



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

JOINT COMMITTEE ON PUBLIC WORKS

**Reference: Construction of new offices for the Australian Consulate-General, Bali,
Indonesia**

FRIDAY, 27 MAY 2005

CANBERRA

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**JOINT STATUTORY COMMITTEE ON
PUBLIC WORKS**

Friday, 27 May 2005

Members: Mrs Moylan (*Chair*), Mr Brendan O'Connor (*Deputy Chair*), Senators Ferguson, Forshaw and Troeth and Mr Forrest, Mr Jenkins, Mr Ripoll and Mr Wakelin

Members in attendance: Senator Forshaw, Mrs Moylan, Mr Brendan O'Connor and Mr Wakelin

Terms of reference for the inquiry:

To inquire into and report on:

New Offices for the Australian Consulate-General in Bali, Indonesia

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RICHARDSON, Mr John, Assistant Secretary, Diplomatic Security Branch, Department of Foreign Affairs and Trade	1

Committee met at 10.01 am

CHRISMAS, Mr Rodney Gordon, Director, James Cubitt Architects Pty Ltd

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

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

MORAN, Mr Philip John, Assistant Secretary, Property Management and Strategic Planning, Overseas Property Office, Department of Foreign Affairs and Trade

RICHARDSON, Mr John, Assistant Secretary, Diplomatic Security Branch, Department of Foreign Affairs and Trade

McKAY, Mr Ian Stuart, Capital Works Manager, Multiplex Facilities Management

CHAIR—Welcome. I declare open this public hearing into the construction of new offices for the Australian Consulate-General in Bali, Indonesia. This project was referred to the Public Works Committee on 15 March 2005 for consideration and report to the parliament. In accordance with subsection 17(3) of the Public Works Committee Act 1969, which concerns examination and reporting on a public work, the committee will have regard to the stated purpose of the work and its suitability for that purpose; the necessity for or the advisability of carrying out the work; in carrying out the work, the most effective use that can be made of the moneys to be expended; 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.

We thank you for the confidential briefings and once again we thank you very much for the more detailed costings, which have helped the committee in its deliberations. The committee will now hear further evidence from the department. The committee has received a submission from the department. The submission will be made available in the volume of submissions for the inquiry and it will also be available on the committee's web site. Does the department wish to propose any amendments to the submission made to the committee?

Mr Davin—No amendments.

CHAIR—Mr Davin, would you like to make an opening statement.

Mr Davin—This submission seeks approval for the Department of Foreign Affairs and Trade to construct a new building for the Australian Consulate-General in Bali on vacant land purchased by the Australian government for this purpose in 2004. The building will be occupied by the Department of Foreign Affairs and Trade, the Department of Immigration and Multicultural and Indigenous Affairs and the Australian Federal Police. The cost of the project will be \$7.15 million.

The proposed new offices will replace former leased accommodation which did not meet critical security requirements and was no longer suitable for Australia's representational and consular requirements in Bali. The decision to relocate the consulate-general from those premises was taken on security grounds following the Bali bombing in October 2002. Planning for relocation was well under way when the bombing of the Australian embassy in Jakarta occurred in September 2004. The former offices were immediately closed and the consulate-general was moved to temporary offices, pending eventual relocation to purpose built premises.

A comprehensive review of the consulate-general's accommodation requirements was carried out in 2004. It was decided that construction of a new purpose-designed building would be the most cost-effective way of meeting the requirements identified in this review. The new premises will meet the requirements of agencies represented at the post. They will provide effective security for staff and visitors. The project includes the provision of a permanent site for the Bali bombing commemorative garden and anniversary pond, a suitable space for people to pay their respects in a peaceful and private environment. Subject to parliamentary approval, this urgent construction project would begin in October 2005. Practical completion and occupation would take place by October 2006.

Mr WAKELIN—In Bali, with its unique circumstances—not only in recent years but even today there are unique circumstances as well—the variation in demand on the services of the consulate would seem to me to be a feature. I cannot think of anywhere, although I am sure you can tell me, where there would be this ebb and flow, this variation in demand. Can you comment on that and how it impacts on the site?

Mr Davin—Bali has always been an extremely busy consular post for the department. Since the Bali bombing in 2002, there has been intense public interest in Bali and there have been any number of Australian agencies involved in the investigation. It has put extraordinary demand on our consulate to service those requirements. I do not have any other particular observations.

Mr WAKELIN—I just wonder about the design of the building. It seems to me almost impossible to predict. I do not know whether there is anything in the feature of the design. How do you do that to do your best in a practical way?

Mr Davin—This current building reflects agency forecasts for staffing requirements. There is a modest capacity within the design to cope with some increase in staff numbers, but it really reflects requirements. This building is approximately 1,000 square metres, so it is not a large building, but it has been designed to provide very functional and efficient office space.

Mr WAKELIN—You cannot put a marquee out the back—although you probably can in certain circumstances. I am just saying that, given the demand of what is required, it is pretty difficult. I just wanted to bring that out and see whether there was anything there. The other thing is the existing memorial garden and anniversary pond that you have mentioned, which will be relocated to the new site in an appropriate way, with access. I would just like a reassurance that that has been assessed by a whole lot of appropriate people and that the access will be in the way that you have just described it—in a 'private and appropriate way', I think you said. If I looked at those designs, I would probably understand it better again. Can you just comment on that a little further?

Mr Davin—Those features are an integral part of the design of the building, in particular to allow controlled public access and to provide some facilities. But I might refer to our architect, Mr Christmas, who might be able to provide more information about how that feature has been incorporated into the site.

Mr WAKELIN—Just a general comment, because obviously there are issues of security there as well and you have to strike a compromise.

Mr Christmas—We have a guard post as the first point of call for anyone wanting to enter the site. They go through a screening process and, once they have completed that, they are permitted to proceed either to the building or to the controlled area in the front, which contains the commemorative garden and the anniversary pond. To limit access to other parts of the site, there is a pedestrian fence which is incorporated into the design of the landscaping. Toilet facilities will also be in the guard post facility so that people who want to visit for commemorative purposes will proceed to the garden area only.

Mr WAKELIN—That is fine, thank you.

Mr BRENDAN O'CONNOR—Can I say for the record, seeing this is a public hearing—I am sure this is on behalf of all committee members—how important the commemorative feature is. It is important that it is properly constructed, at the same time being mindful of the security arrangements that are needed. Without disclosing anything sensitive, can I ask: is the department confident, in light of the bombings not long ago, that the consulate-general building will be secure for staff and officers there?

Mr Davin—I might ask Mr Richardson to respond to that.

CHAIR—If there is anything that you think is of a confidential nature, perhaps that could be submitted separately. We did not ask those questions in the confidential briefing.

Mr Richardson—We have designed a very high level of security provision into the consulate which we think is appropriate to the overall threat level. We are confident that will reduce the risk to staff and visitors to an acceptable level. I would make the point that we can never eliminate the risk in our posts. But we consider the features we have built in—the mitigating measures—to be of a very high standard and appropriate to the overall high security threat environment the consulate operates in.

Mr BRENDAN O'CONNOR—Can I just get a history again? There was the original building and then there was a relocation. Mr Davin, can you explain quickly how that has occurred and why you are happy with this relocation?

Mr Davin—The original consulate site was operated out of a converted house which had had various extensions and works done on it over the years, but it was clearly inadequate for a modern functioning office. This was apparent to us some time ago. Post the October 2002 Bali bombing, we were able to make some security improvements to that site, just by road closure and other physical security measures, but they still fell well short of what our minimum security requirements in that environment were. So we looked at options for relocation and we undertook quite a detailed survey of the real estate market in Bali to see where we could find an alternative

site. That process had pretty much concluded—that we needed to purchase land and construct a purpose-built consulate-general—when the bombing in Jakarta in October 2004 brought that vulnerability once again into sharp relief and it was decided to close that office and move to temporary accommodation in a hotel until more secure temporary accommodation could be identified. We have now done that. We are in interim accommodation which has good security. That will serve as our consulate-general until the purpose building is available.

Mr BRENDAN O’CONNOR—The construction is 1,000 square metres or thereabouts.

Mr Davin—Thereabouts.

Mr BRENDAN O’CONNOR—What is the comparison of size between this construction and the original site?

Mr Davin—It is quite dramatic in that the original premises were something like 270 square metres. I hasten to say that that did not provide anything like appropriate office accommodation for our staff. For instance, one of the A-based staff members worked out of a stairwell and other staff were required to work from kitchen areas. It was not a good, functioning office at that time. Of course, staff numbers have increased and the demands on our consulate have gone up. In the new facility we will have conference facilities, visiting officer facilities and a much more modern, functioning office. It is a substantial increase in size which reflects an increase in staff numbers.

Mr BRENDAN O’CONNOR—It is almost four times the size.

Mr Davin—It reflects the inadequacy of the original office plus the increase in staff numbers and the functions and activities of our office.

Mr BRENDAN O’CONNOR—What is the increase in staff?

Mr Davin—We originally had two A-based staff operating out of that building with something like seven or eight locally engaged staff. The new building, at current projections, will have four A-based and 16 LES people. That is likely to increase on current agency projections to perhaps six A-based and some 20 or so locally engaged staff.

Mr BRENDAN O’CONNOR—When would that be?

Mr Davin—The estimate is that, by the time we move into the building, the establishment will be at that level. That is forecast by attached agencies.

Senator FORSHAW—I want to clarify a couple of issues in your submission. Paragraph 27 says:

Meetings have been held with the provincial government regarding the local statutory authority building approval processes and requirements.

Can you expand on that as to what the implications are for the project in getting those approvals?

Mr Davin—Once again, these approvals would be pretty standard for any building. They will go to the issue of services provided. We have had considerable assistance from the Governor of Bali in identifying and purchasing the land that this building will be on. We expect that we will have full cooperation and assistance from the local government in moving through that approval process.

Mr Christmas—We have an associate based in Bali, an Australian architect, who will help us during the delivery of the project. He has already had preliminary discussions with the provincial authorities. We will seek an application for a building licence, and that application will include documentation and drawings—not complicated drawings—that will be converted to the local language. That is to be signed by that local architect, who has authority to do so under their legislation. That process will be administered by him in the not-too-distant future.

Senator FORSHAW—Do you anticipate any difficulties or delays that might impact upon the cost in that regard?

Mr Christmas—We do not anticipate any delays. We know that the process may take in the order of three months to achieve.

Senator FORSHAW—I have a similar question to that which I asked in dealing with the previous matter in Vientiane. A similar comment appears at paragraph 17.6 of the submission regarding the need to import various construction materials. Does that mean materials imported from outside Indonesia or outside Bali? What would be the potential Australian content, given that we are not that far away?

Mr Davin—Once again, when we say imported we mean imported from outside Indonesia. The base materials are available locally; we are confident that the base structures will be readily available in the local market. For some of the more sophisticated elements of the building, we would expect to import. We will be specifying Australian standards right through this building. To the extent that those standards can be readily achieved by importing those materials from Australia, we expect that the primary contractor will take that option, but it will not be a requirement of our tender documentation.

Senator FORSHAW—Following that—and this was an issue I did not raise in the previous hearing, but I had the opportunity to discuss it with you off the record so I will ask now to have it on the record—at paragraph 17.15 of your submission you refer to water supply pressure and quality issues. They are to be confirmed in discussions with the local authority. I note that somewhere in the submission you refer to the project including filtration and the system including a power generating plant. If you do not mind, could you clarify what is done with respect to ensuring that, where possible, Australian standards are met with water, power and so on?

Mr Davin—This site does have access to mains water supply and mains power. We will connect to that mains supply, but we will run it through a filtration system on site to ensure that the water is potable and usable. That filtration is a sand filter plus an ultraviolet system. We will have a mains supply, but there will be a requirement for a generator backup to make sure that essential activities in the consulate are not interrupted by any failure of the mains supply. The

sewerage services will be maintained on site through a septic system; there is no mains system there.

Senator FORSHAW—I appreciate that this is the sort of thing that would be addressed in all new construction and even in existing buildings, I would assume, in our embassies and consulates where it was necessary. I thought it was important to have that on the record.

Mr Davin—We do incorporate some water storage capacity on the site just as a fire precaution.

CHAIR—Going back to the site selection, you indicated when we were talking informally—and looking at the plans you have provided to the committee—that the site options pretty much all had narrow frontages. In fact, because of the local taxing it was very hard to find any site without a narrow frontage. Given that, can you perhaps outline for the record the challenges you faced in siting the building on such a site? It has a narrow frontage, and two Balinese government buildings are very close to the boundaries on either side of the front of the building. In light of that, and given the current security environment, what provisions are made for evacuating people from the site in the event of something happening there? It is probably a bit of a broad question because, with a narrow site like that, there are obvious challenges for the architect in designing the building and then there are security issues—there are the practical issues of how you design it to take advantage of the climatic conditions and then there are the other issues of security. Could we perhaps go to those?

Mr Davin—In the first instance I might ask Mr Moran to explain the site selection—why we ended up with that particular site and how it was brought about. Then I might ask Mr Richardson to discuss the particular security challenges at that site. Finally, perhaps I could refer to Mr Christmas to talk about the evacuation procedures in place in the building design.

Mr Moran—When we got the go-ahead for the relocation we looked at a range of options, including precommitment leasing options to developments, the purchase of an existing building and the purchase of land to build a purpose-built facility on. We engaged CB Richard Ellis out of Jakarta, with whom we have a worldwide contract to do all our valuation services, to do a market study. We were unable to identify any acceptable options out of the first three options of leasing, developers or existing buildings. A lot of the building standards in Bali are unacceptable, not just for security reasons but also because many of them do not meet minimum seismic standards, and it is a seismic area.

We moved on to a second stage where we looked for land sites. We identified about 14 land sites, mainly in the Denpasar, Kuta and Renon areas. Renon is the area where our existing chancery is currently located. It is also the main government precinct in Denpasar and where most of the other diplomatic missions are located. We came down to about three options. The challenge we had in Bali was that the sites generally tended to be long and narrow. Even this particular site had two owners that we had to deal with: the Balinese government and a private owner. It was selected, after consultation with our security area, based on its locality—we could get the site in between two existing buildings that were reasonably secure. There were a range of other mitigation factors that came into making it an acceptable site.

The overall process of purchase has taken us approximately 20 months. In dealing with the Balinese government, although they were cooperative, we had to purchase the private site first and then come back and purchase the site from the Balinese government. The private site happened to be under what they call a pipal title, which is almost the lowest form of land title in Indonesia. It virtually means it goes back to the original village or family. The person whose name it was registered in had been dead for five years, and it took us six to nine months to establish who had rightful ownership. We also had to deal with the Balinese authorities, the Balinese parliament and central authorities in Jakarta. Once we had completed the purchase of that piece of land, we moved on to the purchase of the Balinese government land. We got caught up in an election in Bali as well. We concluded the purchase of the government land in March this year. We are now working with the land office there to get a consolidated title. But at this stage there is nothing that would impede us moving ahead with planning approval.

Mr Richardson—In the context that Mr Moran has just outlined, we had to look at each of the sites and make judgments as to whether sufficient mitigating measures could be applied on them to bring the building to a level that presented an acceptable risk. To do that, we looked at the potential threats posed on each of the perimeters of the site and what could be done to mitigate those threats. The types of measures that we took—and I hope you will understand if I do not go into the detail of those—

CHAIR—Certainly.

Mr Richardson—involved discussions with the neighbouring building owners to see what measures they might agree to take on their land. They have been very cooperative in that respect. The second set of measures we took was in relation to the siting of the building on the block of land. The third set was in relation to the construction to ensure that, where there were potential vulnerabilities, those areas were particularly focused on. We also took into account where staff would be located within the building in relation to those threats. So, through a combination of various measures, we are confident that we have achieved a level of threat mitigation which is appropriate in the environment that the consulate will be operating in, though it was challenging.

CHAIR—Can you comment on the evacuation situation in the case of an incident?

Mr Richardson—One of the criteria that we apply with new chanceries or consulates is that there be alternative evacuation routes so that we are not dependent on one particular access point which obviously could be choked off. So we will build into the new site alternative evacuation routes in case a particular access point is no longer available to staff.

CHAIR—Does a narrow site such as this present you with additional challenges in terms of alternative evacuation?

Mr Richardson—The challenge in terms of alternative evacuation is what lies on other perimeters. We would prefer not to have two evacuation points from the same perimeter. We would always try to have an alternative evacuation route through another perimeter which is removed from, say, in this case, the front of the building where normal access to the site is achieved. It is more what lies on the other boundaries which is the issue.

CHAIR—You mentioned the seismic activity, and I think I noted in your submission that you refer to geological testing. There are other issues like climatic conditions, because I think Bali has a high rainfall at times, and drainage and flooding issues are important considerations in a building like this. Could we perhaps just have an overview of how you are managing some of those issues?

Mr Davin—I might just mention that Bali is in a seismically sensitive zone and, accordingly, the building that we are constructing will meet the highest Australian seismic construction standards right through construction. In terms of the climatic conditions, it is a tropical environment, frequently with very heavy rains. The actual consulate building itself therefore will be constructed in such a way that it will be built up above the land level. There is a slight fall on the site; I think it falls about four metres from one side to the other. There are already substantial monsoon type drains at the front of the site, and we will be installing oversized type water drains and box drains from the roof.

Mr BRENDAN O'CONNOR—Is there going to be a geotechnical investigation? If it has not been done already, when will it be undertaken?

Mr Davin—We have already undertaken a site inspection, mainly looking at the nature of the material on the site and what sort of stresses or strains or additional work we may need to do there. Are we able to comment on that?

Mr McKay—There has been a geotechnical investigation done on the site. That has shown a deep level to establish the nature of footings that will be used and foundation types. The brief for the project requires that it be designed in accordance with the Australian standard for seismic loads and disaster recovery function. So those issues have been picked up within the brief.

Senator FORSHAW—In relation to that, has there been any need for any further consideration of those sorts of issues following the tsunami disaster? It may or may not be; I do not know. It is just that this location has the potential for that sort of event. But just as you are taking account of security threats, what about that aspect?

Mr Davin—Our understanding is that it is certainly in a seismically sensitive zone but not in an area of particular vulnerability to that tsunami type event. It is about five kilometres from the coast, so we do not see that as a particular risk in this instance.

Senator FORSHAW—But, with an event like that, generally one would assume that in areas where building works will be done in the future you need to sit down and have another think and see what else—

Mr Davin—It is certainly fitted into our design works. But the building will be very well constructed and very solid. Coming back to the climate and the design features that have been put into the building, there is a combination of passive measures that have been taken. The glazing will be tinted. There is overhang of the eaves line, which will provide some solid protection. In terms of more active environmentally sensitive initiatives, there will be zoning through the building for airconditioning and for lighting and a sophisticated building management system that will enable the most effective and efficient use of the energy for airconditioning and other services.

CHAIR—So there has been a focus on trying to conserve energy in the development of the building?

Mr Davin—Yes, there has been. Once again I could defer to expert opinion.

CHAIR—The design of the building helps. Mr Christmas did explain to me, when we were looking at the diagrams, that there are verandas and overhangs. I think there is a veranda on the western side?

Mr Christmas—We have colonnades on both sides of the building. One is a pedestrian colonnade. That is on the northern side and it is for pedestrian access. It is in the order of 2.7 metres wide. That will provide us with additional protection to the external facade of the building, particularly to the windows. Similarly, on the southern side we have a relatively small one fulfilling the same sorts of functional requirements. The building itself will be adequately protected from inclement weather. The roof structure has a steep pitch, and that reflects the character of the local environment. The buildings in the immediate area are around two storeys high, a combination of colonial and Dutch styles. We hope to pick up some of those features and the materials that are reflected in those existing buildings.

CHAIR—There being no further questions, once again I thank you very much for your cooperation and assistance in this inquiry.

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 submissions presented at public hearing this day.

Committee adjourned at 10.37 am