

SENATE STANDING COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS
AUSTRALIAN FEDERAL POLICE

Question No. 71

Senator Ludwig asked the following questions at the hearing on 23 May 2007:

ANZAC Park West Headquarters

- a) Can you provide details as to what standards are not being met under the PSM for existing buildings? (*This appears to be answered in QoN 121 from Feb 2007*)
- b) Part h) ii) refers to risks identified prior to awarding the contract. Can you elaborate on what those risks were and how they were addressed; and why they weren't envisaged earlier?
- c) What is the explanation for the increase in fit-out cost? (from \$22m to \$48.9m)
- d) What is the explanation for the increase in consultant fees? (from \$1.3m to \$3.2m)

The answer to the honourable senator's question is as follows:

- a) The main standards not being met relate directly to the physical security requirement of the Information Services to the various locations, particularly where the AFP has a multi-tenancy situation.

The *Commonwealth Protective Services Manual* clearly defines these requirements and based on the risk assessment for a particular site dictate what treatments are required to allow the AFP to function in a secure information environment.

- b) The risks to the project identified prior to the award of the contract were from the emerging changes in the AFP's organisational structure and business activities, in responding to new and increasing operational activities. A number of these changes were unforeseen. The pace of these changes and growth in the AFP meant that the base building brief needed to be revised to ensure that the new building could accommodate the AFP's requirements.

These risks were addressed by:

- Revising the project and risk management plan for the initiative;
 - Coordinating a HQ Focus Group and Strategic Accommodation Committee to ensure early identification and decision making with respect to organisational change; and
 - Re-aligning the fitout design with base building construction programme.
- c) The increase in the fitout cost can be attributed to change in the AFP's business activities: escalation applied to the original cost estimates; changes in market conditions such as the Canberra market reflecting a period of high activity at this time; and a change in the completion date, which added some prolongation costs to the project.
 - d) The increase in the consultant's fees is attributable to the change in scope, duration of the project and the commitment of resources required by the consultants for the proposed works.