

## Fit-out for the Australian Federal Police of the Edmund Barton Building, Barton, ACT

- 3.1 The proposed fit-out for the Australian Federal Police (AFP) of the Edmund Barton Building, Barton, ACT will provide a consolidated national headquarters for the organisation capable of centrally accommodating all headquarters staff and operational functions. The estimated cost of the project is \$115 million (excluding GST.)
- 3.2 The proposal was referred to the Committee on 25 June 2008.

### Conduct of the inquiry

- 3.3 The inquiry was advertised in local and national newspapers and submissions sought from those with a direct interest in the project. The Committee received six submissions to the inquiry and two supplementary submissions including a confidential supplementary submission detailing the project cost estimates. A list of submissions can be found at Appendix A.
- 3.4 The Committee undertook an in-camera hearing and public hearing on 19 September 2008 in Canberra. A list of witnesses can be found at Appendix B.
- 3.5 The transcript of the public hearing as well as submissions to the inquiry are available on the Committee's website<sup>1</sup>. Plans for the proposed works are detailed in Submission 1, Australian Federal Police.

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1 <[www.aph.gov.au/pwc](http://www.aph.gov.au/pwc)>

## Need for works

- 3.6 The AFP submission states that rapid organisational growth over the past five years has resulted in unprecedented growth in the organisation. A new headquarters building is required to co-locate staff and address deficiencies in current accommodation.
- 3.7 The current facilities do not comply with current legislative guidelines. Issues of specific concern include:
- accommodation is in cramped 'B' and 'C' grade buildings;
  - lack of spare space and flexibility in some fit-outs resulting in high ongoing accommodation churn costs;
  - lack of consistency between current premises, in terms of staff space standards, security standards, quality of fit-out and design and office facilities and amenities;
  - geographical fragmentation of the organisation which impacts on working relationships, reporting lines, overall organisational cohesion and duplication of facilities and amenities;
  - premises not purpose built, making refurbishment difficult as the existing floor plates do not allow for optimal space utilisation; and
  - older buildings with out-dated building services technology and building limitations.<sup>2</sup>
- 3.8 In addition, the accommodation of staff in six geographically dispersed locations across Canberra creates fragmented operational units. As a result, current facilities are lacking in the following areas:
- large conference rooms to seat 24-30 people located in close proximity to operational groups;
  - large muster spaces to enable Operational Managers to address their entire team en masse;
  - smaller meeting rooms located within each team's workspace;
  - meeting facilities, for security reasons, close to reception and outside the secure perimeter of the tenancy;
  - large function rooms easily reconfigurable into different spaces.<sup>3</sup>

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2 Submission 1, Australian Federal Police (AFP), p. 12.

- 3.9 There is also a severe lack of staff amenities located in close proximity to the work environment, particularly in the headquarters building.<sup>4</sup>
- 3.10 The Committee recognises that the AFP is currently housed in office accommodation that does not meet its operational needs. The Committee finds that there is need for the proposed works.

## Scope of works

- 3.11 The proposed scope of works is detailed in Submission 1, Australian Federal Police.<sup>5</sup> The works will house the AFP headquarters in the Edmund Barton Building, Canberra. Proposed works include modifications to base building works and office accommodation fit-out.
- 3.12 In short, the additional base building works propose the following:
- electrical works including mains upgrades, tenant switchboards, substation upgrades, generator installation and switchboards, UPS and battery rooms;
  - supplementary air conditioning units to those rooms with higher than normal cooling and ventilation requirements...
  - office area lighting utilising energy efficient “T5” fluorescent lighting ... Designated rooms will be provided with movement detectors to automatically turn off lights when the room is not in use;
  - other [ecologically sustainable development] initiatives including a Building Management System to control and monitor building services to minimise energy usage and enable accurate recording of consumption in each zone;
  - security works including door hardware and electronic access control at the entrance, lobbies, exits, vehicle access points and internal areas with higher than normal security needs... and
  - supplementation of the base building fire services where required as a result of fitout design to ensure compliance with relevant codes.<sup>6</sup>

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3 Submission 1, AFP, p. 12.

4 Submission 1, AFP, p. 12.

5 The submission is available on the Committee’s website or by contacting the Committee Secretariat.

6 Submission 1, AFP, p. 19-20.

- 3.13 The office accommodation works propose the following:
- plasterboard and glass partitioning to form individual offices, meeting rooms, reception areas, utility and store rooms, training rooms, communications equipment rooms and staff facilities. The workstations will incorporate low height modular paneling to provide work space separation and to facilitate power and data reticulation;
  - workstation sizes will be based on a concept of modularity and flexibility. These planning provisions are similar to the current arrangements and are suitable for the AFP's operational requirements. Staff in open plan areas will have access to break out areas and meeting rooms;
  - workstations will include personal storage units;
  - joinery items such as reception counters, credenza units in conference rooms, utility and storage benches in utility rooms and servery units in amenities areas;
  - tenant signage including external signs, a directory board in the ground floor lobby, directional and statutory signage; and
  - new loose furniture.<sup>7</sup>
- 3.14 The AFP also states that it will seek to take advantage of 'design and technological improvements that may come onto the market during the planning stage of the project.'<sup>8</sup>
- 3.15 The Committee has assessed the scope of works and finds them suitable to provide a consolidated National Headquarters for the AFP capable of centrally accommodating all Headquarters staff and operational functions.

## Cost of works

- 3.16 The total out-turn cost of this work is estimated to be \$115 million (excluding GST) which includes the cost of the fit-out, infrastructure, consultant fees, design and construction contingencies and forecast escalation to completion. The estimate includes the cost of higher than normal security provisions across the entire facility. The estimate also includes the cost of staff relocations, loose furniture, fittings and equipment.<sup>9</sup>

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7 Submission 1, AFP, p. 19-20.

8 Submission 1, AFP, p. 20.

9 Submission 1, AFP, p. 26.

- 3.17 The Committee received detailed cost plans for the project and held an in-camera hearing with the AFP on the full project costs.
- 3.18 The Committee is satisfied that the costings for the project provided to it are adequate.

## Project issues

### Heritage value

- 3.19 The Edmund Barton Building (EBB) was designed by renowned architect Harry Seidler and is on the Register for the National Estate and the Commonwealth Heritage List. A Heritage Management Plan has been developed for the site and, under the *Environment Protection and Biodiversity Conservation Act 1999*, this document is now a legislative instrument requiring compliance.<sup>10</sup> The heritage value lies primarily in the building's construction and architectural style.
- 3.20 In its submission to the inquiry, Harry Seidler and Associates expressed concern over the visual effect of 'security measures and other new works at the ground level' of the building.<sup>11</sup> The AFP assured the Committee that the works will restore the original intent of the courtyards by inclusion of a café facility and improved landscaping to provide a 'welcoming environment for staff' to interact.<sup>12</sup>
- 3.21 The AFP also assured the Committee that steps are being taken to ensure that the necessary physical security measures will not detract from the heritage value of the Edmund Barton Building. These measures will include:
- a transparent perimeter barrier to control pedestrian access to the courtyard, vehicle barriers which will be provided through landscape design, secure access and speed gates in the ground-floor entry lobbies and entry security to each floor.<sup>13</sup>

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10 Submission 2, Department of the Environment, Water, Heritage and the Arts (DEWHA).

11 Submission 4, Harry Seidler and Associates.

12 Mr Wood, AFP, Proof Transcript of Evidence, 19 September 2008, p. 4.

13 Commissioner Keelty, AFP, Proof Transcript of Evidence, 19 September 2008, p. 2.

- 3.22 Physical security barriers will be incorporated into improved landscaping rendering the overall affect less stark and not detract from the heritage value of the building.<sup>14</sup>

## Parking

- 3.23 Submissions raised a number of concerns regarding pressure on parking space and traffic flow in the area of the Edmund Barton Building including:
- existing car parks in the area are currently operating at capacity during the working week;
  - disruptions to residents caused by increased vehicular and pedestrian traffic during the refurbishment phase;
  - concerns over delays in the planned development of a multi-storey car park on Section 9; and
  - pressure on parking space leading to trespass on or through private property in the area.<sup>15</sup>
- 3.24 The fit-out will increase the onsite parking capacity from 211 to 311 spaces. As a single tenant of the building, the AFP will reduce the current six vehicle access points to the building to three, producing a positive impact on traffic flow. Car parking arrangements outside the immediate building precinct are outside the control of the AFP. However the Commissioner informed the Committee that the AFP is working with the National Capital Authority and other agencies to develop workable solutions.<sup>16</sup>
- 3.25 For example, the AFP told the Committee they are actively promoting the use of alternative transport methods to their staff, encouraging the use of buses and providing shower and change facilities for cyclists.<sup>17</sup>
- 3.26 During the site inspection, the Committee observed that existing car parks are already full to capacity but recognises that this is beyond the control of the AFP. The Committee notes that parking in the area has been of ongoing concern and received a submission

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14 Mr Wood, AFP, Proof Transcript of Evidence, 19 September 2008, p. 3.

15 Submission 3, Landmark Apartments; Submission 5, Australian Federal Police Association.  
Submission 6, National Capital Authority (NCA).

16 Commissioner Keelty, AFP, Proof Transcript of Evidence, 19 September 2008, p. 4.

17 Commissioner Keelty, AFP, Proof Transcript of Evidence, 19 September 2008, p. 4.

from the National Capital Authority (NCA) reiterating its support for pay parking to be introduced into the adjacent Parliamentary Zone.<sup>18</sup>

- 3.27 The issue of pay parking in the Parliamentary Zone has been the subject of several parliamentary committee inquiries. In 2003 the Joint Standing Committee on the National Capital and External Territories (JSCNCET) found it could not support such a proposal due to a number of underlying concerns.<sup>19</sup> In its report, *Not a Town Centre: The Proposal for Pay Parking in the Parliamentary Zone*, the JSCNCET recommended that the ACT Government and the NCA develop a detailed parking policy proposal for the Parliamentary Zone that would take into account 'further encroachment of commuters from the adjacent Barton precinct'.<sup>20</sup>
- 3.28 In 2008 the same Committee again highlighted concerns over parking and transport in the area in its inquiry into the role of the NCA. In its report, *The Way Forward: Inquiry into the role of the National Capital Authority*, the JSCNCET recommended that the Commonwealth and the ACT Governments 'prepare a joint Sustainable Transport Plan' and urged a thorough investigation of light rail as a crucial factor in such a plan.<sup>21</sup>
- 3.29 This Committee supports the development of transport planning measures to sustain residential and business tenancy in the area.

### Child care facility

- 3.30 The base building refurbishment will accommodate a childcare facility with capacity for 80 places which will be developed in partnership with a commercial organisation. The interior fit-out of the space will be cost neutral as the successful supplier will be expected to meet the cost. Negotiations with the supplier will include first-preference for AFP staff with extra places being made available to the public.<sup>22</sup>

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18 Submission 6, NCA.

19 JSCNCET, *Not a Town Centre: The Proposal for Pay Parking in the Parliamentary Zone*, 2003.

20 JSCNCET, *Not a Town Centre: The Proposal for Pay Parking in the Parliamentary Zone*, 2003, p. 45.

21 JSCNCET, *The Way Forward: Inquiry into the role of the National Capital Authority*, 2008, p. 125.

22 Mr Wood, AFP, Proof Transcript of Evidence, 19 September 2008, p. 7.

- 3.31 At the site inspection the Committee received assurances that the heritage listing of the building would not be compromised by the development of the childcare centre. The Committee supports the provision of child care facilities.

### Environmental standards

- 3.32 Given the extent of the refurbishment and age of the building, the Committee raised concerns about waste management during construction. The Committee was assured that measures have been put in place to ensure that the large amount of materials which are being stripped from the base building during the refurbishment process are being reused or recycled. Waste is sorted as the building is dismantled and processed. The AFP noted:

For example, ceiling tiles, gyprock walls et cetera are sorted separately and shredded, and to the extent they can be, recycled into further building materials.<sup>23</sup>

- 3.33 In line with current Ecologically Sustainable Development (ESD) guidelines, the refurbishment and fit-out have been designed to achieve an Australian Building Greenhouse Rating (ABGR) minimum of 4 with a target of 5. Features to achieve sustainability include:

- integrated lighting control incorporating office light zoning and switching to minimise unnecessary lighting;
- perimeter sensing to permit dimming of lighting adjacent to windows in times of strong sun light;
- dual flush toilets, water free urinals, AAAA tap and AAA shower rated fixtures and rainwater collection and reuse to reduce water consumption;
- rainwater collection in a 280 kilolitre tank located in the basement area of Wing 6 to allow water reuse for irrigation, wash down and cooling tower make up;
- multiple water metering to monitor water usage including intelligent metering to monitor reliance on the mains supply;
- site storage and collection in designated areas to facilitate tenant recycling programs; and
- sustainable timber selection.<sup>24</sup>

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23 Mr Wood, AFP, Proof Transcript of Evidence, 19 September 2008, p. 9.

24 Submission 1, AFP, pp. 24-25.



- 3.34 The Committee notes that floor plans are being designed to maximise the energy efficiency of the building.

### Anzac Park West

- 3.35 This referral is not the first occasion that the AFP headquarters has come to the attention of the Public Works Committee (PWC). Refurbishment of Anzac Park West was proposed for the AFP headquarters and referred to the PWC of the 40<sup>th</sup> Parliament on 26 May 2004 as a joint project between the then Department of Finance and Administration as the building owner and the AFP.
- 3.36 This referral was rescinded on grounds of urgency on 24 June 2004. The works were deemed to be urgent due to the AFP being unable to renew existing leases. However, due to delays in the refurbishment of APW, the AFP was able to extend existing leases which it currently occupies.<sup>25</sup>
- 3.37 In 2005, as a result of workforce growth, the AFP became aware that APW was not going to be large enough to meet requirements and commenced discussions with Finance about leasing the adjoining Anzac Park East and connecting it with APW to enable a single headquarters. These negotiations broke down in May 2007 and as a result the AFP entered into a lease for the Edmund Barton Building, whilst holding a lease on, but not occupying, APW.
- 3.38 Responding to media reports, the PWC of the 41<sup>st</sup> Parliament wrote to the then Minister for Justice and Customs in August 2007 expressing concerns about the failure of the AFP to occupy APW and the rent being paid on an unoccupied building. The Minister's response was received by this Committee in March 2008.
- 3.39 The AFP confirmed the Minister's advice that it has been paying rent on that property since July 2007 and is committed to a 15 year lease.<sup>26</sup> The AFP has expended approximately \$19.4 million of which approximately \$9 million has been operational type expenditure including rent.<sup>27</sup>
- 3.40 Additionally, some \$8 million has been expended on works relating to 'upgrading the air conditioning, changes to the glazing

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25 Submission 1, AFP, p. 8.

26 Mr Wood, AFP, Proof Transcript of Evidence, 19 September 2008, p. 6.

27 Commissioner Keelty, Doorstop Interview, Canberra, 21 May 2008, p. 2; Mr Brocklehurst, AFP, Proof Transcript of Evidence, 19 September 2008, pp. 5-6.

within the building, works that were required for the security requirements of the AFP, communication connections to the building, an upgrade in preparation of the foyer area of the building and some mechanical works as well'.<sup>28</sup>

- 3.41 The AFP's Chief Operating Officer informed the Committee at the public hearing that the AFP have entered into negotiations with the building owners, the Department of Finance and Deregulation (DoFD), to relinquish the agreement.<sup>29</sup>
- 3.42 The Committee sought further information from the Minister for Finance and Deregulation regarding the lease termination negotiations and was informed that DoFD was aiming for the negotiation to 'result in the AFP being relieved of its lease negotiations at ANZAC Park West by the end of December 2008.'<sup>30</sup> Subsequent to this advice, the Minister issued a media release advising that the Department of Defence has signed a contract to occupy APW.<sup>31</sup>
- 3.43 While the Committee is pleased that a tenant has been secured for APW, it is concerned that a significant expenditure was borne by the AFP on this lease. Commissioner Keelty reiterated that there was no net loss to the Commonwealth given that the rent was being paid to the Department of Finance and Deregulation.<sup>32</sup> Nonetheless, the Committee is of the opinion that the matter could have been dealt with more expeditiously to minimise the cost to the AFP.

### Future needs

- 3.44 In light of the expenditure on the Anzac Park West building, the Committee sought reassurance that the Edmund Barton Building will meet the future needs of the organisation.
- 3.45 The AFP assured the Committee that initial staff levels will be below the capacity of the Edmund Barton Building, allowing room to accommodate future expansion.<sup>33</sup> The architectural design of

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28 Mr Brocklehurst, AFP, Proof Transcript of Evidence, 19 September 2008, p. 6.

29 Mr Wood, AFP, Proof Transcript of Evidence, 19 September 2008, p. 6.

30 Minister for Finance and Deregulation, correspondence dated 13 October 2008.

31 'Tenant for ANZAC Park West', Media Release, Minister for Finance and Deregulation, 22 October 2008.

32 Commissioner Keelty, Doorstop Interview, Canberra, 21 May 2008; Commissioner Keelty, AFP, Proof Transcript of Evidence, 19 September 2008, p. 6.

33 Mr Wood, AFP, Proof Transcript of Evidence, 19 September 2008, p. 7.

the building provides flexibility as 'there is very little structural intrusion to how we configure the building'.<sup>34</sup> The basement area will provide 'opportunities for reconfiguring the way we allocate the various functional areas of the organisation' and the building is 'large enough to accommodate current needs and a small amount of growth'.<sup>35</sup>

- 3.46 Considering the substantial cost already incurred by the Commonwealth in relation to the AFP headquarters, the Committee hopes that there will be no further need for the AFP to approach the Government or this Committee for further funding.

### Committee comment

- 3.47 Overall, the Committee is satisfied that this project has merit in terms of need, scope and cost.
- 3.48 Having examined the purpose, need, use, revenue and public value of the work, the Committee considers that it is expedient that the proposed works proceed.

### Recommendation 3

**The Committee recommends that the House of Representatives resolve, pursuant to Section 18 (7) of the *Public Works Committee Act 1969*, that it is expedient to carry out the following proposed work: Fit-out for the Australian Federal Police of the Edmund Barton Building, Barton, ACT.**

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34 Mr Wood, AFP, Proof Transcript of Evidence, 19 September 2008, p. 7.

35 Mr Wood, AFP, Proof Transcript of Evidence, 19 September 2008, p. 7.



