



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

JOINT COMMITTEE ON PUBLIC WORKS

**Reference: Fit out of new leased premises for Australian Customs Service at 1010  
La Trobe Street, Docklands, Melbourne, Victoria**

FRIDAY, 11 NOVEMBER 2005

MELBOURNE

BY AUTHORITY OF THE PARLIAMENT



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**JOINT STATUTORY COMMITTEE ON  
PUBLIC WORKS**

**Friday, 11 November 2005**

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

**Members in attendance:** Senator Parry, Mr Brendan O'Connor and Mrs Moylan

**Terms of reference for the inquiry:**

To inquire into and report on:

Fit out of new leased premises for Australian Customs Service at 1010 La Trobe Street, Docklands, Melbourne, Victoria

**WITNESSES**

**HARRISON, Mr Michael, Assistant Project Manager, Melbourne Accommodation Project,  
Australian Customs Service ..... 1**

**HUME, Mr Richard James, Director, Montlaur Project Services Pty Ltd; project manager on  
behalf of Australian Customs Service ..... 1**

**PLAISTED, Mr David John, Director, Melbourne Accommodation Project, Australian Customs  
Service ..... 1**



**Committee met at 11.08 am**

**HARRISON, Mr Michael, Assistant Project Manager, Melbourne Accommodation Project, Australian Customs Service**

**PLAISTED, Mr David John, Director, Melbourne Accommodation Project, Australian Customs Service**

**HUME, Mr Richard James, Director, Montlaur Project Services Pty Ltd; project manager on behalf of Australian Customs Service**

**CHAIR (Mrs Moylan)**—I declare open this public hearing into the proposed fit-out of new lease premises for the Australian Customs Service at 1010 LaTrobe Street, Melbourne Docklands. This project was referred to the Joint Standing Committee on Public Works on 14 September 2005 for consideration and report to parliament. In accordance with section 17(3) of the Public Works Committee Act 1969, which concerns the examination and reporting on a public work, the committee shall have regard to the following: (a) the stated purpose of the work and its suitability for the purpose; (b) the necessity for or the advisability of carrying out the work; (c) in carrying out the work, the most effective use that can be made of the moneys to be expended; (d) where the work purports to be of a revenue producing character, the amount of revenue that it may reasonably be expected to produce; and (e) the present and prospective public value of the work. On behalf of my colleagues I thank representatives for the briefing the committee received earlier and also for the arrangements they made for the committee to inspect the current and proposed premises.

*Witnesses were then sworn or affirmed—*

**CHAIR**—The committee has received a statement of evidence from Customs and this will be made available in a volume of submissions for the inquiry. It will also be available on the committee's web site. Does Customs wish to propose any amendments to the submission that is currently before the committee?

**Mr Plaisted**—There may be some. I have to refresh my memory—and I shall after the hearing—as to whether there are any cost related items there relating to budget. I do not think there are, but if there are they may need to be adjusted.

**CHAIR**—They will come forward as part of the private hearing, as we were just discussing, and that is understandable. We have received all the documentation, for which I thank you. I now invite you to make a brief opening statement and then we will proceed to questions.

**Mr Plaisted**—I will endeavour to be quite brief. I have got a number of pages but I think we can contract it.

**CHAIR**—Given that everybody has seen the papers and we have been able to read through them, you could just touch on the most relevant points.

**Mr Plaisted**—As you are aware, Customs proposes to move to a new building at 1010 LaTrobe Street and to occupy just under 10,000 square metres of space at that building. At the

new building we have signed a 10-year lease with one five-year option. The building currently under construction is on a 4.4-hectare site being developed by Digital Harbour Holdings Pty Ltd. Digital is one of a number of developers in the Docklands precinct, each having responsibility for the development of a different allotment of land.

The move of Customs to Digital Harbour will take Customs closer to the Melbourne wharves, closer to the container X-ray facility and closer to road access to Melbourne Airport. At the same time, I should emphasise that Customs will retain the benefits of easy access to the clients and services it utilises in the CBD—and I can think immediately of the Australian Federal Police, the Australian Government Solicitor, the Commonwealth Director of Public Prosecutions, the Australian Crime Commission and the law courts precinct. They are all a short tram ride along LaTrobe Street. So we are retaining, as we see it, a lot of the benefits of being right in the CBD with closer proximity to our operational areas on the wharves and the container X-ray facility as well as transport to the airport.

Customs existing proposal, as you aware, is to conduct an integrated fit-out to minimise costs. These will be undertaken by the base building contractor, Balderstone Hornibrook, and we would anticipate, if the committee and parliament approve the proposal, commencing the actual fit-out work in March 2006. It is anticipated that the base building will be completed by early December 2006; however, progress at the moment is some 20 days ahead of schedule, and so we would see the base building being completed a couple of months earlier than December 2006. That is good for Customs if that occurs, because it means that the fit-out should be able to be completed comfortably by the end of November or early December of next year. Given that our end of lease at 414 LaTrobe Street is the end of May 2007, that would allow a comfortable transition to the new building.

The new building will have two target completion dates for fit-out. Customs general occupancy of the building is anticipated to commence from 1 April 2007; but, because of the critical nature of the National Monitoring Centre, we have, by arrangement in the agreement for lease, structured things such that that area and the computer server room, which drives the National Monitoring Centre, will be completed earlier, by 31 January 2007. That will allow a period of up to eight weeks for the final fit-out works associated with the National Monitoring Centre and a lot of trialling and commissioning to ensure that that critical national communications function is able to be well and truly operative and well proven by the time of the move of the remainder of staff into the building at the commencement of April 2007.

The current building or the building at Port 1010 is some 15,300 square metres of accommodation over a ground floor and eight upper levels. Customs will occupy half of the ground floor and levels 1 to 5; the remaining levels are leased to Victorian government agencies, being Film Victoria and VicTrack. Part of level 6 and part of level 7 immediately above Customs are yet to be let by Digital Harbour; however, it is important for me to emphasise that by arrangement with Digital Harbour the other tenants will comply with Customs security requirements. We are yet to engage a security consultant—that should occur within the next week or two. The very important tasking of that security consultant will be to advise Customs as to the particular features of security fit-out that we should require.

In the current building, as Senator Parry and Mr O'Connor would have seen this morning, we have security bollards on the ground floor and a guarding company to ensure that all visitors are



screened and accredited before they move through into the building. At the new building, we had originally hoped to avoid security bollards—and that is an issue for our security consultant to advise on—and it seems that there are a lot more high tech electronic security measures that can be built into building control systems now. It may be more appropriate for Customs to move down the line of having 100 per cent access control into lifts and then, as you alight at a particular Customs floor and wish to move out of the core onto the floor, going through either one or two access control checkpoints that would ensure that only authorised personnel move into Customs work space. Coupled with this, whether we have bollards on the ground floor or not, we will certainly have a very solid security awareness program coinciding with our move to the new building to encourage more staff to be actively screening and looking for personnel or persons on floors who do not carry a valid Customs pass or an approved visitors pass.

At the new site, Customs intends to occupy, I think, 9,895 square metres. The reason we are still a little unsure on the precise square meterage is that it is only once the building is physically complete and a building surveyor certifies as to the occupiable area that that will be finally known, but it will be a little under 10,000 square metres. We will have sole access to a sunken secure rooftop compound on the roof for our communications equipment. The antennas and the microwave dishes that are currently on the top of 414 LaTrobe Street will be located in that secure compound.

Customs will have access into the new building from the future multistorey car park, which will be built some time, we hope, over the next two to three years, and we will have access via a secure sky bridge into level 4 of our fit-out. On level 4 of our new building we propose to have the more sensitive areas for the transit of contraband, seized in the field, in and out of the building. Also, the armoury will be just adjacent to the entry point into the car park on level 4 so that, as we are seeing at the moment, it is likely that a number of Customs officers in our investigation area and in our enforcement operations area will be armed into the future. The proposal, obviously, is that the last thing they will do as they move out into the field, into the car park, is to collect weaponry from the armoury and, for safety reasons, the first thing they will do on their return will be to check that back in. Until the multistorey car park is completed, Customs will have sole rights to a secure 66-car-park compound, a little to the east of the Innovation Building, the black and green building that members saw this morning when we were on site.

There will also be provision for bicycle parking, both in the temporary car park and the permanent car park when it is built. The environment is certainly one which would lend itself to staff commuting to work by bicycle and, for that and our operational reasons, our fit-out will incorporate extensive locker room areas and showers. It is certainly going to be quite a green fit-out. I should mention that visitor parking in the precinct is abundant. There are 2,500 car parks underneath Telstra Dome opposite, over LaTrobe Street, and there will be two smaller car parks on the Digital Harbour site until the multistorey car park is built, and the multistorey car park will incorporate provision for public car parking. Customs has a number of disabled staff, and appropriate provision will be made for them for car parking in both the temporary and multistorey car parks. There will also be reserved bays for disabled, or mobility impaired, persons in the public car park.

As I have mentioned, in the new building Customs will have a focus on certain green fit-out features. I should mention that the base building has a number of environmentally sustainable

design features that are quite noteworthy. Solar hot water heating panels are to be mounted onto the roof, which should provide up to 75 per cent of the building's hot water needs. A black water treatment plant is to be installed by Digital Harbour, and that will have the capacity to recycle all waste water from the building to a drinkable quality, although it will not be circulated back into the drinking water system; it will be used for toilets, airconditioning and for watering gardens in summer.

The base building carries double glazed windows to the western side and high-specification glass on the northern side. The Customs fit-out, although not quite finalised, is likely to incorporate individually controlled task lighting and zoning of ceiling background lights so that we are not burning lights unnecessarily. Given that we have a number of 24/7 work areas, we want the ability to aircondition and light according to need. We do not want to light and aircondition very large areas needlessly and waste energy. The fit-out will also incorporate perimeter dimming lights so that there is enough natural light near windows and we will not be burning electricity. There will be submetering of electricity on each floor, for monitoring purposes, and there will be high-performance tap wear—and I have mentioned that we will install showers and lockers. Although not finalised, our intention is to install carpet tiles, which I am led to believe are more ecologically acceptable. We will avoid work stations and joinery that have harmful toxins, such as formaldehyde.

As I think we mentioned this morning, the site is well served by public transport. There are five tram routes that run either along LaTrobe Street or Harbour Esplanade, and there are two train stations within walking distance. The closest is Southern Cross Station, which is about an eight- to 10-minute walk—the walk to the station would be a little under a kilometre, about 800 metres. At the moment, there is a takeaway facility on the ground floor of the adjoining Innovation Building, and there will be a takeaway and cafe facility on the ground floor of the building we occupy. There are quite a number of food outlets at the adjoining NewQuay facility on the northern side of Victoria Harbour, and there is also takeaway food available at the southern end of the Telstra Dome. There are a number of retail and other services like doctors and dentists at NewQuay—there is a small supermarket there—and that area is developing rapidly to provide more services and shops for staff in lunch breaks et cetera.

We are commencing an extensive consultation program with staff. We are producing a fortnightly electronic newsletter that goes to all staff to keep them informed of the developments, and we have begun face-to-face briefings with staff. To date, the feedback has been positive. Interestingly, one of the more common pieces of feedback we get is: 'We're very relieved to hear we're not going to the airport.' For reasons unbeknown to Michael and me, a number of staff felt that it was likely that we would configure the new headquarters at the airport. They are relieved to know that we are staying in a central position well served by public transport. We are endeavouring to keep the Community and Public Sector Union informed of developments. As I said, we will consult more widely with staff over the next couple of months as we begin looking more seriously at finishing colours and textures et cetera.

In summary, we believe the building will provide a high degree of amenity to staff and a fresh environment which would enhance morale and productivity whilst ensuring that the fit-out and rental costs are reasonable and represent appropriate expenditure of public funds. That is all I wish to present.

**CHAIR**—I want to go back to the substance of the question I asked in the confidential costs briefing without the confidential costs being revealed. It goes to the actual signing of agreements. Can you confirm for the public hearing that the minister has now approved a lease agreement?

**Mr Plaisted**—Yes, our minister has been satisfied as to proposed arrangements for the lease, and the minister for finance has provided the financial management act regulation 10 authorisation only in the last week.

**CHAIR**—And no substantial changes were recommended?

**Mr Plaisted**—No, there were not.

**CHAIR**—Did I hear you say that you had actually signed the lease or were you, in your opening statement, referring to the heads of agreement?

**Mr Plaisted**—No, the heads of agreement were signed on 14 September and, more recently—on 31 October—the agreement for lease was signed.

**Mr BRENDAN O'CONNOR**—Subject to?

**Mr Plaisted**—Subject to the ability to annul the arrangement or stop works if the committee or parliament were not satisfied that it was an appropriate expenditure of public funds.

**CHAIR**—I have another question in relation to that. I note that you have had quite experienced advisers helping you from the commercial sector. I presume that the local and state government authorities are in place and that the usage for which you are intending the building is permissible.

**Mr Plaisted**—Yes. As I understand it, the majority of the responsibility for the approval of tenants coming into the Digital Harbour precinct rests with VicUrban, the state government authority. We went through an extensive program of satisfying VicUrban as to our use of technology and our commitment to research and development. It being a technology precinct, they needed to be satisfied. I understand that all the other appropriate state government and local council approvals are in place for the construction of the base building and, more importantly to us, the proposed occupancy by Customs.

**CHAIR**—Also, you were talking about—and you may have had some discussion on this before I arrived this morning—certain goods flowing into and out of this building. If there are dangerous goods, has that been considered in the approval from state and local government authorities?

**Mr Plaisted**—To be honest, I do not think any approval is needed from the state government or local council. Certainly at the moment with the movement of seizures in and out of Customs House at Melbourne Airport and in LaTrobe Street we do not require any particular approval but we observe every safety measure. It might be appropriate for me to mention that with the multistorey car park the proposal is obviously that anyone carrying weapons in and out of the building or any seized sensitive or potentially dangerous goods or equipment will come back

into the Customs building via the car park and then via the secure sky bridge, which only Customs accesses, on level 4. Until the multistorey car park is constructed, we propose to back vehicles into an area we have leased on the ground floor on the western side, lower a roller door and then remove anything that is sensitive to the appropriate storage part of the building away from public glare and public access. I should also add that as general practice now the majority of those types of seizures are taken to a more secure facility we have in Tullamarine. So those types of goods would only come to the city headquarters if our investigation branch had a particular need, for evidentiary purposes, to bring them into the building.

**CHAIR**—Further to the lease, in addition to the consultations with the department of finance in relation to the execution of the agreement, you did say at one point, 12.5, that you were intending consultations with external clients. Can you explain who the external clients are and what the lease agreements have to do with them?

**Mr Plaisted**—I do not know that I have the listing in front of me, but there are a great deal of external organisations with which we deal frequently who have been consulted. We wrote to them back at the point of executing the heads of agreement. So it is organisations like the DPP, the AGS, the Federal Police, Customs brokers, freight forwarders associations, major airlines, foreign affairs—

**CHAIR**—So people you are dealing with or with whom you have some relationship.

**Mr BRENDAN O'CONNOR**—Can you tell me why, if you move to Port 1010, you are proposing to occupy levels 1 to 5 and also whether there would be any security concerns about tenants occupying the same building? I know you have that arrangement now with tenants, but are there issues in terms of potential access by occupants of levels 6, 7 and 8 to levels 1 to 5?

**Mr Plaisted**—That is an issue that we have thought through very comprehensively. That is why we will configure the lift system and then the entry doors onto the floors with secure access control systems. Probably additionally we will, unlike in the current building, have video surveillance of those foyer areas. At the moment our security contractor, who you may have seen this morning, has staff present securing our building just between the hours of 7 am and 5.30 pm. With the new building and with us more moving towards 24/7 operations in a number of work areas, we are going to guard the building 24/7. Our security contractors will have an enhanced role and they will be expected to be more mobile about the building as well.

In terms of the reason for occupancy of the ground floor and levels 1 to 5, it so happened that the top two levels, 7 and 8, had at the time we became interested in the building already been let to Film Victoria and VicTrack, so we did not have a choice of floors. However, it was always our preference, wherever we were going to go, to have contiguous floors and a ground floor public presence and public access. So it became a very suitable arrangement for us that levels 1 to 6 and the ground floor had not been let when we became interested in the building.

**Mr BRENDAN O'CONNOR**—So occupants of levels 6, 7 and 8 would have access to foyers on levels 1 to 5 but not elsewhere. That means they could alight an elevator and be on that floor but they would not be able to go beyond that point. Is that correct?

**Mr Plaisted**—They would only be able, under the proposal we are considering, to access any of the foyers of our floors if they tailgated out. Their cards will not be coded for our particular floors.

**Mr BRENDAN O’CONNOR**—So you would have to, in an elevator, swipe the card and then press the button to get to a floor.

**Mr Plaisted**—Yes—to physically stop at a Customs floor. It is possible people could tailgate, but that ties in with mobile security and educating our work force more about the need to be screening people and trying to check out who is authorised and who is not.

**Mr BRENDAN O’CONNOR**—You talked earlier about having Customs security requirements for particular tenants in the building. Could you expand on what requirements you have and why the prospective tenants, Film Victoria—and I am not in any way implying anything ill of them—would be a suitable co-tenant of the building? What would you be looking for in terms of potential concern?

**Mr Plaisted**—I guess the most important aspect of their compliance with our security regime will be their preparedness to live with a speed style set-up if we have those security bollards. If our security consultant recommends that we install them, the arrangement we have with Digital Harbour, the developers, is that the other tenants will comply with that requirement. We would do that with a cooperative and mutual benefit approach. We would not seek to arbitrarily impose anything upon the other tenants because it suited us. We will do it in a manner that will get their ownership and commitment to security. You asked about the security identity of the other tenants. VicTrack have a very high concern for security, which is probably the equal of Customs’, if not higher. Film Victoria possibly do not have quite as high a concern. But, as I mentioned, the arrangement we have with the developer is that they as tenants will comply with whatever our security consultant deems appropriate.

**Mr BRENDAN O’CONNOR**—You indicated earlier that Film Victoria already has a lease arrangement with the owner of the building. What if, for example, the terms of that contract do not allow you or limit your capacity to secure the building? Have you considered that?

**Mr Plaisted**—That is where the lift access control and the access control systems on floors become much more important. It may not be appropriate for me as a protocol. Mr David Napier is present in the room from Digital Harbour and he could talk about the legal or contractual obligations of the other tenants. I am told by Mr Napier that the important thing is that, if we do decide we need the security bollards, the speed styles, there will not be an issue with the other tenants in their cooperation with—

**Mr BRENDAN O’CONNOR**—I think you are about to be briefed.

**Mr Plaisted**—Mr Chalmers has just reminded me that that security aspect or security criterion was a feature of the offer process, that the best and final round of offers included that as a condition and that Digital Harbour indicated their compliance. Whilst I am not familiar with the VicTrack lease or contract, it must include that provision.

**Mr BRENDAN O'CONNOR**—Are there any concerns about Customs having the occupancy of the roof but being separated by three other occupied floors? How will the design avoid any security breaches of the roof given that the other tenants are more proximate to the roof than you are?

**Mr Plaisted**—That is an important point. Two things come to mind. Firstly, we will build a secure riser through those other three floors to the rooftop compound, so there will be a physical steel barrier to stop anyone tampering on levels 6, 7 or 8. The area that we propose to occupy for the communications equipment on the rooftop is 112 square metres, and it is a partially sunken compound. We will have some form of security control on the access ladder down into that compound coupled with visual surveillance, CCTV surveillance, of the area.

**Mr BRENDAN O'CONNOR**—Finally, could I ask a question on consultation. You mentioned in your opening statement that you consulted with staff and with the CPSU. You would be obliged to do that, I understand, pursuant to an industrial instrument that would probably bind the department and employees and the union. Wouldn't that be correct?

**Mr Plaisted**—That is correct. Moves of such significance need a full consultation.

**Mr BRENDAN O'CONNOR**—Would that be a certified agreement?

**Mr Plaisted**—There is certainly a section of the current certified agreement that talks of cooperation on significant issues, but my recollection is that there might also be a side agreement held by our executive with the CPSU in relation to moves of this significance.

**Mr BRENDAN O'CONNOR**—I just want to finish on this. I make this point. The agreement that binds the parties in relation to consultation—or at least to some of the issues that go to consultation—is in fact a registered federal certified agreement, which includes the union as a party, doesn't it?

**Mr Plaisted**—Yes, that is correct.

**Senator PARRY**—First of all, I thought you may have corrected this on page 6, Mr Plaisted, when asked for corrections. At 1.3.2, just for the record, the date is incorrect. Where it says the LaTrobe lease expires on '31 May 2005' it should read '31 May 2007'.

**Mr Plaisted**—My apologies. That is an error.

**Senator PARRY**—I say that just so that we get it on the record. When we were touring this morning I asked you a question about the number of employees that would be utilised at either the airport or the docks for Customs activity, and you indicated the majority of the work force would be airport located or deployed to the airport from time to time. Is that correct?

**Mr Plaisted**—At the moment we have around about 320 staff at passengers at Melbourne Airport, about 90 staff at air cargo at Customs House, about 30 at international post in the airport precinct and at the moment between 410 and 420 at Customs House in the city. It is a moving feast. There is movement virtually week to week, but they would be pretty accurate indicative figures at the moment.

**Senator PARRY**—Can you make a case to us. In our deliberations we need to be satisfied that the Commonwealth funds are being spent well where they are going to be spent for this lease. Why was the airport not considered? You did make some allusion to that when you mentioned staff concerns. Why was the airport not considered as a facility to expand and relocate? I can imagine there would be great savings there economically if nowhere else.

**Mr Plaisted**—Interestingly, the airport owner did very early on provide indicative costs, and they were not that favourable in comparison with city costs. But that was not the reason we elected to stay in the city. The reason was the ability to retain close access to key stakeholders in the CBD. That was very important. Knowing that Melbourne is a large city and that a large number of our staff live to the east and south, having a location that was well served by public transport from all points of Melbourne was very important. At the moment in peak hour a lot of our operational people who need to move to the container X-ray area and to the airport via CityLink find that they can be bottlenecked in traffic in LaTrobe and Dudley streets for a period of up to 10 minutes.

The ultimate solution for us was, if anything, to move a little west in the CBD or into the Docklands to represent that perfect balance between meeting the needs of people going to the waterfront and the airport, meeting the needs of staff who need to come to work via the train and the tram and meeting the needs of staff who need to move to the AGS, the Federal Police or wherever on a daily basis. I think when we were brainstorming very early on, say back in the middle of the year 2004, it was always thought that a location in the western part of the CBD or the Docklands would be the optimum for us. For that reason we believe the current site is geographically very well located.

**Senator PARRY**—There were no synergies, no economies of scale with a relocation to the airport?

**Mr Plaisted**—Not in terms of the new Customs House at Melbourne Airport. That is shared with Quarantine and it has very little spare space, so anything we did in relocating over 400 people from the city to the airport would have required a greenfield development. There may have been synergies achievable between parts of our compliance assurance area, with some people located at Customs House at the airport and some in the city, but any of those benefits would have been well and truly outweighed by the distance from the CBD, the remoteness of public transport and the fact that indicative prices from the airport owner were not by any means a bargain.

**Senator PARRY**—Thank you for clarifying that. There is nothing under the 1.6 heading about the reasons for the selection of that building. It did not include the elimination of the synergies or other issues.

**Mr Plaisted**—Mr Harrison just reminded me that there is a very important issue that I omitted to mention—that is, the far greater concern emerging about maritime security and having a more frequent presence at the wharves, moving now to 24/7, which we have not previously had.

**Senator PARRY**—Thank you. That leads into my next question. My concern is space. In the proposed new building you have around about 10,000 square metres. On the tour this morning we looked at the National Monitoring Centre, and you touched upon the fact that that is going to

nearly double in size. There are a couple of issues. Is the building capable of handling the residual radiation and air movement? If you get a lot more monitors you are going to double or increase that capacity. For staff working in that area, I presume that when you double the size of your electronic equipment you are probably going to have to triple your space, not just double your space. Has that been considered in the costings? Have you taken that into account?

**Mr Plaisted**—Yes, we have. We have basically doubled the floor space available for the National Monitoring Centre in the current plans. Not all of that additional space will be needed for monitors, servers or other equipment. As you may have seen, the staff facilities attaching to that are fairly spartan at the moment. We want to provide them with a better work environment and, more importantly, an environment where they have work stations so that they can move away from all that apparatus and machinery and type reports and do paperwork. That is difficult at the moment given the darkened nature of the room. It needs to be dark because of the screens.

To answer your question, yes, in terms of toxins and environmental hazards, we are very aware of and have taken advice only this week on the protocols and steps we need to take to ensure that equipment brought into work areas is not harmful to personnel. That particular area of the National Monitoring Centre will have significantly upgraded airconditioning, like our central server room, because of the heat generated by equipment. You may have felt it was warm there this morning; I certainly did. That will be rectified in the new building.

**Senator PARRY**—Just on that: at page 13 at 2.2.7, there was no mention of that. You just have:

Computer room built to specifications including ... air-conditioning ...

There was no mention of additional airconditioning. Is that just implied under 2.2.7, where you have mentioned those things? I just want to make sure it is covered in your costing, because that seems to be a fairly heavy room with a lot of heat generation and a lot of personnel, and you are going to be doubling the size of your monitoring equipment.

**Mr Plaisted**—It definitely is within our calculations. We have had some interesting discussions with the developer and the fit-out contractor. Stage 1 of the works we want available from 31 January, about eight weeks early. That led to some discussions about their ability or preparedness to guarantee airconditioning to those work areas from 31 January. The compromise was that there is a two-week buffer—or it might be a 10-day buffer—at the front end of that period where we may not have airconditioning, but after that time it will be a mandatory requirement and damages will flow if it is not in place.

**Mr BRENDAN O'CONNOR**—You indicated in the seventh dot point under that paragraph that there will be a separate air-conditioning unit for the computer room.

**Senator PARRY**—Only the computer room, not the Monitoring Centre.

**Mr BRENDAN O'CONNOR**—That is the point Senator Parry is making.

**Mr Plaisted**—My apologies; the submission is deficient in that regard. Because of the 24/7 nature and the criticality of the work in the National Monitoring Centre, it will have a separate



unit—I believe the term is ‘package unit’—that would be used after hours and at weekends, when the base building system is not operational.

**Senator PARRY**—For the record, you are assuring us that it is covered in the costings and will adequately cover the air-conditioning needs of the amenity that it is going to service.

**Mr Plaisted**—Yes, certainly.

**Senator PARRY**—I am again concerned about size. We mentioned ports a moment ago, and one of the reasons you are staying within the city. That is obviously an increased national security interest of late, and I cannot see it going backward; it is going to be going further forward. Do you think you have the capability? Has this been taken into account for your forward projections of staff numbers and monitoring equipment? Will you outgrow that facility within a short period of time, or are you satisfied that you will be okay to stay there based upon the way national security interests are going?

**Mr Plaisted**—We are confident that the building represents an appropriate solution for our city staffing needs over the next decade and, potentially, for the five-year option period. There is certainly the ability to reconfigure workstations to provide for a greater number of personnel than we currently have and still stay within the national Customs occupancy guidelines. The building will have secure rises that will enable us to be certain that laying out cabling to run monitoring and electronic surveillance equipment and other forms of securing the borders and patrolling or monitoring wharfs can be done in a secure manner. The ability of Customs to install equipment that is unique or specific to its various work areas will be readily available and possible within the building.

I might add, though, that the international environment is one of being much more security conscious, and Customs has a very big role in that in securing Australia’s border. It strikes me, though, that one of the practical operational aspects of doing this is the container X-ray facility, for instance, which has all the technology. The neutron scanning that Customs is developing at the moment will have a very big role at the front line—at our operational ports, at the border, at the airport and at air cargo on the wharfs.

**Senator PARRY**—Does that then escalate activity at the Customs location within the city?

**Mr Plaisted**—It probably escalates the monitoring and interpretation of the activities that are occurring at the border, but the technology tends to be out at the border not within the headquarters building.

**Senator PARRY**—We saw what I will call an incident room—a small room where, if there was a targeted issue, there could be additional monitoring. Have you taken peak capacity into account? Do you have issues where you might need a surge of personnel and monitoring taking place for a national operation? I did not see a major incident room.

**Mr Plaisted**—It has. That room we went to this morning on the western side of level 17 to look down at the view at Digital Harbour was, up until eight weeks ago, our only regional operation control room. It was woefully inadequate—it was too small, it was ill-equipped—and the Federal Police, with whom we run a lot of that operational activity, did not like it. For that

reason, a lot of activity tended to be controlled from over the road at the Federal Police headquarters. In the new building, for the first time we will have a proper regional control room along the lines of what our colleagues in Sydney have. That will draw its feed from the National Monitoring Centre, but it is inappropriate, during a sensitive operation locally, to have any of our regional operational staff interfering with the operations of the National Monitoring Centre. The national centre has its own role, and that role is not to directly facilitate local sensitive operations. Now, with the new configuration, we will for the first time have a proper regional operation control room as well, which will, as I mentioned, take a lot of its feed of CCTV capacity from the NMC.

**Senator PARRY**—In summary to my suite of questions, you are satisfied that the location is correct and that the building will allow for capacity that you can foresee into the future?

**Mr Plaisted**—Yes. I believe it offers considerable flexibility for Customs into the future. As we saw this morning with that open ceiling concept in the Innovation Building, Customs does churn as much as any organisation, maybe more frequently. The way in which the layout or fit-out will be constructed—with a common core, enclosed areas around that common core on each floor and then workstations around the perimeter with that no-ceiling approach—will lend itself very readily to cater for churn into the future without major expense. We believe it is a very appropriate future outcome.

**Senator PARRY**—Thank you.

**Mr BRENDAN O'CONNOR**—I share the same concern as Senator Parry that Customs has taken into account the potential greater security risk at our ports. Obviously, we were happy to hear about the expansion of surveillance, with an additional 31 or 34 ports, to 65. Given the capacity for greater security risks, we were hoping that that had been fully considered in light of those concerns that the public and, indeed, the parliament have in relation to these matters. Obviously, by answering those questions, you have given us some assurance that you are confident that that issue is being dealt with sufficiently.

**Mr Plaisted**—Yes. I believe that all aspects of upgraded security and the impact on the operational environment in Melbourne have been considered in the future fit-out of the building.

**CHAIR**—I will just ask one more question in relation to the airconditioning. In your opening statement, you talked about the use of grey water for recycling. I think, if I recall, you mentioned it in relation to the airconditioners. I presume this means that you will be using aircooled airconditioning systems. Is that correct?

**Mr Plaisted**—Yes. Whilst I am not an expert in the field, I believe that a chilled beam water loop will provide the chilling for the airconditioning units.

**CHAIR**—Can you or Mr Hume tell me whether there is a risk of Legionella bacillus with that type of air cooling system?

**Mr Plaisted**—I repeat that I am not an expert but Mr Chalmers has just informed me that they are not actually proposing a water cooling tower, which is, I believe, what gives rise to the potential for Legionella.

**CHAIR**—I just wanted to clarify that because I could not see anywhere in the main submission where you referred to the type of airconditioning. You had made that point in the earlier statement so I really just wanted to clarify that. Thank you very much for what was a very thorough briefing—it meant that we did not have quite so many questions to ask on this occasion—and for the very thorough answers you have given. That leaves me now to close, if there are no further questions. Before closing, I would just like to thank Customs for facilitating the inspection this morning and for assisting with the arrangements for today. Thank you also to Hansard and our secretariat. Before closing, it is necessary for the committee to authorise the publication of evidence.

Resolved (on motion by **Mr 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 the public hearing this day.

**Committee adjourned at 12.02 pm**