

Issues and Conclusions

Greenhouse Issues

- 3.1 In its submission to the inquiry, the Australian Greenhouse Office (AGO) detailed the provisions of the Commonwealth Energy Policy applicable to the proposed fit-out works.¹
- 3.2 At the public hearing, Customs stated that, in response to this submission, they had met with the AGO on 8 May 2003.²
- 3.3 At this meeting it was agreed that the AGO would have continuing involvement in the Sydney accommodation project, for the purpose of developing a best-practice model of energy management for application in the development of future Commonwealth building projects. To this end, an AGO officer will act as an advisor to Customs throughout the project.
- 3.4 Customs expects that this arrangement will increase the energy efficiency of its new premises.³

1 Submission No. 2

2 Appendix D, Official Transcript of Evidence, p. 2

3 ib id, p. 3

Changes to Original Building Design

3.5 At the hearing, Customs informed the Committee of two major changes to the construction plan for the new building, that had been instigated since the agency's evidence was submitted in March.⁴ Under the new design, it is proposed that the building will:

- be reoriented to have a more northerly aspect; and
- have one, rather than three, central cores.

Customs believes that these changes significantly improve the overall design.

3.6 Customs stated that the reorientation of the building will create a benefit in terms of energy management, with the shorter sides of the building receiving less exposure to the sun. Improvements in acoustics are also anticipated.

3.7 Customs expects that the single core will enhance the efficiency of the building, in that it will allow greater flexibility in both the current fit-out design and in any future internal reconfiguration. This new feature will also facilitate penetration of natural light.⁵

Staff Consultation

3.8 In written evidence, Customs outlined a Communication Strategy established to effect consultation with internal and external project stakeholders. Measures targeted specifically at Customs staff included:

- the establishment of a formal Reference Group;
- staff information sessions; and
- an intranet site, which both supplies information and allows questions and feedback.⁶

At the public hearing, Customs stated that the decision to relocate had met with a mixed reaction from staff.

4 Appendix D, Official Transcript of Evidence, p. 2

5 *ib id*, p. 3

6 Appendix C, Submission No. 1, paragraphs 2.17.5 - 2.17.6

- 3.9 Concerns raised by staff in relation to the proposed accommodation project included:
- additional travel times and costs;
 - parking arrangements;
 - child care facilities; and
 - access to food.⁷

Travel

- 3.10 The Customs submission states that concerns regarding travel time and costs were addressed in the form of a one-off lump sum payment for staff relocating to the new premises.⁸
- 3.11 At the public hearing, Customs explained that this payment was made to all staff, irrespective of their attitude to relocation, and that the initiative was well-received by both staff and the union.⁹

Parking

- 3.12 Under current lease arrangements, Customs has no free staff parking at its Pitt Street premises, while staff at Link Road use public parking, unless they are working at night when they may use the limited number of internal spaces usually reserved for operational vehicles.¹⁰
- 3.13 At its new premises, Customs has negotiated an agreement with SACL that will provide free parking for Customs' staff for a period of three years.¹¹

Child Care Facilities

- 3.14 While Customs' current planning for the new premises does not include a child care facility, the main submission states that:

“Customs is researching the requirements and possibilities in response to concerns from staff.”¹²

7 ib id, paragraph 2.17.7

8 Appendix C, Submission No. 1, paragraph 1.9.6

9 Appendix D, Official Transcript of Evidence, p. 5

10 ib id

11 Appendix C, Submission No. 1, paragraph 1.10.3

12 ib id, paragraph 2.13.2

- 3.15 When questioned about this research, Customs responded that information about child care centres in the vicinity of Sydney Airport had been made available to all staff and that, through SACL, contact had been made with other airport-based agencies contemplating the implementation of child care facilities.
- 3.16 Customs stated that surveys had indicated that most staff preferred to use child care facilities located near their homes.¹³
- 3.17 As part of its commitment to the Customs Family Support policy, Customs will provide a family room at its new premises.

Access to Food Outlets

- 3.18 Customs does not intend to provide a canteen at the Cooks River Drive premises, but reported that alternative food vending sources are being investigated, both independently and through SACL.¹⁴
- 3.19 The new property will be located some 300 metres from the Sydney International Terminal where there are a number of food outlets.
- 3.20 At the public hearing, Customs discussed the findings of a food and beverage survey, which indicated that staff located at Pitt Street and Link Road may currently walk 300 metres to purchase food.¹⁵
- 3.21 Access to both food and public transport located at the Sydney International Terminal will be facilitated by a covered walkway between the terminal and the new Customs premises.¹⁶

Security

- 3.22 In response to the Committee's questions relating to security, Customs stated that while security costs had increased, considerable savings were expected to result from the consolidation of operations. The ability to address security requirements at base-building level, rather than by means of retro-fitting, was an additional cost benefit.¹⁷

13 Appendix D, Official Transcript of Evidence, p. 7

14 ib id

15 ib id, p. 9

16 ib id

17 ib id, pp. 11 - 12

- 3.23 Customs expects the new premises to provide a greater degree of security than currently exists at Pitt Street or Link Road. As the primary tenant, Customs will control access to the building. The design of the building will allow for security access to be controlled from the ground floor and will also incorporate security measures at the external perimeter.¹⁸
- 3.24 Customs witnesses pointed out that, as a law enforcement agency, Customs is well advanced in planning for counter-terrorism, and further, that Customs intends to maintain standards commensurate with the airport's general security planning.¹⁹

Costs

Fit-out Budget

- 3.25 Customs' written submission states that, although the fit-out design has not been completed,

“...the rate of \$1,000 per square metre is considered by Customs, Jones Lang La Salle (The Project Managers) and the Quantity Surveyor to represent an achievable end cost.”

The submission asserts that the design will be developed to the cost plan, rather than being costed upon completion, and that this will prevent budget over-runs.

- 3.26 When questioned by the Committee about the possibility of cost over-runs, Customs reiterated the view that the projected fit-out costs were reasonable and expressed confidence that the budget would not be exceeded.²⁰

Maintenance of New Premises

- 3.27 After visiting Customs' Link Road office, which incurs high annual maintenance costs, the Committee enquired how such costs would be managed under the leasing arrangements for the new premises.

18 *ib id*, p. 12

19 Appendix D, Official Transcript of Evidence, p. 12

20 *ib id*, p. 13

- 3.28 Customs responded that, as the new building will be occupied under a gross lease, building maintenance costs will be borne by the lessor. This will include periodic re-carpeting and painting.²¹

Air-conditioning

- 3.29 While the maintenance of base-building air-conditioning plant will be the responsibility of the lessor, Customs outlined a requirement for additional air-conditioning and exhaust fans for the main computer room and IT wiring systems. Customs does not expect the costs associated with this requirement to be significant.²²

Fire Protection

- 3.30 In written evidence, Customs supplied details of the fire protection measures that will be incorporated into the building design to ensure compliance with the Building Code of Australia.²³
- 3.31 Elaborating on this at the hearing, Customs stated that most of the necessary fire protection requirements, including sprinklers, hydrants and hoses, will be included in the base-building construction. Customs' costs for additional fire protection will be confined to a VESDA early warning system, additional fire extinguishers and, if necessary, alterations to some sprinkler heads.²⁴

Contingency Arrangements

- 3.32 The Committee was interested to learn what contingency plans Customs had prepared in the event of a delay in the completion of the new premises.
- 3.33 Customs replied that the Pitt Street lease was the
“... most at risk lease in terms of future extension”,²⁵
and that this lease had already been extended until December 2004. Customs added that no problems are anticipated in

21 *ib id*, p. 11

22 Appendix D, Official Transcript of Evidence, p. 11

23 Appendix C, Submission No. 1, paragraph 2.14.1

24 Appendix D, Official Transcript of Evidence, p. 14

25 *ib id*

relation to the Link Road premises, due to the positive relations existing between Customs and SACL.

- 3.34 However, Customs stated that – if necessary - Pitt Street staff could be relocated to the new premises at the conclusion of their lease, even if this meant a subsequent move within the building.
- 3.35 Customs outlined a number of other measures that had been built into the project plan to mitigate against delays. Given that many of Customs’ requirements are to be integrated into the base-building design, the time required for fit-out has been minimised, thus a significant delay is unlikely. Additional protection is afforded by a mechanism in the contract with the developer, by which the scope of the base-building works may be increased to reduce fit-out time, should the base construction take longer than anticipated.
- 3.36 Customs was confident that the project would meet completion deadlines as allowances for delays of four weeks or more had been included in the programs for both the building construction and fit-out.²⁶

Quality of Evidence

- 3.37 The Committee expressed its satisfaction and gratitude at the quality of evidence presented by Customs. At the public hearing , the Deputy Chair complimented Customs on

“...producing such a comprehensive submission...”;

while the Chair in her closing statement congratulated Customs, saying that:

“...the submission is excellent and it helped facilitate the Committee’s work prior to this hearing.”

26 Appendix D, Official Transcript of Evidence, p. 15

Recommendation 1

The Committee recommends that the proposed fit-out of new leased premises for the Australian Customs Service at Sydney International Terminal, Sydney, NSW, proceed at the estimated cost of \$13.409 million.

Hon Judi Moylan MP

Chair

18 June 2003