



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

JOINT COMMITTEE ON PUBLIC WORKS

**Reference: Fit out of new leased premises for the Department of the Prime Minister  
and Cabinet at 1 National Circuit, Barton, ACT**

FRIDAY, 6 AUGUST 2004

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**JOINT COMMITTEE ON PUBLIC WORKS**

**Friday, 6 August 2004**

**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:** Senator Ferguson, Mrs Moylan and Mr Brendan O'Connor

**Terms of reference for the inquiry:**

To inquire into and report on:

Fit out of new leased premises for the Department of the Prime Minister and Cabinet at 1 National Circuit, Barton, ACT

**WITNESSES**

**COSTELLO, Ms Judy, Assistant Secretary, People and Resource Management Branch,  
Department of the Prime Minister and Cabinet..... 1**

**KENDRICK, Ms Judith, Director, Corporate Services, Department of the Prime Minister and  
Cabinet ..... 1**

**WILLIAMS, Mr Greg, First Assistant Secretary, People, Resources and Communications  
Division, Department of the Prime Minister and Cabinet..... 1**



**Committee met at 9.57 a.m.**

**COSTELLO, Ms Judy, Assistant Secretary, People and Resource Management Branch, Department of the Prime Minister and Cabinet**

**KENDRICK, Ms Judith, Director, Corporate Services, Department of the Prime Minister and Cabinet**

**WILLIAMS, Mr Greg, First Assistant Secretary, People, Resources and Communications Division, Department of the Prime Minister and Cabinet**

**CHAIR**—I declare open this public hearing into the proposed fit-out of new leased premises for the Department of the Prime Minister and Cabinet, Barton, ACT. This project was referred to the Public Works Committee on 24 June, 2004 for consideration and report to parliament. In accordance with section 17(3) of the Public Works Committee Act 1969, which concerns the examination and reporting on a public work:

(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.

We thank you for the opportunity to inspect the site of the proposed works. The committee has received a submission from the Department of the Prime Minister and Cabinet. The submission will be made available in a volume of submissions for the inquiry and it will also be available on the committee's web site. Does the department wish to propose amendments to the submission it has already made?

**Mr Williams**—No, it does not.

**CHAIR**—We invite you to make a brief statement in support of the submission.

**Mr Williams**—As outlined in its submission, the Department of the Prime Minister and Cabinet currently occupies the building at 3-5 National Circuit. The lease for this building expires on 28 February 2007 with no option for further extension. The current building has reached its accommodation capacity. It is not a secure building. Due to the distinctive nature of its design, the efficiency ratio of usable floor space is substantially lower than comparable modern buildings. There are two separate doughnut-shaped buildings which are layered from the ground up, leaving building overhangs which are a security risk, a floor plate interspersed with

load-bearing columns which substantially reduces flexibility and the whole building is bisected by a roadway.

The increasing responsibilities being assigned to the department place increasing demands on current accommodation. Over the past five years the department has hosted a total of 55 task forces and we anticipate that this demand will continue. The National Security Division, with its responsibilities under the national counterterrorist plan, the hosting of task force activity and a broader cabinet support role with the establishment of the Cabinet Implementation Unit have all had to be accommodated within this ageing building.

The building was originally configured for some 350 staff. It currently houses up to 450 staff with resulting impacts on performance and staff amenity. Purpose-built, flexible accommodation is considered essential to ensure that the department can meet its ongoing obligations in a sufficient and cost-effective manner. We believe it is sensible to build efficient redundancy into our future accommodation requirement to absorb anticipated peaks in task force activity. Staying in our current building beyond lease expiry would require substantial investment and considerable dislocation and disruption as essential refurbishments take place. We determined that it was unrealistic to remain in the building beyond the current lease as it does not provide adequate space nor does it meet the required physical security standards. The building cannot be upgraded to meet the department's security and space requirements.

The department evaluated various options to meet its future accommodation needs, including a proposed new development on the York Park North site, remaining in situ with minimal refurbishment and remaining in situ with substantial rebuilding. Our evaluation of these options led us to determine the option that presented the best value for money, security and the meeting of our business needs now and into the future was the proposed development at 1 National Circuit, Barton. Our evaluation also included extensive financial, architectural, engineering, security and risk evaluation.

Given the nature of the department's operations, particularly its key linkages with other central agencies, accommodation options were sought only within the parliamentary triangle. In determining what our options may be in relation to new developments within the area, the department was able, with their concurrence, to use the outcomes of two independent expression of interest processes undertaken by the Department of Industry, Tourism and Resources and the Attorney-General's Department. The results of these EOI processes show that the market is very tight within the Barton area and our only realistic option, given the very expensive option of substantially rebuilding 3-5 National Circuit, was to go with the new building.

The commencement date of the lease for the new building is some time in either late 2006 or early 2007. We are in the fortunate position of having our current building owner as the developer of 1 National Circuit so there will be no cost impost on us for an early departure from our current location or if there is a delay in construction. We have selected a 15-year lease with a five-year option. For the initial 15 years there will be an annual rent review of three per cent. Prior to the expiry of the initial lease, a market review will occur and this will inform the quantum of any subsequent rental increase.

The department intends to fund the fit-out, integrated into the construction of the base building. The budget estimate for the fit-out, developed in conjunction with our quantity



surveyor, is \$23 million. An integrated fit-out allows for a speedier delivery time and significant cost savings through the incorporation of the required services in primary construction. We hope to make considerable efficiency gains in the new building, thereby reducing our energy footprint and also our costs. The department has been working with the Australian Greenhouse Office to improve our energy efficiency gains. Importantly, we hope to build on the amenity provided to our staff in the new building through the provision of a cafe, an amenities room, a carers room, an outdoor recreation area which will be adjacent to the cafe, showers, lockers, secure bicycle storage and so on. The department regularly surveys its staff to determine those amenity issues of primary importance and to do its best to meet them.

In conclusion, I wish to highlight the importance of the new building to the operational capability of the department. It is perhaps a reflection of our times that security is a primary consideration, and for that reason alone we cannot continue in our current building. My colleagues and I would be pleased to answer any questions you might have on the proposed new building.

**CHAIR**—Thank you very much, Mr Williams. On behalf of the committee, I thank you, your staff and your advisers for a very comprehensive submission, which makes our job much easier. I would like to start with a question regarding the National Capital Authority approvals. The committee received a submission from the National Capital Authority stating that the department requires prior approval in writing from the NCA for the proposed works to proceed in the NCA designated area. We heard this morning on site that there are height restrictions in regard to that. The National Capital Authority notes that the construction of the new building was approved by it in April but it also says that the authority recently received an application for some amendments to the previously approved works and these amendments have not yet been considered for a works approval. Given that there is a relatively short time frame when you are talking about new buildings and fit-outs, and that any delays could still involve perhaps some disruption or extra cost, could you tell us what the nature of these amendments is and whether they are of a nature that might cause delays?

**Mr Williams**—Perhaps that is a question that we might address to ISPT?

**CHAIR**—We will have to swear in a new witness.

**Ms Costello**—We can get that advice. I will just get it for you.

**Mr Williams**—I am advised by ISPT that there are no issues relating to the design of the base building. The issues to be addressed are the ceremonial driveway off Kings Avenue; the loading dock, which will be at the rear of the building; and the removal of a pedestrian easement. There is a pedestrian easement between 3-5 National Circuit and 1 National Circuit and, given a common ownership, there is an issue of removing that easement.

**CHAIR**—Are these relatively easily resolved issues?

**Mr Williams**—We believe so, based on the advice from ISPT.

**Ms Costello**—ISPT advises that they expect those to be resolved within a month, and they do not affect the commencement of the base building works.

**CHAIR**—Further, in your submission paragraph 2.73 states that the roof will comply with NCA requirements. Can you tell us what specific requirements the NCA has for the roof? There was a reference to the roof treatment this morning, I recall.

**Ms Costello**—That was for the AGD building. I will check that it is that statement.

**Ms Kendrick**—The last sentence of paragraph 2.73 is:

Roof plant will be concealed and penetrations will be minimised.

That is the NCA requirement that we are complying with.

**CHAIR**—Can you explain what that means?

**Mr Williams**—It basically means that plant, rather than being an ugly add-on on top of the building, will be concealed so that the building will look attractive from the external view.

**Mr BRENDAN O'CONNOR**—I want to go to the issue of consultation—in particular, paragraph 2.16.1, where you have indicated that you have adopted a number of communications strategies for internal and external consultation. Is there a union presence in the building? Have you been in touch with union or workplace representatives or occupational health and safety delegates who would be in the premises through this process? What formal mechanism has been put in place with respect to that area?

**Ms Costello**—We have a consultative committee with our staff. It includes staff representatives, but union representatives are invited to that in the context of our certified agreement. That consultative committee has been fully briefed on what is happening with this building. That has been fully discussed with the staff on the committee, and the unions were present. We have nine divisions in our department. About half of those have had individual briefings, which all staff have attended. Ms Kendrick has explained in detail what is envisaged in the building. We have also had articles in our in-house newsletter which have described the building and shown the artist's view of the building. In our coffee shop, we have a standing display about the building. We have started that process.

**Mr BRENDAN O'CONNOR**—I do not have a copy of your certified agreement, but I am sure there is a provision in that agreement requiring the employer to notify employees and employee representatives of changes in the workplace. Not to do so would of course be breaking the law. So you are happy that you have complied with the provisions of the certified agreement that cover the employees? I am not sure if there is one agreement or more.

**Ms Costello**—There is a single agreement covering our staff; it is a small department. I cannot at this point recall a clause in the agreement that states that, but we have fully involved our staff and our consultative committee in what we are doing.

**Mr BRENDAN O'CONNOR**—So there are no AWAs in Prime Minister and Cabinet?

**Ms Costello**—There are AWAs.

**Mr BRENDAN O'CONNOR**—What proportion of the work force is under the certified agreement?

**Ms Costello**—Our APS levels 1 to 6 are covered by the certified agreement, as is a proportion of our executive level staff.

**Mr BRENDAN O'CONNOR**—So executive levels up would be covered by individual arrangements.

**Mr Williams**—All SES are covered by AWAs. A proportion of the executive level are and, as Ms Costello says, staff below APS level 6 are covered by the certified agreement.

**Mr BRENDAN O'CONNOR**—You have also indicated that the floor plan has not been fully completed—is that right?

**Ms Costello**—In terms of the allocation within the building, that is right. We have the design and the floor plate, but we have not allocated space to divisional work units at this point.

**Mr BRENDAN O'CONNOR**—Have you given an undertaking to continue to consult with respect to the changes or the future decisions on the floor plan?

**Ms Costello**—Yes. We envisage a number of committees. We will be augmenting our consultative committee, because that is mainly those people affected by the certified agreement, with additional staff representatives to make it the key committee to take the consultation forward. We also will have to have a number of special purpose committees. For example, the movement of information around the building and how that affects the administrative staff is a key point of interest to them. We will be working with them as a specific area. We will have a committee for IT and how that infrastructure works. So we will have a series of specific functional committees, as well as this broader consultative committee with the staff. We will also consult directly with staff through constant meeting at divisional or branch level, where we will brief them and hear back from them.

**Mr BRENDAN O'CONNOR**—It sounds a very comprehensive consultation. There is also a reference in the submission under paragraph 2.12.1 with respect to child-care provisions. I, along with the chair, appreciate the efforts that have been put in, not only in the submission, but today at the site and in the comprehensive plans that we were able to view. That was an exceptional display. There was, I recall, a reference to child care on one of those maps. I am not sure exactly what that was.

**Mr Williams**—That was probably in the Attorney-General's submission.

**Mr BRENDAN O'CONNOR**—Yes, I think you might be right.

**Mr Williams**—We are in discussions with the Attorney-General's Department to see if we can arrange some sort of joint facility. It is fair to say those discussions have not progressed very far but, as we indicated in our original submission, we are looking to see what we can do. We have had discussion with our next-door neighbour-to-be. We will see what we can get out of that.

**Mr BRENDAN O'CONNOR**—In the consultations you have had with staff, has there been an indication that there would be child-care provisions required if they were able to be put in place?

**Ms Costello**—A couple of staff have raised it as an issue and we have said that we will consider that in the context. But it would be fair to say it is not a large number of staff and we did say we had to consider the complete building and that we would see what was possible and what else would be available in the region, noting that Finance has a child-care centre and DFAT has a child-care centre.

**Mr BRENDAN O'CONNOR**—Yes. I was going to say that, in terms of staff morale and the like, it would probably be preferable that there be common conditions across the Public Service in these very important departments. If you cannot avail yourself of child care in the Department of Prime Minister and Cabinet but you can in the Attorney-General's Department that may lead to some disappointment, I would have thought, among staff who want to avail themselves of that service.

**Ms Costello**—It does depend on the arrangements you enter into. When Finance was setting up its child-care centre it did enter into arrangements with other agencies. You have to look at the commercial viability, and a child-care centre has to be of a certain size, so you do need to get that critical mass of staff to generate the people who may wish to use a child-care centre.

**Senator FERGUSON**—I was interested in your comment about your new lease arrangements. What rate of lease are you paying at present?

**Ms Costello**—The actual cost of our lease?

**Senator FERGUSON**—Yes.

**CHAIR**—Per square metre per annum.

**Ms Costello**—We have just had a rent review and I am just checking. I knew what it was before the rent review.

**Ms Kendrick**—We will confirm the figure per square metre. I could have told you exactly a little while ago.

**Senator FERGUSON**—In relation to the new building, has a figure been settled on yet, or won't that be done until the time you occupy it?

**Mr Williams**—At this stage we have a joint heads of agreement and part of that joint heads of agreement is a commitment to enter into a lease agreement. But we have structured a rental amount in that joint heads of agreement.

**Senator FERGUSON**—Is that a publicly known figure?

**CHAIR**—You may want to present that to the committee in confidence and in writing.

**Mr Williams**—Yes. We can advise the committee in confidence.

**Senator FERGUSON**—It is just that I heard you say that you are having an annual rent review of three per cent. When you say that you are having an annual rent review, does that mean you will review the situation annually during that 15-year lease?

**Mr Williams**—No. We are talking about a three per cent escalator over the period of that lease.

**Senator FERGUSON**—An annual three per cent?

**Mr Williams**—Yes.

**Senator FERGUSON**—Is that a review that means it does not have to be three per cent?

**Mr Williams**—No. It is a commitment to three per cent.

**Senator FERGUSON**—A commitment to three per cent per year?

**Mr Williams**—Over the 15-year lease.

**Senator FERGUSON**—The only reason I ask is that the idea of having a—

**CHAIR**—Supplementary to that, I wanted to ask whether the three per cent a minimum?

**Mr Williams**—It is a fixed amount; it does not go above it and it does not go below it. It is a three per cent escalator.

**Senator FERGUSON**—So there are never any contracts entered into where there is a negotiable rent increase—it is always a set fee?

**Mr Williams**—It is a set fee for the 15-year initial part of the lease, which is what I referred to in my opening statement. Prior to the end of the 15 years, if we were to exercise the option to extend beyond 15 years, there would be a review facility at that point in time which would set the rent for the option period.

**Senator FERGUSON**—How was three per cent chosen? Is that the going rate? The only reason I ask is that there is a well-known building that has a nine per cent escalation that is non-negotiable and I am wondering how you managed to get three per cent.

**Mr Williams**—We looked at the two options. We looked at having a review period during the 15 years, after perhaps half that period, when we would measure it back to market and then proceed forward. But, in doing that, there is clearly a risk for the building owner, so the three per cent escalator that we have built in over the 15 years would have been a higher escalator to cover the owner's risk, as it were. We sought advice from commercial property managers that three per cent was a reasonable rate and that we would expect to pay more if we were to interrupt the lease part way through with a review to market. Indeed, even a review to market would probably have a cap and a collar as to how much the rent might change as a result of a review to market. We

think three per cent is a known quantum for the department. We believe it is commercially viable, and we thought it a sensible process. It is set at three per cent, not lower and not higher.

**Senator FERGUSON**—I do not have an objection to that. I think you have done remarkably well. But there have been historical occasions when I do not think negotiations have been nearly as successful, as far as escalations are concerned.

**Mr BRENDAN O'CONNOR**—It depends where you are sitting, of course.

**Senator FERGUSON**—The only other thing I want to ask, which I think we should have on the public record and which we discussed earlier in a private briefing, is that you undertake to give us a breakdown of the costings of the preliminaries and margins—a breakdown of figures on the escalation and the contingencies—as your costings arrive.

**Mr Williams**—Yes.

**Senator FERGUSON**—You said that you do not have the costings yet, but I ask that you undertake to give that to the committee.

**CHAIR**—And the professional fees, as well.

**Senator FERGUSON**—That is right—the breakdown. Can you undertake to give us that in the future as those quantum come in?

**Mr Williams**—We would be quite happy to give you that as progressive reporting.

**Senator FERGUSON**—I think it would put our minds at rest, as well.

**CHAIR**—Given that we are doing a back-to-back inquiry with A-G's, one cannot help but make comparisons. I think it is probably useful to get you to explain for the record why in your building you have around 3,000 square metres less space and about 60 fewer car spaces but the cost of the fit-out of these two buildings is identical. I notice also—and perhaps we can come back to this—that, in allowing a space per employee, you are allowing 12 square metres of space, whereas A-G's is allowing six square metres, if my memory serves me right. Do you want to make a comment on that? We did touch on it this morning, but I think it is probably an important point to have clarified for the record.

**Mr Williams**—I might touch on the first point in your question. The Department of the Prime Minister and Cabinet—I guess, of necessity—has a higher proportion of senior level officers in terms of SES and executive level 2 officers than perhaps most departments. Under the proposed fit-out, those officers are all entitled to offices, so that increases the costs. Two floors of the building will be secure floors because of the nature of the work undertaken by the department, and it costs more to build secure floors than ordinary office space. We will have a high-security rated conference room; they certainly cost money. The nature of the department's business means that we tend to have a lot of people meeting in the department, so we need quite a number of conference rooms and meeting rooms and they will need to be fitted out.

As I mentioned in my opening address, we have had 55 task forces in the past few years. Task forces tend to involve quite high-level personnel. They can be chaired by associate secretaries, but they are normally led by senior SES officers and executive level officers. So we tend to have a lot of higher level people in the department, and if you are doing fit-out for people of that level it certainly costs more than it would for a more typical department with perhaps a larger tail of lower level staff. Without knowing the details of the Attorney-General's submission, I would suggest that that is probably a fairly strong reason as to why our fit-out costs are on the higher side.

**Ms Costello**—I would emphasise that one of the things that we are doing is fitting out our building for task forces. We will be building designated task force spaces. In the past 12 months we have spent a lot of operating costs on fitting out space for task forces and then making good that space because it had to be reused for a different configuration. Fitting it out makes it look like we have some empty space, but it is actually provisioning which will stop, in the longer term, the constant refit that we are doing in 3-5 National Circuit. So the fit-out that we are proposing will drive down future operating costs.

**CHAIR**—Let us move off this topic, because I think you have given quite a reasonably full answer on that, and talk about cost saving down the track. I noticed, Mr Williams, in your opening statement you mentioned consultation with the Australian Greenhouse Office. Given the government's strong commitment to reducing greenhouse gases and to ensuring that all buildings meet the standards to do that, can you give us an assurance that not only will you consult with the Australian Greenhouse Office but you will accept the recommendations, insofar as that is practical and possible, to ensure that energy use is minimised and that the building meets the guidelines?

**Mr Williams**—We are certainly undertaking to do that, yes. We aim to be in an energy-efficient building. As an example, the existing building in its original design phase had double glazing on the windows, but that was deleted as a cost saving. The new building will have double glazing and that will help our airconditioning in terms of both the costs of running it and how effective it is.

**CHAIR**—In our public works inquiries we have seen some stunning examples of buildings that have incorporated devices to automatically switch down lighting in certain areas and they have had a remarkable reduction in energy use which has not only produced a huge cost saving but helped reduce the greenhouse gas effect.

**Mr Williams**—Certainly we are looking at our lighting efficiencies.

**Ms Costello**—In fact we have visited the Australian Greenhouse Office, which has a new fit-out which incorporates a lot of very innovative features. We look to take a lot of that on board.

**CHAIR**—I am glad you mentioned the building design because obviously this is an important factor in reducing energy consumption as well.

**Mr Williams**—Yes.

**CHAIR**—The other part of that—and I do not think it comes under the Australian Greenhouse Office; the committee is about to be briefed by them on a number of items—is the dire situation with water in Canberra. What are you proposing to do to reduce water consumption? Again, there is a cost factor as well as a practical reason for doing that.

**Ms Kendrick**—This is quite a great interest of mine. We are looking at a range of measures. None have been decided yet, but we hope to implement water-saving technology within the building as well. But certainly the decisions that have been made to this point include the fact that we will be looking at xeriscaping—so we are looking at a very public declaration that we are looking at water minimisation. If we are going to be using any external irrigation system, it will be underground drip water systems. In some of the investigations on grey water use, for example, there are some ambivalent results, but we are certainly working in strong partnership with the developers, the designers and very much with the Australian Greenhouse Office.

**CHAIR**—They are consulting on those issues as well, are they?

**Ms Kendrick**—Certainly. I would not like to call it consulting; we are in active discussions. I would not like to put the AGO in the position of being labelled a consultant. But certainly we are very excited about the prospects of addressing as many of these issues as we possibly can.

**CHAIR**—I guess there are going to be a lot more questions asked about this particular issue. Have you investigated the availability of specialist consultants in this area?

**Ms Kendrick**—No, not at this point.

**CHAIR**—Do you intend to do that?

**Ms Kendrick**—In fact, we have not gone beyond the AGO, but I would not say no at this point. But it is not something that is on the immediate list.

**Mr BRENDAN O'CONNOR**—I have one question. You indicated that there had been a growth in employment numbers—was it 340 or 450?

**Ms Costello**—The building was originally configured for 350 and we are now at about 450.

**Mr BRENDAN O'CONNOR**—Therefore, of course, you are now looking for more space.

**Ms Costello**—Yes.

**Mr BRENDAN O'CONNOR**—In this new proposal, have you anticipated what growth there may be and how much you will be able to cater for in the foreseeable future?

**Ms Costello**—Yes, we have. There has been a growth in the core of the department particularly, but we are also making allowances for the task forces, as I explained before. In the last 12 months, at one stage we had four task forces running simultaneously, and we had to put one of those off-site because we did not have the space. So we are looking to incorporate the space provision for both growth and a peak activity in task forces. It is very expensive to set a task force off-site, with the IT and security requirements and short-term leasing of small amounts



of space. It starts generating quite high costs. So the more we can absorb those within the proposed building, the more we can keep our costs down for the future.

**Mr BRENDAN O'CONNOR**—Can you estimate what growth you could incorporate without diminishing the efficiency of the workplace? In other words, how much further could you grow under this proposal?

**Ms Costello**—We are provisioning for a task force on each of the five floors. So the task force space would be, if you like, a cushion against future staff expansion. We do not anticipate that the core of the department would grow too much more, though.

**Mr BRENDAN O'CONNOR**—No, but are you saying that you could comfortably house a further 10 per cent? I am not saying now, in two years or in 10 years, but have you made leeway for that contingency?

**Ms Costello**—We have allowed for four or five task forces, each of which would be 10 to 15 people. That is based on the experience of the last five years. We have counted 55 task forces in that time, some of which had particular security requirements as well and, as Mr Williams said, some of them were staffed by very senior people, so you have to make allowances for that.

**Mr BRENDAN O'CONNOR**—Thanks.

**CHAIR**—I have one other question, which goes back to the NCA and the comment that you made about negotiations with the NCA over driveways, loading docks and pedestrian ways. It raises the whole issue of people and traffic management in the area. Obviously, you are going to have more people in this building—and then, with A-G's bringing in people from three different sites, you are going to have quite a large increase in the number of people and traffic movements there. Has that been discussed and thought through? It also goes to the heart of questions about fire safety, security, facilities for disabled people and emergency evacuation of the building. Are they all matters that you have gone into as well in your deliberations?

**Mr Williams**—Given that we are going to have about the same number of people in the new building as we have in the existing building, we are looking at how to get them in in the morning, which is one peak time—probably a higher peak than in the afternoon. At this stage we will have two lanes in to assist with that peak time. People tend to leave in a much more staggered way at the back end of the day, so the issue is really only the morning. We have not seen getting people into our building as an issue.

As for whether the NCA see it as an issue in terms of overall traffic management in the parliamentary triangle precincts, they have not to my knowledge come back to us with a concern. The only issue they have raised is the ceremonial entrance off Kings Avenue. So we are not aware of any concerns that the NCA might have. I do not know whether Attorney-General's are aware of any.

We have certainly looked at traffic flow into and out of the building. That will change if there are changes to do with security. We might have to employ more barriers at entry if security levels change, but we believe that we can manage the ongoing situation effectively.

**Ms Costello**—I am also advised that, as part of the base building design and approval by the NCA, an independent traffic analysis was done and signed off by the NCA.

**CHAIR**—Other security issues, like fire issues and the evacuation of the building in an emergency, have all been taken into consideration in the design and construction of the building?

**Mr Williams**—Yes. We believe that we will be compliant with all the necessary regulations. Indeed, I was surprised that sprinklers are not mandated in the building codes, but we have asked that they be included in our building, except for areas where we have a high density of IT equipment, in which case we will use other forms of fire retardation.

**CHAIR**—Are you working to the Australian design standards in relation to that? I am surprised that there is no requirement for sprinklers in such a building as this.

**Mr Williams**—I am guided by the advice I was given that sprinklers are not mandated as part of the code.

**Ms Costello**—Depending on the floor plate size.

**CHAIR**—Is this because it is only four storeys high?

**Ms Costello**—It is more to do with the size of the individual floor plate.

**Mr Williams**—We have gone an extra step, as I said, than the mandated requirement.

**CHAIR**—And smoke detectors and things like that?

**Mr Williams**—Yes.

**CHAIR**—And you will have emergency evacuation procedures?

**Mr Williams**—Yes, we will.

**CHAIR**—As there are no further questions, I thank you very much for your cooperation this morning and for your appearance today. I thank everyone who assisted us with our inspections this morning.

Resolved (on motion by **Mr Brendan 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, and of submissions presented, at public hearing this day.

**Committee adjourned at 10.40 a.m.**