



**Australian Government**  
**National Capital Authority**

Alison Clegg  
Committee Secretary  
Joint Standing Committee on the National Capital and External Territories  
Parliamentary Standing Committee on Public Works  
Suite R1-116  
Parliament House  
Canberra ACT 2600

Dear Ms Clegg

**Re: QoN – Diplomatic Estate/National Capital Authority (NCA) procurement process.**

I am writing in response to your email concerning the above mentioned questions on notice from Gai Brodtmann MP in relation to Diplomatic Estate and the NCA procurement process, arising from the Joint Standing Committee National Capital and External Territories on 18 June 2015. Please find the NCA's response below.

**1. Diplomatic Estate**

**Question:**

- a) Can you please provide the terms of reference for the Interdepartmental Committee (IDC) considering issues associated with diplomatic estates?

**Answer:**

IDC Terms of Reference

1. Provide guidance on an Australian Government land allocation policy to address the shortage of appropriate National Land for diplomatic use and to accommodate the anticipated future demand for diplomatic missions.
  - The NCA will create a strategy for long term allocation of land and include it in the National Capital Plan.
  - The Department of Infrastructure and Regional Development will develop an Australian Government land allocation policy. The policy will aid in providing greater clarity and variety of diplomatic leasing matters.
2. Consistent with the Government's agenda to review legislation, the IDC will collaboratively review the applicable legislation in-line with contemporary legislative drafting practices and identify opportunities to reduce regulation and compliance burden.
  - Dynamic legislation would allow for higher density development.

**Question:**

- b) Can you please provide an update on the status of diplomatic sites that have freed up in the diplomatic estate process?

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**Answer:**

In 2014, five reserved diplomatic blocks were released. These will be offered to missions who have expressed interest in acquiring a block in the diplomatic estates (currently three missions are discussing the acquisition of diplomatic land with the NCA).

**Question:**

- c) Can you please provide an update on the status of diplomatic missions in Yarralumla, Deakin and O'Malley in terms of numbers of sites that are used and vacant and the interest from countries in acquiring a site?

**Answer:**

A number of embassies have expressed an interest in the available land but have not confirmed their intentions.

*Yarralumla:*

All fifty two blocks in Yarralumla Estate are currently leased.

*Deakin:*

There are eight available blocks of the twenty two blocks in the West Deakin Estate. However, of these eight blocks, six blocks have caveats over the development of land.

*O'Malley:*

There are two available blocks of the eleven blocks in the O'Malley Estate. These available blocks are currently being considered by at least one Embassy looking to move to the Diplomatic Estate.

**Question:**

- d) Can you please provide an update on the status of diplomatic missions for the following countries:
- Bangladesh
  - Iran
  - India
  - Russia

**Answer:**

*Bangladesh:*

(Block 9, Section 86) Bangladesh signed a Crown Lease on 12 January 2015. The official sign for the High Commission was erected on 17 April 2015. The NCA have been advised that Bangladesh has commenced planning and design for the new High Commission.

*Iran:*

(Block 6, Section 83) The NCA granted Iran an extension of time to commence construction of the Embassy. The NCA has been advised by Iran that the construction documentation and tender process will be finalised by 30 November 2015. This will allow construction to commence in late 2015 or early 2016, but no later than 31 March 2016.

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*India:*

(Block 19 and 20 Section 86) the NCA granted India an extension of time to commence construction of the Embassy. Construction must commence by 31 December 2015 with completion by 31 December 2017. The NCA is awaiting a works approval application for the proposed works.

*Russia:*

(Block 26 Section 44) the NCA granted full works approval for the development of the Embassy, pending the resolution of concerns regarding boundary fencing. The NCA is awaiting the revised design submission.

**Question:**

- e) I would also appreciate an update on the number of subdivisions of existing diplomatic land? Can you provide information on the status of possible subdivisions of land for the following countries?

- Spain
- Belgium

**Answer:**

*Spain:*

(Block 5, Section 83) Spain declined to proceed with the proposed subdivision. The NCA has requested landscaping of the undeveloped portion of the block.

*Belgium:*

(Block 2 Section 83) Belgium declined to subdivide.

**Question:**

- f) Can you please provide information on the number of missions and/or Head of Mission residences that have been established in residential properties in the ACT?

**Answer:**

The NCA does not administer Crown Leases on ACT Land and therefore cannot provide the requested information.

**Question:**

- g) What progress has been made on the use of strata title arrangement in commercial business areas?

**Answer:**

The IDC is currently developing legislation in this regard.

## **2. NCA procurement process**

I understand that the NCA's tender process for a panel of providers for property management in the ACT recently closed earlier this month. The timeframe for the services offered by successful providers are from July 2015 to June 2019.

**Question:**

- a) Is there a provision in the panel arrangements for the panel to be reviewed and for additions or changes to services and providers to occur within this timeframe?

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**Answer:**

The Panel will be refreshed after two years. This will allow panellists to update their prices and the services they offer. Other suppliers will have the opportunity to tender to join the panel at this time.

I would also invite the NCA to provide further information on its decision making framework within regard to its procurement processes more generally. Can the NCA please advise:

**Question:**

- b) How many of its providers identify as ACT businesses?

**Answer:**

The NCA follows the Commonwealth Procurement Rules under Regulation 7 of the Financial Management and Accountability Regulations 1997. Tenders are lodged on Austender which is the primary source for Government procurement information.

Generally it is not a requirement for businesses to identify what area they are from.

**Question:**

- c) How many providers are listed as providers for multiple services?

**Answer:**

Generally tenders are called for individual services.

**Question:**

- d) In its consideration of value for money, is price the only factor considered? If not, what other factors contribute to the decision making process for this criteria?

**Answer:**

Price is one factor that is considered. Other factors include experience, methodology (understanding of the scope), nominated personnel, financial information, quality systems, WHS certification etc. Criteria are all scored and weighted according to a predetermined process.

**Question:**

- e) How often does the NCA put out tender for its panels?

**Answer:**

This is the first panel tender that the NCA has procured.

**Question:**

- f) What factors does the NCA consider in reviewing the effectiveness of providers?

**Answer:**

The information the tenderers provide against the criteria (see answer (d) above) is used to determine a suppliers possible effectiveness. At the completion of engagement of a suppliers a review is undertaken using similar criteria.

**Question:**

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- g) What process does the NCA follow in reviewing and making an assessment of the quality of work undertaken by its providers?

**Answer:**

With regard to the panel tender it is envisaged that at the completion of the supply of a specific service the service provider will be assessed according to quality of delivery, reliable programming, management of the site, coordination within the NCA, resolution of issues, and financial management,

**Question:**

- h) Do all service providers hold prerequisite (technical or trade) qualifications in accordance with ACT regulations?

**Answer:**

Service providers are required to hold qualifications relevant to their speciality to the appropriate Australian Standard.

Service providers are assessed in terms of their capability and experience to deliver the services for which they tendered. The NCA did not refer to ACT Government regulations in making that assessment.

**Question:**

- i) What processes are in place to ensure that the work is undertaken in accordance with ACT regulations and guidelines?

**Answer:**

The NCA applies numerous standards including Australian and International standards when specifying works. These are often specific to the type of work required, or the legislative framework in which they are managed. For example, ACT Government standards, particularly in relation to landscaping services are occasionally used when specifying works. On the other hand, the preparation of heritage management plans for Commonwealth Heritage Listed Places would refer specifically to the requirements under the EPBC Act and Regulations.

I hope you find this information of assistance.

Yours Sincerely

Malcolm Snow  
Chief Executive

27 August 2015

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