

SENATE STANDING COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS  
AUSTRALIAN SECURITY INTELLIGENCE ORGANISATION

**Question No. 73**

**Senator Brandis asked the following question at the hearing on 24 May 2012:**

- a) What is the progress of the construction of the new ASIO central headquarters in Canberra?
- b) Is construction expected to be completed on-time and on-budget?
- c) According to Program 1.1 expenses of the A-G PBS, where ASIO's expenses are set to increase over the estimates due to additional rent commitments relating to ASIO's new central headquarters. The funding has grown to cover a portion of increased rent, with the remainder to be absorbed by ASIO.
  - i. Can you confirm whether there is currently a rental dispute between ASIO and the Department of Finance regarding these additional rent commitments?
  - ii. Has ASIO been asked to make an additional funding commitment because of a blow-out to building costs and timing?
  - iii. Is it correct that ASIO would rather remain in its current location?
  - iv. Do you expect this disagreement to impact on the ability of ASIO officers to move into the new central headquarters?
- d) Can you confirm that ASIO is seeking approval to store more than half a million litres of fuel at its new central headquarters?
  - i. What is the reason behind this?
  - ii. What impact will this have on local residents?
  - iii. Has ASIO conducted consultation?

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

- a). Work commenced on the new building in July 2009. Construction works are moving ahead with several areas of the building nearing completion. Lend Lease has advised the majority of construction work is unlikely to be finalised until September or October 2012.
- b). The new building project has come under some budgetary and scheduling pressure. The total cost of overruns identified to date is \$41.6m which equates to seven percent of the approved budget of \$589.2m set in 2008.

Lend Lease, the managing contractor, has recently advised ASIO that its construction schedule has slipped by several months. As a result:

- the majority of construction works will not be completed until September or October 2012;
- ASIO is not likely to take possession of the building until late-2012; and
- staff relocation may be unable to commence until Feb-Mar 2013.

These slippages are outside of ASIO's control.

- c).
  - i. ASIO is in discussions with the Department of Finance and Deregulation (DoFD) regarding the Memorandum of Understanding (MoU) between departments regarding the lease arrangements. The majority of MoU terms have been agreed. Some schedules cannot be finalised until the construction of the building is completed.

- ii. ASIO's total contribution to cost overruns is \$24.3m, which has been met from existing budgets.
  - iii. This is not correct. The building has been purpose designed and built for ASIO and through bringing together a number of discrete capabilities will allow ASIO to operate more effectively.
  - iv. Some schedules of the MoU between ASIO and DoFD cannot be finalised until the construction of the building is complete.
- d). An application has been made to the Environment Protection Authority for the storage of 660,000 litres of diesel fuel at the new premises.
- i. The fuel is required to operate the building's standby generators for several days in the event of the loss of mains power. This is an important element of the Organisation's business continuity planning.
  - ii. We do not expect the storage of diesel at the new ASIO central office to have any impact on local residents. An Environmental Management Plan has been developed, in accordance with the requirements of the *Environmental Protection Act 1997 (ACT)*, to minimise the environmental risks of the fuel storage. There is inbuilt monitoring within the tank system to identify any leaks before fuel could penetrate surrounding soil. Ground water monitoring will be conducted within the vicinity of the tanks as required by legislation.
- The formal application under the Environmental Protection Act submitted the new building project to a higher level of public scrutiny than other Commonwealth agencies, because federal agencies are not required to comply with the ACT law requiring EPA authorisation in similar facilities.
- iii. I understand there have been a range of consultations; however specific questions should be referred to DoFD, as they are managing the construction of the building.