
The Parliament of the Commonwealth of Australia

Mid-Life Upgrade of Existing Chancery at the Australian High Commission, Singapore

Parliamentary Standing Committee on Public Works

June 2005
Canberra

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Membership of the Committee

Chair Hon Judi Moylan MP

Deputy Chair Mr Brendan O'Connor MP

Members Mr John Forrest MP

Mr Harry Jenkins MP

Mr Bernie Ripoll MP

Mr Barry Wakelin MP

Senator Alan Ferguson

Senator Michael Forshaw

Senator the Hon Judith Troeth

Committee Secretariat

Secretary Mrs Margaret Swieringa

Inquiry Secretaries Mr Raymond Knight


Ms Vivienne Courto

Administrative Officer Mr Peter Ratas



List of Abbreviations

AFP	Australian Federal Police
BCA	Building Code of Australia
BMS	Building Management System
DFAT	Department of Foreign Affairs and Trade
DIMIA	Department of Immigration, Multicultural and Indigenous Affairs
DSB	Diplomatic Security Branch
MOU	Memorandum of Understanding
OH&S	Occupational Health and Safety
OPO	Overseas Property Office
PCB	Polychlorinated Biphenyl



Extract from the Votes and Proceedings of the House of Representatives

No. 17 dated Wednesday, 16 February 2005

**14 PUBLIC WORKS – PARLIAMENTARY STANDING COMMITTEE –
REFERENCE OF WORK – PROPOSED MID-LIFE UPGRADE OF EXISTING
CHANCERY BUILDING FOR THE AUSTRALIAN HIGH COMMISSION,
SINGAPORE**

Dr Stone (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: Proposed mid-life upgrade of existing Chancery building for the Australian High Commission, Singapore.

Question – put and passed.

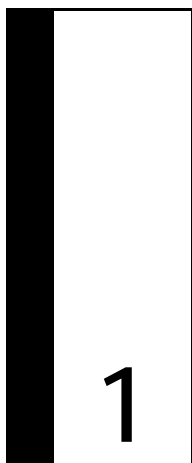


List of Recommendations

3 Issues and Conclusions

Recommendation 1

The Committee recommends that the proposed mid-life upgrade of existing Chancery at the Australian High Commission, Singapore, proceed at the estimated cost of \$12.7 million.



Introduction

Referral of Work

- 1.1 On 16 February 2005 the proposal for the mid-life upgrade of the existing Chancery at the Australian High Commission, Singapore, was referred to the Public Works Committee for consideration and report to the Parliament in accordance with the provisions of the *Public Works Committee Act 1969* (the Act).¹ The proponent agency for this work is the Department of Foreign Affairs and Trade (DFAT).
- 1.2 The Hon Dr Sharman Stone MP, Parliamentary Secretary to the Minister for Finance and Administration, advised the House that the estimated cost of the proposed works was \$12.7 million. Subject to parliamentary approval, works are to commence in March 2006, and completed in the first half of 2007.

Background

Australian Diplomatic Presence in Singapore

- 1.3 Singapore and Australia have a bilateral relationship based on political, defence, educational, trade, tourism, and Commonwealth links.² The Chancery was built in 1977 on land provided by the Singapore

¹ Extract from the *Votes and Proceedings of the House of Representatives*, No. 17, Wednesday 16 February 2005

² Appendix C, Submission No. 1, paragraph 2.1

Government on a 99 year lease to April 2073. As per the leasehold title, use of the property is limited to a chancery building.

1.4 The Chancery building consists of:

- large central atrium;
- five levels of air conditioned office accommodation;
- basement parking for 41 cars; and
- roof level engineering services plant room.

Ancillary facilities include:

- a swimming pool and cabana social area;
- tennis court;
- squash court; and
- children's play area.³

1.5 The existing Chancery is tenanted by:

- DFAT;
- Department of Immigration and Multicultural and Indigenous Affairs (DIMIA);
- Austrade;
- Australian Federal Police (AFP);
- Invest Australia;
- the Singapore-Australia Chamber of Commerce; and
- Department of Defence.⁴

The Site

1.6 The Chancery building, owned by the Australian Government, is located at 25 Napier Road Singapore, in the Orchard Road district, adjacent to the Singaporean Ministry of Foreign Affairs and close to the missions of the United States, Britain and China.⁵

3 Appendix C, Submission No. 1, paragraph 2.4

4 *ibid*, paragraph 1.3

5 *ibid*, paragraph 2.3

Inquiry Process

- 1.7 The Committee is required by the Act to consider public works over \$6 million⁶ and report to Parliament on:
- the purpose of the work and its suitability for that purpose;
 - the need for, or the advisability of, carrying out the work;
 - whether the money to be expended on the work is being spent in the most cost effective manner;
 - the amount of revenue the work will generate for the Commonwealth, if that is its purpose; and
 - the present and prospective public value of the work.⁷
- 1.8 The Committee called for submissions by advertising the inquiry in *The Canberra Times* on Saturday, 2 April 2005. The Committee also sought submissions from relevant government agencies, local government, private organisations and individuals, who may be materially affected by or have an interest in the proposed work. The Committee subsequently placed submissions and other information relating to the inquiry on its web site in order to encourage further public participation.

Public Hearing

- 1.9 Under the terms of the Act, the Committee may not convene at any place outside Australia and its external Territories. Where a public work is to be carried out outside Australian and its external Territories, the Committee:
- ...shall consider the work on the basis of plans, models and statements placed before it and of evidence (if any) taken by it.⁸
- 1.10 On 13 May 2005, the Committee received a briefing from DFAT officers on the scope and environs of the proposed works to be undertaken at the Singapore Chancery. This was followed by a public hearing held at Parliament House, Canberra⁹.

6 *Public Works Committee Act 1969*, Part III, Section 18 (8)

7 *ibid*, Section 17

8 *ibid*, Section 18B

9 See Appendix D for the official Hansard transcript of the evidence taken by the Committee at the public hearing on Friday, 13 May 2005 in Parliament House, Canberra

The Proposed Works

Need

- 2.1 The Commonwealth agencies that originally occupied the building have changed operations over time resulting in a reduction in numbers of Australian and local staff.¹ The reduced level of occupation has not been compensated for by growth in the size or number of agencies occupying the building, leaving many areas of the Chancery vacant, underutilised or inefficiently configured.²
- 2.2 A report by consultants GHD Pty Ltd submitted in August 2003 provided detailed recommendations as to the scope and nature of the proposed comprehensive mid-life refurbishment of the building structure, engineering services and fitout.³
- 2.3 The existing Chancery building is inadequate for its purpose, specifically:
- the current building has significant deficiencies in meeting Australian and Singaporean building requirements;
 - the building requires upgrades to comply with OH&S and Building Code of Australia standards;
 - entrance, reception and representational areas do not meet DFAT (and occupying agencies) standards;

1 Appendix C, Submission No. 1, paragraph 2.5

2 *ibid*, paragraph 2.6

3 *ibid*, paragraph 2.7

- current workplace layout is not functional;
- service provision and core environmental services require upgrading to increase amenity; and
- the current arrangement of tenant agencies is not cost-effective.⁴

Scope

2.4 Proposed refurbishment of the Chancery will consist of:

- upgrade of building mechanical, electrical, hydraulic and fire engineering services, and removal of hazardous materials;⁵
- refurbishment of existing and new Access Control, Security and Secure Communication systems;⁶
- refurbishment of mail, drivers' and cleaners' rooms;
- new office fitouts for tenant agencies, including consolidation of tenant operations to four of the five floors, leaving the third floor vacant;⁷ and
- minor modification of the entry driveway and resealing of bitumen services.⁸

Purpose

2.5 DFAT state that the refurbishment will:

- maintain the High Commission as the primary owner/occupier of the building;
- provide efficient, high quality accommodation and representational facilities that meet the current requirements of the High Commission; and

4 Appendix C, Submission No. 1, paragraphs 3.1-3.3

5 *ibid*, paragraph 11.1

6 *ibid*, paragraph 12.2

7 *ibid*, paragraph 12.3

8 *ibid*, paragraph 13.2

- provide an opportunity for the consolidation of current tenant accommodation within the building and create potential for the accommodation of other function.⁹

Project Delivery

2.6 A traditional design, documentation, tendering and contracting delivery methodology has been selected for this project. DFAT has determined that this process will deliver best value for money and will give DFAT full control of all project delivery. A single contract will be awarded for the construction and fitout works.¹⁰

Cost

2.7 The total estimated cost of the proposed development is \$12.7 million based on August 2003 prices. This figure includes:

- escalation;
- construction costs;
- consultants' fees;
- project management; and
- supervision and site office expenses.¹¹

2.8 The cost estimate does not include:

- provision of loose furniture;
- provision of artworks;
- provision of white goods;
- interest charges; or
- duties taxes or Singaporean GST (as it is expected that the project will be exempt).¹²

9 Appendix C, Submission No. 1, paragraph 5.1

10 *ibid*, paragraph 30.1-30.2

11 *ibid*, paragraph 29.1

12 *ibid*, paragraph 29.2-29.3

Issues and Conclusions

Previous Works

- 3.1 The Committee sought information on other works undertaken since the Chancery was built in 1977. DFAT reported that there had been no major refurbishment of the Chancery office areas since it was built. Works carried out as part of a rolling program of maintenance have included, lift upgrades and routine changeover of equipment such as air conditioning chillers.¹

Building Occupancy

Staff

- 3.2 The Committee enquired as to the number of staff currently accommodated in the building. DFAT responded that there are presently 22 Australian-based and 60 – 70 locally engaged staff. Based on an accommodation survey completed by tenant agencies, DFAT anticipates that staffing levels will remain stable.²

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

2 *ibid*

Third Floor Vacancy

- 3.3 DFAT states in its main submission that the proposed refurbishment and consolidation of the Chancery will create the potential for the third floor space to be made available for other functions.³ The Committee enquired as to how DFAT plans to utilise the vacant space.
- 3.4 DFAT explained that the vacant third floor will consist of approximately 1,200 square metres of office space, which could accommodate a new tenant should such an opportunity present.⁴ As part of the refurbishment the third floor would be fitted out to a very high standard at base-building level ready for future tenant requirements. Any further fitout as part of a new tenant occupancy would be at the cost of the tenant, not the Australian government.⁵
- 3.5 Given that the Chancery is a five storey building, the Committee was interested as to why the third floor was specifically chosen to be left vacant. DFAT explained that the other floors have substantial security features that require ongoing use.⁶
- 3.6 The Committee inquired as to whether a tenant for the third floor had been arranged. DFAT told the Committee that there was no prospective tenant at this stage. The diplomatic nature of the site prevents DFAT engaging in a normal subtenancy agreement. A prospective tenant would require diplomatic accreditation with the Singapore government.⁷

Environmental Considerations

Energy Conservation Measures

- 3.7 DFAT's main submission states that:

A Building Management System (BMS) will replace the outdated pneumatic control system and will monitor and control the mechanical services and include energy saving algorithms.⁸

3 Appendix C, Submission No. 1, paragraph 3.3

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

5 *ibid*, p. 5

6 *ibid*, p. 4

7 *ibid*, p. 5

8 Appendix C, Submission No. 1, paragraph 17.12

- 3.8 The Committee sought further information as to the benefits of energy saving algorithms. DFAT replied that these were a key element of the refurbishment especially given the current level of energy inefficiency.⁹ The refurbished building will include energy conservation measures such as the zoning of areas and an intelligent lighting system. Zoning and intelligent lighting systems allow for segments of the building to be powered and lit as required, thus minimising energy usage.¹⁰
- 3.9 DFAT stated that, due to restrictions of existing building structure, it anticipates a 3 ½ star energy rating at best, after the proposed mid-life refurbishment and continued:

There is very little we [DFAT] can do to the external envelope to improve the heat gain into the building and that is the major deficiency which we [DFAT] cannot address through this current project.¹¹

Hazardous Materials

- 3.10 DFAT's main submission states that:

The removal of hazardous material will be undertaken in accordance with relevant legislation and approved safe work practices.¹²

The Committee sought more detail on the proposed removal of hazardous materials from the building. Specifically, members wished to know what hazardous materials are within the Chancery.

- 3.11 DFAT replied that the building contained such hazardous materials as Polychlorinated Biphenyls (PCBs) and asbestos. It is proposed that PCBs contained in the light fittings will be removed, and DFAT does not anticipate the removal to require any specialised removal procedures. Asbestos is present in such building elements as the main switchboard and external eaves. DFAT proposes to replace the switchboard components, whilst asbestos encapsulated in the eave soffits will not be disturbed in such a way as to render the material hazardous. DFAT further assured the Committee that the removal of hazardous materials would be carried out in accordance with safe work practices.¹³

9 Appendix D Official Transcript of Evidence, p. 10

10 *ibid*

11 *ibid*

12 Appendix C, Submission No. 1, paragraph 7.2

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

Building Codes and Standards

- 3.12 In its main submission DFAT details Australian and Singaporean building codes and standards to which the project will adhere. The Committee inquired as to whether there were any substantial differences in the application of these standards and codes.
- 3.13 DFAT informed the Committee that the Singaporean codes are of a similar high standard to Australian codes, however works being undertaken internally will be completed to Australian standards.¹⁴ DFAT further stated that contract works undertaken in Singapore will be undertaken in accordance with Singaporean law and standards. However, should any deficiencies in Singaporean codes or standards arise when compared with those of Australia, DFAT would incorporate specific requirements into tender documentation to ensure visitor and staff safety.¹⁵

Building Services and Amenity

Power Generator

- 3.14 DFAT's main submission states that a new primary generator will be installed to provide emergency power, whilst the existing emergency generator will be retained as a back-up. The Committee questioned the necessity of having two emergency generators, given that the current emergency generator is in working condition.¹⁶
- 3.15 DFAT informed the Committee that the current back-up generator is old and replacement is desirable. The removal and decommissioning of the existing back-up generator would not be cost effective, and secondly it is more economical to leave it in its current location and install a second generator.¹⁷

Provision for People with Disabilities

- 3.16 The Committee sought confirmation that any existing deficiencies in building access for people with disabilities would be were being

14 Appendix D, Official Transcript of Evidence, p. 6

15 *ibid*, p. 9

16 *ibid*, p. 7

17 *ibid*

addressed as part of the mid-life refurbishment upgrade. DFAT assured the Committee that full provision for disabled access had been taken into account, and that the upgrade of disabled access was an essential part of the refurbishment plan.¹⁸

Security

- 3.17 The Committee was interested to learn what security measures would be incorporated into the project. DFAT informed the Committee that much of the security works identified in this project are internal security features which are required as a result of office reconfigurations.¹⁹ DFAT explained further that the Chancery has a considerable setback from the public thoroughfare; at some places further than the minimum requirement of 30 metres.²⁰
- 3.18 Due to the sensitive nature of Chancery security, DFAT satisfied the Committee's inquiries in a confidential briefing prior to the public hearing. At the public hearing, DFAT stated that the Australian High Commission in Singapore has been undergoing extensive new security works over the past several years.²¹ DFAT's main submission also made mention of the current rolling security review of Australia's overseas Missions.²² DFAT assured the Committee that any external security modifications that may occur as part of the rolling security review would be incorporated into the current works proposal where possible to prevent duplication of works.²³

Recommendation 1

The Committee recommends that the proposed mid-life upgrade of existing Chancery at the Australian High Commission, Singapore, proceed at the estimated cost of \$12.7 million.

18 Appendix D, Official Transcript of Evidence, p. 8

19 *ibid*

20 *ibid*, p.9

21 *ibid*, p. 8

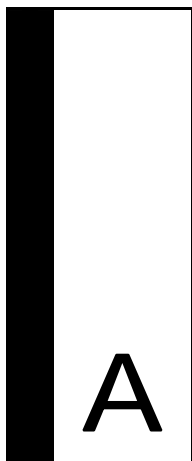
22 Appendix C, Submission No. 1, paragraph 25.3

23 Appendix D, Official Transcript of Evidence, p. 10

Hon Judi Moylan MP

Chair

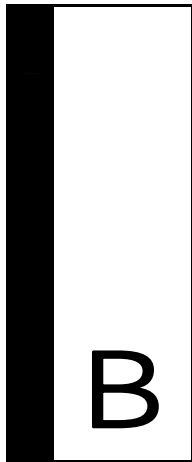
22 June 2005



Appendix A – List of Submissions

Submissions

1. Department of Foreign Affairs and Trade



Appendix B – List of Witnesses

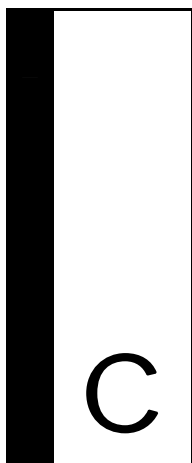
Mr Peter Davin, Executive Director, Overseas Property Office, Department of Foreign Affairs and Trade

Mr Richard Hancock, Head, Project Management Services, Overseas Property Office, Department of Foreign Affairs and Trade

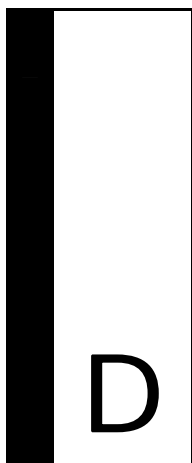
Mr Ian McKay, Manager, Capital Works, Multiplex Facilities Management

Mr Graham Morgan, Design Manager, GHD Pty Ltd

Mr John Richardson, Assistant Secretary, Diplomatic Security Branch, Information Management and Services Division, Department of Foreign Affairs and Trade



Appendix C – Submission No. 1 from the
Department of Foreign Affairs and Trade



Appendix D – Official Transcript of Evidence

