

## **Commonwealth Scientific and Industrial Research Organisation— Upgrade and Fitout of Building 302 Research Way, Clayton, Victoria**

Parliamentary Standing Committee on Public Works

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Submitter:

**Michael Sanderson**



Phone:

Email:



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### **Introduction**

I welcome the opportunity to make this submission.

I give qualified support to the proposed upgrade and fitout of Building 302 at Research Way, Clayton. On the material provided, the proposed works appear to serve a legitimate public purpose. Modern, safe, compliant and adaptable laboratory infrastructure is necessary to preserve CSIRO's nationally significant atmospheric, climate modelling, greenhouse gas observation and climate monitoring capability.

However, the material provided to the Committee is not complete enough to support fully informed public comment. The proposal is presented as a public works project, but it is also tied to a broader property strategy that contemplates the divestment of the Aspendale site. The Committee and the public have not been given sufficient information about the land status of Aspendale, the intended form of divestment, the expected proceeds, any private sector interest, any consultant advice, any heritage assessment, or any whole of government assessment of alternative public uses.

That omission matters. A public works inquiry should not be conducted on a partial record where the laboratory upgrade is fully described but the associated disposal of a historically significant public science site is treated as background. Incomplete information narrows public scrutiny and impedes informed comment.

My support is therefore qualified. I do not oppose relocating staff and scientific functions to Clayton if that is the best way to maintain the capability. I do oppose treating that relocation as a sufficient reason to remove Aspendale from Commonwealth ownership.

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The Committee should distinguish between two separate questions. The first is whether Building 302 should be upgraded. The second is whether the Commonwealth should surrender a historically significant public science site at Aspendale. Those questions should not be collapsed into one approval pathway. The answer to the first may be yes. The answer to the second should be no.

### **Jurisdiction and scope of this submission**

This submission is directed to the Committee's functions under the Public Works Committee Act 1969. The Act does not require the Committee to assess the proposed works in isolation from their stated purpose, consequences or public value. The Committee is required to consider the stated purpose of the work, the need for the work, the effective use of the money to be expended, any revenue producing character, and the present and prospective public value of the work.

That matters here because CSIRO's own material does not present the Building 302 works as a stand-alone laboratory upgrade. It states that the investment is required to maintain nationally significant atmospheric and climate science capability and to enable CSIRO's strategic decision to divest the Aspendale site. The proposed works and the proposed divestment are therefore connected in CSIRO's own case.

Accordingly, it is within the proper scope of this inquiry to distinguish between approving the Building 302 upgrade and accepting the loss of Aspendale from Commonwealth ownership. The Committee can support expenditure on modern public scientific infrastructure while also reporting that the associated divestment of Aspendale has not been justified and should not proceed.

### **Stated purpose and suitability**

CSIRO's stated purpose is to upgrade and fit out Building 302 to provide modern laboratory facilities for staff and capability relocating from Aspendale. That purpose is plainly within public purpose. Public investment in public scientific infrastructure is appropriate, especially where it preserves climate and atmospheric research capacity.

The preferred option is also stronger than a private lease model. The proposed capital expenditure would improve a CSIRO facility on the public estate. That is preferable to spending public money on specialised fitout in a privately owned building where public expenditure can increase private asset value.

On that basis, Building 302 appears suitable for the stated purpose, provided the Committee is satisfied that the design, standards, cost estimate, staff transition and operational continuity risks have been properly tested.

However, suitability for laboratory use at Clayton does not determine the future of Aspendale. The suitability question should not be allowed to collapse into a divestment question. Building 302 may be suitable for the relocated scientific function. That does not make Aspendale unsuitable for every other public purpose.

### **Need for the work**

CSIRO has made a reasonable case that the existing Aspendale laboratories are aged, deteriorating and no longer suitable for modern scientific practice. The Committee should not require nationally significant climate science to continue operating from obsolete or increasingly risky facilities.

However, there is a critical distinction between a building that is no longer fit for its present laboratory function and a site that is surplus to public purpose. The fact that existing laboratories need replacement or relocation does not prove that the Aspendale land, buildings, services, improvements or broader built estate have no continuing public value.

Aspendale is not ordinary land, and it should not be assessed as vacant land. It is a public science site with buildings, infrastructure, public investment, institutional history and future possibility. CSIRO's own evidence describes it as the home of Australian climate science for more than seven decades. Even if some buildings are no longer suitable for modern laboratory use, that does not mean every building, structure, service connection, improvement or adaptive reuse opportunity should be written off.

The Committee should not allow the need for new laboratories to become a back door approval for permanent public asset loss. That loss would not be confined to the land alone. It would include the buildings, the public investment embodied in the site, the scientific legacy attached to it, and the future public options that continued Commonwealth ownership would preserve.

If the laboratory function must move to Clayton, the proper public question is what the Aspendale land and buildings should become next. They should not be treated as a disposal opportunity merely because one use of the site is ending.

### **Cost effectiveness**

The proposed Building 302 works may well be cost effective when assessed narrowly against other laboratory delivery options. Upgrading an existing CSIRO building is likely to be more prudent than building a new facility or entering a private lease arrangement.

The cost effectiveness assessment is incomplete, however, if it treats Aspendale divestment as an assumed background fact. A project can be cost effective as a building project while still forming part of a poor public asset decision.

The Commonwealth is not required to sell one public asset in order to fund another. The Commonwealth is the issuer of the Australian dollar. The relevant constraint is not whether dollars can be found, but whether real resources are available and whether the proposed use serves good public purpose.

There is always another possible public use for a Commonwealth owned site because the Commonwealth can capitalise new uses where they serve public purpose and where the real resources are available. If Aspendale is no longer suitable for its current laboratory function, the next question should be what other public use it can serve. It should not automatically be treated as a disposal opportunity.

The Committee should therefore treat cost effectiveness in two parts. The first is whether Building 302 is a cost-effective way to deliver modern laboratory capability. The second is whether the linked property strategy makes effective use of the broader Commonwealth estate. The first may be satisfied. The second has not been demonstrated.

### **Current and prospective public value**

The current and prospective value of Building 302 lies in preserving scientific capability, improving safety and compliance, reducing duplication and supporting collaboration at Clayton.

The current and prospective value of Aspendale is different. It lies in finite public land, public science history, strategic location and future public use. Possible future uses could include a climate adaptation and public education centre, coastal resilience research, emergency preparedness training, community facilities, student accommodation, key worker accommodation, visiting researcher accommodation, social or affordable housing under continuing Commonwealth ownership, or a mixed public precinct that preserves the site's scientific legacy.

The Committee does not need to decide now which of those or other uses is best. It should simply refuse to accept that divestment is justified before alternatives have been properly tested.

Present and prospective public value is not limited to the immediate laboratory function. A site can cease to be suitable for one public use and remain valuable for another. That is especially true where the land has been held for public scientific purpose, carries a significant institutional history, and may support future public needs that are different from its past use.

### **Revenue**

CSIRO says the Building 302 project is not revenue producing. That should be accepted for the works themselves.

However, the Committee should require CSIRO to disclose whether any proceeds from the planned Aspendale divestment have been assumed in its property strategy, capital planning, internal budget treatment or project justification. If divestment proceeds are being treated as part of the broader financial logic, that should be made transparent.

The Committee should also reject any implied assumption that the Commonwealth must divest Aspendale in order to capitalise the Building 302 fitout. The Commonwealth Government is the issuer of the Australian dollar. It can capitalise the Building 302 upgrade and retain, remediate, repurpose or develop the Aspendale site for another public use. These choices are not mutually exclusive. The relevant question is not whether the Commonwealth can find the dollars. The relevant question is whether the real resources exist and whether each use of public land and public infrastructure serves good public purpose.

A public science site should not be surrendered merely because another public science site is being upgraded. If Aspendale has continuing or alternative public value, its retention should be assessed on that basis. The Building 302 project should not be allowed to create a false financial logic in which one public asset must be lost to improve another.

### **Public institutions and pseudo private drift**

CSIRO remains a public institution. It is not a private company. That makes its property decisions more important, not less.

A public science institution should not behave like a private portfolio manager. The risk is not only formal privatisation. The risk is functional drift, where a public institution remains public in name but increasingly operates through commercialisation, external revenue pressure, property rationalisation, private partnerships and asset disposal logic.

Australia has seen this pattern before. Commonwealth Serum Laboratories and the Commonwealth Bank both show how public institutions and public capabilities can be reframed as commercial assets, then progressively separated from the public purposes that justified their creation. With CSL, the public lost direct ownership and control of a national health capability built around vaccines, antivenoms, blood products, infectious disease preparedness and public biomedical research. With the Commonwealth Bank, the public lost a national banking instrument that could have been used to maintain branch access, protect cash services, discipline the private banking sector, and provide a public option in essential financial services.

Later private corporate success does not repair that public loss. A privatised institution may remain profitable, familiar and even nationally important, but the public is no longer its owner. The public may still receive some services, but only as customer, purchaser, regulator, complainant or contracting party. It no longer controls the mission, the footprint, the prices, the service standard, the investment priorities or the future gains created from decades of public investment.

That lesson is directly relevant here. Aspendale should not be treated as surplus real estate merely because a new laboratory solution is proposed at Clayton. Once public land and buildings leaves public ownership, the Commonwealth loses strategic control. It may later have to buy, lease, subsidise or regulate from outside the fence what it once owned, did or could produce directly. Public capability should not be surrendered first and regretted later.

### **Incomplete information and public scrutiny**

The Committee should not be asked to accept the proposed works on a record that fully explains the laboratory upgrade but leaves the future of Aspendale materially underdeveloped.

The missing information is not peripheral. The land status of Aspendale, the proposed form of divestment, the expected proceeds, the role of any private sector interest, any consultant advice, any heritage assessment, and any alternative public use assessment all go directly to public value.

If CSIRO has already determined that Aspendale should be divested, the Committee should ask how that conclusion was reached, who was consulted, what alternatives were considered, and whether the Commonwealth as a whole has assessed the site's future public value. If that work has not been done, then divestment should not proceed.

The public should not have to infer the fate of a significant public science site from a laboratory fitout proposal. The Committee should require the record to be complete before it accepts any claim that Aspendale is surplus to public need.

### **Recommendations**

#### **Recommendation 1**

The Committee should not oppose the Building 302 upgrade merely because it is linked to the relocation from Aspendale. The proposed works appear to support an important public scientific function.

#### **Recommendation 2**

Any approval of the Building 302 works should expressly state that it is approval of the works only, and is not approval, endorsement or acceptance of the divestment of the Aspendale site. The Committee should make clear that the public value of Building 302 and the public value of Aspendale are separate questions, even though CSIRO has linked them in its property strategy.

#### Recommendation 3

The Committee should recommend that the Aspendale site remain in Commonwealth ownership and not be sold, transferred, leased for private redevelopment, or otherwise divested. Its current laboratory function may be ending, but its public value is not. The proper question is not how the Commonwealth can dispose of Aspendale, but what public purpose Aspendale should serve next.

#### Recommendation 4

The Committee should recommend that the Commonwealth undertake a transparent whole of government assessment to determine the best alternative public use for Aspendale. That assessment should give priority to public science legacy, climate adaptation capability, coastal resilience, public education, community benefit, public housing, student accommodation, key worker accommodation, visiting researcher accommodation, or a mixed public precinct, provided the site remains in Commonwealth ownership. Any accommodation use should be public, affordable and purpose driven, not a private redevelopment model by another name.

#### Recommendation 5

CSIRO should be required to disclose the land status of Aspendale, the basis on which divestment was adopted or assumed, any expected proceeds, any private sector interest, any consultant advice on disposal, any heritage assessment, and any whole of life comparison between retaining, renewing, repurposing or disposing of the site.

#### Recommendation 6

The Committee should require CSIRO to provide a complete explanation of how the Building 302 proposal relates to the planned Aspendale divestment, including whether any financial, strategic, budgetary, property or estate planning assumptions depend on Aspendale leaving Commonwealth ownership.

#### Recommendation 7

The Committee should recommend that no step be taken to dispose of, transfer, lease for private redevelopment, or otherwise divest the Aspendale site unless and until Parliament has been provided with a transparent assessment of its present and prospective public value.

## Recommendation 8

The Committee should not make a final public value finding on the proposal until CSIRO has provided supplementary evidence on the land status, buildings, intended divestment pathway, expected proceeds, private sector interest, consultant advice, heritage position and alternative public uses for Aspendale. That supplementary evidence should be published and opened for further public comment before the Committee reports. A public works inquiry should not proceed to conclusion on an incomplete record where the laboratory upgrade is described in detail but the linked loss of a public science site is not.

## Conclusion

The Committee should assess the Building 302 proposal for what it is, and should refuse to let it become something it is not. The upgrade of a public CSIRO building for public scientific work may be justified. The quiet disposal of a historically significant public science site is a different question entirely.

I do not oppose modern laboratories at Clayton. Public science should not be forced to operate in obsolete buildings, and national climate capability should be housed in safe, compliant and future ready public infrastructure. But that does not mean Aspendale should be surrendered. A site can cease to be suitable for one public function without ceasing to have public value.

Aspendale is not merely land on a balance sheet. It is part of Australia's public scientific inheritance. It carries decades of public investment, institutional memory, climate science history and future public possibility. Once such land leaves Commonwealth ownership, the loss is not easily reversed. The public may later be asked to buy back, lease back, subsidise or negotiate for what it once owned outright.

The currency issuing Commonwealth Government can capitalise Building 302 while also retaining and capitalising Aspendale for its next public use. These choices are not mutually exclusive. There is no valid public finance reason to sacrifice one public asset in order to improve another. If Aspendale is divested, that will be a policy choice, not a financial necessity. The real question is whether Parliament is prepared to defend public assets where they continue to serve, or may yet serve, a public purpose.

The Committee should therefore support the preservation of CSIRO's scientific capability while drawing a clear line around the public estate. Building 302 may be fit for purpose. Divesting Aspendale should not proceed. Public science should be strengthened by this proposal, not used as the reason for another permanent retreat from public ownership.