire retardant material. Again, similar to the approach that we have taken in regard to fire as part of our 1990s work, we developed, in consultation with the appropriate authorities, fairly detailed procedures as to how that work should proceed—work procedures that are designed to ensure that any risks are removed in respect of asbestos. Where we will be encountering it in a few locations—for example, possibly on level 19, where we will be opening up part of the facade to create those new windows—we will be following those procedures very closely indeed. They will be monitored independently by an asbestos monitoring consultant and contractor.

I think the second part of your question was in respect of energy management. In a similar manner to fire, when we upgraded the building's systems and services in 1990 a lot of work was done on the basic engineering design to ensure that it was energy efficient. One of the major components of that was the introduction of an automated building management and control system that monitors airconditioning performance and lighting throughout the building. We will be extending that control system to all the new floors to ensure that they, like the rest of the bank, are well managed in terms of their control system. We will also be ensuring in our specifications things like the high efficiency fittings that we have in the rest of the building, and that will continue. So those practices will be maintained and extended in the areas that will be opened up.

CHAIR—This is clearly an important issue. The committee earlier this year took evidence from the Newcastle City Council on tremendous, huge savings in energy costs by incorporating good energy management practices. Are you using a particular protocol in order to achieve this?

Mr Mayes—Yes. For some years now we have completed what we call an energy management plan, and that energy management plan for our head office building and our other buildings consists of a number of aspects. One of those is the completion of regular energy audits. We completed an energy audit not long after our building was completed. From that energy audit, we were able to identify other opportunities for savings. These are not just restricted to technological solutions but also include better ways of physically managing our use of energy.

This is part and parcel of our ongoing facility management strategy for the asset. So, energy audits have a heavy reliance on good technology to assist us in monitoring energy usage. For example, on the floors that will be opened up for tenant usage we will be introducing separate meters for those floors so that we are able to get a precise picture of consumption. And as part of our energy management plan we will use the Commonwealth targets in respect of the reduction of energy. I think they were established initially in 1993 and since that time we have been seeking to ensure that our energy management consumption is consistent with those targets, and we have been successful in terms of that program.

CHAIR—Thank you. I have just one more question on the building itself. On the first page of a letter to the committee from the National Trust, paragraph three states:

There is some concern that the new lift motor room may be intrusive and may prove to be greater in height than that shown on the drawings in the submission. Every endeavour should be made to keep the height of the lift motor room down as far as possible.

Can you explain what measures have been taken to comply with the National Trust's concerns?

Mr Mayes—Yes. In the first instance the lift motor room will not be on the top of the lift shaft, the proposal is for the lift motor room to be on level 18. Because of the design of these lifts it does not need to be on the top of the shaft. However, there will be a requirement for a small lift overrun. That lift overrun will be about 1.2 metres above the existing roofline, but because the lift shaft itself is set back from the edge of the parasol roof on the very top of the building it will be very difficult indeed, anywhere near the building, to even notice that, particularly anywhere in Martin Place or along Macquarie Street because of the configuration and the geometry of the facades.

CHAIR—So is the National Trust now satisfied that this arrangement will produce the desired result?

Mr Mayes—We have not spoken in detail with the National Trust, but I think with this explanation they should be.

CHAIR—I do have one other question but I will let Senator Murphy put a few questions first.

Senator MURPHY—I have a follow-up question with regard to energy efficiency. In the 1990-94 refurbishment program it was estimated that the cost savings would be in the order of \$340,000 per annum. Are you able to tell us how successful that turned out to be? You can take it on notice; it is just as a matter of interest.

Mr Mayes—I suppose there are two parts to my answer. Firstly, there were certainly cost savings that the bank was able to generate because of those energy efficiencies. I could take the actual detail of the response to that on notice and we could provide some more detail.

Senator MURPHY—It does give a list in the report on page 28. It would be interesting to see whether there has been a realisation, and to what extent.

CHAIR—Yes, because in our evidence on Newcastle they were able to produce some very impressive percentage decreases in energy use.

Senator MURPHY—In the 1990-94 refurbishment it says you did some work on the lifts. It says that the six existing main passenger lifts were modernised and that the other lift systems would be upgraded to suit their functions in the refurbished building. Did that take place, and what did that refer to?

Mr Mayes—Yes, certainly the main lifts in the main tower were upgraded. The lift controls were replaced and upgraded, which has led to a significant improvement in the efficiency of those main lifts. Also, the lift cars were substantially refurbished. There are other lifts in the building. For example, we do have lifts associated with the cash services areas in the basements. Those lifts also were upgraded in terms of controls and interiors to ensure that they met the required performance levels of a building of this nature.

Senator MURPHY—In your costing you have allowed what would seem to me to be for the installation of two new lift shafts and new lifts. I know they are only running four floors, in effect, but it does seem to be a bit light on. I say that based on other costings that I have looked at.

Mr Mayes—The issue of lifts—

Senator MURPHY—Can often be very expensive.

Mr Mayes—Yes, they can be expensive. We have looked at this from a number of different angles. We were at pains to ensure that we got what we believe to be the best lift option for

those upper floors. One of the options that we had looked at earlier was, in fact, extending the whole of the lifts to those upper areas.

This option, we believe, is able to give us a very good lifting solution to those upper floors in terms of speed, and places the lifts probably in the best location in terms of constructability because it goes through those parts of the building where it is likely to encounter less of the building services. We are fairly confident that the numbers that we have in the limit of cost estimate and the breakdown are reliable in terms of what we have allowed for in the installation of these lifts. These have been looked at long and hard, and we are confident that we should be able to achieve those numbers.

Senator MURPHY—I will just deal with the electrical services and the communications infrastructure. In communications infrastructure you have as part of that expenditure, ‘the infrastructure required for telephone and data communication for both bank and tenants, which involves the provision of backbone cabling for both PC data and telephone through the building to an appropriate point on each floor level.’ Then in electrical services you also have ‘PC and phone cabling work to work stations and offices.’ I am assuming that they are two different things. I am assuming one is your backbone work, being your main cabling work, and the other is, if you like, line out to the various points?

Mr Mayes—That is correct.

CHAIR—This information is marked ‘commercial-in-confidence’. Mr Mayes, if you feel that you do not want to answer that at this time you are not obliged to do so.

Senator MURPHY—I am not using any dollar values; I am just asking whether—

CHAIR—No, but if that is required in the answer you could give that to the committee at a later time.

Mr Mayes—In terms of the answer—

Senator MURPHY—I am just making sure they are not doubling up.

CHAIR—I am just making sure that Mr Mayes understands that if—

Senator MURPHY—I do not want the Reserve Bank counting twice.

CHAIR—there is commercial-in-confidence information that can be presented later.

Mr Mayes—It has not been counted twice. They are two separate activities.

Senator MURPHY—With regard to the backbone cabling, when was that last upgraded?

Mr Mayes—The backbone cabling would have been upgraded as part of the 1990s work.

Senator MURPHY—I just could not see that in there.

Mr Mayes—Why we need to do what is included in this particular scope of work, of course, is the introduction of tenants.

Senator MURPHY—I understand that. I was trying to understand what the status of the overall communication cabling was because I would have expected it would have been renewed, but I was not there when they did this inquiry and it does not show it in the report. I just wondered whether there was a need to have a fairly extensive upgrade, given the changes in technology. That is what I was trying to understand, but it was done. Thank you.

Mr Mayes—Madam Chair, we do have an answer for your question in respect of energy saving. As a result of those energy saving measures that were introduced as part of the 1990 refurbishment, the savings were substantial, with \$600,000 per year being saved off our energy consumption.

CHAIR—Which would represent—do you have a percentage of the total? You don't? That is okay.

Senator MURPHY—With the professional fees, I assume that does say that the amount represents the actual fees over the life of the project. Does that include the design work up until now?

Mr Mayes—That is correct.

Mr LINDSAY—Those professional fees as a percentage of the project seem relatively high. Can you offer something to the committee in relation to how standard that is in the industry? You will know the percentage I am referring to.

Mr Mayes—Yes. We believe that overall the fees are quite competitive. I might add that the process the bank goes through to achieve a selection of a consultant does involve an examination of fees. We do go through a competitive process in respect of all consultants that we engage. The fees that you have in front of you are the result of a competitive process. We are of the view that they are market comparable and are competitive for the nature of the work that we are doing.

Mr LINDSAY—In relation to the contingency that you are suggesting, again you are aware of the percentage of the project. I asked Mr Stent earlier about the risks to the project—and this contingency is to cover unanticipated works which are discovered during the design and construction phases—but that particular percentage seems extraordinarily high in relation to unanticipated works. Do you have a view on that?

Mr Mayes—There are two elements to the contingency. There is a five per cent contingency in relation to the design process and there is a five per cent contingency in respect to the construction process—so 10 per cent overall. There is also an allowance for escalation which is a separate allowance. The percentages in respect of contingency we believe—and based also on the advice that we have received from our quantity surveyor—are appropriate for a project of this nature where we are, in fact, opening up areas where, for example, there is some element of risk. Mr Stent touched on this before in respect of the facade work in respect of flooring over, for example, the squash courts. We believe it is prudent to allow in the overall budget sufficient

amounts to cover those contingencies. It is our objective, of course, to ensure that we use the very minimum of those. As you may have noted in respect to the previous refurbishment project, we were quite successful in ensuring that the amount of contingency we used was quite small.

Mr LINDSAY—You allow an amount for GST. Other inquiries we have done in relation to Defence note that they get a rebate on their GST. Do you, as a Commonwealth authority, not get a rebate on your GST?

Mr Mayes—There are some aspects of our business where there is a non-recoverable component. The amount that you see is the non-recoverable component. The amount that you see in the limit of cost estimate breakdown represents that non-recoverable component—in other words, the amount in net terms that we are required to pay to the Commonwealth.

Mr Austin—The Reserve Bank is subject to GST so we do not have any special concessions or anything of that sort. What Mr Mayes is referring to is our estimate of the amounts that we might claim as deductions and rebates in accordance with the normal rules of any other company dealing with GST based on the nature of our business.

CHAIR—We do want to break for lunch but I have just one more question and it relates to—and we will be calling the City of Sydney later after the lunch break—a letter written and received 10 days ago from the City of Sydney from their director of city development, John Kass. On the second page it gives some recommendations and it finishes with a paragraph that says:

A building of the quality and significance of the Reserve Bank deserves better analysis and discussion of alternative treatments. With dedicated and skilled planning, it is often possible to retain heritage significance without compromising client requirements.

Have you taken steps to discuss the recommendations that were made—and there were three specific recommendations made—and have those issues been resolved?

Mr Austin—We had discussed those issues with the council. As I said in my opening statement, we have decided to adopt one of the recommendations of the council, which was that a conservation management plan be prepared. We had already done quite a lot of work in the conservation area and had been quite mindful of the heritage issues that were involved in the work. We have had two studies already prepared of the building by heritage architects, including most recently, in relation to this project, a heritage impact statement, which our architects, Woodhead International, prepared using a specialist heritage architect.

CHAIR—Have you had further talks with the City of Sydney since this letter was written?

Mr Austin—We have written to the City of Sydney explaining that we are going to adopt that recommendation. Indeed, we have had further talks as well. I believe a representative from the City of Sydney called at the bank and met with Mr Mayes—I should let him talk about it. There was a meeting at which we gave the City of Sydney representatives an inspection of the building and explained our approach to heritage issues.

CHAIR—Thank you; that is sufficient for now. Before we break for lunch, I would like to let everyone know that this public hearing has gone out on the Internet and can be accessed as it occurs. We have received a letter to Denny Alevizos, the Senior Manager of the Reserve Bank of Australia, from Arthur Andersen, dated 8 September—the one confirming that you had an independent assessment of the options for the best return. The committee orders that the letter and attachment in relation to head office accommodation options, which is commercial-in-confidence, become a confidential committee exhibit.

Proceedings suspended from 12.32 p.m. to 1.35 p.m.

JOHNSON, Professor Richard Norman (Peter) AO, Board Director and Treasurer of the Board, National Trust of Australia (New South Wales)

CHAIR—I welcome you to this hearing this afternoon. Do you have anything to add to the capacity in which you are appearing?

Prof. Johnson—I am here as a member of the Board of the National Trust as its treasurer but more particularly as the chair of the Conservation Committee and also the Architecture Advisory Committee.

CHAIR—The committee has received a submission from the National Trust of Australia (New South Wales), dated 6 October 2000 which we will incorporate at the end of this hearing. Do you wish to propose any amendment to your submission?

Prof. Johnson—No, but I would like to speak to it.

CHAIR—I now invite you to make a short statement in support of your submission.

Prof. Johnson—The trust based its statement on the original material we received. We have subsequently received more material, which has enabled us to enlarge somewhat on the comments we have made but we do not change the substance of those statements. We had seen the subsequent heritage impact statement. We have also seen some additional material, which was provided to us by Woodhead International, the architects. At the time of making the original submission, we did not know that Woodheads were the architects and the additional material has given us some more information, which is useful.

We believe it is important that there should be a proper conservation management plan prepared for the project. We do not believe that the current heritage impact statement is adequate for the purpose. It is a fairly relatively lightweight document done for a particular purpose, and we do not believe that it is adequate in terms of a proper study of what can and cannot be done in relation to changes to the building. We acknowledge that there have been changes in both 1980 and 1992, and that the building differs very much from the original design, which was constructed in 1964.

We would like to enlarge on one aspect of our comments in the letter. In the material we received originally, there did not seem to be any particular mention of the need for adequate conservation or heritage advice. We believe there appeared to be, in our view, a lack of adequate concern for heritage values. We believe this particular building is important in the sense that it is on the list of the city council. It is also within the register of the National Trust's Martin Place conservation area, although not specifically mentioned as an individual building. Its level of importance, we believe, should, in our view, have been acknowledged in the original material that went out.

We have some concern at the abolition of the Commonwealth department of works, which became the Australian Department of Housing and Construction—the department of works was the original designer and builder of the building. We believe there is no longer a body at that

level of government to provide technical advice, and that is a pity. It means that—and it appeared to me in the material we received—there was not adequate consideration being given to heritage values. As there is increased demand in the community generally for greater acknowledgment of heritage values, we are concerned that this is properly acknowledged in all communications. We make the point that, in this case, the information received did not indicate that there was enough concern for that at the level of commissioning.

We believe, as we have said, that there should be a conservation management plan—that is important—that should deal with a lot of the detail which is not evident in the material we have received. In our submission we mentioned the importance of appointing conservation architects and heritage advisers. We understand now that Woodhead have been appointed in that position and we assume that adequate attention has been given to all their credentials in relation to this particular building which is of a particular period and does require knowledge of that period and of heritage values for that period. We expect that that would be dealt with very carefully when considering the qualifications of the appointed firm of conservation architects to conduct the conservation management plan.

We have made a number of minor comments, for example, about the lift motor room and the way in which it might protrude above the roof. We understand that there are now proposals for reducing that height and we hope that will take place. However the project is at a relatively early stage of development and we would like to make sure that that particular matter is dealt with. In terms of changes to facades, we do not believe that there is enough evidence yet to show whether those facades will be dealt with adequately.

One final point: the building itself was, I think, an enlightened building for its period. It gave a great deal of thought to the welfare of the users of the building. It provided such things as squash courts and amenities of those kinds. We are disappointed to see that it is proposed that those amenities—which were important in their period and important as showing an attitude towards the employees of the organisation—should be demolished and be replaced by rented accommodation.

CHAIR—You seem to indicate that you are still not satisfied with the appointment of Woodhead International. You seem uncertain as to whether these architects are qualified to do the work. Is that my understanding of what you said?

Prof. Johnson—I have had some conversations with Woodhead. They have assured me that they have a competent conservation architect who is located in an Adelaide office—

CHAIR—But you still sound very uncertain about that.

Prof. Johnson—I have not seen a detailed list of the experience of the particular architects involved. For an important appointment of this kind I think there should be a properly examined curriculum vitae of the people involved to show exactly what work they have been engaged in of this nature.

CHAIR—And you have not seen that?

Prof. Johnson—No, I have not seen that. I assume that the Reserve Bank will take appropriate measures to ensure that that level of knowledge is available to them.

CHAIR—How long have you been aware that Woodhead were the likely or appointed architects on this project?

Prof. Johnson—On this project, only a fortnight.

CHAIR—So it has not really given you a lot of time to investigate or satisfy yourself that they have the appropriate skills.

Prof. Johnson—No, the material we received from them is within that fortnight—I think about a week.

CHAIR—So you have received material—

Prof. Johnson—Yes, but not material in relation to their experience. I have discussed that with them on the telephone and I have been told of particular buildings which the architects—I mentioned one in Adelaide and one in Sydney—have been involved in but I do not think it is adequate information to make a final judgment on.

CHAIR—Okay. So what you require to make a final judgment is the curriculum vitae of the particular architect who will be—

Prof. Johnson—Of the people who will be engaged in preparing the appropriate material, yes.

CHAIR—Yes. Does the appointment of Woodhead International, as a member of the contract documentation and project supervision team, meet your concerns overall, or do you still need the curriculum?

Prof. Johnson—I have no worry about Woodhead at all in relation to their ability to document, design and carry out the work. It is on the question of conservation that I have some concerns, which may well be allayed if I had adequate information. But I do believe that it is important that the conservation architects engaged are well experienced in conservation and have knowledge of this period.

CHAIR—Thank you very much.

Senator MURPHY—Was the National Trust involved in the 1990-94 refurbishment?

Prof. Johnson—No.

Senator MURPHY—With regard to the Martin Place urban conservation area, which I assume has been entered on the Register of the National Estate—

Prof. Johnson—That is in the Register of the National Estate, yes.

Senator MURPHY—what are the conservation values that it is registered for?

Prof. Johnson—What is the whole area registered for?

Senator MURPHY—I am assuming that is what it is registered for.

Prof. Johnson—No, the register for the conservation area covers the whole area from the George Street end of Martin Place up to Macquarie Street. It includes the banks at the far end, the GPO, and all the banks in between and, of course, the buildings at the top.

Senator MURPHY—Yes, but it would have a list of values, whether it is open space values or certain building values or facade values. There would be a list of conservation values, I assume. In a 1990 report of this committee, the Australian Heritage Commission said:

The proposal was submitted to the Commission by the project manager on behalf of the RBA. The Commission advised that none of the work proposed is likely to adversely affect the qualities for which the Martin Place Urban Conservation Area has been entered on the Register.

The 1990-94 work was fairly extensive work and that is why I was asking you.

Prof. Johnson—A lot of that work was related to the southern side of the building, which does not front particularly onto Martin Place. It also involved a certain amount of internal work. I think that the comment there probably related to the facades of the building, the sculpture in front of the building, the general relationship of it to the open space of Martin Place itself, which at that stage, of course, had been made a pedestrian area. The urban design qualities, I would say, were important there.

Senator MURPHY—Yes, I can only make an assessment of what was done with what is contained in the committee report. As I understand it, it was a fairly extensive facade refurbishment.

Prof. Johnson—It was, yes, indeed.

Senator MURPHY—I am not certain of the extent of the internal work, but I think some reasonably significant work was done. Going to the point you raised about the squash courts and other sporting amenities, it is our information from the bank that they are used to a very limited degree. I accept your point that it was a very good thing for the bank to do at the time but, given the number of staff that it had at the time, do you think that is something they should maintain just because it is—albeit not that historical?

Prof. Johnson—I think it is a question of what one regards as historical. I think the general way in which the bank conducted its business and its relationship with its staff at that time was historically interesting and important. I would have thought that a facility of that kind could well be used, not just by the bank's employees but by other occupants of the building. I would have thought that with some imagination it could be made a highly viable and important component to be used by the occupants of the building generally, not just the bank.

Senator MURPHY—Taking into account that statement with regard to the plans that have been submitted, it is my understanding that the National Trust does not have any difficulty with the majority of what is proposed. You have some concerns in certain areas. Have you sought to visit the bank?

Prof. Johnson—No, we have not visited the bank recently.

Mr MURPHY—I am not sure and I do not know if other committee members are aware of how long the squash courts have been there. It may have been since the 1960s.

Prof. Johnson—They were part of the original proposal, as I understand it.

Mr MURPHY—I am not sure. I think it was part of the 1960s refurbishment. We might get the bank to clarify that.

Prof. Johnson—Yes.

CHAIR—It is part of the original.

Mr LINDSAY—Professor, in your evidence today you said that there was not enough evidence re the change of the facade of the building. I refer you to the photographs over here. Have you seen those?

Prof. Johnson—No, I have not seen those.

Mr LINDSAY—It is the existing facade and the proposed facade. Do you see any difficulty with that?

Prof. Johnson—That is a photograph. When one is concerned with heritage values one is concerned not just with the overall appearance, as seen in a photograph of that kind, but with the particular detail which is used. I would not make a judgment on that. I would certainly want to see what detail was involved—the detail of the windows and the detail of the finishes generally.

Mr LINDSAY—I understand the changes in the windows on one side of the 19th floor—

Prof. Johnson—The point I was making, however, is that a conservation management plan would point out what is or is not appropriate in changes of that kind. The general impression, clearly, is not going to be greatly affected. The detail of what takes place in changes to windows could well be good or could well be bad. I do not have enough evidence in front of me to say one way or the other.

Mr LINDSAY—Do you think the general public, if they looked at that building, would say, ‘That is a modern building. It has no heritage significance at all’?

Prof. Johnson—No, I am sorry, What the general public says now is quite different from what the general public may well say in 20 years time. There are buildings being constructed

today which in 30 years time will certainly be regarded as important heritage buildings. I think that that building is an important building of its time, and I would certainly regard it as a building which should be on a heritage list. The National Trust does not have it on its heritage list at the moment only because we are gradually filling out our heritage lists and bringing them up to date. We do not have many post-war buildings on our heritage list, and we are gradually putting them on. That, in due course, will no doubt be. It is certainly on the list, as we all know, of the city council.

Mr LINDSAY—Thank you. You did not answer the question, but in your answer you brought up something I have been thinking about. It surprised me that you raised the issue of the squash courts. When I saw the bank today I had no concern at all, but in your suggestion that the squash courts be retained, for which you have good reasons—I do not want to be flippant about this because it really does raise what might be happening in the future—are you really suggesting that, in building for the future, you might want to preserve the playgrounds outside McDonald's stores or something? Do you think that is the way we are heading?

Prof. Johnson—No, I do not think so. There are values which have to be taken into account, and those are historical and social values as well as aesthetic and architectural values. In the case of McDonald's, I have serious doubts that they will ever be buildings which will be regarded as of heritage importance.

Mr LINDSAY—Again, the general public might have an opposite view in that regard.

Prof. Johnson—I doubt you are right. If you took a poll, you would probably find the general public would not agree that they had heritage values.

Mr LINDSAY—Thank you for that. Did you hear the evidence of the Reserve Bank this morning about the motor room?

Prof. Johnson—I was told that they are proposing to put the lift motor room on—

Mr LINDSAY—On the 18th floor.

Prof. Johnson—I think that is a—

Mr LINDSAY—It will only be 1.2 metres. Are you satisfied with that solution?

Prof. Johnson—I think that could be appropriate, yes. I doubt whether a protuberance of that kind on top of the building would be seen from appropriate places and I think that is an appropriate thing to do, yes.

Senator MURPHY—What correspondence do you have with the Australian Heritage Commission?

Prof. Johnson—I have been given copies of the Australian Heritage Commission statement only today. I have glanced at it but do you want to—

Senator MURPHY—Would you like to make any comment about their response?

Prof. Johnson—This is not a considered statement, mind you, because I only received this immediately before this meeting. I think that some of their statements are perfectly reasonable. I do not think that it in any way means that there should not be a proper conservation management plan done for the building though.

Senator MURPHY—When you get to deal with projects like this, do you, as a matter of course, seek to discuss the issues with the Heritage Commission or is that not something you do?

Prof. Johnson—We do on some occasions, yes, certainly. They have not taken place on this occasion. But I think it is partly because of the time at which all of this came up, which has been over the Olympics period and there has been a shortage of time to actually consider this properly—in depth, that is.

Senator MURPHY—But it is something you would normally do?

Prof. Johnson—It depends upon the particular project. We do not believe that we should necessarily have the same view as the Heritage Commission. We may well have a different view, and do on a number of occasions—and we believe it is important that we should have a separate public view which is not necessarily the view of a government organisation.

Senator MURPHY—I was just trying to understand the consultation or discussion process for dealing with heritage issues.

Prof. Johnson—We certainly have full access to the Register of the National Estate which we believe is important. In fact we have some fears that the changes which are about to take place to the heritage system may reduce the importance of the Register of the National Estate. That is one of the arguments we currently have in relation to the way in which government is going about making changes to the heritage system.

Senator MURPHY—Right. Thank you.

CHAIR—Thank you, Professor Johnson.

[1.57 p.m.]

WARR, Ms Anne, Area Manager, Heritage, City of Sydney

CHAIR—Welcome. The committee has received a submission from the Sydney City Council dated 16 October 2000 which we will incorporate at the end of the hearing. Do you wish to propose any amendments?

Ms Warr—No.

CHAIR—I now invite you to make a short statement in support of your submission.

Ms Warr—Firstly, I would like to talk a little bit about the heritage significance of the building. As you all know it is listed on schedule 1 of the city council's Heritage Local Environment Plan and that came into effect in April this year. It previously was not listed so it has been newly listed this year. It is one of only four high-rise, post World War II buildings on our list. The other ones are the AMP building, the Wentworth Hotel and Australia Square. So it is the only Commonwealth designed, Commonwealth owned building, high-rise post World War II building on our LEP. The understanding of heritage buildings, international style post World War II is growing. There has not been a great understanding of it previously and that is something that the City Council is very keen on and is working on to further our understanding of that.

The city council, in conjunction with its LEP, has a heritage database, and every building on our LEP has information on that database about the significance of the building. That information has been available to the Reserve Bank and also to the consultants, who have said that they have used that information. That has quite a lot of information about the heritage values of the building. I do not know whether you have actually received a copy of that.

CHAIR—Yes, I have—the *Heritage database: inventory report*.

Ms Warr—That talks about a lot more than just the facade of the building. It talks about cultural and social values, and it talks about the vision of the bank in building a modern building in 1964 when previous bank buildings had been large solid buildings—masonry. It states:

The Reserve Bank is of historical importance for its ability to exemplify a post war cultural shift within the banking industry. This shift led away from an architectural emphasis on strength and stability ... towards a contemporary design that would signal the bank's ability to adapt its policies and techniques to the changing needs of its clientele.

So there was a conscious policy about being international, having a new look, using Australian materials and also designing for its staff. As Professor Johnson was saying, to me that is one of the very interesting things about the building: that it had not only squash courts but also a shooting range, a cafeteria, an auditorium—and there was something else too. So it had a lot of staff amenities. It probably is the only high-rise squash court around, so it probably has a fair amount of rarity to it. To me, these are all very interesting features of the bank that tell us something about the bank and its relationship with its employees and so on. They are all things that are of interest and that I would consider to be quite important.

As Professor Johnson was saying, a conservation management plan should bring these issues out. The bank has said that they are going to commission a conservation plan. However, what I am concerned about is that a conservation plan should be very much part of forward planning of a project, because deciding that the squash court is significant or that the cafeteria should stay in its current location obviously have planning implications. It is no good going ahead along a certain track with the planning if an understanding of the heritage significance of the interiors is not fully understood. I am a little concerned about that because I think those issues do need to be fully understood.

CHAIR—Thank you. Just pursuing that a little, you say in your submission that the database listing for the Reserve Bank building rates the RBA building very highly in terms of heritage value. However, the RBA claims that the heritage database sheet attached to your submission differs from the agreed version between the bank and you in December 1999. Can you explain the discrepancy?

Ms Warr—We did receive information from the bank and from the bank's heritage architects about the listing, and we did modify our listing in accordance with that and gave a copy to the bank. I do not believe we received any further correspondence after that.

CHAIR—They claim that the heritage database sheet, which you talked about in your opening statement, differs from the agreed version between the bank and you. Were you at those early discussions?

Ms Warr—No, I have held the position that I currently have only since the beginning of June this year.

CHAIR—Have you examined the documentation to see whether that is or is not correct?

Ms Warr—I have. I have the city council's full file on this here, and there is documentation that was submitted to the city council outlining a couple of what I consider fairly minor points which we did alter.

CHAIR—Has it changed because personnel were changed?

Ms Warr—No, we did make those changes. The changes that are on our file in the written documentation we did change. We did not, however—

CHAIR—But the bank did not seem to think—originally anyway—this was agreed to.

Ms Warr—Could you summarise some of the things that the bank did not agree to?

CHAIR—It is the heritage database sheet that was attached to your submission. That is, the submission now to this committee for this hearing differs from the agreed version of the database between the bank and yourselves in December 1999, almost a year ago.

Ms Warr—I have read the correspondence on file. I understand that in December 1999 the Reserve Bank wrote to the city council saying there were a couple of, I think, quite small items

that they requested changing. Some of them we did not agree with and some of them we did, which we changed. Subsequent to that, I do not recall—

CHAIR—Have you changed your heritage database sheet since that meeting in December 1999?

Ms Warr—Yes, we have.

CHAIR—Was that due to consultation with the bank?

Ms Warr—That is correct.

CHAIR—You have changed your mind—

Ms Warr—About the significance, no. But we have added things. The basis of the significance has not changed.

CHAIR—The RBA claims that the bank's project manager and the architects met with officers of the council on 31 July this year to discuss the bank's proposed works. The RBA further claims that at that meeting council indicated that the production of a heritage impact statement was sufficient. Were you at that meeting?

Ms Warr—No, but I have been briefed about that meeting.

CHAIR—Do you have minutes of that meeting?

Ms Warr—Yes. I have notes about it.

CHAIR—In the minutes was it suggested to the RBA building works team that they produce a heritage impact statement?

Ms Warr—That is correct. It was discussed and it was agreed by all parties that a heritage impact statement be prepared for this public works committee meeting.

CHAIR—Was that sufficient?

Ms Warr—For the public works committee meeting. But it was acknowledged by all parties that nevertheless, despite that, a conservation management plan would still be needed and required. A heritage impact statement is like a much shortened version of a conservation management plan.

CHAIR—You did not think it was important for that to be done prior to the public works meeting?

Ms Warr—We still advised that it was a good idea. We certainly advised that if it was coming through the DA process for council we would definitely require a conservation management plan.

Mr LINDSAY—In the submission that you made to the committee there were these words:

Although the Commonwealth ownership of the Reserve Bank precludes the necessity for development consent to be sought from local authorities, proposed amendments to the EPBC Act being introduced to the spring session of parliament may change this.

If in fact those amendments were already law, what would your council require for this development?

Ms Warr—This development is on our schedule 1. Apart from being on our schedule 1 it has an asterisk next to it which means that we consider it to be of state significance. That is the highest significance that we can give it. Our LEP also requires that anything with a schedule 1 asterisked we must automatically refer to the Heritage Council. In terms of bodies of approval, as soon as a development application came into the council we would refer it to the Heritage Council. On top of that, for any development application for a schedule 1 star building we would definitely want a conservation management plan as well as a heritage impact statement. We could not assess the proposal unless it had both of those.

Mr LINDSAY—In your submission to the committee you made three recommendations. Have you seen the bank's response to those three recommendations? Are you satisfied with their response? Take your time.

Ms Warr—They said that a conservation management plan will be commissioned. I am very happy about that. Basically all they are saying is that they will have the involvement of a heritage architect, they will prepare a conservation management plan and they will note my comments about the heritage impact statement.

Mr LINDSAY—Are you reading from the bank's response to the committee?

Ms Warr—No, I am reading the bank's response to me of 20 October.

Mr LINDSAY—Okay. Are you satisfied with the bank's response? They have got the conservation management plan, they have got a conservation architect.

Ms Warr—I was a little concerned by the comment this morning when one of the gentlemen said that, yes, they were going to have a conservation management plan but that he did not believe it would result in any major changes to the project. That was of slight concern to me.

Mr LINDSAY—A conservation management plan might not produce any changes to the project—is that right?

Ms Warr—Won't result in any major changes to the project?

Mr LINDSAY—Yes. Would the plan have shown that it did not need any major changes to the project?

Ms Warr—You cannot tell until you do the plan.

Mr LINDSAY—So you are saying that, with that reservation, you are happy with the bank's response?

Ms Warr—I would like to be satisfied that the heritage values of the building are going to be reflected in the new work, the proposed design of the building.

Senator MURPHY—Where does Sydney City Council think they are not?

Ms Warr—There is quite a lot of evidence in the heritage impact statement that a lot of the heritage fabric is to be removed or covered over.

Senator MURPHY—Such as?

Ms Warr—The leather doors, the timber panelling, obviously the squash courts, the residential flat.

Senator MURPHY—Where are the squash courts listed as an item of significance—indeed, as an item of relevance—in the report?

Ms Warr—In which report?

Senator MURPHY—The database.

Mr LINDSAY—The heritage database.

Ms Warr—But the database is not what you would use to ascertain significance. The database is simply a courtesy that the city council provides to its building owners to help them along the way. A lot of our listed buildings do not have anything on the database. It is up to the building owner to do a conservation management plan to determine themselves the heritage values of the building that they own. It is not the city council's job to do that for them. It is our job to highlight that something is of importance, we use our database to give some guidance, but that is why we are insisting upon the detailed conservation management plan. I brought a copy of one that was done for the MLC building, a similar building in North Sydney, a bit earlier. That has detailed tables of existing fabric and so on. It would be far too much work for the city council to do that for every building. We just draw to people's attention, on the database, areas that may require further work.

CHAIR—Is that a public document?

Ms Warr—No.

CHAIR—It cannot be made available in evidence then?

Ms Warr—I would have to ask the authors of the report.

Senator MURPHY—It would give me a bit of cause for concern as an owner of a building if I had a city council that proceeds to have a database that contains a statement of significance,

cultural significance criteria, grading of significance and historical themes and then goes to alterations and preliminary conservation policy and says:

Interior: All remaining intact fabric and significant spaces, such as the ground floor foyer and banking chamber areas, public art, and lift lobby should be retained and conserved. As the general office interiors excluding the lift foyers and the boardrooms have been extensively remodelled and there is little of significance remaining inside the building—

Ms Warr—No, in these areas.

Senator MURPHY—It goes on:

... further alterations could be carried out, provided that any future internal work does not compromise the facades of the building.

Ms Warr—But we have only said the foyers and the boardrooms.

Mr MURPHY—I would get fairly annoyed with a council that wanted to treat everything as a moving feast, with respect.

Ms Warr—No, we have not said—

Senator MURPHY—With the greatest of respect to you, having seen a few councils dealing with National Estate issues and various other things, at some point in time somebody has to pay for these things. You cannot keep treating things as a moving feast. If you are going to have a database that sets out criteria for a building, then you ought to either do the job properly or not do it at all.

Ms Warr—But what we have said is, ‘Subject to a heritage impact assessment.’

Senator MURPHY—The council has a responsibility in these matters.

Ms Warr—I think what we have said is perfectly responsible. I have not said that the squash courts have to stay, what I have said is that it seems like there is something of interest there which needs to be examined.

Senator MURPHY—Of interest to whom?

Ms Warr—It is of interest to the city council.

Senator MURPHY—Well, let the city council pay for it.

What interest is it to the city council?

Ms Warr—Can I just clarify what I have said. I have not said that the city council will insist that the squash courts stay, what I have said is that I would like to see a more in depth analysis of the significance of parts of the building so that an assessment can be made.

CHAIR—Can you give us an indication of the cost of the kind of report you are talking about, the one you have on your desk there? Do you know what it cost to produce those, and how much time it takes to do that?

Ms Warr—You would want a minimum of six weeks. Something like this should have an historian on board, somebody who has a knowledge of post-World War II international style buildings, and who is able to assess the cultural significance of things like the squash courts.

CHAIR—Could you explain for us a little bit more about the council's database? What is the purpose of it? Who has access to it? How is it being developed?

Ms Warr—The database was established by the council because people would often wonder why their building was on a heritage list. The council felt that it had a duty to the ratepayers to provide information about why their building had been assessed as being of significance.

CHAIR—Who can access the database?

Ms Warr—The database is accessible to the public at the city council's library on level 3 of Town Hall House.

CHAIR—How is it compiled?

Ms Warr—We have had a series of rolling consultancies over a number of years where we have put out a tender and experts respond to that tender. They then update 30 or 40 of the sheets at a time. We have recently just finished one of those tenders and 30 sheets have been updated. That was a team consisting of Professor Ian Jack, an historian; Peter Phillips, an architect; and Jyoti Somerville, an architect.

CHAIR—Have you got figures on how many people access that over, say, a year? How long has it been in operation?

Ms Warr—The database has been in operation since about 1994.

CHAIR—Have you got a record of use of the database?

Ms Warr—I am not sure.

CHAIR—Of access?

Ms Warr—I do not know.

CHAIR—Is it possible to produce that for the committee?

Ms Warr—I do not know, I would have to find out.

CHAIR—What legal status does the database have?

Ms Warr—None.

CHAIR—It has no legal basis at all, therefore no legal implications for organisations whose buildings are listed on your database?

Ms Warr—No.

Senator MURPHY—What discussion does Sydney City Council have with the Australian Heritage Commission in respect to these matters and the buildings that you have on your database? With regard to your database, can you provide to this committee what discussions and communication the council has had with the Australian Heritage Commission with regard to your statement of significance, what information you have sought, and what discussions you have had with regard to the preservation or conservation of these buildings, externally and internally?

Ms Warr—I cannot answer that.

Senator MURPHY—You can take it on notice. We would appreciate your providing the committee with a response to that question.

CHAIR—Further to that—if it is not within your scope, then you can say so—it would be interesting for the committee to be advised of just how many of these organisations a building owner must go through before they can change or develop their property. There is your database, there is the Heritage Commission and then there is the Register of the National Estate. How many others are there?

Ms Warr—The Register of the National Estate has no legal binding for other than Commonwealth owned properties.

CHAIR—And your database has no legal binding?

Ms Warr—No, our database does not. But we have an LEP, a local environment plan, which definitely does. That is simply a list of buildings with a map.

CHAIR—Perhaps this will come out when you provide the answer to the question Senator Murphy asked about the relationship between the council and some of these organisations.

Ms Warr—For other than Commonwealth properties, the approval authority is only the city council. If it is of state significance, that includes the heritage council or it can be the heritage council—that is all. We do not legislatively have dealings with the Heritage Commission because our properties are not covered by Commonwealth legislation. It is only Commonwealth properties that do not have to go through our DA process; they deal with the Heritage Commission. We do not have to deal with the Heritage Commission other than on a colleague-to-colleague basis.

Senator MURPHY—My question really went to the process for a person, either an owner or a developer, dealing with conservation values, which I totally support. So that the process is

easier to follow, if the council has a statement of significance or a database under its LEP, then it ought to say, 'Here are the guidelines.' If it is in respect of squash courts and they come from a time where you say these things should be preserved, that ought to be set out. We ought to be able to establish a single set of conservation values that people can go to the council and get and make a determination with. Or they could get a study done to ensure that they comply with those values. It seems to me that we have got a somewhat long-winded process.

My asking you about the Heritage Commission is about how you determine the values with both the National Trust and the Heritage Commission. I accept your point that the Heritage Commission has application in effect to Commonwealth properties.

Ms Warr—We are trying to make our processes as clear as possible. On the Net and at the council we have information on preparing conservation management plans and statements of heritage impact. We encourage dialogue with all our building owners beforehand so that we can give back written advice on things. We need to see plans and documentation before we give back advice. We try to be as clear about that as possible.

Mr MURPHY—Where I am having difficulty with your position is that you say you want a conservation management plan, you raise the issue about the squash courts, yet if I were to read your database information, it would say to me that you are doing work internally providing you maintain the artwork, et cetera, and those few things that are set down, as was the case—I assume—from the council from 1993 to 1994 that that internal refurbishment work could proceed.

Ms Warr—No, we said that it could proceed, subject to a heritage impact statement.

Senator MURPHY—In 1994?

Ms Warr—That is the current one too. We said, 'Those things can proceed, subject to a heritage impact statement.'

Senator MURPHY—Done by whom?

Ms Warr—The applicant.

Senator MURPHY—Which they are doing, aren't they?

Ms Warr—We have not seen a full heritage impact statement as yet.

CHAIR—Is the Reserve Bank legally bound to produce a heritage impact statement or a conservation plan or both?

Ms Warr—Not at the moment, no.

CHAIR—They are not legally bound?

Ms Warr—No. The Commonwealth does not have to put a development application into the council—hence my letter which said that changes are happening. Nevertheless, as part of the changes—I think I mentioned this in the letter—the Commonwealth wishes to have conservation management plans for its properties.

CHAIR—Can you tell us whether there is any link between the LEP and the database?

Ms Warr—No.

Senator MURPHY—That is what I have a worry about. You say, ‘You get a heritage impact statement done and we will be happy,’ without saying why you think a heritage impact statement should be done. Why would you encumber people with an additional cost unless you had a particular concern with the proposal? If you have particular matters that you wish to raise, I could understand the council saying, ‘We are concerned about this, that and the other and, as a result of our concerns, we would like you to do a heritage impact statement to see whether or not, very clearly and specifically, what you are proposing to do will alleviate the concerns we have.’ That, to me, is a logical process. But at the moment I am having difficulty with the logic that the council is putting up.

Ms Warr—First of all, the council simply does a list of buildings, and that is on our LEP. It is nothing more than a list, and the Reserve Bank is on that list. That has legal standing, but it is just a list. To assist building owners, the council provides additional information on its database. It also says to building owners, ‘We think that, if you have a building that we perceive has heritage value, it is good for your own management processes for you to have a management plan and eventually do a heritage impact statement.’ However, on our heritage LEP we have something like 440 properties. Council officers obviously cannot know every detail of a building—it is impossible for us to visit every building—just as we cannot know whether every building is up to fire, structural or airconditioning standards. That is the building owner’s responsibility. What we are flagging to a building owner is that we believe this has value and that they have the responsibility to work out the heritage values, just as they would get a BCA inspection or a structural engineer or a lift mechanic. It is not up to the council to tell them whether their lifts or their airconditioning systems are working. We do not have time to go and visit every floor of every building that is on our heritage LEP.

I am not saying that the squash court has to stay. I am just flagging that as something that looks interesting. I do not know any other multistorey buildings that have squash courts. It seems to say something about the Reserve Bank. I personally think it is interesting, but I am employed by the council to do other things. It is the building owner’s responsibility to work out those heritage values, just as they would the heat load, the energy, the environmental sustainability or whatever.

Senator MURPHY—How do you put your database together then?

Ms Warr—As I said, that is a consultancy that went out to three experts. The last time we had the database done we picked 30 buildings that we thought needed to be updated. All of those buildings were visited by the team of experts. They would have spent half a day visiting the building and being taken around by the building owner. They did research and they put together the database.

Senator MURPHY—Given that you pay for that consultancy, why wouldn't you want them to at least have some understanding? When I read the database on the RBA building, you seem to set out the significant values or the significant areas or parts that would be of cultural significance. Why weren't things like squash courts on that list?

Ms Warr—They probably did not visit them; I do not know. As I said, it is not up to our consultants, it is quite likely that they could have missed them. I do not know. I am just saying that I think the squash court needs to be addressed. If I was doing a statement of heritage impact I would address the fact that there was a squash court there originally and now it is going. That would need to be addressed.

Senator MURPHY—But that is in the development plan. I am not trying to be difficult because I do accept that, depending on the nature of the building, you would not want to make internal changes because that would actually impact on the values of the building because of its very nature. It would be like this Parliament House, for instance. But when you have a statement which is on a building that was built in the 1960s and has been extensively remodelled in the 1980s and the 1990s, and that is acknowledged in your database, I then have a difficulty when you are say that every time you want to do something or move something you have to have a heritage impact statement.

Ms Warr—We even require that for signage on a historic building.

Senator MURPHY—Yes, I can understand that because that is an external matter.

Ms Warr—Our LEP reads that any changes other than maintenance to the interior or exterior of a building requires a development application with a statement of heritage impact. We require that for all our buildings on schedule 1 of our LEP.

Senator MURPHY—That is an interesting process.

Ms Warr—It is not an inefficient process.

Senator MURPHY—Yes. We might have to agree to disagree on that particular point. Thank you.

CHAIR—In other cases the committee has dealt with, and one in particular, written and photographic evidence or record of the amenity and facility of the building has been an acceptable way through this problem. Would that be an acceptable option for the council?

Ms Warr—It could be.

CHAIR—Thank you.

[2.34 p.m.]

AUSTIN, Mr Les, Assistant Governor, Corporate Services, Reserve Bank of Australia

MAYES, Mr Richard, Head of Facilities Management Department, Reserve Bank of Australia

STENT, Mr Adam, Senior Project Manager, Incoll Management Pty Ltd

CHAIR—Welcome, again. I have to remind you all that you are still under oath, of course. We will probably ask you for a general response to the submission by the Sydney City Council, but before we do that Mr Lindsay has some additional questions from when we adjourned before lunch.

Mr LINDSAY—This is straightforward. For the record, can you indicate the extent to which the refurbishment work from the previous project can be salvaged on the floors currently occupied by the bank, and reused?

Mr Austin—We are going to reuse everything of a fitting nature that we possibly can. Some of the work in the previous refurbishment is ongoing in the sense that asbestos had been removed, and the facade has been overclad. That is ongoing and cannot be reused, or reusing it is not relevant. Does that answer your question?

CHAIR—I think you answered it earlier in response to a question. That is in regard to the reuse of fittings? I think Mr Austin answered that earlier in response to a question from me.

Senator MURPHY—Can you reuse the doors?

Mr Austin—We will if we have a place to put them.

Mr Mayes—The answer to that is that wherever possible we will be seeking to reuse the leather doors. There are some leather doors in areas which will be going, but we will be creating spaces in other parts of the building where we will need doors, obviously, and that will give us an opportunity of reusing as much as we can those items of value.

Mr LINDSAY—Where is the commercial rent that you are going to receive applied when you receive it?

Mr Austin—Where is it applied?

Mr LINDSAY—Where does it go? Does it go back to the Commonwealth or back to the bank?

Mr Austin—It goes into the bank's revenue and the bank's profits are paid to the Commonwealth government after any amounts that the Treasurer might agree are paid into the bank's reserves.

Senator MURPHY—It might be you that pays for the budget surplus, I suppose.

Mr LINDSAY—The Reserve Bank likes a government that has a budget surplus.

Senator MURPHY—Give it back to the taxpayers.

Mr LINDSAY—Interest rates will go up.

Senator MURPHY—Did *Hansard* get that?

Mr LINDSAY—Your submission does not indicate that any provisions have been made for car parking spaces. Are you proposing any car parking arrangements for your tenants?

Mr Austin—No, we are not. I guess the bank is fortunate in the respect that we are fairly close to the Domain parking station and other parking stations which we would look for tenants to use, but we do not have space in the building for substantial amounts of car parking. Vehicles come into basement 1, but we need that space for armoured vehicles that bring in cash. There is a loading dock there for delivery vehicles and so on. There are a handful of spaces which are used to park senior officers' cars. The governor and deputy governor can park in the basement but, other than that, there is just no room for car parking and we do not propose to do works to provide any additional. We did consider that, I should say, but it was not practical. The costs were too high and we needed the space for those other purposes.

Mr LINDSAY—Is my understanding correct that there is a railway station close by for staff to come to work?

Mr Austin—That is right. There is an exit from the Martin Place railway station, which comes out just in front of the bank.

Mr LINDSAY—On the south side of the building, there is a fair bit of air space above. There is no proposal to develop that?

Mr Austin—No, not at this stage.

CHAIR—Would you like then to give us a brief response to the submission made by the Sydney City Council?

Mr Austin—I would like to just say a few words from my perspective and my colleague might like to say something as well. What I would like to say is that the bank has a certain pride in its building. It is very conscious of its history and of the heritage significance of the building. In proposing the works that we are proposing, we have been conscious of that but we think we need to balance those considerations. Heritage is not the only issue that we have to confront. We believe that we have an obligation to manage our asset in a way that recognises what the interests of the taxpayers are as well. We need to reuse and use properly the space which is currently vacant.

In relation to the squash courts, for example, we have done just a bit of back of the envelope figuring which suggests to us that the annual rental value for that space which is occupied by the squash courts would be about \$420,000 per annum—clearly, quite a bit more than \$1,000 a day. We do not think we could responsibly say that they should be kept as they are for heritage purposes when they are substantially under used for their original purpose which is obviously the playing of squash. We have to strike a balance. I think in one part of the council's submission there was even a reference to a suggestion that often with a bit of thought you can achieve a reasonable amount down both roads— maintaining the essential heritage characteristics of the building and doing sensible things as far as managing the building is concerned— and that is what we have tried to do.

As we mentioned to you during the walk around this morning, we have not proposed any new openings on the east side of the building because of the possible impact on that facade. As for the proposals that we have made impacting on the outside of the building—the windows—we think that those photographs over there would demonstrate that they will not have a significant impact for most people on the outside appearance of the building. It has certainly been our understanding that the most important heritage aspects of the building are the outside appearance, and the banking chamber, the foyers and artwork which essentially are outside the building.

We did agree that we would prepare a conservation management plan as the council recommended that to us and the National Trust thought that was a good idea as well. We also had the new information that we did not know before that there may be new legislation that would put us in a position where we would be required to do that anyway. Given those two things, we thought that if we had to do one anyway at some point certainly we would be prepared to do one as part of this project even though I understand that it could cost us \$15,000 to \$20,000 to do it.

I would stand by my earlier statement which was that I do not think we would expect to see any significant change to the project as a result of that work. I cannot imagine that we would see a recommendation that the squash courts be retained, for example. One of the reasons I am confident about that is that we have already had a certain amount of work done by heritage experts on this. In 1998 we asked Robert Staas of the firm Noel Bell Ridley Smith to prepare an assessment for us. He is a heritage architect and he prepared a report for us. That was in the context of the building being originally listed by the council on its schedule 1. We have that information.

Secondly, in relation to the current project, we asked Woodheads to prepare a heritage impact statement and we have been guided by that in what we have done so far. Thirdly, as part of the consultation process for this hearing, we have received a letter from the Australian Heritage Commission which supports our proposal. I think they sent you a letter, but they have also sent us a slightly more detailed letter which mentions certain parts of the project specifically and specifically says that they have no objection to this, to this and to this. So given all that background, I could not contemplate that a further study could produce a significantly different answer. We had not done this before, I should say, because we had sent our representatives to speak to the council and the report we got back from that meeting gave us an understanding that a conservation management plan was not required at this point but that the heritage impact statement would suffice, and we have prepared that.

I think, as the council representative agreed, we are not legally obliged to do these things but we want to try—I do not want to sound too goody-goody about this—to be good corporate citizens and go through processes and respect the role of council and try to meet their requirements in so far as we can while we balance that against what we see to be our broad obligations. That is my general reaction to the evidence that we have heard.

CHAIR—Have you documented, photographically and in writing, the amenity and facility of the building which the council have indicated might be of interest, such as the squash court and the shooting gallery?

Mr Austin—The bank has some fairly extensive records about most things. Maybe this conservation management plan might help us to fill in the gaps.

CHAIR—You would be prepared to do that so that there is a comprehensive record of the amenity and facility that was part of the original building?

Mr Austin—Yes, we are prepared to do that.

CHAIR—Thank you.

Mr Mayes—These are really only questions of detail. There was a comment made earlier on by the representative from the National Trust that—I think this is correct—the Trust was not aware of the 1990s work. That is not the case. I have copies of correspondence both from the bank and back from the National Trust at that time which—

CHAIR—Could we have copies of that?

Mr Mayes—Yes. This shows that the National Trust was aware of it. These items of correspondence are fairly summary but, in view of the time, we have not had an opportunity to thoroughly search our files. I am sure there will be more correspondence on that other than what we have provided. That is a point I want to make plain.

There is another point that I want to clarify about the listing of this building. It is listed, as far as we are aware, on the LEP of the council but it is not on the state list. Again, this is that issue of many lists. In respect of the Commonwealth, we are only listed as part of the Martin Place precinct, and that is essentially in respect of the overall form of the building as it relates to the composition of the Place. The only other listing is in respect of the City of Sydney's LEP, which legally has no binding upon the bank.

The only other point I want to clarify is that there is still a difference in terms of the database which council are continuing to use and the database sheet that we had agreed with them. The main point of departure here is a reference to the flats. We have a copy—and we copied this to the committee—of a fax from council, attached to which was the agreed database. That is, in fact, different from the one I think council is using at this moment. As I indicated, the major difference is this reference to flats. They are the only comments I would like to make.

CHAIR—Thank you. I propose that the committee take the letters provided by Mr Mayes as exhibits. There being no objection, it is so ordered. As there are no further questions, it is

proposed that all of the submissions received by the committee and the Reserve Bank of Australia's responses to them be incorporated in the transcript of evidence. There being no objection, it is so ordered.

The submissions and responses read as follows—

CHAIR—Before closing, I would like to take this opportunity on behalf of the committee to thank everyone who has appeared here today and to thank the Reserve Bank for giving us a very good and comprehensive look at the bank building this morning and for the overview there. I also thank my committee members and the secretariat, and *Hansard* for recording and transcribing the proceedings today.

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

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 public hearing this day.

Committee adjourned at 2.49 p.m.