



Parliamentary Standing Committee on Public Works

REPORT

relating to the proposed

CSIRO ENERGY CENTRE AT STEEL RIVER, NEWCASTLE, NSW

(Seventh Report of 2000)

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA
2000

The Parliament of the Commonwealth of Australia

CSIRO Energy Centre at Steel River, Newcastle, NSW

Parliamentary Standing Committee on Public Works

5 October 2000
Canberra

© Commonwealth of Australia 2000

ISBN 0 642 45209 1



Contents

Membership of the Committee.....	v
Extract from the Votes and Proceedings of the House of Representatives	vii
List of abbreviations.....	viii
List of recommendations.....	ix
Executive summary	xi

THE REPORT

1	Introduction.....	1
	Inquiry process.....	1
	The Steel River Project	2
	Scope of the proposal.....	3
	The cost.....	4
	CSIRO	4
	Division of Energy Technology.....	5
	Announcement of proposed CSIRO Energy Centre	6
2	The need for the work	7
	Introduction.....	7
	Deficiencies with existing facilities	7
	Alternatives	8
3	Cost and program.....	9
	Introduction.....	9
	Cost.....	9

Tendering process	9
Contingency and escalation allowances	10
Financial advantages	10
Future works	10
4 Environmental Issues.....	11
Remediation	11
Ongoing environmental liability.....	12
Flora and fauna.....	13
5 Consultation.....	15
Introduction.....	15
Steel River Project - Community consultation	15
CSIRO staff.....	16
The number of staff to be relocated and effect on CSIRO functions	17
Assistance with regard to moving.....	17
6 Other issues	19
Land title.....	19
Car parking and bicycle parking area	20
Support for the project.....	21
7 Conclusion	23

APPENDICES

Appendix A—Witnesses.....	A-1
Appendix B—List of Submissions	B-1
Appendix C—Associated Drawings	C-1



Membership of the Committee

Chair Hon Judi Moylan MP

Deputy Chair Hon Janice Crosio MBE MP

Members **House of Representatives**

Mr John Forrest MP

Mr Colin Hollis MP

Mr Peter Lindsay MP

Mr Bernie Ripoll MP

Senate

Senator Paul Calvert

Senator Alan Ferguson

Senator Shayne Murphy

Sectional Committee

Chair Hon Judi Moylan MP

Members **House of Representatives**

Hon Janice Crosio MBE MP

Mr Bernie Ripoll MP

Senate

Senator Shayne Murphy

Committee Secretariat

Secretary Mr Trevor Rowe

Inquiry Secretary Mr Ian Ireland

Administrative Officer Mrs Angela Nagy



Extract from the Votes and Proceedings of the House of Representatives

No. 126 dated Thursday, 29 June 2000

37 PUBLIC WORKS—PARLIAMENTARY STANDING COMMITTEE— REFERENCE OF WORK—CSIRO ENERGY CENTRE AT STEEL RIVER, NEWCASTLE, NSW

Mr Slipper (Parliamentary Secretary to the Minister for Finance and Administration), pursuant to notice, moved—That, in accordance with the provisions of the *Public Works Committee Act 1969*, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: CSIRO Energy Centre at Steel River, Newcastle, NSW.

Question-put and passed.



List of abbreviations

BHP	Broken Hill Proprietary Limited
CRC	Cooperative Research Centre
CSIRO	Commonwealth Scientific and Industrial Research Organisation
NPWS	New South Wales National Parks and Wildlife Service
SIAS	Strategic Impact Assessment Strategy



List of recommendations

Recommendation 1

The Committee recommends that CSIRO implement regular contractual and statutory compliance studies as part of its management strategy for the proposed site.

Recommendation 2

The Committee recommends that the construction of the proposed CSIRO Energy Centre not commence until land title to the proposed site has passed from BHP to CSIRO.

Recommendation 3

The Committee recommends that CSIRO undertake an analysis of its parking requirements for the purpose of:

- (a) determining its actual car and bicycle parking requirements; and
- (b) providing an economic and social rationale for the requirements.

Recommendation 4

The Committee recommends that CSIRO provide the Committee with details of the outcome(s) of the analysis.

Recommendation 5

The Committee recommends construction of the proposed CSIRO Energy Centre at a cost of \$28 million, subject to implementation of the Committee's other recommendations.



Executive summary

- 1.1 On 29 June 2000, the Parliamentary Standing Committee on Public Works was referred for consideration and report to Parliament a proposal for the construction of a new research laboratory complex, known as the CSIRO Energy Centre, to be located at the Steel River eco-industrial park, Newcastle, New South Wales. The Committee supports the proposed development.
- 1.2 The proposed development, the estimated cost of which is \$28 million, will comprise buildings of approximately 9500m² gross floor area. The proposed development is intended to accommodate a total of 110 research staff from CSIRO's Energy Technology Division.
- 1.3 The Committee's inspection of existing facilities used by CSIRO's Energy Technology Division indicated, particularly in relation to North Ryde, poorly configured, inflexible, outmoded and in many instances sub-standard and potentially dangerous facilities.
- 1.4 While the Committee supports the proposed development, the inquiry raised a number of issues that the Committee is of the view need to be addressed. Of particular concern to the Committee was the fact that land title to the proposed site had not passed from BHP to CSIRO. The Committee recommended that construction of the proposed development not commence until land title has passed from BHP to CSIRO.
- 1.5 Also of concern to the Committee was the fact that proposed site for the development is subject to ongoing contractual and statutory legal requirements. The Committee recommended that CSIRO implement regular contractual and statutory compliance studies as part of its management strategy for the proposed site.
- 1.6 The Committee did not receive any adverse submissions to the proposed development. The Committee concluded that the proposed development will overcome shortcomings in existing facilities and has the potential to provide long term benefits to current and potential CSIRO customers, the Newcastle region and CSIRO.

Introduction

Inquiry process

- 1.1 On 29 June 2000, the Parliamentary Secretary to the Minister for Finance and Administration referred a proposal for the construction of a new research laboratory complex, known as the CSIRO Energy Centre for consideration and report to Parliament, in accordance with the provisions of the *Public Works Committee Act 1969*.¹ The proposed CSIRO Energy Centre is to be located at the Steel River eco-industrial park, Newcastle, New South Wales.
- 1.2 The Committee sought submissions for the inquiry by advertising the proposed work in *The Australian* and *Newcastle Herald* on 6 July 2000.
- 1.3 Letters seeking submissions were sent also to Commonwealth, State and local government agencies, Federal and State government representatives, and a range of peak organisations, professional bodies and individuals representing various interest groups, likely to have an interest in the Inquiry.
- 1.4 On 10 August 2000, the Committee, accompanied by Mr Allen Morris, Federal Member for Newcastle, inspected existing facilities and the site for the proposed development and was briefed by CSIRO and BHP representatives.
- 1.5 On 11 August 2000, the Committee took evidence at a public hearing conducted at City Hall, Newcastle, New South Wales. A list of witnesses

1 The Hon Peter Slipper MP, Parliamentary Secretary to the Minister for Finance and Administration, House of Representatives *Debates*, p. 18655, 29 June 2000.

who appeared at the public hearing is at Appendix A and list of submissions at Appendix B.²

The Steel River Project

- 1.6 The Steel River Project is a business industrial park comprising 104 hectares of industrial land situated less than 10 kilometres from Newcastle's central business district. The project is financially backed by the BHP and Baulderstone Hornibrook Pty Ltd.
- 1.7 The Steel River Project is Australia's first eco-industrial site. The term 'eco-industrial' describes the symbiotic interrelationships that can occur within and between components of industrial complexes. An eco-industrial complex modelled on natural systems has a similar flow of resources, materials and energy where ultimately waste as an end-product pollutant ceases to exist. The Steel River Project is planned to accommodate this philosophy from the start and site marketing is intended to use the by-product streams from the site and the region as one part of the strategy for identifying business opportunities.
- 1.8 Marketed business benefits attributed to the project include:
- a manufacture-bond-scheme;
 - 28 day approval process for certain development applications;
 - competitively priced land; and
 - NSW Government financial incentives.³
- 1.9 The Steel River Project Local Environment Plan (Newcastle LEP 1987 Amendment No. 105) provides for a 28 day development approval period for incoming industries which comply with a pre-determined set of social, economic and environmental criteria. The Steel River LEP refers to a defined environmental envelope, consisting of quantitative and qualitative standards and objectives. The environmental envelope includes the areas of: environmental management; air quality; waste management; socio-economic and cultural objectives; and hazards and risk management. The consent authority for the Steel River Project is the Newcastle City Council.

2 The Committee's proceedings will be printed as Minutes of Evidence.

3 Under the NSW Government's Hunter Advantage Fund, assistance of up to \$5,000 is provided for each new employee position generated. In addition, this incentive quantum may be offset against existing Government taxes and charges for up to three years or, under certain conditions, part may be paid as a grant.

- 1.10 The LEP applies to the Steel River Project as a whole. The Steel River estate management company (Boulderstone Hornibrook Pty Ltd) will be a party to each development application. The Steel River estate management company will also be responsible for continuing environmental management, through an environmental management system, and monitoring and recording of environmental data. As the consent authority, the Newcastle City Council is responsible for periodic review of the standards.
- 1.11 To date the Steel River Project has attracted two firm development proposals. Intaq Integrated Aquaculture Pty Ltd will establish a project at Steel River to produce Barramundi for the Sydney and Hunter markets. The Intaq project is estimated to initially create around 40 new job. The other development project is the proposed CSIRO Energy Centre.

Scope of the proposal

- 1.12 The proposed site for the CSIRO Energy Centre is one of several subdivisions within an area known as the Steel River Project. The proposed site covers five hectares near the southeast corner of the Steel River Project. The proposed site currently has no improvements, is cleared of original vegetation and has no significant landscape or other environmental features. The land has no natural watercourses.
- 1.13 The proposed CSIRO Energy Centre will comprise buildings of approximately 9500m² gross floor area consisting of the following:
- (a) **Laboratories / Offices Buildings (6200 m²)**
 - Research: Bench scale laboratories and support, laboratory offices, open work areas;
 - Management and Administration areas;
 - Technical Services (Library, Information Technology and Communications); and
 - Amenities (Auditorium, Canteen and Recreation, Foyer/Display).
 - (b) **Bay & Support Facilities (2500m²)**
 - Heavy Process Bays;
 - Light Technical Bays and Workshop; and
 - General and Special Stores.

(c) Circulation Spine and Central Plant Building (800m²)

- Solar panel structure;
- Link between all building elements; and
- Central plant rooms.⁴

1.14 A Solar Thermal Facility compound, carparking, hardstands, roadworks, engineering and communication services, and landscape works will also be provided.⁵

1.15 The site has been planned for future development, broadly identified as comprising approximately 7000m² building gross floor area and associated siteworks.⁶

The cost

1.16 The cost of the proposed development is \$28 million at April 2000 prices, which includes escalation costs, contingencies and professional fees and charges. Subject to Parliamentary approval, the project will be implemented as a managing contractor contract, with construction commencing in early 2001 and completion in mid 2002.

CSIRO

1.17 The Commonwealth Scientific and Industrial Research Organisation (CSIRO) is one of the world's largest scientific research institutions. CSIRO's 6500 staff perform research and development over a broad range of areas:

- agriculture;
- minerals and energy;
- manufacturing;
- communications;
- construction;

4 Evidence, pp. 49-50.

5 Evidence, p. 50.

6 Evidence, p. 50.

- health; and
 - the environment.⁷
- 1.18 CSIRO's total income for 1998-99 was \$728.3 million. Of that amount 65.3 per cent was provided directly by Parliament; 34.7 per cent came from external sources, including competitive granting schemes, research funded by industry and other users, and earned revenue.⁸

Division of Energy Technology

- 1.19 CSIRO's Division of Energy Technology carries out research in the following areas:
- analytical science for the coal industry;
 - coal preparation;
 - coal utilisation;
 - environmental assessment (water);
 - gas utilisation;
 - energy storage and renewables;
 - urban air quality;
 - environmental process technologies;
 - miscellaneous spin off technologies; and
 - greenhouse gas mitigation.
- 1.20 CSIRO's Division of Energy Technology employs approximately 150 people in its four laboratories, two in Sydney (Lucas Heights and North Ryde), one in Brisbane (Pinjarra Hills) and one in Melbourne (Clayton). In 1999 over 40% of the Division's annual budget of \$21.10 million was obtained through external funding for specific projects, the rest coming from government appropriation.⁹
- 1.21 The Division also runs the Centre for Advanced Analytical Chemistry and works closely with three Cooperative Research Centres (CRC):

7 <http://www.csiro.au/navLeft.asp>

8 Evidence, p. 34.

9 <http://www.det.csiro.au/about.html>

- CRC for Mining Technology and Equipment;
- CRC for Black Coal Utilisation; and
- CRC for Waste Management and Pollution Control.¹⁰

Announcement of proposed CSIRO Energy Centre

1.22 In a *Media Release* of 14 January 1999 CSIRO publicly announced plans to build a new energy research and demonstration centre. The *Media Release* stated:

The core of CSIRO's scientific effort into sustainable energy technologies will be housed in the new centre, which will also serve as a national and global showcase for the Australian energy industry and its latest technologies.

The centre will be located in the NSW city of Newcastle, where it will directly employ more than 100 research staff and, with an annual budget of around \$11 million, will make a significant economic contribution to the community.

It has received strong support from the NSW Government through the \$10 million Hunter Advantage Fund; and from BHP Ltd, which has facilitated the purchase of two hectares of land in the Steel River Eco-Industrial Park.¹¹

10 <http://www.det.csiro.au/about.html>.

11 CSIRO Media Release, *International Energy Centre Announced*, 14 January 1999.

The need for the work

Introduction

- 2.1 The principal drivers articulated by CSIRO for the need for the proposed CSIRO Energy Centre can be summarised as follows:
- meeting the specific research and infrastructure needs of CSIRO Energy Technology Division;
 - benefits to current and potential customers of CSIRO;
 - benefits to the Newcastle region; and
 - benefits to staff.¹

Deficiencies with existing facilities

- 2.2 CSIRO's Energy Technology Division has been operating from its North Ryde site for over 50 years. In evidence to the Committee, CSIRO identified the following deficiencies in the North Ryde premises:
- aged, inefficient facilities that are unsuitable for current and future research activities;
 - inadequate process bay facilities and hence the inability to demonstrate new technologies at pilot scale;

¹ Evidence, p. 28.

- inadequate handling facilities for treatment of bulk samples of coal and biomass;
 - inability to integrate the demonstration of energy efficient supply options; and
 - inability to demonstrate solar technologies at any reasonable scale due to overshadowing problems from adjacent building development.²
- 2.3 The Committee's inspection of CSIRO's Energy Technology Division facilities at North Ryde found that many of the facilities to be poorly configured, inflexible and outmoded. Of particular concern to the Committee was the extensive use of asbestos in roof cladding in some facilities.

Alternatives

- 2.4 CSIRO examined six options, of which the proposed establishment of the CSIRO Energy Centre at Newcastle, NSW, was the preferred option. The options were assessed in terms of:
- financial impacts; and
 - a range of non-quantifiable impacts including advantages and disadvantages to which a dollar value could not be attributed.
- 2.5 The six options were:
- remain at North Ryde, NSW;
 - re-establish at Lucas Heights, NSW;
 - relocate to Pinjarra Hills, Queensland;
 - re-establish at Clayton, Victoria;
 - relocate at Newcastle, NSW; and
 - do nothing.
- 2.6 The Committee concluded that at North Ryde, poorly configured, inflexible, outmoded and in many instances sub-standard buildings result in dysfunctional, inflexible and potentially dangerous facilities. The Committee considers that the proposed new facilities meet an identified need and will allow for improved operational efficiencies and enhance CSIRO's capabilities.
-

2 Evidence, pp. 30-31.

Cost and program

Introduction

- 3.1 The cost of the proposed development is \$28 million at April 2000 prices. Subject to Parliamentary approval, the project will be implemented as a managing contractor contract, with construction commencing in early 2001 and completion in mid 2002.

Cost

- 3.2 A number of aspects of the cost of the project were raised by the Committee with CSIRO at the public hearing. These included:

Tendering process

- 3.3 CSIRO advised the Committee that the tendering process for the project will be in two stages. CSIRO's intention is to seek expressions of interest from the industry against certain tender criteria. CSIRO will then evaluate those submissions and then short-list five or six firms for the construction of the facility. CSIRO's intention then is to seek tenders from those short listed firms.¹

¹ Evidence, p. 91.

Contingency and escalation allowances

- 3.4 CSIRO advised the Committee that it considered contingency and escalation allowances of 8 per cent to be adequate for this type of project. CSIRO also advised that in the ongoing design development there would be other features incorporated into the building and that this is factored in through the 8 per cent contingency and escalation level.²

Financial advantages

- 3.5 One of the key financial determinants in CSIRO's selection of Newcastle over other options was a 17 September 1999 agreement between CSIRO and the New South Wales State Government providing for the State to contribute \$10 million towards the cost of the development of the Energy Centre. In evidence to the Committee, CSIRO advised that the \$10 million grant was payable over four years and that the condition attaching to receipt was that CSIRO build the Energy Centre and occupy it.³
- 3.6 Additionally, in a Memorandum of Understanding between CSIRO, BHP and Baulderstone Hornibrook⁴ dated 14 January 1999, the joint venture owners agreed to make available to CSIRO, at no cost, a parcel of fully serviced land in the form of a freehold community title, subject to CSIRO moving to the site and complying with the strategic planning conditions applicable to the whole of the site.⁵

Future works

- 3.7 CSIRO advised the Committee there would be a second stage development on the site which would enable CSIRO to accommodate growth in the energy sector, provide the opportunity to consolidate other CSIRO research activities and create facilities for additional research collaborators.⁶ CSIRO also advised the Committee that future site and building development has allowed a further 100 per cent expansion of research and support services facilities.⁷

2 Evidence, p. 94.

3 Evidence, p. 91.

4 BHP Ltd and Baulderstone Hornibrook Pty Ltd are the joint venture owners of the Steel River Project.

5 Evidence, p. 27.

6 Evidence, p. 84.

7 Evidence, p. 47.

Environmental Issues

Remediation

- 4.1 The proposed site has no improvements, is cleared of original vegetation and has no significant landscape or other environmental features. The land has no natural watercourses.
- 4.2 BHP advised the Committee that the site was progressively filled during the 1950s with steelworks by-products, mostly 'coal wash reject' and slag.¹ Once filled it was used for surplus iron out of the blast furnace process.² In recent times the proposed site was used as a Boral crushing plant. The slag that was crushed by Boral was used in road base materials and as an ingredient in concrete manufacturing.³
- 4.3 The Committee was advised by BHP of concerns about the leaching of polycyclic aromatic hydrocarbons from tar which had been deposited at the western end of the Steel River Project site and that this had been evidenced by low levels of leachate from ground water going into the Hunter River.⁴ To stop the leachate, BHP advised that it had instituted a capping strategy to prevent water penetration into the ground water. The capping strategy involved contouring the land which removes ground water penetration. Ground water run off is directed via the contouring into ponds. In addition, surface contamination from fertilisers or oils on

1 Evidence, p. 16.

2 Evidence, p. 16.

3 Evidence, p. 16.

4 Evidence, p. 18.

roads are treated by microphytes on the edge of the ponds. BHP advised the Committee that it expected that capping the site would reduce the leachate by at least 80 per cent.⁵

- 4.4 The Committee questioned BHP as to how and when it was going to cap the site. BHP advised that the capping material would be coal wash and that the capping was 80 per cent complete. It would be completed by the end of November or early December 2000.⁶ BHP also advised that the remediation strategy, including the contouring and capping, was approved by the Environmental Planning Agency and subsequently approved by the Newcastle City Council.⁷ The remediation work was being carried out by Boulderstone Hornibrook and is being independently audited by Woodward Clyde.
- 4.5 In the event of the capping failing, BHP had a fall back strategy. A slither of land adjoining the river bank had been retained, so that a pump-out strategy could be instituted to remove and treat ground water.⁸

Ongoing environmental liability

- 4.6 BHP advised the Committee that it retains in respect of the Steel River Project site liability for the underlying contamination in perpetuity but that it has limited its liability by:
- following a comprehensive remediation action plan; and
 - providing in the contracts of sale of the land enforceable guidelines in respect to contaminant management.⁹
- 4.7 The Committee questioned CSIRO as to what, if any, were its concerns about the future development of the Steel River Project site and whether or not the BHP imposed requirements for the site are such that the operation of CSIRO would be affected in the future. CSIRO advised the Committee that for its own site, it had almost completed a compliance study to meet the requirements for the development and had developed an environmental management plan which addressed issues such as noise, air quality, water quality, flora and fauna. CSIRO anticipated all

5 Evidence, p. 19.

6 Evidence, p. 19.

7 Evidence, p. 19.

8 Evidence, p. 20.

9 Evidence, p. 19.

development on the site would be subject to the same controls that BHP had applied to controlling environmental factors for its development.¹⁰

4.8 The Committee questioned CSIRO as to what statutory and legal requirements there were over BHP and the City of Newcastle to ensure environmental management requirements are met in the future. CSIRO advised the Committee that there are two local planning instruments that need to be complied with:

- the Newcastle local environmental plan amendment No. 105; and
- the second one is the Steel River strategic impact assessment study.¹¹

4.9 CSIRO advised that it must comply with these planning instruments, as does BHP. When further questioned by the Committee as to whether the conditions attaching to instruments would be an ongoing requirement, CSIRO affirmed that the instruments would be.¹²

4.10 The Committee concluded that the proposed CSIRO Energy Centre site is subject to ongoing contractual and statutory legal requirements.

Recommendation 1

4.11 The Committee recommends that CSIRO implement regular contractual and statutory compliance studies as part of its management strategy for the proposed site.

Flora and fauna

4.12 The Committee questioned BHP as to what studies it had undertaken in respect of flora and fauna on the Steel River Project site. BHP advised the Committee that it had a comprehensive study on flora and fauna undertaken by local botanists and that there was nothing of significance there because of the way in which the site had been developed over the years.¹³

4.13 In a submission to the Committee, the NSW National Parks and Wildlife Service (NPWS) advised that while the interests of the NPWS are unlikely

10 Evidence, pp. 86-87.

11 Evidence, p. 87.

12 Evidence, p. 87.

13 Evidence, p. 21.

to be affected by the proposed development, it recommended that several issues be addressed in the Compliance Study¹⁴ to be undertaken for the proposal, namely:

- That a search of the NPWS Wildlife Atlas be undertaken for flora and fauna records. If the study area possesses threatened and regionally significant native flora and fauna species, that detailed surveys be undertaken to determine the natural heritage values of the area and potential impacts on these values;
- That a search of the NPWS Aboriginal Sites Register be undertaken and that an assessment of the archaeological sensitivity of the subject land should be undertaken by an appropriately experienced person in consultation with the local Aboriginal community; and
- Koorangang Island and Hexham Swamp Nature Reserves are within 3km of the Steel River Project site. Accordingly, issues regarding acid sulphate and hydrology should be addressed within the proposed Compliance Study so that any development does not impact on the Koorangang Island and Hexham Swamp Nature Reserves.¹⁵

4.14 When questioned by the Committee as to its awareness of NPWS concerns regarding flora and fauna issues, BHP advised the Committee that it was not aware of any flora and fauna issues.¹⁶ The Committee requested that BHP examine and respond to the NPWS submission. Subsequent to the hearings, BHP informed the Committee that the matters raised in the NPWS submission have been addressed in specific studies by expert consultants in support of the Strategic Impact Assessment Study and the Environment Impact Statement supporting the remedial action plan for the Steel River Project site. The Committee was also advised that all these studies are public documents and are held by the Newcastle City Council.

14 Evidence, p. 20.

15 Evidence, p. 135.

16 Evidence, p. 21.

Consultation

Introduction

5.1 The CSIRO advised the Committee that it had consulted with various authorities, organisations and governmental departments in relation to the proposed CSIRO Energy Centre project, including:

- NSW Department of Urban Affairs and Planning;
- NSW Environment Protection Authority;
- NSW Department of Land and Water Conservation;
- National Parks and Wildlife Service;
- Steel River Community Liaison Committee;
- Hunter Regional Development Board;
- Newcastle City Council;
- BHP Pty Ltd; and
- Newcastle and Hunter Business Chamber.¹

Steel River Project - Community consultation

5.2 In respect of the Steel River Project site as a whole, one of the key consultative forums is the Steel River Community Liaison Committee. The Committee was formed in March 1999 to monitor progress against the community and environmental objectives laid down in the Strategic

¹ Evidence, p. 48.

Impact Assessment Strategy (known as the SIAS). The SIAS was developed through a series of workshops including Newcastle City Council, BHP, Community representatives, technical advisers and mediators.

- 5.3 The current liaison committee comprises four community representatives, a representative from the Estate Management Company (Baulderstone-Hornibrook), a representative from BHP Property management and two representatives from Newcastle City Council.
- 5.4 The Community Liaison Committee has a reporting process through which the Newcastle City Council is able to monitor the various performance parameters laid down in the SIAS. The process is intended to give access, to the community generally, to information regarding the establishment of various facilities, such as appropriate child care, and other services for site employees.
- 5.5 Although it is very early in the development stage of the Steel River Project site with only two industries committed for the site, some issues have been resolved and accepted by the Community Liaison Committee. For example, the design of internal road layout for the hill area, has been accepted. Also, the location of CSIRO boundaries has been fixed and accepted as a fundamental part of traffic and hill design.²
- 5.6 Other matters that have been discussed by the Community Liaison Committee are the ongoing management structure for site operation and amendments to noise, water quality criteria.

CSIRO staff

- 5.7 In evidence to the Committee, CSIRO advised that staff at North Ryde, Lucas Heights and Pinjarra Hills were made aware in January 1999 of the Energy Technology Division's intention to relocate to Newcastle.³ CSIRO also advised that the announcement had been accompanied by regular staff information sessions and specific initiatives, including:
 - staff representatives on the Planning and Construction Group committee for the project;
 - articles in the Energy Division's internal newspaper about the experiences of other CSIRO divisions that have relocated;

2 <http://www.steelriver.com.au/Pages/comnotic.html>.

3 Evidence, p. 33.

- a Divisional intranet site with details on the Steel River Project and features of Newcastle has been established;
 - the inclusion of the proposed project in management committee meetings and the meetings of senior research group staff to provide mechanisms for questions and feedback; and
 - an ongoing program of familiarisation visits for staff and their families to Newcastle.
- 5.8 Two matters concerning CSIRO staff were raised by the Committee with CSIRO at the public hearing. These were:
- the number of staff to be relocated and effect on CSIRO functions; and
 - assistance to staff with regard to moving.

The number of staff to be relocated and effect on CSIRO functions

- 5.9 CSIRO advised that it was CSIRO's intention to only move those people who are at North Ryde to Newcastle, although the intention ultimately was to relocate the Lucas Heights group also.⁴ CSIRO also advised that while it had not formally asked staff to indicate their agreement to relocate, that based on previous relocations it would expect in the order of 50 or 60 per cent of staff to relocate.⁵
- 5.10 CSIRO also advised that if key human resources did not relocate to Newcastle it would recruit people early to overlap with existing staff so that CSIRO would have the ability to maintain research programs.⁶

Assistance with regard to moving

- 5.11 CSIRO advised the Committee that staff who chose to move would be financially assisted, including having the costs for the sale and purchase of residences reimbursed, plus all other reasonable costs that can be identified as being associated with the move.⁷

4 Evidence, p. 87.

5 Evidence, p. 89.

6 Evidence, p. 88.

7 Evidence, p. 89.

Other issues

Land title

- 6.1 In evidence to the Committee, BHP advised that land titles to sites within the Steel River project should be available to enable sales to be completed in October 2000, once the Newcastle City Council was able to bond the final stages of infrastructure development.¹
- 6.2 The Committee asked CSIRO when it expected to have title to the project site and what impact, if any, this would have on the commencement of construction. CSIRO advised that it was very comfortable with the arrangement between BHP and CSIRO and that transfer of title would not delay the project.²
- 6.3 The Committee also asked CSIRO whether it would commence construction prior to transfer of the title. CSIRO advised that the timing of the project suggested that construction would start in 2001 and CSIRO was hopeful of having the titles prior to the end of 2000.
- 6.4 The Committee notes that land title to the proposed site for the CSIRO Energy Centre has not passed from BHP to CSIRO and is firmly of the view that the matter should be resolved prior to the commencement of construction.

1 Evidence, p. 13.

2 Evidence, p. 86.

Recommendation 2

- 6.5 The Committee recommends that the construction of the proposed CSIRO Energy Centre not commence until land title to the proposed site has passed from BHP to CSIRO.**

Car parking and bicycle parking area

- 6.6 CSIRO advised the Committee that the proposed CSIRO Energy Centre site will have staff and visitor car parking totalling 110 bays and a secure and covered bicycle parking area for 10 bicycles.³
- 6.7 The Committee notes that the number of car parking bays is equal to the number of staff which will occupy the proposed facility and that CSIRO provided no rationale for the large number of car parking bays and small number of bicycle parking areas.
- 6.8 The Committee has concluded that CSIRO's actual car parking and bicycle parking requirements with respect to the proposed CSIRO Energy Centre site are unclear.

Recommendation 3

- 6.9 The Committee recommends that CSIRO undertake an analysis of its parking requirements for the purpose of:**
- (a) determining its actual car and bicycle parking requirements; and**
 - (b) providing an economic and social rationale for the requirements.**

Recommendation 4

- 6.10 The Committee recommends that CSIRO provide the Committee with details of the outcome(s) of the analysis.**

3 Evidence, pp. 61 & 62.

Support for the project

- 6.11 Newcastle City Council, State and Federal members of Parliament and industry and interest groups provided submissions to the Committee in support of the proposed CSIRO Energy Centre. The major elements of the case put to the Committee by proponents of the project, other than CSIRO, can be summarised as follows:
- the project will expand the economic base of the city of Newcastle and region;
 - develop and deepen the sustainable industries sector of the Newcastle and Hunter economy; and
 - expand the supply of employment land and infrastructure.
- 6.12 The Committee did not receive any adverse submissions to the proposed CSIRO Energy Centre.

Conclusion

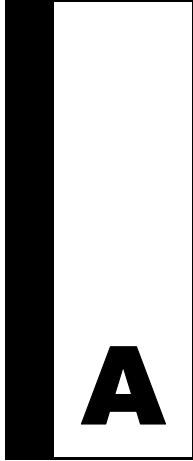
- 7.1 In considering and reporting on a public work, the Committee is required by the *Public Works Committee Act 1969* to state:
- the purpose of the work and its suitability for that purpose;
 - the necessity for, or the advisability of, carrying out the work;
 - the most effective use that can be made, in the carrying out of the work, of the moneys to be expended on the work;
 - where the work purports to be of a revenue-producing character, the amount of revenue that it may reasonably be expected to produce; and
 - the present and prospective public value of the work.
- 7.2 The Committee has considered in this report, where relevant, the proposed CSIRO Energy Centre against each of its statutory reporting consideration requirements. The Committee concludes that the establishment of the proposed CSIRO Energy Centre in Newcastle represents value for money and has the potential to provide long term benefits to current and potential CSIRO customers, the Newcastle region and CSIRO.

Recommendation 5

- 7.3 The Committee recommends construction of the proposed CSIRO Energy Centre at a cost of \$28 million, subject to implementation of the Committee's other recommendations.**

Hon Judi Moylan MP
Chair

5 October 2000



Appendix A—Witnesses

Friday, 11 August 2000

Davies, Mr Jim—City Strategist, City of Newcastle

Dormand, Mr Peter—Project Director, Australian Municipal Energy Improvement Facility, City of Newcastle

Gaudry, Mr Bryce MP—NSW Legislative Assembly, Member for Newcastle

Harley, Mr George—General Manager, Corporate Property, CSIRO

Hobbs, Dr Bruce—Deputy Chief Executive, Minerals and Energy, CSIRO

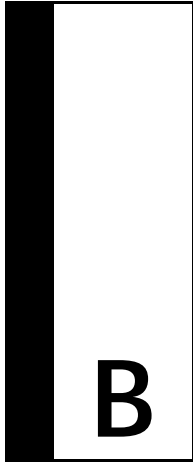
Moody, Mr Trevor—Assistant General Manager, CSIRO Corporate Property, CSIRO

Morris, Mr Allen MP—Parliament of Australia, Federal Member for Newcastle

Norton, Mr Alan—Manager, Property, Newcastle, BHP

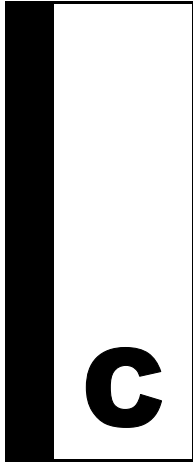
Watt, Ms Jennifer—Director, Cox, Richardson, Architects and Planners

Wright, Dr John—Chief of Division, Energy Technology, CSIRO



Appendix B—List of Submissions

Australian Coal Association Research Program
Australian Heritage Commission
Broken Hill Proprietary Limited
Coal Operations Australia Limited
Commonwealth Scientific and Industrial Research
Organisation
Environment Australia
Macquarie Generation
Mine Subsidence Board
Newcastle & Hunter Business Chamber
New South Wales Fire Brigades
NSW National Parks and Wildlife Service
Rio Tinto Technical Services
Roads and Traffic Authority of NSW
Shell Coal Pty Ltd
Sligar & Associates Pty Ltd
The University of Newcastle
White Mining Limited



Appendix C—Associated Drawings

	Page
Regional Location Plan	C-2
Locality Plan	C-3
Site Plan	C-4
Floor Plans Level 1	C-5
Floor Plans Level 2	C-6
Floor Plans Level 3	C-7
Floor Plans Level 4	C-8
Lab Elevation. Office/Lab Section	C-9
Laboratory/Office Elevations	C-10
Process Bays - Elevations	C-11
Circulation Spine – Section/Elevation	C-12
Auditorium Display Section	C-13
Perspective View	C-14
Master Plan	C-15

DIAGRAMS NOT AVAILABLE IN ELECTRONIC FORMAT.