

## CSIRO Clayton Property Strategy, Clayton, Victoria

- 4.1 The Commonwealth Scientific and Industrial Research Organisation (CSIRO) proposes to relocate its staff and research capabilities from its site at Highett, Victoria, to its site at Clayton, Victoria, adjacent to Monash University. The project also includes the provision of a new building at North Clayton for the CSIRO Science Education Centre (CSEC) and Factories of the Future Innovation (FoFi) Centre.
- 4.2 The project objectives are to consolidate CSIRO capabilities, provide efficiencies by reducing duplication, create the FoFi Centre and enable the sale of the Highett site.
- 4.3 The estimated cost of the project is \$32 million.

### Conduct of the inquiry

- 4.4 The proposal was referred to the Committee on 11 December 2013.
- 4.5 The inquiry was publicised on the Committee's website and by media release. The Committee received four submissions and one supplementary submission, in addition to two confidential submissions from CSIRO regarding the project costs. A list of submissions can be found at Appendix A.
- 4.6 The Committee conducted a site inspection, a public hearing, and an in-camera hearing on the project costs, on 17 February 2014 in Melbourne.
- 4.7 The transcript of the public hearing and the submissions to the inquiry are available on the Committee's website.<sup>1</sup>

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

## Need for the works

- 4.8 The relocation of all capabilities from the existing Highett site to Clayton will consolidate CSIRO's key sites and buildings at the Clayton site to provide fit-for-purpose facilities and reduce CSIRO's property operating costs.<sup>2</sup> The proposed works will also mitigate health, safety and environment risks, and improve staff amenity.<sup>3</sup>
- 4.9 The current facilities at Highett are ageing and no longer fit-for purpose. CSIRO's initial submission stated:
- ... the condition of the buildings on the Highett site have deteriorated significantly over time, and ... it is no longer good value for money to refurbish them.<sup>4</sup>
- 4.10 Further, a national asset condition report undertaken in 2011 rated the Highett site as being in a high operational risk category:
- The Highett site was rated at 1.5 out of five. That was based on a number of factors that included compliance with the Building Code of Australia, including asbestos on the site – the building fabrication – the age of those facilities, and also the density of population ... Staff are working on large-scale equipment [at Highett] and the fact that they are working alone does cause us a health and safety risk as well ...<sup>5</sup>
- 4.11 Regarding asbestos on the Highett site:
- ... nearly every structure on that site has asbestos. Staff are only working in buildings where it is accepted that there is no risk of asbestos exposure to them. Any buildings that present a risk of exposure to our staff have been shut down and are secured.<sup>6</sup>
- 4.12 The Committee is satisfied that there is a need for the works.

## Scope of the works

- 4.13 The scope of the works includes:
- the refurbishment and fit out of some existing facilities at Clayton and North Clayton to meet the science needs of relocated groups;
  - the relocation of staff and specialist science equipment; and

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2 CSIRO, Submission 1, p. 6.

3 CSIRO, Submission 1, pp. 10-11.

4 CSIRO, Submission 1, p. 2.

5 Mr M. Wallis, CSIRO, transcript of evidence, 17 February 2014, p. 6.

6 Mr M. Wallis, CSIRO, transcript of evidence, 17 February 2014, p. 6.

- the creation of the FoFi Centre at Clayton incorporating CSEC providing opportunity for scientists of the future to see industry of the future.<sup>7</sup>
- 4.14 The relocation and refurbishment portions of the project will enable increased collaboration:
- This relocation will enable these scientists to work more closely with colleagues in CSIRO and local collaborators and to access and share deeper knowledge supporting industry focused projects, noting that 40 per cent of Victorian manufacturing companies are located in south-east Melbourne. CSIRO is expecting an increase in new technologies being produced at the site as a result of this enhanced collaboration.<sup>8</sup>
- 4.15 The FoFi Centre enables collaboration with Australian manufacturing enterprises:
- The Factories of the Future Innovation Centre is an open-access facility where firms can visit to try out new-advanced manufacturing technologies and processes prior to making their investment decisions. Participating firms will be supported by technicians, scientists and engineers that form part of the technical support. This effectively derisks their adoption of emerging technologies and provides strong linkage between applied research and the commercial adoption of technologies in the Australian manufacturing sector.<sup>9</sup>
- 4.16 Subject to parliamentary approval, construction of the Highett relocation/Clayton refurbishment component of the project will commence in June 2014 and be completed by September 2015. Phased relocation will occur throughout 2015. Construction of the FoFi Centre component will also commence in June 2014 and be completed by December 2015.<sup>10</sup>
- 4.17 The Committee finds that the proposed scope of works is suitable for the works to meet its purpose.

## Cost of the works

- 4.18 The total estimated cost of the project is \$32 million.

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7 CSIRO, Submission 1, p. 3.

8 Ms H. Bennett, CSIRO, transcript of evidence, 17 February 2014, p. 2.

9 Ms H. Bennett, CSIRO, transcript of evidence, 17 February 2014, p. 2.

10 CSIRO, Submission 1, p. 34.

- 4.19 The Committee received two confidential supplementary submissions detailing the project costs and held an in-camera hearing with CSIRO on those costs.
- 4.20 The cost of the works is to be offset by the sale of the Highett site, with the sale of CSIRO's Parkville site to ensure adequate cash flow.<sup>11</sup>
- 4.21 The Committee considers that costs for the project have been adequately assessed by the proponent agency. The Committee is satisfied that the proposed expenditure is cost effective. As the work is not revenue generating, the Committee makes no comment in relation to this matter.

### Committee comments

- 4.22 The Committee notes that the initial written submissions from CSIRO, while satisfactory, could have presented project details in a clearer manner and included greater detail in some aspects.
- 4.23 Further, CSIRO's initial submissions contained a number of factual errors that were corrected at the public hearing. CSIRO also subsequently clarified evidence given at the public hearing, indicating that it 'did not clearly reflect the facts'.<sup>12</sup>
- 4.24 The Committee emphasises the importance of presenting information that is clear and accurate. The Committee encourages CSIRO to review and implement quality assurance measures to ensure the accuracy and veracity of evidence presented.
- 4.25 However, the Committee identified no issues of concern with the project, and is satisfied that the project has merit in terms of need, scope and cost.
- 4.26 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 the project. A template for the report can be found on the Committee's website.
- 4.27 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.

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11 Ms H. Bennett, CSIRO, transcript of evidence, 17 February 2014, p. 3.

12 CSIRO, Submission 1.4, p. 1 (See Appendix C).

**Recommendation 2**

- 4.28 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: CSIRO Clayton Property Strategy, Clayton, Victoria.

