

## Construction of a new Australian High Commission in Nairobi, Kenya

- 3.1 The Department of Foreign Affairs and Trade (DFAT) seeks approval from the Committee to build a new Australian High Commission in Nairobi, Republic of Kenya.
- 3.2 In 2004-05, a global review of physical security at Australia's overseas missions identified the current mission in Nairobi as a high risk chancery.
- 3.3 The proposed purpose built new Australian High Commission (AHC) complex will serve as Australia's ongoing permanent mission to Kenya and will be tenanted by:
- DFAT (including the previous AusAID);
  - the Department of Immigration and Border Protection (DIBP);
  - the Australian Trade Commission (Austrade);
  - the Australian Centre for International Agricultural Research (ACIAR); and
  - DTZ – DFAT's Overseas Property Office's overseas facilities managers.
- 3.4 The project was referred to the Committee on 10 December 2013.

### Conduct of the inquiry

- 3.5 Following this referral, the inquiry was publicised on the Committee's website and via media release.
- 3.6 The Committee received one submission and one confidential supplementary submission from DFAT. A list of submissions can be found at Appendix A.

- 3.7 The confidential submission comprised the project costings and sensitive information which DFAT submitted could not be published for security reasons. The Committee accepted DFAT's submission in this regard and the selected information was not authorised for publication, on DFAT's advice.
- 3.8 The Committee conducted a public hearing on the project and an in-camera hearing on the project costings on 10 February 2014 in Canberra. As the Committee was not able to conduct a site inspection for the project in Nairobi<sup>1</sup>, DFAT provided the Committee with a private briefing on the project design and elements prior to the public hearing.
- 3.9 A transcript of the public hearing and a copy of DFAT's public submission to the inquiry are both available on the Committee's website.<sup>2</sup>

### Need for the works

- 3.10 The Nairobi AHC supports Australian government policy – strengthening trade, investment and people-to-people links with East Africa, in a challenging international environment.<sup>3</sup>
- 3.11 Australia's engagement with Kenya, and Africa more broadly, has grown significantly in recent years as has Australia's representation in Nairobi.<sup>4</sup>
- 3.12 DFAT told the Committee that the proposed work is needed because:
- The existing chancery building no longer meets the security, operational and accommodation needs of the represented agencies in an environment of worsening security conditions in Africa, particularly in light of the recent terrorist event in Nairobi.<sup>5</sup>
- 3.13 The current chancery which no longer meets DFAT's current physical security requirements is leased. It was built in 1989 and has significant building and fire-compliance deficiencies when benchmarked against Australian standards.<sup>6</sup>
- 3.14 Before making the decision to construct a new building, DFAT identified and pursued a number of options including:

---

1 See Part III, Section 18B of the *Public Works Committee Act 1969*.

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

3 Department of Foreign Affairs and Trade, Submission 1, p. 2.

4 Department of Foreign Affairs and Trade, Submission 1, p. 2.

5 Department of Foreign Affairs and Trade, Submission 1, p. 2.

6 Mr K. Nixon, Department of Foreign Affairs and Trade, transcript of evidence, 10 February 2014, p. 1.

- To undertake a series of works at the existing site to provide the operational requirements and the security requirements;
  - To explore whether there was an alternative leased option that could be taken from the marketplace to satisfy requirements; and
  - To explore acquisition of land and purpose-built construction.
- 3.15 DFAT concluded that the third option was the only option that could be pursued because at the existing site there is an insufficient amount of setback from the main road for security reasons and due to the age of the building, its construction is significantly different from standards applicable today. Buildings on other sites which were considered all failed in a number of areas associated with occupational health and safety standards and security requirements.<sup>7</sup>
- 3.16 Construction of the proposed new complex will not disrupt the work of the high commission as the existing offices will be retained until the new building is completed.<sup>8</sup>
- 3.17 The Committee is satisfied that there is a need for the works.

## Scope of the works

- 3.18 The project involves the construction of a new AHC complex on a greenfield site located approximately 15 kilometres from the Nairobi city centre. The complex will include the chancery building plus the following support and recreational buildings within a secure perimeter:
- two entry guardhouses
  - an energy services building, and
  - a recreational pavilion.<sup>9</sup>
- 3.19 The composition of the chancery is to be divided into the following major functional groups;
- Public Areas
  - Office Areas for Tenant Agencies
  - Common Areas

---

7 Mr K. Nixon, Department of Foreign Affairs and Trade, transcript of evidence, 10 February 2014, p. 5.

8 Mr K. Nixon, Department of Foreign Affairs and Trade, transcript of evidence, 10 February 2014, p. 4.

9 Department of Foreign Affairs and Trade, Submission 1, p. 3.

- Shared Areas
  - Building Plant and Facilities Service Areas
- 3.20 The public areas will include the main entry foyer, the DIBP foyer and the associated waiting rooms, reception, toilets and display areas located between the chancery's entrance doors and the secure air lock that provides access to the internal controlled areas.<sup>10</sup>
- 3.21 A guardhouse and security screening facilities for pedestrians and vehicles will be required at the entrance to the site. Car parking will be located within the secure perimeter.<sup>11</sup>
- 3.22 Vehicle and pedestrian entry and exit routes will be developed as appropriate. Pedestrian paving from the guardhouse to the chancery main entry will be designed with consideration to its role as the potential evacuation route in emergencies or crises. If required and site constraints allow, a separate dedicated staff entry may be provided and located away from the pedestrian visitors' entry.<sup>12</sup>
- 3.23 The provision of on-site locally engaged staff (LES) parking outside of the secure perimeter will inform the siting of the main guardhouse and staff and visitor entries. An additional emergency pedestrian egress point from the site will be required.<sup>13</sup>

## Suitability of the building

- 3.24 DFAT believes that once built, the new AHC will provide an appropriate architectural presence in which to represent and further Australian interests in Kenya and the East Africa region.<sup>14</sup>
- 3.25 The new buildings will be strategically located on the site to improve utility service efficiencies.<sup>15</sup> The buildings will include the chancery, two guardhouses and an energy services centre and recreational pavilion.
- 3.26 The new chancery will complement the environment it will be built in:
- The exterior and interior of the new chancery will provide a contemporary response to the unique character of Nairobi's built

---

10 Department of Foreign Affairs and Trade, Submission 1, p. 8.

11 Department of Foreign Affairs and Trade, Submission 1, p. 8.

12 Department of Foreign Affairs and Trade, Submission 1, p. 8.

13 Department of Foreign Affairs and Trade, Submission 1, p. 8.

14 Department of Foreign Affairs and Trade, Submission 1, p. 13.

15 Department of Foreign Affairs and Trade, Submission 1, p. 13.

environment whilst maintaining a strong reference to an Australian architectural identity.<sup>16</sup>

- 3.27 The builder will utilise as much of the materials, colours and forms found in the local environment as possible in construction.<sup>17</sup>

## Security

- 3.28 DFAT told the Committee that the proposed chancery will provide appropriate physical security to address the DFAT threat assessment.<sup>18</sup>

We are satisfied that ... our ability to site the building relative to roads and points of entry to the site greatly assist a significant improvement in our security.<sup>19</sup>

- 3.29 The chancery and associated structures will be sited to achieve both the necessary security setbacks within the confines of the site and the necessary operational requirements to ensure ease of access for both pedestrians and vehicles.<sup>20</sup>
- 3.30 Intruder alarm systems for the restricted and secure areas of the chancery will be supplied, installed and maintained by DFAT. CCTV coverage will be required to all external areas of the compound, at the street access locations and to public and other areas within the chancery; all designed and installed in accordance with DFAT requirements. An Electronic Access Control Systems will be required throughout all the areas of the chancery and around the compound.<sup>21</sup>
- 3.31 Security measures for the new high commission were further discussed in detail during the in-camera hearing.

## Staff amenity

- 3.32 There is provision for a canteen and an informal break-out area for staff in the design of the new AHC complex. DFAT said:

The canteen is to be used by staff as a retreat from the office, to make coffee and tea, eat lunch and generally to relax. Ideally it should include a space both for active (e.g. table tennis) and

---

16 Department of Foreign Affairs and Trade, Submission 1, p. 13.

17 Department of Foreign Affairs and Trade, Submission 1, p. 13.

18 Department of Foreign Affairs and Trade, Submission 1, p. 3.

19 Mr K. Nixon, Department of Foreign Affairs and Trade, transcript of evidence, 10 February 2014, p. 2.

20 Department of Foreign Affairs and Trade, Submission 1, p. 14.

21 Department of Foreign Affairs and Trade, Submission 1, p. 21.

passive recreation, including dining and kitchen areas with easy access to a paved covered external zone.<sup>22</sup>

- 3.33 A recreational pavilion will be built on site to house a swimming pool and a multi-use court. During the public hearing DFAT was asked if other embassies and high commissions in Nairobi provide tennis courts and swimming pools for staff and the Committee heard that:

... we would not be the only mission that was providing that level of amenity. ... The reality is that within a city like Nairobi there is limited availability of alternative public facilities that the staff could access. We believe it is appropriate, given the general difficulties of living and working in a city like Nairobi, that there is a reasonable level of access to amenity of that type for staff to enjoy.<sup>23</sup>

- 3.34 DFAT has assured the Committee that the design of the new AHC will comply with the Building Code of Australia and relevant Workplace Health & Safety codes and standards in relation to disability access.<sup>24</sup>
- 3.35 Considering all aspects of the building design, security and amenity, the Committee finds that the proposed scope of works is suitable for the works to meet its purpose.

## Cost of the works

- 3.36 The approved budget for the proposed works, excluding land costs, is AU\$57.6 million.<sup>25</sup> The land is owned by the Commonwealth of Australia.<sup>26</sup>
- 3.37 The cost estimate includes all project works as managed by DFAT's Overseas Property Office (OPO), specialist communications, IT and physical security items, and direct agency costs. Project works as managed by the OPO includes construction and fit-out works (including risk contingencies and escalation allowances), furniture, consultant and project management costs, legal fees and other miscellaneous costs and charges.<sup>27</sup>

---

22 Department of Foreign Affairs and Trade, Submission 1, p. 10.

23 Mr K. Nixon, Department of Foreign Affairs and Trade, transcript of evidence, 10 February 2014, p. 3.

24 Department of Foreign Affairs and Trade, Submission 1, p. 3.

25 Department of Foreign Affairs and Trade, Submission 1, p. 27.

26 Mr K. Nixon, Department of Foreign Affairs and Trade, transcript of evidence, 10 February 2014, p. 1.

27 Department of Foreign Affairs and Trade, Submission 1, p. 27.

- 3.38 The cost estimate does not include Kenyan Government Import Duty as goods specifically imported for the AHC project should be rated at zero per cent duty.<sup>28</sup>
- 3.39 Kenyan Government Value Added Tax (VAT) is currently 16 per cent and has been included in the cost estimates. DFAT said that every endeavour will be made to recover any VAT paid using government-to-government reciprocal arrangements:<sup>29</sup>
- ... we are pursuing discussions with the government of Kenya. We are seeking to engage and enter into what is referred to as a C and R – a construction and renovation agreement – which would allow the project to be VAT exempt.<sup>30</sup>
- 3.40 DFAT told the Committee that in order to be sure the project delivered value for money it engaged an internationally recognised firm as cost planning consultants.<sup>31</sup>
- 3.41 In a supplementary confidential submission and during the in-camera hearing, DFAT provided evidence to the Committee on the costings of the project.
- 3.42 The Committee considers that costings for the project have been adequately assessed by the proponent agency. The Committee is satisfied that the proposed expenditure is cost effective. As the project will not be revenue generating the Committee makes no comment in relation to this matter.

## Committee comments

- 3.43 The Committee did not identify issues of concern with the proposal and is satisfied that the project has merit in terms of need, scope and cost.
- 3.44 The Committee commends DFAT for presenting information in a clear and consistent manner, and for preparing thoroughly for the hearings.
- 3.45 Proponent agencies must notify the Committee of any changes to the project scope, time and cost. The Committee also requires that a post-implementation report be provided within three months of completion of

---

28 Department of Foreign Affairs and Trade, Submission 1, p. 27

29 Department of Foreign Affairs and Trade, Submission 1, p. 27.

30 Mr K. Nixon, Department of Foreign Affairs and Trade, transcript of evidence, 10 February 2014, p. 7.

31 Mr K. Nixon, Department of Foreign Affairs and Trade, transcript of evidence, 10 February 2014, p. 3.

the project. A template for the report can be found on the Committee's website.

- 3.46 Having regard to its role and responsibilities contained in the *Public Works Committee Act 1969*, the Committee is of the view that this project signifies value for money for the Commonwealth and constitutes a project which is fit for purpose, having regard to the established need.

### **Recommendation 1**

- 3.47 **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: Construction of a new Australian High Commission in Nairobi, Kenya.**