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The Parliament of the Commonwealth of Australia

# Construction of Chancery, Vientiane, Laos

Parliamentary Standing Committee on Public Works

June 2005  
Canberra

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## Membership of the Committee

Chair            Hon Judi Moylan MP

Deputy Chair   Mr Brendan O'Connor MP

Members        Mr John Forrest MP

Senator Alan Ferguson

Mr Harry Jenkins MP

Senator Michael Forshaw

Mr Bernie Ripoll MP

Senator the Hon Judith Troeth

Mr Barry Wakelin MP

## Committee Secretariat

Secretary            Mrs Margaret Swieringa

Inquiry Secretaries   Ms Vivienne Courto

Ms Cathryn Oliff

Research Officer     Mr Raymond Knight

Administrative Officer   Mr Peter Ratas



## List of Abbreviations

AusAID	Australian Agency for International Development
AFP	Australian Federal Police
BCA	Building Code of Australia
Defence	Department of Defence
DFAT	Department of Foreign Affairs and Trade
DIMIA	Department of Immigration, Multicultural and Indigenous Affairs
OH&S	Occupational Health and Safety



# Extract from the Votes and Proceedings of the House of Representatives

No. 24 dated Tuesday, 15 March 2005

**8 PUBLIC WORKS – PARLIAMENTARY STANDING COMMITTEE –  
REFERENCE OF WORK – CONSTRUCTION OF A NEW CHANCERY  
BUILDING FOR THE AUSTRALIAN EMBASSY IN VIENTIANE, LAOS**

Dr Stone (Parliamentary Secretary to the Minister for Finance and Administration), pursuant to notice, moved – That, in accordance with the provisions of the *Public Works Committee Act 1969*, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Proposed construction of a new Chancery building for the Australian Embassy in Vientiane, Laos.

Question – put and passed.



# List of Recommendations

## 3 Issues and Conclusions

### Recommendation 1

The Committee recommends that the proposed construction of a new Chancery building for the Australian Embassy in Vientiane, Laos, proceed at the estimated cost of \$11 million.



## Introduction

### Referral of Work

- 1.1 On 27 May 2005 the proposal to construct a new Chancery at the Australian High Commission, Vientiane, was referred to the Public Works Committee for consideration and report to the Parliament in accordance with the provisions of the *Public Works Committee Act 1969* (the Act).<sup>1</sup> The proponent agency for this work is the Department of Foreign Affairs and Trade (DFAT).
- 1.2 The Hon Dr Sharman Stone MP, Parliamentary Secretary to the Minister for Finance and Administration, advised the House that the estimated cost of the proposed works was \$11 million. Subject to parliamentary approval, works are to commence in March 2006, with practical completion and occupation scheduled for May 2007.

### Background

#### Australian Diplomatic Presence in Laos

- 1.3 In 2002 Australia and Laos celebrated the 50<sup>th</sup> anniversary of the establishment of diplomatic relations. Australia has a positive reputation in Laos as a result of long, unbroken relations and high-profile development assistance.

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<sup>1</sup> Extract from the *Votes and Proceedings of the House of Representatives*, No. 24, 15 March 2005

- 1.4 The present Chancery building was purchased in 1961. It was refurbished for its current use but, for some time, the premises have not provided appropriate accommodation for tenant agencies. While modifications have been made, security, access, services, layout, facilities and space are deficient.
- 1.5 It is expected that Australia's relationship with Laos will continue to develop, placing additional demands on the embassy.<sup>2</sup>

## The Site

- 1.6 The site of the new Chancery building was acquired in 1997 as part of a reciprocal arrangement that provided land for the embassy of Laos in Canberra. The site is located at KM3, Thadua Road, Ban Thaphalaxay, Sisattanak District, Vientiane. The Japanese ambassador's residence is located on Thadua Road, while several other foreign mission residences are located within close proximity.

## Inquiry Process

- 1.7 The Committee is required by the Act to consider public works over \$6 million<sup>3</sup> and report to Parliament on:
- the purpose of the work and its suitability for that purpose;
  - the need for, or the advisability of, carrying out the work;
  - whether the money to be expended on the work is being spent in the most cost effective manner;
  - the amount of revenue the work will generate for the Commonwealth, if that is its purpose; and
  - the present and prospective public value of the work.<sup>4</sup>
- 1.8 The Committee called for submissions by advertising the inquiry in *The Canberra Times* on Saturday, 2 April 2005. The Committee also sought submissions from relevant government agencies, local government, private organisations and individuals, who may be materially affected by or have an interest in the proposed work. The Committee subsequently placed

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2 Appendix C, Submission No.1, paragraph 3.6

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

4 *ib id*, Section 17

submissions and other information relating to the inquiry on its web site in order to encourage further public participation.

## Public Hearing

1.9 Under the terms of the Act, the Committee may not convene at any place outside Australia and its external Territories. Where a public work is to be carried out outside Australian and its external Territories, the Committee:

...shall consider the work on the basis of plans, models and statements placed before it and of evidence (if any) taken by it.<sup>5</sup>

1.10 On 27 May 2005, the Committee received a briefing from DFAT officers on the confidential costs of the proposed works to be undertaken at the Vientiane Chancery. This was followed by a public hearing held at Parliament House, Canberra<sup>6</sup>.

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5 *Public Works Committee Act 1969*, Part III, Section 18B

6 See Appendix D for the official Hansard transcript of the evidence taken by the Committee at the public hearing on Friday, 27 May 2005 in Parliament House, Canberra



## The Proposed Works

### Need

- 2.1 The existing Chancery building was acquired and refurbished in 1961. For some time the premises have not provided appropriate accommodation for tenant agencies. While modifications have been made, security, access, services, layout, facilities and space are deficient. Specifically:
- incremental alterations over the life of the facility have meant that operational functions have been accommodated on an ad hoc basis and the resultant layout does not allow for efficient operations within the Chancery; and
  - the current facility has significant compliance deficiencies with regard to the Building Code of Australia (BCA) and occupational health and safety (OH&S) regulations.<sup>1</sup>
- 2.2 Construction of a new Chancery on the existing site was ruled out due to an inability to satisfy boundary setback, and other security requirements.<sup>2</sup>

### Scope

- 2.3 The proposed works encompass the following elements:

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<sup>1</sup> Appendix C, Submission No. 1, paragraphs 3.3 - 3.4

<sup>2</sup> ib id, paragraph 2.2

- construction of 1,645 square metre, two-storey Chancery;
- controlled pedestrian and vehicular access;
- services enclosure at rear of site;
- carparking;
- security wall;
- engineering services including mains electricity and on-site substation, stand-by generator, water reticulation/storage and treatment, storm water drainage, on-site sewage treatment and telecommunications; and
- integrated fit-out to tenant specifications, including security measures, fixed work-stations, fixed partitions and doors, compactus storage units, window treatments and floor coverings, ablutions, tea rooms, and tenant-specific modifications to building services.<sup>3</sup>

## Purpose

- 2.4 The purpose of the proposed work is to provide a new building to serve as Australia's permanent mission to Laos. The facility will be capable of providing for functions, such as official receptions, exhibitions and trade displays, meetings, lectures and business missions, through the use of conference room and adjacent outside spaces.<sup>4</sup>
- 2.5 The new Chancery building will serve as Australia's ongoing permanent mission to Laos and will be tenanted by:
- the Department of Foreign Affairs and Trade;
  - the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA);
  - the Australian Agency for International Development (AusAID);
  - the Department of Defence (Defence);
  - the Australian Federal Police (AFP); and
  - an Australian Medical Clinic.

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3 Appendix C, Submission No. 1, paragraphs 12.1 - 12.6

4 ib id, paragraph 6.2

2.6 DFAT state that the construction of a new Chancery on a greenfield site will offer the following advantages:

- provision of a purpose designed building, with appropriate functional, efficient office space and technological infrastructure for the occupying agencies;
- provision of appropriate security;
- minimal disruption to the operation of the embassy, as the existing facility may continue to operate until the new facility is ready for occupation; and
- future sale and return of funds from the current Chancery property.<sup>5</sup>

2.7 The new Chancery is being planned to meet current and future tenancy operational and technological requirements. The proposed layout will accommodate space for expansion and meet the Commonwealth's security requirements for the protection of staff and visitors. DFAT anticipates that the development of a purpose built and managed asset on the owned site will allow the Commonwealth to manage and control the facility to provide reliable and self sufficient services not available in leased accommodation.<sup>6</sup>

## Cost

2.8 The total estimated cost of the proposed development is \$11 million based on May 2005 prices. This figure includes:

- construction costs;
- tenant fitout;
- security installation;
- project management services;
- design consultancy services;
- cost planning consultancy services;
- other consultancy services and fees;
- fee contingency;

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5 Appendix C, Submission No. 1, paragraph 5.1

6 ib id, paragraph 3.5

- contractor contingency; and
- escalation provision.<sup>7</sup>

2.9 The cost estimate does not include provision of loose furniture or general office equipment.<sup>8</sup>

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7 Confidential Briefing Paper, Public Hearing, page 3

8 Appendix C, Submission No. 1, paragraph 12.7

## Issues and Conclusions

### Costs

- 3.1 In a confidential briefing prior to the public hearing DFAT gave the Committee a comprehensive breakdown of associated costs for the Vientiane project. At the public hearing, the Committee asked about the likelihood that costs will be driven up or delays will occur as a result of building activity in Vientiane. DFAT stated that Vientiane is not experiencing a boom period and therefore costs are not likely to increase.<sup>1</sup>

### Building Codes and Standards

- 3.2 As Laos does not currently have building regulations or standards, Australian standards and guidelines will be applied to this project. When asked whether the Australian building standards were applicable to the climatic conditions of Vientiane, DFAT advised that the Laotian climate is very much like Darwin and the northern part of Queensland. DFAT assured the Committee that its designers would take account of all characteristics of a hot and steamy climate.<sup>2</sup>

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1 Appendix D, Official Transcript of Evidence, page 10

2 ib id, page 3

## Environmental Considerations

### Climate

- 3.3 The Committee asked for more information about the particular climatic issues of Vientiane. DFAT advised that Vientiane has very heavy rainfall and a long monsoon season as well as a dry season. Mould, high humidity and rodents must be considered in planning.
- 3.4 Given the monsoonal conditions, DFAT proposes that the ground floor level of the building will be raised to be above the known flood level, and there will be oversized drainage to mitigate possible blockages due to tropical conditions. DFAT advised that Australia has very good designers who understand the monsoon conditions and associated building requirements.<sup>3</sup>

### Basket Catchment Facility

- 3.5 DFAT's submission records that:
- "The medical clinic is provided with a basket catchment facility in the drainage line to facilitate removal of incompatible material".<sup>4</sup>
- 3.6 At the public hearing, DFAT informed the Committee that a basket catchment facility is an interceptor in the drainage system to pick up any chemicals discharged from the medical facility that could not go into the normal drainage system. When asked if it is reliable, DFAT advised that it will comply with the Australian standard which specifies the requirement for medical facilities and the disposal of waste from medical facilities.<sup>5</sup>

### Impact on Neighbours

- 3.7 The Committee noted that the proposed new chancery is in an area where there are other buildings and people in occupancy and asked how DFAT plans to manage the noise, dust and other problems during the construction period, to minimise disruption to neighbours.
- 3.8 DFAT believes that as the building has a large setback on all sides, this may mitigate some of the inconvenience, however, it acknowledged that

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3 Appendix D, Official Transcript of Evidence, page 3

4 Appendix C, Submission No. 1, paragraph 17.22

5 Appendix D, Official Transcript of Evidence, page 10

“inevitably, with a building like this there will be quite noisy and disruptive concrete pours and things like that”.<sup>6</sup>

- 3.9 As the new building will be set back from the road, DFAT does not anticipate any disturbance to pedestrian or vehicle traffic.

## Floor Space

- 3.10 DFAT advised that when the existing Chancery became too small for all of DFAT’s operations, space was taken in the old British chancery which is directly across the road. AusAID operates out of part of the old British chancery and the medical clinic is at the rear of the site. DFAT also leases a nearby house which is used as a workshop for the facilities management operation, and there is a library there as well. At the back of the British Chancery DFAT also leases the old British Head of Mission’s residence. Total current aggregation of floor space is approximately 1,010 square metres.
- 3.11 The Committee noted that the proposed new Chancery would be increasing available floor space by approximately 60 per cent and enquired if this was necessary. DFAT advised that the net lettable area the agencies will occupy is about 1,300 square metres. The new total area was determined through a negotiation process with the agencies based on their existing requirements and on future growth projections.<sup>7</sup>

## Leases

- 3.12 DFAT advised that the Australian Head of Mission residence and the Chancery site is on a ground lease to a Lao national which expires at the end of 2006. DFAT is currently exploring the possibility of a six-month extension of that lease to mid-2007, which is when DFAT expects completion of the new building. If it is not possible to extend the lease, DFAT will make temporary arrangements. DFAT reported that there are a number of houses around Vientiane where DFAT could make some short-term arrangements.<sup>8</sup>

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6 Appendix D, Official Transcript of Evidence, page 12

7 ib id, page 6

8 ib id, page 8

## Use of Non-local Material

- 3.13 The Committee requested information about sourcing of materials and was advised by DFAT that base materials such as the concrete, the terracotta tiles for the roof and the render will be available locally. Other materials will need to be imported. Most of that material is likely to be imported through Thailand.<sup>9</sup>
- 3.14 In order to meet Australian standards it is anticipated that some equipment and material will be imported from Australia. The tender documentation will not specify Australian material, but will set Australian standards that may lead to that outcome.
- 3.15 DFAT advised that some of the finishes inside the building will feature Australian material, but these areas have not yet been specified.

## Staffing

- 3.16 A discussion about the possibility of flooding in the new building during a severe monsoon led the Committee to ask about projected staff numbers. DFAT advised that the occupation of the building is likely to be about 40 to 45 people. This will include staff from the AFP, Defence, AusAID, DIMIA, the medical clinic and local staff. Additionally, there are another eight to 10 support staff who provide services such as facilities management and driving.<sup>10</sup>

## Provision for People with a Disability

- 3.17 DFAT advised that the building will be fully compliant with the provisions of the *Disability Discrimination Act 1992*. Specifically, DFAT explained:

“There will be a lift, which will be a stretcher lift. There will be two staircases. There will be the usual disabled toilets, and there will be ramps where required up to the front entry. There will be no steps where people need access. From a global viewpoint, it will be

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9 Appendix D, Official Transcript of Evidence, page 7

10 ib id, page 8

a fully compliant building for disabled purposes, including furniture and fittings, which will be imported from Australia.”<sup>11</sup>

## Occupational Health and Safety Requirements

- 3.18 DFAT advised the Committee that the design of the building will be fully compliant with Australian standards for both OH&S and fire safety. The new building will have full thermal smoke alarm systems, hydrants, fire extinguishers and the usual range of alarms, bells, voice alarms and evacuation procedures.<sup>12</sup>
- 3.19 The need for rapid movement of people out of the building in an emergency will be balanced with the need to keep entrances secure from people wanting to come in from the outside. Doors which can be secured so that they can be opened only from the inside and are intruder resistant will be used. A number of these doors are incorporated into the design as emergency exit points. Whilst the Chancery will probably have substantial visitor numbers at any time, visitors will only be on the ground level and they would have easy exit from there.

### Recommendation 1

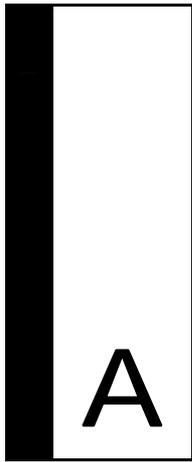
**The Committee recommends that the proposed construction of a new Chancery building for the Australian Embassy in Vientiane, Laos, proceed at the estimated cost of \$11 million.**

Hon Judi Moylan MP  
Chair  
22 June 2005

<sup>11</sup> Appendix D Official Transcript of Evidence, page 11

<sup>12</sup> ib id, page 11



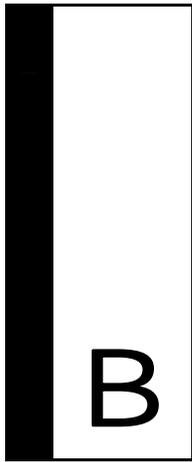


## Appendix A – List of Submissions

### Submissions

1. Department of Foreign Affairs and Trade
2. Ministry of Communications Transport Post and Construction, Lao People's Democratic Republic
3. Department of Immigration and Multicultural and Indigenous Affairs





## Appendix B – List of Witnesses

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

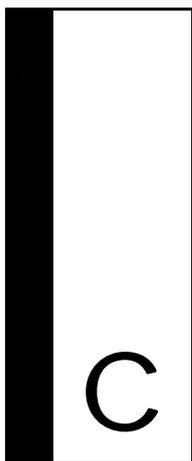
Mr Richard Hancock, Head, Project Management Services, Overseas Property Office, Department of Foreign Affairs and Trade

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

Mr Phillip John Moran, Assistant Secretary, Property management and Strategic Planning, Overseas Property Office, Department of Foreign Affairs and Trade

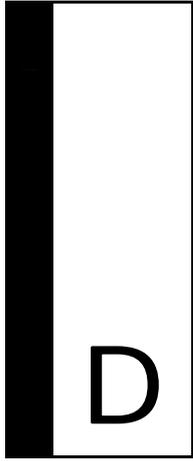
Mr John Richardson, Assistant Secretary, Diplomatic Security Branch, Department of Foreign Affairs and Trade





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





## Appendix D – Official Transcript of Evidence

