



COMMONWEALTH OF AUSTRALIA

# Proof Committee Hansard

JOINT COMMITTEE ON PUBLIC WORKS

**Reference: Redevelopment of the Australian Institute of Sport, Bruce, Australian  
Capital Territory**

THURSDAY, 26 JUNE 2003

CANBERRA

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## **JOINT COMMITTEE ON PUBLIC WORKS**

**Thursday, 26 June 2003**

**Members:** Mrs Moylan (*Chair*), Mr Brendan O'Connor (*Deputy Chair*), Senators Colbeck, Ferguson and Forshaw and Mr Jenkins, Mr Lindsay, Mr Lloyd and Mr Ripoll

**Senators and members in attendance:** Senators Colbeck, Ferguson and Forshaw and Mr Lloyd, Mrs Moylan and Mr Brendan O'Connor

**Terms of reference for the inquiry:**

To inquire into and report on:

Redevelopment of the Australian Institute of Sport, Bruce, Australian Capital Territory.

**WITNESSES**

**BROUGHTON, Ms Natalie, Senior Town Planner, National Capital Authority .....12**

**COLE, Mr Mervyn Francis, Principal Project Manager and Service Group Manager (Project Management), GHD Pty Ltd .....1, 16**

**FORDHAM, Ms Lois Ann, General Manager and Chief Finance Officer, Business Operations Group, Australian Sports Commission.....1, 16**

**HUDA, Mr Shamsul , Principal Planner, National Capital Authority .....12**

**McGRATH, Mr Alan Leslie, Manager, Assets and Property, Business Operations Group, Australian Sports Commission .....1, 16**

**MOLLISON, Mr Peter Noel, Project Director, Major Capital Works, Business Operations Group, Australian Sports Commission.....1, 16**

**SCOTT, Mr Michael Rodney, Director, Australian Institute of Sport.....1, 16**

**Committee met at 9.00 a.m.**

**COLE, Mr Mervyn Francis, Principal Project Manager and Service Group Manager (Project Management), GHD Pty Ltd**

**FORDHAM, Ms Lois Ann, General Manager and Chief Finance Officer, Business Operations Group, Australian Sports Commission**

**McGRATH, Mr Alan Leslie, Manager, Assets and Property, Business Operations Group, Australian Sports Commission**

**MOLLISON, Mr Peter Noel, Project Director, Major Capital Works, Business Operations Group, Australian Sports Commission**

**SCOTT, Mr Michael Rodney, Director, Australian Institute of Sport**

**CHAIR**—I declare open this public hearing into the redevelopment of the Australian Institute of Sport at Bruce in the Australian Capital Territory. This project was referred to the public works committee on 25 March 2003 for consideration and report to the parliament in accordance with section 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 a revenue-producing character, the amount of revenue that it may reasonably be expected to produce; and
  - (e) the present and prospective public value of the work.

Last Friday morning the committee received a briefing from the Australian Sports Commission and we inspected the site of the proposed work. Today we will hear evidence from the Australian Sports Commission and the National Capital Authority. I welcome representatives of the Australian Sports Commission. The committee has received a submission and several supplementary submissions from the commission. These submissions will be made available in a volume of submissions for the inquiry and they are also available on the committee's web site. Does the commission wish to propose any amendments to any of the submissions it has made to the committee thus far?

**Ms Fordham**—No.

**CHAIR**—I invite Ms Fordham to make a brief opening statement and then we will proceed to questions.

**Ms Fordham**—The Australian Sports Commission advocates the redevelopment of the AIS complex at Bruce in the Australian Capital Territory. The Australian Sports Commission is a Commonwealth statutory authority charged with the development of Australian sport. Its role is to deliver excellence in sports performance and to secure an effective national quality sports system for all Australians. The Bruce complex is the home of the Australian Institute of Sport, which supports and develops elite athletes through its sports science and medicine services, its sports management services and its implementation of sporting requirements for success. In addition, the sports performance and development group situated at Bruce provides a full range of advisory and support services to assist national sporting organisations and other key stakeholders to enhance participation in quality sport activities and to improve sustainable international success.

The third division located at Bruce is the Business Operations Group, which provides corporate infrastructure in areas such as finance, human resources, information technology and facilities management. The Business Operations Group effectively integrates the Australian Sports Commission's complex operations. We also provide general services to sports, such as enhancing a national sports information network and managing marketing, public relations and the growing commercial operations of the Australian Sports Commission. The Bruce complex is key to the successful delivery of these outcomes and will remain as the principal national training centre for sport.

The redevelopment of the AIS campus at Bruce is intended to provide facilities and infrastructure services in support of the Australian Sports Commission's primary service delivery agencies, the Australian Institute of Sport and Sport Performance and Development. Many of the facilities on the campus are functionally insufficient, do not satisfy current living and working accommodation standards and do not provide the competitive edge required by coaches and scientists to maximise the potential of Australia's elite athletes. Many of the facilities and engineering services require replacement or substantial upgrading. The redevelopment proposal has focused on providing athlete residences for the AIS and national sporting program camps. In addition, state-of-the-art training facilities are to be provided, along with facilities to enhance the delivery of support services for coaches and athletes using the complex as well as facilities to support the delivery of national sporting initiatives.

The principal components of the project are athlete residences and associated facilities, an AIS services hub, an aquatic testing and training facility, improvements to a number of the existing training facilities, a sports development and education centre and an upgrade of site wide engineering and technology services. The capped budget for this project is \$65.4 million. This includes construction costs, professional design and management fees and charges, furniture, fittings and equipment, together with appropriate allowances for contingency and escalation. It does not include any goods and services tax liability. At this stage the Australian Sports Commission is confident that the full scope of works can be delivered within this budget.

Subject to parliamentary approval, the works are planned to be committed in late 2003, with construction commencing by mid-2004. Project completion is planned for mid-2007. Over the envisaged construction period of about three years, an average of 100 personnel will be directly employed on construction activities. In addition, it is anticipated that construction will generate further job opportunities off-site in the fabrication, manufacture and distribution of materials.

The proposed new facilities will enhance the commission's overall effectiveness by improving the ability to train and develop the nation's elite athletes, safeguard their welfare and operate successfully as the national centre for excellence in sports development and performance. They will also overcome shortcomings in occupational health and safety. The project has no significant environmental impact and is unlikely to have any significant effect on any potential heritage values of the AIS complex. Commonwealth and Australian Capital Territory government representatives and instrumentalities have been consulted during the preparation of this report.

**CHAIR**—In terms of the master plan, what consultation has been undertaken to date with the NCA and PALM and what are the changes to the master plan that will need to be incorporated into a revised DCP?

**Mr McGrath**—You have in front of you a copy of the existing so-called 1992 master plan along with the revision, which we are calling at the moment the 2003 master plan. The 1992 master plan was a look at what future development options we had for approximately a 20- to 30-year period. The master plan is just that. I should explain briefly the master plan theory. It is to nominate locations for future facilities. It does not usually address specific buildings, but it indicates where we might be able to plan facilities in the future. The 2003 master plan is our current thinking on what we might do with the site in terms of future development. It specifically addresses all elements of this project as well. We have consulted with the ACT government planning body, Planning and Land Management—in fact, I think they are about to change their name. But we have consulted with them with regard to the 2003 master plan, as we call it, and we have consulted with the National Capital Authority as well.

In broad terms, the key elements of the 2003 master plan are the closure of Leverrier Crescent as a through north-south route on our site and the opening of Braybrook Street as the main connector between Battye Street and Ginninderra Drive. Both planning organisations are in agreement with that. From the ACT's perspective, the master plan is in accordance with the broad planning objectives for that area or precinct. I am speaking broadly now about the Bruce precinct. From the National Capital Authority's perspective, as I understand it, they believe that what we are intending to do with the 2003 master plan is in keeping with their general objectives for the site as well.

**CHAIR**—So you do not envisage any difficulties around the planning process or any potential delays?

**Mr McGrath**—No. We believe that we can resolve the outstanding issues of getting all the necessary approvals for the 2003 master plan in six months. That will be, in broad terms, in keeping with our general schedule for the project. You mentioned the development control plan before, and we have talked to the National Capital Authority specifically about that. The development control plan is a fairly precise document which addresses things like building extensions and sites for new facilities. It talks about building forms, landscape forms and those sorts of more precise details which you do not see in the master plan. It is a more precise document. We have briefed the National Capital Authority on the potential changes we might have to make to the development control plan, and our understanding is that they are comfortable that what we are proposing to do is generally in keeping with the existing one and, therefore, changes will be relatively minor.

**Senator FERGUSON**—Was there a problem with the road at one time?

**Mr McGrath**—You are speaking about the Gungahlin Drive extension. I might have to refer to the overhead, if you do not mind. Can I do that?

**CHAIR**—Sure.

**Senator FERGUSON**—But obviously it has been resolved.

**Mr McGrath**—Yes.

**Senator FERGUSON**—To your satisfaction?

**Mr McGrath**—It has not been totally resolved.

**Senator FERGUSON**—That is what I was worried about.

**CHAIR**—I asked the question because I wondered whether these unresolved issues may in fact create some delays on the project.

**Senator FERGUSON**—I seem to remember questions from you in estimates about this road and—

**CHAIR**—That is correct.

**Senator FERGUSON**—the government and the ACT government could not agree on what we wanted.

**Mr McGrath**—You have a map in front of you. As you look at this master plan, you can see that there were two alignments for Gungahlin Drive. The first one was to the west—straight through there—and, as I mentioned earlier, it is about 120 metres from our residences and various existing sports facilities. Obviously one of the problems we had with that, aside from the obvious impacts of noise and air pollution issues on the residents and training facilities, was that we only have one direction for future expansion—and that was where the road was. The eastern alignment, as it is called, is basically around the back of our soccer fields, and it curves around this way.

**Senator FERGUSON**—Has the ACT government agreed to that now?

**Ms Fordham**—Yes. From our perspective, the decision has been made, so we can go ahead with our planning.

**Mr McGrath**—I can be a bit more precise about that. On 29 May this year, the ACT government delivered their preferred alignment to the ACT Assembly. Their preferred alignment is in fact the eastern alignment. They made that decision at government level back in January. Since January this year, they have been working towards refining their design so that the eastern alignment will be the one that they are trying to develop now. They will be moving forward in terms of design in the next six months, as I understand it.



**Senator FERGUSON**—Why on earth did they propose that alignment in the first place—cost savings or what?

**Mr McGrath**—My understanding was that there were some objections from local residents and other groups about going the other way.

**Senator FERGUSON**—It has a long history. I did not know what the arguments were, that was all.

**Mr McGrath**—It has a long history. The debate goes right back to the late 1980s. So, at the moment, the alignment that the ACT government is proceeding with is the eastern alignment. We are working with the ACT government to try to resolve all of the issues which are obviously going to impact on us: where that road is, where the access points are, and those sorts of things. For example, we are working with the ACT government on the revisions to the road network, including the connection of Braybrooke Street through from Battye Street to Ginninderra Drive. I will just remind you that Braybrooke Street is this street here on this map—it only half exists at the moment, but it will connect Battye Street to Ginninderra Drive. That will be the path which Gungahlin Drive traffic, particularly for major events at Canberra Stadium, will use to access the rear car parks and main car parks across there.

**Senator FERGUSON**—So have they accepted those proposals yet?

**Mr McGrath**—Yes, they have.

**Senator FERGUSON**—For Braybrooke Street?

**Mr McGrath**—Let me say, in principle they have, because there is still some work to go yet. But in principle they accept that Braybrooke Street, when open, will be the main connector between Battye Street and Ginninderra Drive.

**Senator FERGUSON**—They have accepted in principle; it might be another 10 years before you get approval to do anything.

**Mr McGrath**—In my view, they will have to build Braybrooke Street earlier rather than later, because the traffic coming off Ginninderra Drive to go to a major event at the Canberra Stadium, let us say to a Brumbies game, will need to access the side and they will not have any other way of doing it.

**CHAIR**—Are there likely to be any public concerns about this that may delay the final approval of these?

**Mr McGrath**—As I understand it, the public consultation process which started—to my knowledge—in 1996 has been ongoing through to last year. The ACT government has now released its final report and my understanding is that the public consultation process has finished.

**CHAIR**—It has finished?

**Mr McGrath**—As I understand it.

**CHAIR**—Are the issues resolved?

**Mr McGrath**—I think there are still people who are opposing the road, so I would not say that the issues are resolved, but certainly the ACT government is moving forward with the eastern alignment.

**Mr Cole**—Could I just add a point to the record? My understanding is that the ACT government has invited tenders for the design of roadworks on that alignment.

**Mr BRENDAN O'CONNOR**—I would like to ask a couple of broad questions. Firstly, we were given some history of the way in which funding has developed in the last 30 years. Is there almost an equation now between how much money the government spends and how much we are expected to gain? In other words, is it getting to the point where medals are factored in, in terms of expenditure? When you are after money for a project, is there an expectation that you can draw some quantifiable nexus between the money and the outcome?

**Ms Fordham**—I do not think so, but it has to be one of our performance criteria, obviously—the number of medals. There are lots of other performance criteria as well, but that is one of them.

**Mr BRENDAN O'CONNOR**—It is a benchmark of sorts.

**Ms Fordham**—It is certainly a big one for Michael Scott.

**Mr BRENDAN O'CONNOR**—I know these are broad questions. The other was: how much money do we spend per athlete that goes into the games, compared with, say, the United Kingdom or the United States?

**Ms Fordham**—Or Canada.

**Mr BRENDAN O'CONNOR**—Canada would be a comparable country.

**Mr Scott**—There are many parties that contribute to sending our athletes to major events such as the Olympic Games. The AIS role is to provide a world-class daily training environment. The Australian Sports Commission funds national teams to go to world championships and the Australian Olympic Committee actually sends the Olympic team. So there is a variety of different funding sources and the role of the commission and the AIS is not only to prepare the current athletes for Athens, but also we have athletes in training for Beijing now, who will not be ready for Athens. We do not work on a funding formula of how much it takes us to get a medal; we work on a four-year business plan for each sport, which looks at medium-term outcomes within that four-year cycle. For example, in the next four-year cycle the Melbourne Commonwealth Games and the Beijing Olympics are two key benchmark events. It is a continual four-year cycle that we work on. Obviously our targets are always, as Ms Fordham has said, that we are measured on the success of our athletes. Those two events are key indicators of the standard of our athletes in international competition: how many athletes make it through to semifinals or finals—but, ultimately, that is medals.

**Mr BRENDAN O'CONNOR**—Clearly, if we did not achieve excellence in the Olympics there would be a problem. If there was a significant drop in performance, that would be a concern to the government and therefore, I imagine, to you.

**Mr Scott**—Our key performance indicators are very cut and dried. You either win or you lose; you either get a medal or you do not. There is not much ambiguity in it. It is also beyond Olympic sports. Australia is successful in a range of non-Olympic sports, such as netball and rugby union. Australia is probably successful across the board in a broader range of sports.

**Mr BRENDAN O'CONNOR**—I was just trying to get a feel for it. I know that there are different funding bodies that make up the expenditure for our athletes. How much money do we spend compared to a country like Canada? The popular view is that everyone loves sport. The other view is that we seem to spend an inordinate amount of money on our athletes. Is it fair to say that we spend more than other countries that have similar economies, or do we spend less?

**Mr Scott**—I do not have precise figures with me but my understanding is that we do spend an amount comparable to what Canada spends. When we compare ourselves with the United Kingdom, although they have a much larger population than we do, we compete with them on an even scale. However, they have significantly greater funds because they are funded through a sports lottery system as well as through government appropriation. I understand that the key thing in terms of sport is that there are two components to sport. There is sport development—which is critical to having a strong sport system, in terms of developing children's participation and making sure there are officials and referees—and there is the elite side. You really cannot compare the elite side on a per capita basis because you have, for example, 16 players in a hockey team. It does not matter which country you are from, there are 16 people. The per capita equation in high-performance, or elite, sport is not as relevant. But it is relevant in the participation, or development, side of sport, where you are trying to encourage participation for the individual's own motives. They may be pure enjoyment, social factors or physical activity factors.

**CHAIR**—I just had one other question. In your submission, it states further that:

The proposed contingency allowance takes account of the risk associated with latent conditions expected with the refurbishment element within the project.

I just wondered what these latent conditions may be and what magnitude of additional costs are they likely to incur.

**Mr Mollison**—I think that with any refurbishment project, when you take the lining off a wall you are not sure what is going to be behind it. I guess the only thing in our favour is that a lot of these buildings are only 20 to 25 years old. You are not going back to something which was built 40 years ago, when you had a whole range of different work practices, so you are not sure what you are going to find. There is always a risk that something was not done properly up-front and that when you take it off you will need to upgrade it to the current scales, standards and codes. Until you actually get into the refurbishment, you are not sure to a high degree what you are going to find. So you always make some allowance for a refurbishment job. I cannot tell you offhand what that number is but certainly we do put a factor in there.

**CHAIR**—You have built in a contingency for that?

**Mr Mollison**—Yes.

**Mr Cole**—Latent conditions are things like the foundation conditions. Given the distribution of existing buildings across the site, there is a fair bit known about the general foundation conditions, although no detailed investigations have been done to date.

**Mr McGrath**—We actually are in a fairly good position, in that we have the constructed drawings for every building on the site. So in terms of surprises, we think the risks are pretty low.

**Senator COLBECK**—I was going to ask the same question. The level of the contingency is a bit of a mitigating factor I suppose in terms of the latent conditions—despite having drawings. I have been there and done that and had the surprises, I have to tell you. We talked before about the escalation which you have allowed and you have made a response to that but I think this does have an impact on that too. You are on a fixed budget, so I suppose that is your problem at the end of the day.

**CHAIR**—I was just going to extend the point that we have seen reports about the competitiveness in the building sector in Canberra at the moment due to a number of factors. Certainly other agencies have indicated that it is pretty tough at the moment, both in terms of getting builders and the cost of construction. Do you envisage any difficulties with that? Do you think that those conditions might have eased by the time you commence construction?

**Mr Mollison**—There are two parts to my response: firstly, David Dawes said, in last week's *Canberra Times*, that there is no big surge in the building industry at the moment but that the industry is basically relying on throughput so the increase that is likely to flow from the damages caused in January certainly has not eventuated yet. The local leaders of the industry are saying they can handle it. Secondly, as to the prices, I guess we will find out when we actually go to tender. That will tell us exactly where we sit. I am not expecting huge increases in those things.

**CHAIR**—Are you are going to tender nationally? Will it be open to—

**Mr Mollison**—It will be open, but I think the ACT construction industry is well equipped to handle the sort of workload we are proposing. We have only allowed a small allowance of about \$3 million in the first 12 months, so our real effort does not start until about 18 months down the track. That is when we start to get seriously into this project. By then, we are hopeful that things might have quietened down or evened out.

**Mr BRENDAN O'CONNOR**—Why is it over a three-year period? It is about a three-year construction period, isn't it?

**Mr Mollison**—The main reason for that has been that this project is funded by two parts, one being a Commonwealth capital injection, the other being depreciation from the Sports Commission's own assets. The Commonwealth injection does not come until later on in the project, so that is a fixed time scale. We are spending our own money first, and then the Commonwealth money will kick in later.

**Mr Scott**—The other factor is that, at the same time that construction is going on, we still have to operate a business and train elite athletes in preparation for major events. So whilst we would like the phasing of the project to happen quicker, in some ways it would impact negatively on our operations.

**CHAIR**—I think that was fairly evident when Mr Lloyd and I inspected the facilities with you last Friday—and thank you for a very comprehensive look at the facilities and explanations as to what was going to happen. That is always a difficulty when you are refurbishing or upgrading and you still have to carry on business. We appreciate the challenges.

**Mr BRENDAN O'CONNOR**—In your submission you indicate that you have evaluated the capital investment needs for the next 20 years, but then you go on to say that you have distilled the most important pressing of those needs into the four year investment plan. What other developments, or what other considerations for the next 20 years, are you considering that you have not placed into the four-year investment plan?

**Mr McGrath**—It is very difficult to crystal ball 20 years ahead. What we did do, though, was look at obvious requirements. We talked to all Michael's sport programs and various others within the Sports Commission itself and tried to identify needs. I will give you one example: we have a child-care centre which is located very poorly, I think, in terms of responding to staff's needs. It is actually at the southern end of the site near the athletics track. It was a building that already existed; it was refurbished as a child-care centre just before I joined the Sports Commission, so it is about seven or eight years old. That is typical of the sort of requirements that we will need to look at in about 10 years time.

That is one example. There are obviously others. As the buildings that we are using now, which are not part of this redevelopment, grow older we will need to look at refurbishment. Sport is an area with constantly changing technology needs and various other things. We need to recognise that, in time, there will be other things we need to look at. At the moment, we are proposing to build only 180 bedrooms for the residences. In about 10 years from now we will have to look at the rest of the stock of the residences and see what our needs are for the longer term. Rather than taking on all the residences, we are only taking on a number of them at this stage, in terms of those requirements. Those are two elements which we will certainly need to look at. Unfortunately I just cannot think of any others off the top of my head, but that is typical of the sort of look that we took.

**Mr LLOYD**—I would like to thank the members of the AIS for the inspection we had last Friday. It was very well organised and comprehensive in a limited period of time, because we did not have a great deal of time ourselves. I have had to leave the meeting to start the House of Representatives sitting but I want to go back to what Senator Ferguson raised about your overall costings. I think it is important—and I am sure that he raised this—that we have a much more detailed breakdown of those costs, particularly in the accommodation area. Our role as a committee is to ensure that the Commonwealth has value for money, and just having overall figures really does not give us an indication. We are talking about a very sizeable amount of money.

Having visited the AIS last Friday, I understand the need for upgraded accommodation facilities and I have a greater understanding of the additional requirements of the athletes. I have

some understanding of the significant costs that are involved in that and the refurbishment of the cafeteria, which I saw as totally inadequate. For members who have not had that opportunity, it is very important that they get a breakdown of those costings, in a confidential form, so that they can understand that and so that we can see that the Commonwealth is getting value for money.

**Ms Fordham**—One of the things we did not mention at that stage is that, while we are accommodating maybe 180 athletes on site, we have a large number of campus based athletes who come in on a weekly basis or whatever. They also have to be fed three times a day, so the kitchen is going to be quite large. We are preparing 1,000 meals each day, so you can see that the kitchen and dining room facilities need to be quite large to accommodate a lot more than just the 180 on-site athletes or athletes in residence.

**Mr LLOYD**—That is a good point. If you try to work out a per capita cost for the athletes living on site, it is a very expensive item. But in my view that is not a realistic calculation—

**Ms Fordham**—No, it is not.

**Mr LLOYD**—because, as we were told last Friday, when you have visiting teams the queue at the cafeteria is outside the door. To my mind, that is unacceptable. We expect these athletes to perform at world's best and they need adequate facilities. I do not think that what you are proposing are luxurious facilities; I believe that what you are proposing are adequate facilities. We need to ensure that the contract costs and costings are value for money for the Commonwealth.

**Ms Fordham**—Another thing to emphasise is that while there is certainly a huge emphasis on sports performance there is also a huge emphasis on educating these athletes. The educational facilities they have at the moment are inadequate, and that is probably understating it.

**Mr LLOYD**—‘Inadequate’ would be a very kind word.

**Ms Fordham**—Yes.

**Mr BRENDAN O’CONNOR**—That is properly described in attachment 4 of your submission. Mr Lloyd is referring to getting breakdowns of some of that.

**Ms Fordham**—Yes, we can do that.

**CHAIR**—When we were in the cafeteria the other day, Barry explained that there were also difficulties for athletes who are wheelchair-bound or have a disability of some sort. That was evident also when you showed us the accommodation. We often ask about this in the development of public buildings, but it is obvious that you are aware of the limitations of the current facilities and presumably you will be looking at wheelchair access and the issues for people with disabilities in the whole of your proposals. Is that understood?

**Ms Fordham**—Yes, it is a high priority for us.

**Mr Mollison**—There are lifts provided throughout the building so you get access to second storey levels across the board.

**CHAIR**—I have one other point to raise in relation to this. Because the government now has a clear policy on the reduction of greenhouse gases, we feel we must pursue this issue of coordinating with the Australian Greenhouse Office. I notice that you have said that there are still a couple of points that need to be considered in discussion with the Australian Greenhouse Office so we would like an assurance that you are going to proceed with that to make sure that the buildings comply with minimising greenhouse gases.

**Ms Fordham**—We certainly like to think that we are proactive in that area.

**Mr McGrath**—I might give you some comfort in that area, without specifically addressing what we might be talking to the AGO about. I believe that we have a very good record of environmental management. For example, we have had an energy management program on the site since 1992. We have spent approximately \$1.5 million on technology upgrades to buildings in terms of energy management systems, including the site wide building management system. We have the only cogeneration plant in the ACT, in our swimming pool. We have intelligent lighting controls in our halls. You might recall that when we toured the basketball hall most of the lights were off except the one that was being used.

**CHAIR**—Yes.

**Mr McGrath**—So we have done all those things and we have various other smart technologies on the site. We are also buying 10 per cent green power as part of our electricity contract and we have a fairly major use of gas on the site as well.

The AGO has raised what I call building or design rating issues. We would certainly be addressing the Property Council of Australia guidelines. They called it BOMA but it is now the Property Council of Australia. They have upgraded the guidelines which I think are dated 2001. We would be anticipating building to the intent of those standards because most of our buildings are not commercial office buildings—in fact, they are nothing like commercial office buildings. We will be trying to take a proactive view of inherent design factors like, for example, site orientation, maximum use of natural light and those sorts of things as opposed to using the rating system, because for buildings such as the aquatic testing facility there is no rating system. In terms of the accommodation, they have mentioned the NATHER standard—the national housing energy rating system. We are aware of that but it does not apply to multistorey apartment blocks of the type that we are proposing. But, again, we will be using the intent to brief our designers until we can achieve those sorts of objectives.

**CHAIR**—Thank you very much.

[9.39 a.m.]

**BROUGHTON, Ms Natalie, Senior Town Planner, National Capital Authority**

**HUDA, Mr Shamsul , Principal Planner, National Capital Authority**

**CHAIR**—Welcome. The committee has received a submission from the authority. Do you wish to propose any amendment to the submission made to the committee?

**Mr Huda**—No.

**CHAIR**—I now invite you to make a short statement in support of your submission and then we will perhaps have some questions for you.

**Mr Huda**—The National Capital Planning Authority was established in 1989 as part of the introduction of self-government to the ACT. The intent was to ensure the federal government's continuing interest in the national capital, Canberra. The name of the authority was changed to the National Capital Authority in June 1996. The functions of the National Capital Authority are established through the Australian Capital Territory (Planning and Land Management) Act 1988. One of the key functions is to prepare and administer the National Capital Plan. The object of the plan is to ensure that Canberra and the territory are planned and developed in accordance with their national significance. The plan is required to define areas that exhibit special characteristics of the national capital as designated areas. Within designated areas, the National Capital Authority has direct planning responsibility, and any works in designated areas require works approval from the authority.

There are areas where the plan can set special requirements which are desirable in the interests of the national capital. In those areas, before any development can happen, there is a requirement to prepare a development control plan which must be agreed by the authority and which would then form the basis for a subsequent consideration of development proposals on that site. The AIS falls within that category. There are two parts to the proposal. One aspect, which is the AIS site, has special requirements under the National Capital Plan. A development control plan was prepared for the site back in August 1998. That was five years ago, so it is time that we reviewed that DCP. We have had discussions with AIS officers who have indicated that we need to review the DCP and that there is a need to make some adjustments or changes. Another reason why we need to review the DCP is that, at this stage, we have a decision on the final alignment of what was called the John Dedman Parkway, which is now the Gungahlin Drive extension. So we need to review it. It has been five years, so we will do that review. We believe, with the proposal that we have seen so far, that we should be able to assist in its implementation through amending the DCP in consultation with both AIS and the ACT planning authority.

In addition, the land over which the site is located is territory land. Therefore, the AIS would have to go through a development approval process with the ACT government planning authority under the Land (Planning and Environment) Act 1991. The territory planning authority, in considering any such development proposal, would have to make sure that the proposal was consistent not only with the policies of the territory plan but also with the provisions that are



contained in the authority agreed development control plan for that site. With that, I think we are very supportive of the proposal and we will do our best to make sure that the implementation of the project happens quickly and efficiently in accordance with the policies of both the National Capital Plan and with the help of the territory planning authority consistent with the territory plan.

**CHAIR**—So you do not foresee any undue delays from what you understand of the plan for redevelopment to date?

**Mr Huda**—No, I cannot see any reason why that should be the case.

**Mr BRENDAN O’CONNOR**—In effect, you are happy with the project as it is going ahead now?

**Mr Huda**—We are comfortable in principle with the level of detail that has been provided in terms of the project. There would be details that would have to be considered further to make sure that basically the proposal meets all the requirements of the DCP.

**Mr BRENDAN O’CONNOR**—I understand. So it is dependent upon further information, but you are happy with what you have received to date, and as you go along you will see whether you continue to be happy with it. I note that your authority is pursuant to the Australian Capital Territory (Planning and Land Management) Act. Are there provisions within that act for people to object to development, other than to your authority? In other words, is there a capacity for people to object to a construction?

**Mr Huda**—Not under our legislation as such, unless it involves an amendment to the National Capital Plan. There are two parts to it. Firstly, if there is a need to change the policies of the National Capital Plan to accommodate a particular development then from time to time we propose amendments. Amendments are public processes and therefore they go through a public consultation process and the public get an opportunity to object to them. Secondly, once the policies are in place and the amendment has gone through, when it gets to the development assessment stage in this particular case we will not be the authority assessing the development proposal. Therefore, whether they can object to our consideration of that application is not an issue. But under the territory’s process I would assume that people would be able to object to the proposal, given that the Australian Institute of Sport would have to go through the development process with the territory. Under that territory process there are provisions for public consultation and objections. Does that answer your question?

**Mr BRENDAN O’CONNOR**—Yes, it does. Thanks.

**Mr Huda**—One other point to add is that part of that development is at the rowing centre at Yarralumla, which we have granted works approval for because it is in a designated area and therefore comes within our planning jurisdiction. We did not have to consult the public on that, and we granted approval.

**Mr BRENDAN O’CONNOR**—Once it is outside the designated area, do you then have to consult the public?

**Mr Huda**—If it requires the territory's approval process then that involves public consultation in certain circumstances.

**Mr BRENDAN O'CONNOR**—Do you envisage that you will have to consult once it goes beyond the designated area? Do you anticipate any objections?

**Mr Huda**—In amending the DCP, we do not have to actually go through any public consultation process. It is an internal process within the authority. We take the views of the territory's planning authority on board to ensure that nothing in the DCP is contrary to what is set out in the territory plan. We also thoroughly consult the proponents, the AIS, to make sure that what we are setting out in the DCP matches their long-term development intentions for that site. It does not involve any public consultation and therefore does not have any scope for any objections.

**Mr LLOYD**—I have a couple of general questions. Is the Gungahlin Drive proposal now set in concrete? I am not an expert on that, but I am aware that it has been quite a controversy.

**Mr Huda**—It is very close to being finalised. The authority proposed an amendment to the National Capital Plan, amendment 41, which confirmed the eastern alignment as the route for the Gungahlin Drive extension. Our minister has approved the amendment, which means that it is in place, but it has been tabled in parliament and Senator Brown has moved a disallowance motion. The debate on the disallowance motion was deferred once, and again yesterday, so it will have to be discussed some time in September. That is the only bit that is remaining. Once that goes through, we should be able to deal with an application for works approval.

**CHAIR**—If the disallowance motion is successful, what is the likely outcome?

**Mr LLOYD**—That was my next question.

**CHAIR**—Sorry, Jim.

**Mr LLOYD**—No, that is all right.

**Mr Huda**—If the amendment is disallowed then we would have to take the next step depending on what instructions from parliament go back to the minister for consideration. It is a bit difficult to say what the next step would be at this stage. We would have to review the outcome of the disallowance and then the minister would have to set up his position on this.

**Mr LLOYD**—What sort of impact would that have on the AIS proposal?

**CHAIR**—That is probably a question to ask AIS when they return.

**Mr LLOYD**—Okay, I accept that; I was just—

**CHAIR**—You might want to try to answer that.

**Mr Huda**—The initial proposal that came in from AIS, which was part of the original submission that we had looked at, showed how the total development they were considering

could be accommodated within their current lease, and that has no real impact on whether the road goes through or does not go through. The development or the upgrade that they are talking about within the site is not really affected by whether or not the road goes through it.

**CHAIR**—It just would help the freer flow of traffic in the general area.

**Mr Huda**—That is true. There would have to be some alternative solution for the road, which is a broader issue than just this particular project.

**CHAIR**—Yes, whether it would stop the development from proceeding.

**Mr Huda**—Precisely.

**Mr LLOYD**—Thank you.

**CHAIR**—Thank you very much for your comments.

[9.51 a.m.]

**COLE, Mr Mervyn Francis, Principal Project Manager and Service Group Manager (Project Management), GHD Pty Ltd**

**FORDHAM, Ms Lois Ann, General Manager and Chief Finance Officer, Business Operations, Australian Sports Commission**

**McGRATH, Mr Alan Leslie, Manager, Assets and Property, Business Operations Group, Australian Sports Commission**

**MOLLISON, Mr Peter Noel, Project Director, Major Capital Works, Business Operations Group, Australian Sports Commission**

**SCOTT, Mr Michael Rodney, Director, Australian Institute of Sport**

**CHAIR**—I now recall the Australian Sports Commission. I remind everyone that you are still under oath. You may want to make some supplementary statements—in fact, I think the committee would probably like to hear a little more about any impediment to the development should the Gungahlin Drive problems continue.

**Mr McGrath**—I will talk to that. The difficulty we have at the moment is working out exactly what the continuing deferment—I think deferment is the right word—would do with regard to the DA41, which is the amendment that basically encompasses the eastern alignment. If it continues to be disallowed, my understanding is that the NCA will have some difficulty in giving works approval to the ACT government with regard to the eastern alignment. The question then is not so much for us but for the ACT government as to how to proceed. As I understand it, the current government supports the eastern alignment. They will perhaps have to relook at options like Majura Road and other things like that, or the NCA might have to deal with some change to the draft amendment to try to circumvent the problems that, as I understand it, Senator Brown has raised.

**CHAIR**—Would this have the potential then to significantly delay the works that you are proposing?

**Mr McGrath**—Our project is not dependent on when the road is built.

**CHAIR**—But it is dependent on the alignment of the road being clearly established, isn't it?

**Ms Fordham**—Yes, we certainly would have some concerns if the alignment were to change in any way. We would need to look at that at that time. There are the concerns that we outlined—noise and air pollutants.

**CHAIR**—So you would just have to go back to doing some rearrangements? How major would they be?

**Mr McGrath**—I do not see us changing the siting of any facilities. The real question in a way is: would the ACT government and then the NCA decide to make some changes to the eastern alignment or would they look at other solutions? From our perspective, the western alignment is not on the table anymore. The ACT government is not pursuing the western alignment. The NCA is not pursuing it; in fact, the NCA released a report in January that said that the western alignment was not the best alignment for the road. The Greens, as I understand it, are supporting what are called sustainable transport solutions—better public transport and those sorts of things. It is difficult for us to know.

**Ms Fordham**—It is a very big issue, obviously. But the main impact on us will be timing. We have some constraints that we are trying to reach. We have Athens coming up, we have the Commonwealth Games after that and then immediately after that we have Beijing. So if it pushes it back—

**CHAIR**—The committee's concern would then be in relation to the cost and your being able to do what you intend to do within that cost framework.

**Ms Fordham**—Exactly. We can only hope for a quick resolution.

**Mr LLOYD**—Welcome to the vagaries of the Senate.

**CHAIR**—You certainly have to go through a lot of layers, don't you, to get to where you want to be?

**Ms Fordham**—You certainly do.

**CHAIR**—It makes it pretty challenging. Thank you very much. Once again I would like to thank all the witnesses today, especially the AIS for facilitating our inspection last Friday, and also for your forbearance in relation to the postponement of the public hearing to this morning. Thank you for that.

Resolved (on motion by **Mr O'Connor**):

That, pursuant to the power conferred by section 2(2) of the Parliamentary Papers Act 1908, this committee authorises publication of the evidence given before it at public hearing this day.

**Committee adjourned at 9.56 a.m.**